

## MARKET STATISTICS

Exchange/Symbol	OTCQB: EWLL
Price:	\$0.10
Market Cap (\$mm):	\$21.74
Enterprise Value (\$mm):	\$21.92
Shares Outstanding (mm):	217.19
Float (%):	78%
Volume (3 month avg.):	382,000
52 Week Range:	\$0.05-\$0.34
Industry:	Healthcare Technology

## CONDENSED BALANCE SHEET

(\$mm, except per sh data)

Balance Sheet Date:	12/31/2018
Cash & Cash Equivalent:	\$0.38
Cash/Share:	\$0.00
Debt:	\$0.56
Equity (Book Value):	(\$3.98)
Equity/Share:	(\$0.02)

## CONDENSED INCOME STATEMENTS

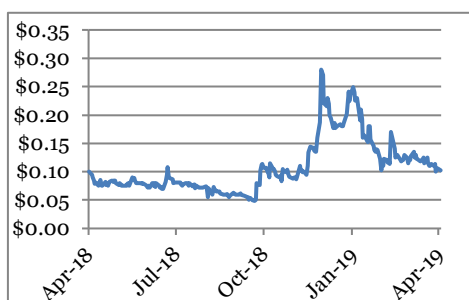
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FY - 12/31	Rev	Income	EBITDA	EPS
FY16	\$0.00	\$(12.46)	\$(10.92)	\$(0.51)
FY17	\$0.00	\$(1.03)	\$(0.08)	\$(0.01)
FY18	\$0.00	\$(4.45)	\$(3.23)	\$(0.03)

## MAJOR HOLDERS

Bistromatics, Inc.	22,797,900
Douglas MacLellan	7,750,000
Darwin Fogt	7,400,000
Curtis Hollister	5,950,000
David Markowski	3,100,000
Douglas Cole	800,000
Brandon Rowberry	500,000
Rochelle Pleskow	300,000

## STOCK CHART



## COMPANY DESCRIPTION

eWellness Healthcare Corporation has developed a telehealth solution for delivery of remotely monitored, real-time physical therapy (PT) programs to patients called Phzio. The Company's telemedicine platform has additional applications for ancillary paramedical services, potentially also addressing patients in need of pre-diabetic, cardiac, and other healthcare treatments or routine wellness programs. The Company contracts with third-party administrators (TPAs), insurers, employers, and healthcare providers, among others, throughout the US and Canada and is headquartered in Culver City, California.

## SUMMARY

- Revolutionizing PT Delivery** - The Company's Phzio telerehab platform is poised to revolutionize the way patients engage in physical therapy; the Phzio telehealth solution enables patients to engage in a physical therapy regime while being monitored real-time by a licensed physical therapist in his/her state. The sessions are interactive, recorded and stored in the Cloud, HIPAA compliant, and scheduled at the patient's convenience.
- Advanced Functionality of Phzio Platform** - Version 3.0 of Phzio was recently released, with robust functionality and scalability to support anticipated growth. The technology has been developed and tested over years, and patents are pending. The Phzio telemedicine platform is the first of its kind, allowing a one-to-many view for physical therapists supervising patient PT, with patients being able to log on for sessions from the privacy of their homes or offices from any device with Internet access. eWellness has also developed the technology to tokenize the process for participants as sessions are completed.
- Initial Focus on PT for Workers Compensation Market** - Given the demand driven by workers compensation patients, the Company is first focusing its attention on this market; there are ~10,000 new workers compensation cases created every day, which equals ~2 - 7% of all workers in the US being affected by a work-related incident that requires care. eWellness is targeting the 100+ carriers, 1000+ TPAs and over 1000 self-insured workers as part of its plan for driving growth and establishing reimbursement qualifications across the US. Beyond PT, the Phzio telehealth platform has numerous applications on the healthcare and wellness fronts as well.
- First Revenues Q219** - The Company has signed a contract with First MCO targeting the workers compensation population; additionally, contracts have been signed with Benefits By Design and Green Shield (Canada) also offering patients PT treatments utilizing the Phzio platform. eWellness recently announced a contract with Weight Watchers in Canada to facilitate their ~250K members' "check-ins" and to provide fitness programs through the Phzio platform, a relationship which has the potential to expand to WW's more than 5M members globally.
- Competitive Advantages** - While the physical therapy market is sizable, it is also highly competitive. However, utilizing the Phzio telerehab platform has notable advantages such as increasing patient compliance through scheduled routine online sessions, lower costs due to the lack of brick and mortar and the one-to-many monitoring capabilities of its PTs, and convenience for both the patient and the physical therapist to conduct the session virtually 24/7 in their preferred environments, eliminating travel, among others.
- Sizable Target Markets** - The estimated size of the PT market in the US is ~\$30 billion, and the US corporate wellness industry is estimated to generate ~\$8 billion annually. With the advantages of the Phzio platform over the traditional delivery of PT care, eWellness is likely to have a significant impact on these markets.
- Valuation** - While EWLL offers a compelling story, we note that there currently are significant uncertainties associated with the execution of the business plan given the lack of revenues to date and critical near-term milestones, making valuation difficult. See pages 9 - 10 for various possible scenarios for the longer-term potential.

