



Q&A with Peter Ohnemus, Founder, President, Chairman and CEO of dacadoo – The Health Score Company - which provides a mobile-first digital health engagement platform that helps people live healthier, more active lives through a combination of motivational



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CEOCFO: *Mr. Ohnemus, “Great life and health for everyone” is the first thing I see on the dacadoo website. How are you helping people get there?*

Mr. Ohnemus: Number one, we believe that people should understand their health. Everybody understands a number, so we have created what we call the Health Score, which is a number from one to one thousand, just like you have an age or a body weight. If you are a one you are in very bad shape and if you are one thousand you are a super woman. Number two, we provide people with a rule based lifestyle navigation system, just like you have a navigation system in your car. Therefore, we help you to have better nutrition, better sleep, better stress and better overall activities in your life. Number three, we have a point system, just like you have points when you check into a hotel or when you drive with a car insurance tracking device - a “something for something” economy, as I call it. Basically, we are a company that offers a complete digital health platform for life and health insurance companies.

CEOCFO: *How do you come up with the various scores?*

Mr. Ohnemus: We look at your life, how you live, how you feel and your biometric data. This is the DaVinci lifestyle model that healthcare has known for five hundred and fifty years. We have up to one hundred data points that we calculate and that constitutes the health score.

CEOCFO: *Are these numbers that come from a doctor? Are they information that the user puts in and may not put in correctly? Where are you getting the data? How are you getting the data?*

Mr. Ohnemus: That is a very good question. Number one, dacadoo does not sell or license any data. I am a big believer in data privacy; and not because of the current Facebook scandal. We integrate doctors’ data; we integrate devices such as the Apple Watch, Fitbit, Garmin, and so on, digital weighing scales, blood pressure devices and the like. Then there are also specific health risk questions that are brought to you by our lifestyle navigation questions.

CEOCFO: *Is dacadoo in use today?*

Mr. Ohnemus: Dacadoo is in use globally today. We have clients in more than twenty different countries around the world. We are in thirteen different languages. One of our large clients is Optum®, which is part of United Healthcare Group. That is the largest health insurance operator in the world. We built their worldwide platform called Optum My Wellbeing. We work with many large insurance companies around the world and we are what you would call a “White Labeled” platform, which is branded for the client. The example is Optum My Wellbeing powered by dacadoo. We provide

the platform, just like companies have an Oracle database or a Salesforce marketing system. In the future they will have a digital health platform if they are a licensed health insurance company or a big provider. It could be that both payers and providers will in the future provide digital healthcare platforms to their clients.

CEO CFO: According to your site, dacadoo is easy, fun and engaging. Would you tell us about the fun part?

Mr. Ohnemus: We use gamification. I myself am the happy father of five lovely daughters. Through my life of raising those five daughters I realized that if you are just boring and repetitive nobody will find you interesting. Therefore, dacadoo uses gamification and fun to motivate people for a healthier lifestyle. In technical terms we call it the self determination theory. Mankind has been gaming for over three thousand years. Therefore, we try through gamification, social media and point systems to provide fun activities. The fun activity could be quizzes around healthy foods or it could be who is walking the most or makes the nicest picture of a certain area of town. At least, from our clients, I think we are very advanced in combining healthy living with the fun factor. We call it the REF factor. It needs to be Relevant to your life. Your life is not my life. My life is not your life. It needs to be Easy and it needs to be Fun. Therefore, the higher the REF factor is the higher the engagement and the involvement of the employees and/or insurance members.

“We believe that people should understand their health. Everybody understands a number, so we have created what we call the Health Score, which is a number from one to one thousand.”- Peter Ohnemus

CEO CFO: Do most organizations, whether it is an insurance company or a large enterprise, recognize the need for something like dacadoo and for people to have more ownership of their health or we still not there yet?

Mr. Ohnemus: In North America more than sixty five percent of all employers are so called self-insured. That means that the company is funding the health insurance for their employees. Over the next ten years healthcare will, unfortunately again, increase between five to seven percent per year, according to EY. What does that mean? It means that every year the employer has to pay more and more health insurance for corporate benefits. That of course goes directly away from the balance sheet or the P&L statement of the company. Therefore, in America today we are spending close to one fifth of the complete GDP, close to twenty percent is spent on life and health generally. We see many CEO's who are deeply concerned about this cost increase. Both from a cost perspective and from a motivational perspective, I think it is the best money you can invest. There was a recent front cover article in the Financial Times where they wrote about corporate health and in that article the Financial Times said that we are seeing a return of investment all the way up to one to eight. That means that if you invest one dollar in the overall health and wellbeing of your employees you will see a return all the way up to eight times. It is also part of the UN global perspective. Therefore, the UN has of course put together their sustainability principles and principal number three is good health and wellbeing to everybody on this beautiful planet. Yes, I believe that sustainable CEOs and long term CEOs, as we see from Apple to Google and so on; they really care about their employees and health that, at the end of the day, provides a better and healthier and more motivated working force.

CEO CFO: What is the competitive landscape? Are many companies providing a similar product and service?

Mr. Ohnemus: It is a very large market opportunity. It is a market that is currently growing at fifty percent per annum. Therefore, of course there is competition. We see in North America, companies such as WellTok or in Europe we see companies such as Tictrac and in South Africa, companies such as Vitality. Globally, I believe that we will see a few very large operators as this industry is becoming more and more mainstream. I think we can say today that dacadoo has taken the lead on a global scale. There is no one else that is available in thirteen different languages, that has a rock solid academic validated Health Score and a completely independent platform where you can integrate any electronic medical record, any smart watches, any biosensors, so we feel very good about the future.

CEO CFO: What have you learned being in so many different countries, so many different languages? How has that enriched what you are able to offer all of your customers?

