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April 2, 2021

Letter from the CEO

Dear Kinesics Members,

Thank you for joining us for another year of growth and learning at Kinesics. If you've been following this company since 2017, you know this small team continues to work toward a mission to advance the management of musculoskeletal health and make pain-free living the standard for everyone. Three months into 2021, and after surviving both failures and successes, we more clearly understand where we should focus our efforts and what it means to bring Kinesics to the world.

Operations. We are continuing to expand our footprint at FMOLHS as we bring our solution to more employees and clinical professionals. I am proud of our progress and the 6,000+ team members we have impacted. We are currently in negotiations for the future of our relationship; I will keep this group updated on that progress. In case you are not yet aware, over the past 11 months, we successfully stood up a services arm of Kinesics. This business line includes 25 contractors spread across Louisiana and Mississippi that deliver our professional services to FMOLHS. This strategic approach to our services business will allow us to serve clients in markets across the Gulf South and other areas.

Opportunities. With every encounter, we better define the value our solution brings to the tactical athlete market. Jerry is progressing with opportunities to bring our platform solution to cadet academies, police departments, and fire departments across the country. Because proper function and body mechanics affect their chances of surviving a day on the job, they instinctively understand the value of what we do.

Tech Development. We are on the brink of a beta release of MotionDX, our latest web-based application that gives professionals full customization in the process of capturing range of motion measurements and analyzing real-time results. Our 15+ multi-state Beta Partners will be using this platform and working with us to improve its efficacy and usability. This new technology brings us a step closer to providing an open-source platform for highly efficient human movement assessments and actionable data.

Challenges. The biggest headaches today are results of the lack of warm bodies in our office. One of my goals this year is to make strategic hires to support current operations and ensure the success of our clients. Those hiring decisions will be made based on genuine revenue generation.

Financial Update. With the successful implementation at FMOLHS and the consistent revenue of our legacy clients, I can proudly say 2020 was the first year our EBITDA was positive. We are learning what it means to scale both the services and software businesses. We will continue to become more efficient as we expand. If you would like to review our internal financial documents, please reach out to me directly.

Fundraising. I announced in December the exploration of a new fundraising round. I am working with Billy Davis to identify target funds, develop a pitch deck, and rework our business plan. We have a few housekeeping items to take care of before we open the round. We need your assistance in that process.

Coming Soon. The housekeeping items mentioned include legal documents all members will need to approve and sign. Once we have clean drafts approved by the Board, I will send the documents with memos to explain the process moving forward.



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Taxes. I want to thank you all for your patience while we work with our CPA to get our tax documents complete. I know you are looking for your K-1s; I have stressed to our team the importance of getting those out to you as soon as possible. I am anticipating an update early next week, and I will send them to you as soon as they are on my desk. Also, I was passed the message that some of you are interested in learning more about the Angel Investor Tax Credits. If you participated in the 2018 Preferred Units offering, you are eligible for these tax credits. Those who are eligible should have received a Certification of Tax Credits, stating the amount of credits granted and the first allowed tax years the credits may be utilized. If you misplaced your certification and need another copy, please let me know so I can reach out to our contact at LED for you.

You Are Invited. On April 14th, we will be hosting our first Friends & Family Evaluation Day at our office in downtown Baton Rouge. You and your families are invited to join us for an opportunity to receive a range of motion evaluation, custom mobility program, and one-on-one time with a Kinesics Provider. This would be a great opportunity for you to meet our team and come see what we are up to at the office. Be on the lookout for an invitation from me so you can sign up to get your free Kinesics Evaluation and Custom Program.

Why We Do It. When training our service contractors for the 2021 season, we decided to keep our focus on the theme of *Why We Do It* – why we go to work every day and why we believe in the mission of Kinesics. I wanted to share a quote from one of our providers servicing FMOLHS that captures the spirit of our “Why.”

“[We] had a great shift today at the offsite Lafayette location. I know I personally had several people who wanted to stay and talk more about the process and the program. [Participants] insisted that I put them on the schedule immediately to reevaluate because they want to improve and feel better. I’m loving what we do and shifts like these make me look forward to the next person we can help.”

~

On this Good Friday, as we prepare for the resurrection of Jesus Christ, let us be reminded of the fulfillment of the ultimate promise He has done to mankind, and the triumphant victory of good over evil He has fought. Indeed, He has Risen! Have a blessed Holy Week.

Thank you for always being a part of our “Why.”

Sincerely,

Matt Adler
CEO | Kinesics