## BUSINESS OVERVIEW

eWellness Healthcare Corporation has developed the first physical therapy telehealth platform called Phzio that offers insurance reimbursable, real-time distance monitored treatments. The Company began development of the Phzio platform in 2014 and estimates that ~\$2.5m has been invested to date. In November 2016 the Phzio telerehab platform was launched, and since that time the functionality of Phzio has continued to evolve, becoming more robust with time (version 3.0 recently released). The Company believes that the Phzio telerehab platform has the potential to disrupt the \$30+ billion physical therapy market due to the significant benefits over traditional delivery methods.

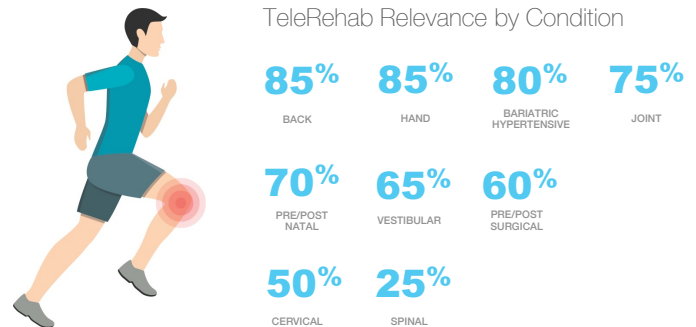
The Phzio system also has applications in several other areas in need of ancillary paramedical services, including programs for patients in need of pre-diabetic, cardiac, and other healthcare treatments, as well as for facilitating general wellness programs sponsored by employers.

The idea for the creation of Phzio came to one of the founding members of the Company after he needed physical therapy on multiple occasions to address the damage done from years of competitive downhill skiing/racing. Living in Los Angeles, the time and the effort that it took to travel to a physical clinic location for PT was a significant burden on his personal and work life. And thus, the potential for the telehealth application was conceived. He along with the other three original co-founders all still serve in leadership positions at eWellness Healthcare today.

No revenues have been recognized to date, but the Company has signed a contract with First MCO (patients starting in April 2019) targeting the workers compensation patient population to start, which addresses an ~\$8 billion physical therapy market. Contracts have also been signed with Benefits By Design and Green Shield (Canada) offering patients PT treatments utilizing the Phzio platform. In February 2019, eWellness announced an agreement with WW Canada (formerly Weight Watchers), an organization that currently has ~250,000 active members. Under the contract, starting in March 2019 the Company will provide access to the Phzio platform in order to allow WW members to “check-in” as part to their program geared towards being healthier and more physically fit. The program will include fitness regimes designed for the individual needs of members via the digital PT platform Phzio. The partnership is a trial prior to a broader agreement that could cover Weight Watchers’ more than 5 million members globally and would fit well with WW’s September 2018 rebranding with a focus shifting from weight loss to overall health wellness.

Management notes that the underlying technology supporting the Phzio platform is scalable, with several other contracts in the pipeline expected to be added in the near-term.

*Exhibit 1: Applications for Telerehab*



*Source: Company Reports*

## PHZIO

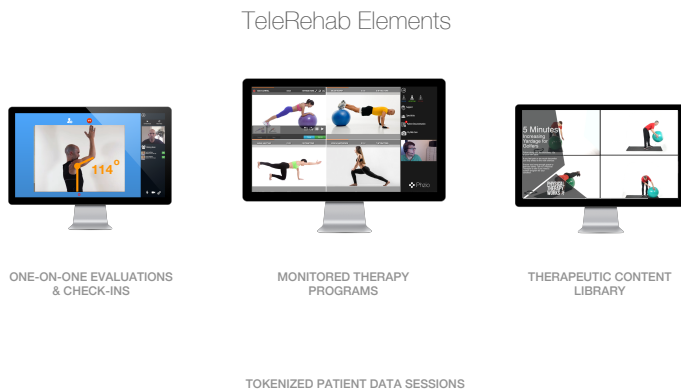
As the first physical therapy telehealth company offering real-time distance monitored treatments, eWellness believes that any patient, employer, health plan or healthcare provider with physical therapy needs is a potential Phzio platform user. However, the Company plans to first target the workers compensation marketplace principally through contracts with insurers, third-party administrators and large-scale employers. eWellness is also looking to contract directly with hospitals, orthopedic practices and PT groups.

The Phzio platform supports broad interconnectivity between PT practitioners and patients, with innovative functionality to maximize the interactions within each PT session. The remote aspect of the platform removes the need for a brick and mortar visit, and thus significantly reduces the costs of travel and overhead typically associated with the traditional PT approach within the industry. Also, the one-to-many ratio of physical therapists observing patients can notably increase earning potential. Sessions are recorded and conducted real-time and online on any device with an Internet connection. The physical therapist and patient can interact, seeing and hearing one another, share and discuss graphics and video/still shots on the screen, among other functionality, and patients and physical therapists can also communicate offline via text and email. The entire process is HIPAA compliant and is typically as follows:

- 1) The patient has an initial consultation with a physical therapist within his/her state to discuss the goals of the PT sessions (either directed by physician or some insurers can direct workers comp cases to a physical therapist for initial assessment).
- 2) A PT regime tailored to the patient’s treatment needs is created from an established library of therapy exercises (~1100 to date). The program will outline for the patient which exercises to do and how frequently they should be repeated over a certain length of time, and the program can be adjusted subsequently if needed.

