



## **KardioFit Closes \$500,000 A Round, Announces Advisory Board & Signs Perpetual, Exclusive License with dotFIT to Address the Corporate Wellness Space.**

*First-of-its-kind, sweepstakes driven, corporate wellness rewards program allows employers to objectively capture employee fitness data and reward employee's healthy behaviors with weekly, monthly and quarterly cash prizes up to \$1 Million. Our new sweepstakes rewards platform leverages behavioral economics to provide employees with instant gratification, rewarding them the moment they achieve a healthy goal or complete a healthy action with a sweepstakes entry and a chance to win cash prizes. This structure is proven to sustain engagement and conditions long-term behavior change. Experts have proven that immediate rewards for achieving small but meaningful milestones can be a more effective incentive model for sustained behavior change than end-of-year lump sum payments. KARDIO's model leads to higher employee engagement, better outcomes, a healthier corporate culture, and cost-savings.*

**BELLEVUE—September 6, 2012—** KardioFit, Inc. (KARDIO®) announced the successful closing of its \$500,000 Series A Round led by Angels Ryan Finley, former CEO & Founder of SurveyMonkey.com & Dr. John P. Blank, President of Dalmore Investments, LLC & former SVP of the Emerging Businesses Group at UnitedHealth Group.

Founded by serial entrepreneur Jim Miller, KARDIO's patent pending rewards program marries the power of the latest in biometric fitness tracking technology and "Big Data" analytics with proven behavioral economics/physiological conditioning methods that motivate people to achieve better health and wellness outcomes. Miller is keenly focused on improving the human health condition and is passionate about performance sports and nutrition. He is an expert in loyalty marketing, incentive/reward program design and has successfully led several venture-funded companies through periods of rapid growth. Miller has successfully raised over \$125 million to fund his start-ups and was previously an Entrepreneur in Residence with Ignition Partners & Frazier Technology Ventures.

*"KARDIO was founded in part, on proven medical research from the Journal of American Medical Association (JAMA) that confirmed when it comes to behavioral change "money talks" and the most effective way to incentivize people to initiate, change and sustain long-term behavioral change is to pay them." said Jim Miller, KARDIO President and CEO. "The majority of people will not voluntarily change their behavior to lose weight and keep it off long term. People need to quit smoking, lay off the Twinkies and avoid risky behaviors that both damage their personal health and boost the costs of care that are ravaging our nations fiscal health. Basically, we need to make better choices, but old habits die hard. Temptation is strong. We are weak. We all know we shouldn't smoke or pig out on fudge, but knowledge isn't as powerful as motivation. Research studies have proven that cold hard cash and a Sweepstakes style incentive rewards program have proven to motivate people to change."*

Healthcare is the United States' and Business' biggest most immediate problem, and there are no solutions so far. The cost of obese employees is 40% higher than average and rapidly rising healthcare costs top the list of CEO's greatest cost pressures. America has reached the point where healthcare costs are suffocating everything at a time when the country simply can't afford it. So much money has been put into keeping sick people from getting sicker that virtually all other American institutions have been weakened. The focus has been primarily on "who is without" and "who pays for what", not on prevention and lowering healthcare costs. And here's the scary fact: Absolutely no institution in America has made any progress solving this. KARDIO's mission is to change that.

*"The revolutionary thinking that KARDIO brings to corporate wellness through its creative incorporation of behavioral economics is exactly the type of innovation the healthcare industry needs to build long-term, meaningful behavioral change. I have always viewed rewarding behavior as a key ingredient to our collective success in driving down healthcare costs and with Jim's vision along with all the smart people he's surrounded himself with, we now have a vehicle by which an individual's healthy efforts can be incentivized and rewarded. The big fixes related to solving the U.S. chronic disease and obesity crisis will be found in behavioral economics because the only way out of this mess is to focus on, encourage and reward Americans to make different eating, exercise and lifestyle choices – prevention, in other words," said Dr. John Blank, MD.*

KARDIO has sought best of breed strategic partnerships to strengthen its rewards and analytics platform and is very excited to have executed a perpetual, exclusive license to integrate the dotFIT diet and fitness tracking platform,



combined with the BodyMedia® for ExerSpy® biometric armband into the corporate wellness and health insurance space. The dotFIT platform provides KARDIO with a highly scalable, state of the art fitness and dietary tracking platform along with thousands of exercise videos, recipes, high quality supplements and expert coaching support through the National Association of Sports Medicine (NASM) coaches.

