



CRG EXECUTIVE Q&A

BRAD OLSON

CEO, Sollis Health

premier
healthcare
investment partner



SUMMER 2024

INTRODUCTION

CRG's Ben Wessner sat down with Brad Olson, CEO of Sollis Health ("Sollis"), to discuss his career path and how Sollis has disrupted the delivery of urgent and emergency care through a membership-based, concierge model.



"WE SEE THE GROWTH IN CASH PAY HEALTHCARE CONTINUING YEAR AFTER YEAR ... BROADER DISSATISFACTION WITH TRADITIONAL HEALTHCARE OFFERINGS HAS MADE PEOPLE MORE INQUISITIVE TO ASK QUESTIONS, TO SEARCH."

BRAD OLSON, PICTURED ABOVE

Sollis Health was founded in 2016 and is headquartered in New York, New York. Sollis offers membership-based, concierge urgent and emergency care services. Sollis staffs clinics with ER boarded providers and is equipped with advanced lab and imaging equipment that enables treatment of higher acuity cases in its clinics. In addition to in-clinic services, Sollis offers telemedicine, house calls and care coordination / specialist referral support for its members. The Company is focused on providing a high-touch, consumer-centric experience. Sollis currently has 11 clinics across New York City, Los Angeles, San Francisco, and South Florida and has a membership base of more than 15,000 individuals. CRG V's investment in Sollis was completed in April 2024.

BEN: First of all, thanks for taking the time to speak with me today, Brad. To kick things off, could you share a bit about your professional background prior to joining Sollis and then what attracted you to joining as the CEO of Sollis?

BRAD: I started my career at Bain & Company in management consulting in Chicago, serving clients in healthcare, but also industrials, CPG, airlines, you name it. I didn't fall in love with any of those industries in my 20s, but as a traveling nerdy consultant,

had a deep affinity for Starwood Hotels and Starwood Preferred Guest (their loyalty program). After seven years with Bain, I decided to try my luck with Starwood Hotels first as Head of Brand Strategy, supporting their (then) nine hotel brands and later became Global Head of Strategy and Operations for the loyalty program itself, which was my first experience with a big P&L and a big global team – it was a blast. I got to learn about cultivating emotional loyalty from the folks that created what was the best travel loyalty program in the business and perhaps would've stayed longer, but for Marriott International buying Starwood in 2016.

Although I was fortunate enough to have an opportunity to stay on and help run the combined loyalty program now known as Marriott Bonvoy, I instead took a leap of faith and joined Peloton as one of its first 100 employees with a mission to build out the end-to-end customer experience and build out a retention marketing function. I had the pleasure of doing exactly this over the next five and a half years, taking on functions like social media, community, email, CRM, and ultimately serving as the GM of the Subscription Business unit, which was about an \$800 million business at the time. And more importantly, one that we scaled rapidly while maintaining renewal rates and NPS, which I'm very proud of. As the COVID tailwinds impacting Peloton's business began to wane, I took on an additional role helping to restructure costs that quickly became my full-time job.

While I was happy to help kick off that process, it wasn't how I envisioned spending the next two to three years of my career. And so began my transition out of Peloton, and that's when I got a call on behalf of the board of Sollis Health. Candidly, I hadn't heard of Sollis Health prior to getting the call, but I did spend some time in the ER with COVID in 2021 – hopefully my first and last exposure to the ER – and was just blown away by how stretched the providers were, how great the capabilities were, but how little they

could actually do and how little time they could spend with patients. And, candidly, how terrible the consumer experience was. At that point, you couldn't bring anyone with you into the hospital. Once I was discharged, I told my husband, "If any consumer business ran like that, they'd be out of business the next day."

Fast-forward six months, I'm getting a call from a headhunter on behalf of Sollis, learning that there was a category creator offering private urgent and emergency care in its hospitality infused centers around the country. My mind was blown. We joined as members in the Tribeca Clinic the next week and fell in love with the service. The ability to see an ER boarded and trained clinician with zero wait, the ability to have a doctor not only treat you, but also connect the dots with your primary care physician, your specialist, a team of folks to coordinate the admin and scheduling for a specialist follow-up and following up via text and phone to check in on me each day afterwards was a mind-blowing experience in the context of the American healthcare system, which is unfortunately is so very lacking in those areas. By the time it got around to late 2022 and I received an offer to join the Company as CEO, it was a no-brainer for me to join Sollis, help drive its growth and offer its unique version of urgent and emergency care to more folks around the country.