- 3) Each time a patient signs on for his/her physical therapy, he or she is monitored real-time by a remote physical therapist, and the therapist has the ability to give guidance as the patient goes through his/her exercises. The patient will be assigned an available PT according to the time slot selected (somewhat like an Uber model), or the patient can coordinate to get the same physical therapist each session.
- 4) There is an opportunity for the patient to evaluate the physical therapist following the close of the session.

*Exhibit 2: The Basics on How It Works*

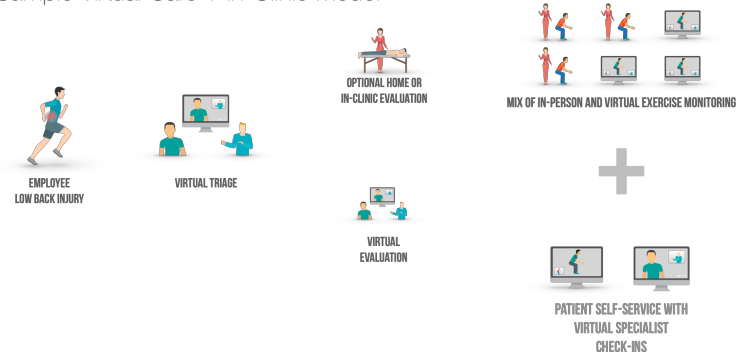


*Source: Company Reports*

To date, eWellness Healthcare has contracted with over 200 physical therapists under a revenue sharing set-up. The Company does weekly Phzio system webinar training for new therapists to learn about digital PT patient treatment utilizing the Phzio platform. Phzio is the first real-time remotely monitored 1-to-many PT platform for in-home or office use. If at any point it is determined that a patient needs to be seen in person, a referral is given for a local clinic PT provider. But usually, the patient can conduct his/her PT sessions from the comfort of home or office almost any hour of the day. The Company has stated that 80% of all PT assessments and treatments can now be done remotely using a patient's smartphone or other device in a private setting per his/her preference and that use of the remotely monitored telerehab treatment platform can increase patient compliance by 20%, as the key to physical therapy is routine, which the platform fosters among its patients.

*Exhibit 3: Virtual + In-Clinic Model Combination*

Sample Virtual Care + In-Clinic Model



*Source: Company Reports*

As mentioned, due to the real-time patient monitoring feature, the Phzio platform is insurance reimbursable by payers such as Anthem Blue Cross and Blue Shield. eWellness Healthcare plans to rollout its services initially within the states of California, New York and Virginia, and then the Company plans to expand nationally following those rollouts. The Company will also hire personnel for sales and marketing initiatives in targeted regions to support growth. eWellness Healthcare expects its first revenues in Q1 2019. Again, the Company will focus on patient care related to workers compensation claims in the initial stages.

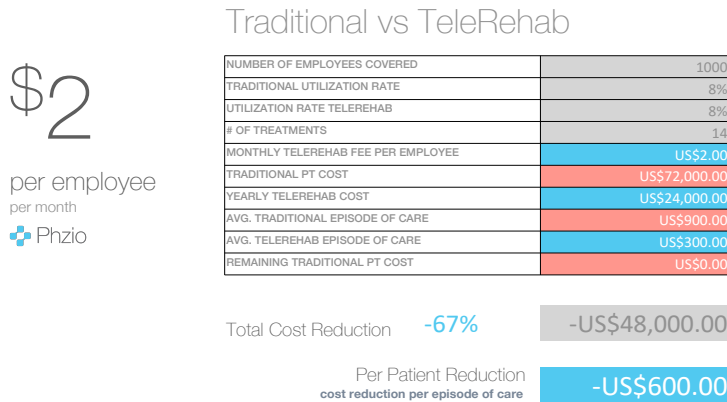
*Exhibit 4: A Selection of Target TPAs/Payors/Providers in \$8B Workers Comp PT Marketplace*



*Source: Company Reports*

Initial pricing models are set at \$2 per employee per month, with unlimited episodes of care for the employee and family as part of an employee benefits program. For a per treatment model outside of a benefits package, the cost is \$59 as a fee for service per treatment (typically \$100 - \$150 under traditional approach), with an estimated 3 - 10 treatments in an episode of care. The example below shows the potential cost savings to the employer for selecting a telerehab approach for its employee vs. the traditional brick and mortar clinics.

### Exhibit 5: Cost Comparison Example for Telerehab Savings



Source: Company Reports

In early 2018, eWellness Healthcare contracted with Fintech Global Consultants to assist in the creation of a tokenized system for patients when utilizing advanced health tech tools such as Phzio. The new blockchain technology will be applied to the Phzio digital treatment platform giving patients more convenient access to the Company's wellness services and simplifying insurance reimbursement.