*"dotFIT Worldwide is excited to have executed an exclusive partnership with KARDIO to target the corporate wellness & health insurance space. The KARDIO concept is inventive and beneficial to employers as they work toward reducing rapidly rising healthcare costs in and increasing productivity. It also provides employees with a fun, easy to use diet/fitness tracking program that pays out meaningful cash rewards," said Odd Haugen, dotFIT, President/COO.*

Experts recently concluded that unless many of the 300 million U.S. citizens change their relationship to their lifestyle, especially the food they eat, there is no way to stop healthcare costs from spiraling out of control. The only fix lies within highly aligned strategies within companies to improve health and wellbeing, especially focusing on reducing obesity. The problem is only getting worse fast because U.S. healthcare costs will grow at just over 6% per year for the next 10 years, an increase of \$10 Trillion! In other words, the healthcare problem is three times worse than the \$3 Trillion sub-prime meltdown that recently brought the U.S. and much of the world to its knees. Prevention is the only solution. Unless drastically changed, healthcare costs will be the tragedy that wipes America out. The bottom line is that the big solutions lie within getting people to eat differently and move more. Fit Americans are more productive than obese people. Unfit should mean something more than it currently does. Unfit should mean "intervention required." Unfit should mean less employable because unfit is a cause of low energy.

*"There is no single act of leadership that has bigger financial implications to the U.S. than simply doubling the number of fit Americans. Americans have to be led better and it starts at the top. CEOs and executive management teams need to embrace a culture of wellness and fitness as a core strategic and competitive value. Senior leadership needs to walk the talk! Solutions lie within changing behavior and that's KARDIO's mission," says Jim Miller.*

During the first eight months of operation KARDIO members have consistently logged food and exercise data 25.31 days per month and have received over \$85,000 in cash rewards. KARDIO is a subscription based service tied to an annual contract that includes unlimited access to the KARDIO Wellness Rewards program and the ExerSpy® biometric body sensor Armband. Corporate clients pay a monthly fee to access the HR Dashboard anonymized analytics, plus a monthly per employee fee depending on the size of the organization. KARDIO is the only corporate wellness program that offers members a \$1 Million Mega Sweepstakes with drawings held three times per week, plus Guaranteed Cash Drawings of Weekly \$250, Monthly \$500 Quarterly \$25,000 Cash Prizes.

KARDIO also announced the creation of its Advisory Board which includes Dr. John Blank, MD, President of Dalmore Investments, LLC, Dr. David L. Katz, MD, Director of Yale University's Prevention Research Center and Editor-in-Chief of the Childhood Obesity Journal. Joy Bauer, MS, RD the NBC's TODAY SHOW nutrition and health expert. Jim Kean, Founder/CEO of WellnessFX and the former President of Sapien Health Network which he sold to WebMD \$185 million. Dr. Jeffrey Blumberg, PhD, Director of the Antioxidants Research Laboratory at Jean Mayer USDA Human Nutrition Research Center on Aging at Tufts University. Dr. David Chenoweth, Ph.D, 30 year expert in worksite health promotion and professor emeritus, East Carolina University. Rick Alessandri, SVP of Business Development for Univision Communication, Inc. Previously, SVP/Managing Director for ESPN X Games.

#### **About KARDIO™**

Founded by Jim Miller, KARDIOFIT, INC. is a data-driven, device agnostic, corporate wellness rewards program that implements behavioral economics & innovative reward schemes to incentivize, sustain & reward behavior change related to diet, fitness & chronic disease. KARDIO's BodyMedia® for ExerSpy® body sensor armband objectively captures & feeds anonymized employee fitness data into a self-administered wellness dashboard. Customers consist of benefit consultants, insurance carriers & corporations. To learn more or to request a demo of KARDIO today, visit [www.kardio.com](http://www.kardio.com). You Sweat... We Pay!<sup>SM</sup> For media inquiries e-mail [thekrew@kardio.com](mailto:thekrew@kardio.com)

###