Inside Sollis Health's Tribeca clinic.

BEN: You mentioned your personal negative experience in the emergency room, and I think that's something a lot of people can relate to. Most of us have had a negative experience either in an emergency room or an urgent care. Given your consumer and hospitality background, what are some of the key things those types of businesses get wrong in terms of the consumer experience?

BRAD: When I think about the two primary substitutes for the service we provide at Sollis, they are the ER, as you referenced, as well as urgent care clinics. On the ER side, what they get wrong I think is largely out of their hands, which is the ability to treat people's time as a precious gift and to be expedient in care. The reality is that our emergency rooms across the US serve as a really critical safety net for the uninsured and underinsured. In addition to providing emergency care, they are providing all kinds of care that just isn't being provided elsewhere. And that's why we see three to four hour average wait times in ERs around the country. In some parts of the country, it's as great as 10 to 12 hours. So given the constraints on our emergency rooms around the country, I'm not sure they can provide the same experience Sollis does, and I don't hold them to that bar because they do such critical work for the healthcare system. It doesn't make it a good consumer experience though.

I think urgent cares and the rapid growth of urgent care clinics around the country have been in part a response to crowded ERs. There's a primary care physician shortage, so people can't get in to see their PCPs when things go wrong, and ERs have long wait times. As a result, urgent cares have popped up to try to fill that gap. I think the challenge with urgent care clinics is one recent study showed they refer out over 50% of what comes in their door. So while you're not waiting long to be seen, which is great, the odds of you having to go somewhere else afterwards, whether that's to a lab for a blood draw, or pharmacy to get a med that the urgent care doesn't carry, or an imaging center to get imaging that's more acute than an X-ray, or to the ER, over 10% of cases in the urgent care clinics go to ERs. Urgent Cares are not a one-stop shop.

In the consumer world, we talk about first contact resolution, right? The first time you call, the first time you come in, can we solve your problem? It's really hard for urgent cares to achieve this given their limited capabilities. When I think about what we offer at Sollis, people call it, in some cases, a luxury

service. I think people's biggest luxury is their time and making best use of people's time. And that's why offering no wait, which is sort of what an urgent care offers along with the capabilities of an ER. In addition, we only employ ER boarded and trained clinicians, and we have hospital level labs and imaging. That combination is really unique and its sort of a best of breed consumer offering that certainly resonated with me and has resonated with our base of more than 15,000 members around the country.

RESHAPING URGENT AND EMERGENCY CARE DELIVERY⁽¹⁾

0.5%

% of Sollis Visits Resulting in Discharge to ER

0-15min

Average Wait Time to Sollis Provider

1 patient

Average # of Patients Evaluated by Sollis Providers per Hour

BEN: Along those lines, can you talk about the benefits to the emergency rooms themselves? I think a lot of people understand from the consumer's perspective that it's a lot more convenient to have a Sollis-like offering, but what impressed me is actually the fact that it also provides a benefit to the system in terms of overcrowded emergency rooms and some of that triage being done ahead of time. Can you talk a little bit more to the benefit that the healthcare system and emergency rooms get from a service like Sollis?

BRAD: Generally speaking, ERs are overcrowded, hence the three to four hour average wait time. And

they're generally money losers for the healthcare systems because of all the reasons we described – they're serving as a safety net in the healthcare system. For us to take even a couple hundred cases out of the ER per year is not insignificant to the ERs in the communities in which we operate. And then in the 0.5% of cases that we do have to refer to an ER when we do, it's coming along with an ER doctor's writeup with imaging, with labs. Oftentimes those members can be more efficiently directed to the right physician, practice, specialist, or surgeon.

We're adding capacity to the local market in a way that then only directs what's truly necessary to be seen in a hospital back to that hospital. Obviously, the impact of that in any given community is not huge today given that we're still a relatively early stage provider, but as our concentration grows in the markets in which we operate, we certainly hope to have more and more of an impact and drive more efficiency in the way emergency care is delivered along with the healthcare systems in our markets.

BEN: Most people are probably more familiar with the concierge primary care offerings as opposed to the urgent and emergency care offerings that Sollis has. I know that an important piece of your business is building strong relationships and partnership with your concierge primary care physician partners. Can you speak to how you develop those relationships and what makes Sollis's offering so complementary and helpful to those PCPs?