In January 2019, the Company announced a new body health assessment branded as "WellFit" that runs on the current Phzio telehealth platform and will be offered to current and future workers compensation participants and to large-scale employers. The online screening test provides the participant with a comprehensive body health assessment and then drafts a plan with detailed guidance on areas where he/she can focus in order to live a healthier and pain-free lifestyle through exercise-based intervention. Assessments online by a physical therapist will include:

- Posture
- Movement screens
- Balance
- Range of motion
- Strength - core and upper body
- Stability
- Flexibility
- Cardiovascular

## INDUSTRY

The healthcare industry has reached an inflection point as providers look for ways to improve health outcomes while meeting cost constraints. These objectives are driving healthcare facilities and providers to invest in technologies that reduce costs, reduce risks, and improve patient outcomes—goals that are often competing, rather than compatible.

The Company progresses with development of the Phzio platform to address the enormous market of telemedicine as it pertains to physical therapy and overall patient wellness. Players in the industry continue to develop and improve program applications and AV solutions as the centerpieces of their telemedicine systems that bridge the gap between healthcare professionals and patients with mobile, desktop or tablet devices with via an Internet connection. According to Mordor Research, the global market for telemedicine is expected to be worth more than \$104 billion by the end of 2024, with North America accounting for ~40% of the market.

eWellness Healthcare has developed a telehealth platform for the delivery of physical therapy in a virtual setting. Per [www.ibisworld.com](http://www.ibisworld.com) the physical therapy industry in the US has grown ~4% over the past 5 years to reach revenue of ~\$35 billion in 2018. The aging population and federal healthcare reforms are both driving growth in this segment of healthcare, which is expected to continue seeing healthy increases in upcoming years. According to the Administration on Aging, the over-60 population will grow to over 77 million in 2020 and is the fastest-growing demographic in the US. As the population ages, more people are relying on physical rehabilitation to improve mobility, relieve pain and prevent or limit physical disabilities. Also, PT specialists are more frequently working in conjunction with other healthcare providers to prepare tailored wellness programs for patients with chronic illnesses.

The Company is initially targeting patients in need of care covered as part of their workers compensation benefits. As previously noted, there are approximately 10,000 new workers compensation cases created every day, which equates to approximately 2 – 7% of all workers in the US being affected by a work-related incident, which requires care. This means that eWellness Healthcare is targeting the 100+ carriers, 1000+ TPAs and over 1000 self-insured workers as part of the plan for driving growth and establishing reimbursement qualifications across the US.



Exhibit 6: Target Market Stats - PT and Workers Comp



Source: Company Reports

## COMPETITION

The Phzio telehealth platform created by eWellness Healthcare faces competition in many more established areas of the marketplace given that it is a new entrant bringing technologically advanced offerings. Historically, other providers of physical exercise or therapy-type programming have delivered their offerings through:

- Online videos
- Applications for phone, tablets, and other devices
- Online monitoring of activity on a 1-to-1 basis
- Clinic sites or home health visits
- Surgical or other physician-recommended procedures instead of PT regime

The Company notes that there are other privately-held telemedicine and exercise platform companies utilizing Avatar/Kinect-based telerehab, but none offer real-time PT monitoring with Phzio's one-to-many set-up for therapy sessions that are typically reimbursable by payors and geared towards driving strong program compliance by patients.

Some of the private telemedicine and exercise platform companies include Reflexion Health, RespondWell, Phymodo, Jintronx, MotionCare 360 and Five Plus. Also, providers/sponsors of video-based physical therapy solutions include Bluejay, PT Pal, VitalRock, Physiotech, SimplyTherapy and YouTube.

The advantages of the Phzio telerehab platform over other available options include lower patient treatment costs, expanded patient treatment access and likely improvements in patient compliance, among others, given the cut in ties to the old brick and mortar way of doing PT; without the need for standing clinics, and with the one-to-many monitoring capabilities, costs are greatly reduced (estimated up to 50% reduction). Patients save travel time as well and can reduce missed work days with the convenience on timing and location of their therapy sessions; remote areas of the country can also gain access to the PT program benefits given an Internet connection.

## RISKS

**Adoption of telehealth platform** – The Phzio telemedicine platform utilizes a novel approach to physical therapy and other patient treatment sessions via a unique technology and replaces existing methods and some existing low-tech solutions in certain areas of patient care. As these existing methods and solutions have been around for decades, it may take time to convince patients, providers, employers and insurers of the advantages. Additionally, because the telehealth platform is set up to work remotely, some patients may never adopt this approach, or certain patient requirements may still necessitate actual physical interaction.

**Execution of business plan** - The Company launched the Phzio telerehab platform in late 2016, and eWellness Healthcare has yet to recognize revenues. As of December 31, 2018, it has an accumulated deficit of \$21.4M. The Company is still in the process of signing its initial contracts with employers, insurers and benefits providers in order to ramp its business.

**Reimbursement** – As eWellness Healthcare negotiates contracts, reimbursement for services needs to be strategic yet competitive. As there is a trend in healthcare for declining reimbursements for services rendered by healthcare professionals and organizations, long-term revenues are at risk if the Company cannot maintain acceptable levels of reimbursement for services that support its business model.