Mr. Ohnemus: In today's world, one size fits all does not work in healthcare, which may sound logical but is not easy. Obviously a person from Japan has a very different nutrition behavior than someone in downtown New York, or someone who lives in France has very different behavior than someone in America. Therefore, what we have learned is that you need to have a global Health Score so you can compare apples to apples. You need to have a global outcome model as you also see with the health secretary, Alex Azar in America who wants America to have the health outcome as the future. However, you need to have the local touch from a lifestyle, from a nutrition perspective and from diseases. For instance, in America you have big problem with diabetes II, and in Japan they have a big cancer problem. Therefore, there are local diseases that are more of a concern, and there are local specific lifestyle issues.

CEOCFO: *Would you tell us about the range of solutions available for the different groups?*

Mr. Ohnemus: We have our core product, which is called the Health Score platform that serves, as I mentioned before, life and health insurance operators. We have just announced a new product called dacadoo GO. This is an easy, fun walking product based on a GO score. That GO score goes into the Health Score, so it is a serious, validated, fun walking game with picture challenges, group competitions, a specific point of interest and so on. Last but not least, we have our Risk Engine that we announced at the HLTH Conference in Las Vegas. Our Risk Engine is based on three hundred million person years of technical data and hope in the future to give real time risk models and accelerated underwriting. This is a completely new way of measuring health in real time and then integrating that with pricing engines. We both know pay as you drive, so if you drive your car and you have three accidents or you drive three times into a wall, your premiums for your car policy insurance obviously goes up. In today's life and health insurance it is based on your age and old analog actuary models. With the Health Score Risk Engine it becomes real time, it becomes pay as you live and you can make it much more flexible, much more adaptive and it brings the insurance companies closer to their clients. It becomes much more attractive to be a client of an insurance company. Just like Amazon has done to ecommerce, the dacadoo Health Score platform does to the overall insurance world, which so far has been analog and is now becoming digital, online and much closer to the client's needs.

CEOCFO: *How do you help insurers? How do you help business roll out the program for their employees or for the healthcare subscribers? How does your participation continue?*

Mr. Ohnemus: dacadoo has a professional services group that works very closely with our business partners. dacadoo is not only a platform company, but we are working very closely with the large life and health operators and their overall implementation strategy. As one may say, "This is all a chief matter". By that I mean that in most large insurance companies today digital is about survival and about the future growth strategy. This is of course a direct C level strategy and dacadoo works very closely with the clients around the successful implantation, a long term sustainable digital strategy that could provide growth and a secure environment for these insurance operators.

CEOCFO: *You talked about gamification and fun and engaging. How do you get people involved? Many people know they should be doing many things they should not, and tend not to want to face the consequences. How do you get over that hurdle so they get started and can see that it does make sense?*

Mr. Ohnemus: That is a very fair question. Life is all about choices. We are getting so many lucrative choices; eat this chocolate bar, get that nice cold drink and so on. The problem of course is that we all like to enjoy and at the end of the day we make choices. I always say that if we enjoy too much the bill obviously gets too high. What we are trying to do, and I mean this in a positive sense, is to help those people that are not only the typical fitness freaks, and that is why we are creating a lifestyle navigation platform, to help those people and remind those people about healthy eating, healthy choices, better choices in life. We believe the future is about having your personal healthy butler, which is of course the lifestyle navigation system that tries to motivate you to live better. Many people lose weight with what you call a yo-yo effect. They might lose five, ten or twenty pounds and then six months later those pounds are back again, because they fall back into the classical couch potato, sofa style watching TV and not moving around. Therefore, at the end of the day it is a combination of trying to remind you not to eat that chocolate bar or to smoke those twenty cigarettes or to drink that bottle of red wine every night, because that is cozy, but you need to understand that it will unfortunately have a bill to be paid down the road. Our health, of course, is not always a fun topic. You have so called NCDs, which are the chronic diseases. In today's world we spend about seventy percent only on chronic diseases. Therefore, when the year starts Medicare and Medicaid know they have already spent seventy percent of their budget before the year even starts, only on chronic diseases. That of course, was not the way that we were biologically engineered. Obesity creates, as we all know, diabetes, it creates cancer; it creates sleeping disorder, pain and so on. Therefore, we need to find a way to get those people back in balance, that we call Programs at dacadoo. These Programs should be fun and they should have a motivation. That was why I mentioned earlier the "something for something" economy, to try to tell those people, "This will give you a better life, but you need to do something, but if you do something we will also give you something back." I do not need to tell you that a diabetes II client or obese clients costs an immense amount of money for their employer and it costs immense amounts of money for the insurance company. In today's world everybody is talking about smokers. There are actually now more people dying of inactivity and sitting than smokers. The US went after the tobacco industry very successfully. I personally believe that we all will have to go after the food industry and when I say "go after" I mean it in a positive sense, to get them to serve healthier foods, less sugar, less saturated fat and get back to healthy living and good food that we used to eat.

CEOCFO: *Are you seeking investments, partnerships or funding as you continue to grow?*

Mr. Ohnemus: We just completed our B round, so we are currently fully funded. We are obviously growing very rapidly, as I mentioned before. So far we have offices in the US, Asia, Australia and Switzerland. Over time we will either raise

more money or we will go public. Of course we are always making sure that we can fund the growth. We are in the very positive position that many people believe in dacadoo and are very interested in investing in dacadoo. So far we have attracted Samsung. We have attracted Rakuten, which is a very large Japanese digital group and three very large family offices, so we have a rock solid investment base. It was important for us to have a shareholder base that had no conflict of interest. Therefore, as you can see we could never accept money from insurance operators or be insurance operators, because we wanted to remain the Switzerland of digital health and not have any weight of influence from insurance operators in our overall execution as we are building the health score into a global standard.



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It's all about you.