BRAD: We were co-founded and conceived by one of New York's top concierge primary care physicians, Dr. Bernard Kruger. He identified the need for Sollis because he didn't want to send his own patients to the ER for all the reasons we've described – the long wait, the unpleasant experience, the risk of hospital acquired infections and so on. We were actually born out of a concierge PCP practice in order to meet that need for consumers who wanted something better, had found it in primary care, and were looking for something similar in urgent and emergent care. For us, we are very pleased to serve as an extension of primary care partners, whether they're concierge or not. Many of our members have in-network PCPs and use Sollis as their top of funnel solution for everything acute. Concierge PCPs are happy to have Sollis as an extension of their practice.

We offer labs, imaging, and a different sort of training. We have emergency medicine boarded clinicians, while most PCPs are internal medicine boarded. It's a different and complementary skillset that those

"Our concierge PCP partners love working with Sollis because they're able to take on bigger patient panels and reduce the burden of treating highly acute issues. All around, it provides a better continuum of care for our shared patients."

doctors can call upon when their patients need more acute care. But for those of us who have in-network PCPs, like me, I see my doctor once a year for a physical, he does my prescription management and everything else I go to Sollis. Sollis calls my doctor every time I'm seen in order to make sure they're co-treating and they're keeping him abreast of my health. That, to me, is just an amazing combination. Our concierge PCP partners love working with Sollis because they're able to take on bigger patient panels and reduce the burden of treating highly acute issues. All around, it provides a better continuum of care for our shared patients.

BEN: And an important part of the Sollis value proposition that you've highlighted a couple of times is the experience of your physicians, given that they all come from an emergency medicine trained background. And from a CRG perspective, anytime we're looking at a new healthcare services investment, physician recruitment and retention is always something we spend a lot of time on. We were very pleasantly surprised to see how strong your recruiting and retention is of these really high quality physicians. What do you think it is about Sollis that allows you to attract and retain such high quality emergency physicians?

BRAD: I think there are a couple reasons we've done so well in the recruitment and retention of ER boarded physicians. First is, unfortunately, the bar is low. We're competing against ERs, and they just aren't often the best place to work for all the reasons we described from a consumer perspective. It's equally challenging from a provider perspective. Working very long shifts with limited resources, on average seeing three to five patients per hour, whereas our doctors at Sollis tend to see one patient per hour. I was in the clinic on Monday, and one of our physicians described it as, "this is the way I always thought I would practice medicine and I get to do it here". So having access to nursing staff, having access to quick turnarounds on labs and imaging, having time and effort to do charting, to follow up with our members, it's just a different approach to care, and it's one that's unfortunately just not possible in most ERs.

I think the second thing that distinguishes working at Sollis versus a big healthcare system is the size and the flat nature of our organization. All our full-time doctors know me by name, they can reach out to me directly. Their physician leader is on my leadership team, and the voice of the physician is always at the table when we make big decisions. That's not to say this is not the case in some bigger systems, I just think we have the ability to be more nimble, be more responsive, and to take physician feedback and act on it quickly, which is a gift. Listening to our physicians, and listening to our clinicians more broadly, has made us a better company and has allowed us to provide better service.

The third and last point is a lot of doctors are very entrepreneurial in nature, and I think we attract those that are excited about growing a business nationally and being physician leaders. We offer performance



Sollis providers have onsite access to advanced lab and imaging capabilities.

bonuses and equity to all of our full-time employees. For some folks that doesn't matter, but for the folks that are attracted to being in a more entrepreneurial environment, that's a huge opportunity for them to get in early on what will eventually be a much bigger, more profitable company.

BEN: One macro trend that we've seen across our portfolio is an increasing desire from consumers to take a more active role in their healthcare, and also a willingness to pay out of pocket for a better experience. I think one theory behind why that's accelerated so much is the pandemic, consumers started paying more attention and being more actively involved in their healthcare. Have you seen that trend as well? And do you think Sollis is well poised to capitalize on that?

"I've tried to bring in folks that have great experience in healthcare at scale, who can see around corners, who've seen common challenges before and can help Sollis avoid those pitfalls before we even experience them."