**Licensing challenges** – While there is a relatively new physical therapy compact (Physical Therapy Licensure Compact, or PTLC) allowing licensed PTs to treat patients in other states that are part of the compact, only 22 states have signed to date, and even given the reciprocity allowed under the compact, PTs still must adhere to the practice standards of each state and comply with all regulations specific to each state.

**Competition** – The Company’s Phzio platform targets a highly competitive industry. eWellness Healthcare does not currently have any approved patents protecting its intellectual property related to the technology and know-how supporting its telehealth platform. And should the Company be granted patent protection, there is no guarantee that competitors will not infringe upon its rights; litigation to protect such rights can be costly and time-consuming, and business can be lost in the interim.

**Funding sources and dilution potential** – As of 12/31/18, the Company reported ~\$383K in cash on its balance sheet, and it is probable that the Company will need to raise additional capital in the near-term given its early growth stage. Attempts to raise additional capital either through equity or debt can ultimately lead to shareholder dilution, and terms and timing for debt or equity raises are not guaranteed to be in the Company’s favor.

**eWellness Healthcare Corporation (OTCQB: EWLL)**
**Consolidated Balance Sheets (in thousands \$)**
**Fiscal Year: December**

	FY 2016	FY 2017	FY 2018
<b>Current Assets</b>			
Cash	\$14	\$7	\$383
Prepaid expenses	723	180	96
Other Current Assets	0	0	0
<b>Total Current Assets</b>	<b>737</b>	<b>187</b>	<b>479</b>
<b>Property and Equipment, net</b>	<b>4</b>	<b>5</b>	<b>14</b>
<b>Other Assets</b>			
Intangible Assets, net	17	14	11
Other Assets	0	0	0
<b>Total Other Assets</b>	<b>17</b>	<b>14</b>	<b>11</b>
<b>Total Assets</b>	<b>\$758</b>	<b>\$205</b>	<b>\$504</b>
<b>Current Liabilities</b>			
Accounts Payable and Accrued Expenses	\$341	\$346	\$237
Accounts Payable - Related Party	379	352	684
Accrued Expenses - Related Party	104	211	214
Accrued Compensation	940	1,071	1,113
Contingent Liability	90	90	90
Convertible Debt net	248	445	562
Derivative Liability	8,473	1,141	1,584
Short-term Note and Liabilities	180	180	0
<b>Total Current Liabilities</b>	<b>10,756</b>	<b>3,835</b>	<b>4,485</b>
<b>Total Liabilities</b>	<b>10,756</b>	<b>3,835</b>	<b>4,485</b>
<b>Stockholders' Deficit</b>			
Preferred Stock	0	0	0
Common Stock	51	142	206
Shares to Be Issued	111	0	0
Additional Paid In Capital	5,757	13,178	17,214
Accumulated Deficit	(15,917)	(16,951)	(21,401)
<b>Total Stockholders' Deficit</b>	<b>(9,998)</b>	<b>(3,630)</b>	<b>(3,981)</b>
<b>Total Liabilities and Stockholders' Deficit</b>	<b>\$758</b>	<b>\$205</b>	<b>\$504</b>

**eWellness Healthcare Corporation (OTCQB: EWLL)**
**Consolidated Statements of Income (in thousands \$, except per share amounts)**
**Fiscal Year: December**

	FY 2016	FY 2017	FY 2018
<b>Revenues</b>			
Revenues	\$0	\$0	\$0
<b>Total Revenues</b>	<b>0</b>	<b>0</b>	<b>0</b>
Cost of Goods Sold	0	0	0
<b>Gross Profit</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Operating Expenses</b>			
Executive Compensation	576	408	408
General and Administrative	310	801	1,157
Professional Fees	2,486	2,139	2,130
<b>Total Operating Expenses</b>	<b>3,371</b>	<b>3,349</b>	<b>3,695</b>
<b>Operating Income (Loss)</b>	<b>(3,371)</b>	<b>(3,349)</b>	<b>(3,695)</b>
<b>Other Income (Expense)</b>			
Foreign Exchange Rate	0	61	13
Gain (Loss) on Derivative Liability	(10,319)	2,772	(179)
Gain (Loss) on Extinguishment of Debt	2,216	0	159
Loss on Conversion of Debt	0	0	0
Disposal of Fixed Asset	0	0	(2)
Interest Expense	(986)	(516)	(746)
<b>Total Other Income (Expense)</b>	<b>(9,088)</b>	<b>2,317</b>	<b>(755)</b>
<b>Net Income (Loss) before Taxes</b>	<b>(12,460)</b>	<b>(1,032)</b>	<b>(4,450)</b>
Income Tax Expense	(1)	(1)	(2)
<b>Net Income (Loss)</b>	<b>(\$12,461)</b>	<b>(\$1,033)</b>	<b>(\$4,451)</b>
<b>Basic EPS (Loss)</b>	<b>(\$0.51)</b>	<b>(\$0.01)</b>	<b>(\$0.03)</b>
<b>Diluted EPS (Loss)</b>	<b>(\$0.51)</b>	<b>(\$0.01)</b>	<b>(\$0.03)</b>
Basic Common Shares Outstanding	24,267,074	108,864,680	168,705,751
Diluted Common Shares Outstanding	24,267,074	108,864,680	168,705,751
<b>Adjusted EBITDA</b>	<b>(\$10,925)</b>	<b>(\$77)</b>	<b>(\$3,230)</b>



## VALUATION

eWellness Corporation is providing the next generation in medical technology to the PT marketplace. Initially, the Company is targeting workers compensation patients with its Phzio telehealth platform, and this will eventually be expanded to include additional areas of telemedicine such as other ancillary paramedical services including treatment for patients in need of pre-diabetic, cardiac, and other healthcare or routine wellness programs.

We have included a 5-year scenario analysis below in order to shed some light on the longer-term potential; the analysis is driven by theoretical market penetration and profitability, assuming that the Company continues to obtain signed contracts and drive growth.

Our **base case assumptions** include the following:

- An initial target market in the US of 3M workers comp PT patients
- An approximate 140M insured workers comp employees population in the US
- For the workers comp PT group, we assume approximate 1% market penetration by 2023, which equates to ~32,000 patients being seen annually
- For the insured workers comp base, by 2023 we assume an approximate 2% penetration, equating to ~2.5M employees covered
- We assume that eWellness will be paid \$625 per PT patient/per episode, with no annual price increases
- We also assume that the Company will receive \$2/employee per month for the workers comp coverage
- Given that this is a new model for the PT industry, and based on management's comments, we have estimated a range for EBITDA margins by 2023 of 50 – 60%
- We have not included any additional business opportunities discussed by the Company at this juncture
- We have applied an EV/EBITDA multiple ranging from 10.0x to 20.0x

While EWLL offers a compelling story, we note that there currently are significant uncertainties associated with the execution of the business plan given the lack of revenues to date and critical near-term milestones, making valuation difficult. Near-term, valuation will be driven based on achieving certain milestones, principally signed contracts. Longer-term valuation will be driven by continued market penetration. On page 10 we include the details of various penetration assumptions as well as margin assumptions over the next 5 years and have applied selected multiples to demonstrate a wide variety of possibilities. We do note that Wellness Healthcare's cost structure is relatively low and fixed, and as more clients are added to the platform/program, the Company should see rapid margin expansion. Furthermore, our selected EV/EBITDA multiple range is in line with other publicly traded healthcare technology/healthcare services companies in high growth phases of their respective business cycles.

We note that eWellness expects to see its first revenue streams in Q219, and thus we have attempted to remain conservative with our projections given the future uncertainties surrounding the execution of the business plan over the next five years.

Our below, base and above case results are summarized in Exhibit 8, again with supporting detail on the following page.

*Exhibit 8: Valuation Scenario Analysis*

Below Base		EV/ EBITDA Multiple				
Discount rate		10.0x	12.5x	15.0x	17.5x	20.0x
	15.0%	(\$0.19)	(\$0.04)	\$0.12	\$0.28	\$0.43
	20.0%	(\$0.32)	(\$0.19)	(\$0.06)	\$0.07	\$0.19
	25.0%	(\$0.41)	(\$0.31)	(\$0.20)	(\$0.10)	\$0.01

Base Case		EV/ EBITDA Multiple				
Discount rate		10.0x	12.5x	15.0x	17.5x	20.0x
	15.0%	\$0.18	\$0.43	\$0.69	\$0.94	\$1.19
	20.0%	(\$0.01)	\$0.19	\$0.40	\$0.60	\$0.80
	25.0%	(\$0.16)	\$0.01	\$0.17	\$0.34	\$0.50

Above Base		EV/ EBITDA Multiple				
Discount rate		10.0x	12.5x	15.0x	17.5x	20.0x
	15.0%	\$0.62	\$0.98	\$1.34	\$1.70	\$2.06
	20.0%	\$0.34	\$0.63	\$0.92	\$1.22	\$1.51
	25.0%	\$0.13	\$0.36	\$0.60	\$0.84	\$1.08

Source: Stonegate Capital Partners

Critical near-term milestones to reaching these valuation multiples include:

- Obtaining additional signed contracts
- Scaling agreed upon services for a much larger patient population
- Controlling costs in order to expand margins as the business grows
- Securing necessary funding for execution of the business plan

Should eWellness fail to achieve any one of these, overall success of the above forecast could be jeopardized.

**VALUATION MODEL**

(in thousands)	2016	2017	2018	2019 E	2020 E	2021 E	2022 E	2023 E
Total WC patient market (1)	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000
Grw rate		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total WC insured market (2)	140,000	140,000	140,000	140,000	140,000	140,000	140,000	140,000
Grw rate		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

**Below Base Case**
**Workers Comp Model:**

Mrkt penetration	0.00%	0.00%	0.00%	0.03%	0.07%	0.13%	0.27%	0.53%
WC PT patients seen	-	-	-	1.0	2.0	4.0	8.0	16.0
Grw rate				n/a	100.0%	100.0%	100.0%	100.0%
Per episode/per patient revenue				\$ 625.00	\$ 625.00	\$ 625.00	\$ 625.00	\$ 625.00
<b>Workers Comp Model revenues</b>				<b>\$ 625</b>	<b>\$ 1,250</b>	<b>\$ 2,500</b>	<b>\$ 5,000</b>	<b>\$ 10,000</b>

**Capitated Insurance Model:**

Mrkt penetration	0.00%	0.00%	0.00%	0.00%	0.01%	0.05%	0.27%	1.34%
Insured base avg.	-	-	-	3.0	15.00	75.00	375.00	1,875.00
Grw rate				n/a	400.0%	400.0%	400.0%	400.0%
PEPM fee				\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00
<b>Capitated Insurance Model revenues</b>				<b>\$ 72</b>	<b>\$ 360</b>	<b>\$ 1,800</b>	<b>\$ 9,000</b>	<b>\$ 45,000</b>
<b>TOTAL REVENUES</b>				<b>\$ 697</b>	<b>\$ 1,610</b>	<b>\$ 4,300</b>	<b>\$ 14,000</b>	<b>\$ 55,000</b>

**Base Case**
**Workers Comp Model:**

Mrkt penetration	0.00%	0.00%	0.00%	0.07%	0.13%	0.27%	0.53%	1.07%
WC PT patients seen	-	-	-	2.0	4.0	8.0	16.0	32.0
Grw rate				n/a	100.0%	100.0%	100.0%	100.0%
Per episode/per patient revenue				\$ 625.00	\$ 625.00	\$ 625.00	\$ 625.00	\$ 625.00
<b>Workers Comp Model revenues</b>				<b>\$ 1,250</b>	<b>\$ 2,500</b>	<b>\$ 5,000</b>	<b>\$ 10,000</b>	<b>\$ 20,000</b>

**Capitated Insurance Model:**

Mrkt penetration	0.00%	0.00%	0.00%	0.00%	0.01%	0.07%	0.36%	1.79%
Insured base avg.	-	-	-	4.0	20.00	100.00	500.00	2,500.00
Grw rate				n/a	400.0%	400.0%	400.0%	400.0%
PEPM fee				\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00
<b>Capitated Insurance Model revenues</b>				<b>\$ 96</b>	<b>\$ 480</b>	<b>\$ 2,400</b>	<b>\$ 12,000</b>	<b>\$ 60,000</b>
<b>TOTAL REVENUES</b>				<b>\$ 1,346</b>	<b>\$ 2,980</b>	<b>\$ 7,400</b>	<b>\$ 22,000</b>	<b>\$ 80,000</b>

**Above Base Case**
**Workers Comp Model:**

Mrkt penetration	0.00%	0.00%	0.00%	0.10%	0.20%	0.40%	0.80%	1.60%
WC PT patients seen	-	-	-	3.0	6.0	12.0	24.0	48.0
Grw rate				n/a	100.0%	100.0%	100.0%	100.0%
Per episode/per patient revenue				\$ 625.00	\$ 625.00	\$ 625.00	\$ 625.00	\$ 625.00
<b>Workers Comp Model revenues</b>				<b>\$ 1,875</b>	<b>\$ 3,750</b>	<b>\$ 7,500</b>	<b>\$ 15,000</b>	<b>\$ 30,000</b>

**Capitated Insurance Model:**

Mrkt penetration	0.00%	0.00%	0.00%	0.00%	0.02%	0.09%	0.45%	2.23%
Insured base avg.	-	-	-	5.0	25.00	125.00	625.00	3,125.00
Grw rate				n/a	400.0%	400.0%	400.0%	400.0%
PEPM fee				\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00
<b>Capitated Insurance Model revenues</b>				<b>\$ 120</b>	<b>\$ 600</b>	<b>\$ 3,000</b>	<b>\$ 15,000</b>	<b>\$ 75,000</b>
<b>TOTAL REVENUES</b>				<b>\$ 1,995</b>	<b>\$ 4,350</b>	<b>\$ 10,500</b>	<b>\$ 30,000</b>	<b>\$ 105,000</b>

**EBITDA MARGIN SCENARIOS - on 2023 E revenues**

	Below Base	Base Case	Above Base
EBITDA Margin	50%	55%	60%
EBITDA	\$27,500	\$44,000	\$63,000

(1) Calculated as 10K cases per day, thus 3.6M annually, with approx. 80% eligible for PT

(2) Per US Bureau of Labor Statistics

(3) Assumed no pricing increases YOY

(4) Does not include other potential business segment models/licensing opps

## CORPORATE GOVERNANCE

**Douglas C. MacLellan – Chairman, Co-founder and Secretary** - Mr. MacLellan currently serves as Chairman of the Board of eWellness Corporation since May 2013. Mr. MacLellan is also an independent member of the board of directors of Oroplata Resources, Inc. (OTCQB: ORRP), a development stage Lithium mining company since October 2017 to the present. From November 2009 to December 2017, Mr. MacLellan was an independent director of ChinaNet Online Holdings, Inc. (NASDAQ: CNET) a media development, advertising and communications company. From June 2011 to present Mr. MacLellan has been Chairman of Innovare Products, Inc., a privately held company that develops innovative consumer products. From May 2014 to October 2016, Mr. MacLellan was a member of the Board as an independent director of Jameson Stanford Resources Corporation (OTCBB: JMSN) an early stage mining company. From September 1992 through April 2014, Mr. MacLellan was Chairman and chief executive officer at Radient Pharmaceuticals Corporation. (OTCQB: RXPC.PK), a vertically integrated specialty pharmaceutical company. He also continues to serve as president and chief executive officer for the MacLellan Group, an international financial advisory firm since 1992. From August 2005 to May 2009, Mr. MacLellan was co-founder and vice chairman at Ocean Smart, Inc., a Canadian based aquaculture company. From February 2002 to September 2006, Mr. MacLellan served as chairman and cofounder at Broadband Access MarketSpace, Ltd., a China based IT advisory firm, and was also co-founder at Datalex Corp., a software and IT company specializing in mainframe applications, from February 1997 to May 2002. Mr. MacLellan was educated at the University of Southern California in economics and international relations.

**Darwin Fogt – CEO, Co-founder, and President** – Mr. Darwin Fogt, MPT is Co-Founder of eWellness Healthcare Corporation and has been its the President and Chief Executive Officer since May 2013. Mr. Fogt has worked as a PT in neurological rehabilitation and in- patient settings, but has spent most of his professional career doing orthopedic and sports medicine rehabilitation. Licensed as a personal trainer through the American College of Sports Medicine, he founded Evolution Physical Therapy and Evolution Fitness to create a clinic which fostered not only exceptional patient care but also provided state of the art fitness and sport training as well as professional, research-based fitness training. He serves as a Director of eWellness Healthcare Corporation. Mr. Fogt is the owner of Evolution Physical Therapy and Evolution Fitness, is a California Licensed Physical Therapist with a B.S. in Exercise Physiology from USC and a Masters degree in Physical Therapy from Cal State Long Beach.

**Curtis Hollister – CTO, Co-founder and Director** - Mr. Curtis Hollister is Co-Founded at eWellness Healthcare Corporation in May 2013 and has been its the Chief Technology Officer since May 2013 and served as its Vice President of Digital. Mr. Hollister is the founder of Social Pixels & Ripplefire. He is a global entrepreneur and innovator known for his ability to identify and capitalize on industry trends. Having successfully grown and sold a number of his own start-ups, since 1999, Mr. Hollister is focused on helping public companies apply online media and digital campaigning to investor relations. Mr. Hollister's technology leadership began in 1995 when he started the first successful Internet service provider in Ottawa, Canada's capital city. After selling the business in 1997, he founded another technology start-up to capitalize on the emerging Intranet application market, which was in its infancy at the time. He serves as Director of eWellness Healthcare Corporation.

**David Markowski – CFO and Co-founder** - Mr. David Markowski is co-founder of eWellness Healthcare Corporation and has been its the Chief Financial Officer since May 2013 and served as its Treasurer. Mr. Markowski is a senior financial executive. From October 1997 to October 2002, he served as Chief Executive Officer and Co-Founder of GFNN, Inc. coordinating all aspects of corporate development and technology expansion for this \$30 million software project requiring the efforts of ninety-five highly skilled team members. Since 2002, Mr. Markowski has maintained various active roles within GFNN's spinoffs and subsidiaries including Founder, Director and Chief Executive Officer positions. He served as Secretary of eWellness Healthcare Corporation. From October 2009 to December 2011, he served as the Director of Corporate Development for Visualant, Inc. From June 2003 to 2010, he served as President of Angel Systems, Inc. an independent consulting firm with competencies in strategic marketing andtegitic marketing and business development. From January 1998 to October 1998, Mr. Markowski served as Vice President of Finance for Medcom USA, a NASDAQ listed company. Prior to that, he had a decade of investment banking experience on Wall Street involved in financing start-ups and public offerings. He is a business development specialist with accolades in INC Magazine and others. Mr. Markowski obtained a BA degree in Marketing from Florida State University in 1982.

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### BOARD OF DIRECTORS:

**Douglas C. MacLellan** - *Chairman of the Board, Co-founder and Secretary*

**Darwin Fogt** – *CEO, Co-founder, President and Director*

**Curtis Hollister** – *CTO, Co-founder and Director*

**David Markowski** – *CFO, Co-founder and Director*

**Douglas D. Cole** – *Independent Director*

**Rochelle Pleskow** – *Independent Director*

**Brandon Rowberry** – *Independent Director*

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## CONTACT INFORMATION

eWellness Healthcare Corporation  
Douglas MacLellan, Chairman  
11825 Major Street  
Culver City, CA 90230  
Phone: 310-283-4201  
[www.ewellnesshealth.com](http://www.ewellnesshealth.com)

Investor Relations  
Stonegate Capital Partners  
8201 Preston Road, Ste. 325  
Dallas, Texas  
Phone: 214-987-4121  
[www.stonegateinc.com](http://www.stonegateinc.com)