BRAD: Yes, we've definitely seen that consumer behavior as well. On a macro level, we see the growth in cash pay healthcare continuing year after year after year, regardless of what the macroeconomic environment does, and that obviously serves as a tailwind for our business. And broader dissatisfaction with traditional healthcare offerings has made people more inquisitive to ask questions, to search. We obviously see the traffic in our search terms and it's growing and growing and growing. I also think

it's beyond urgent and emergency care, to your point, it's system wide. And that's why we offer no wait, like an urgent care, but with the capabilities of an ER. So earlier this year, we launched a partnership with Penuvo, one of the country's leading full body MRI providers to scan for a variety of cancers and other diseases. This was based on member feedback, members saying, "I'm interested in this full body MRI thing. I want to understand before problems arise if I have issues." Sollis shares a similar customer demographic with Penuvo so we were able to leverage their audience, and then ours, to offer complementary products to one another's member base. We have lots of other conversations like that in flight to make sure that we're not stepping out of our lane. We're an emergency medicine and an urgent care provider, but we offer our members the best of what's out there and leverage our world-class doctors to vet those options before we bring them to our members.

BEN: I think an important part of your role coming in as CEO has been to continue to strengthen and build out the rest of the team. And I know there have been at least a couple recent key additions to the team. Can you maybe talk through some of your priorities in building out the team while highlighting some recent additions and what made them such great candidates to join Sollis?

BRAD: I think the board saw that Sollis was at the precipice of rapid growth and wanted to bring in first a CEO and then a leadership team that had the right skillset to bring that growth through fruition. I was privileged to be the first of this new leadership team. To your point, I've tried to bring in folks that have great experience in healthcare at scale, who can see around corners, who've seen common challenges before and can help Sollis avoid those pitfalls before we even experience them. Over the past year and a half that I've been in seat, I've made those hires. In a couple of cases, they were internal promotions, which I was thrilled to find such a deep bench of talent in certain teams at this company. In other cases, I had to hire externally and have been fortunate to have some great, great leaders join the team.

In December, we welcomed Jia Jia Ye as our COO. Jia Jia was the first Director of Operations at One Medical; she helped them grow from 2 to 30 units. She was head of customer experience at Oscar, which at the time had the highest NPS among all insurers in the US. And then later in her career, she co-founded and served as CEO of Springtide Child Development, which was a tech enabled multi-site provider for kids on the autism spectrum that she founded, scaled, and sold to Cortica last year before joining us at Sollis. To have a former healthcare multi-site CEO as my COO is an embarrassment of riches, frankly. I

have a thought partner and a tenured leader next to me that has made me better and has made the Company better.

Then in April, we were privileged to bring on board Dylan Margalit as Head of Finance. He most recently served as Head of Finance at Bond Vet. He joined Bond Vet right before Warburg invested and scaled their finance function really effectively as they grew from 4 to 46 units around the country. While animal urgent care isn't quite the same as human urgent care, from a finance perspective it's pretty darn similar. He's bringing a ton of relevant experience across FP&A, accounting, cash management and treasury that has made us better, even in the short time that he's been on board.

BEN: For those hearing about the Sollis offerings thinking, *this sounds amazing, but I live in a city that doesn't currently have a Sollis location*, any hints about what you look for in potential new geographies when you're thinking about expanding to additional locations?

“There is so much white space being in this market as a category creator. We now have the team, the scalable foundation for growth across both systems and processes and the capital with CRG’s partnership to really expand quickly.”

BRAD: Today we're in the New York metro area and the Hamptons, South Florida, Southern California, and Northern California. And as we look at the 11 clinics we have across those markets today, the most successful markets are those that have a high density of high net worth households, where concierge primary care has already proven a willingness to pay for premium healthcare, and markets where there's a proclivity for consumer spending on health and wellness, goods and services. If you line those

factors up, it leads you to a very long list of markets, the largest of which are Dallas-Fort Worth, Washington, D.C., Chicago, Boston, Atlanta and Seattle. But there's a very, very long list of markets that can sustain one or more Sollis clinics.

Over time we not only want to grow our presence in our existing markets. We still have a lot of opportunity for growth in the New York Metro alone. For example, we're in Manhattan and the Hamptons but we haven't yet opened in Brooklyn, let alone Westchester County. But we also want to plant our flag in those other new markets given that we're a first to market and a category creator. People hearing about Sollis can rest assured that we'll be in more markets in the months and years to come.

BEN: Well, that's great to hear. One last question from me, Brad, is when you look over the next few years for Sollis, which opportunities on the near to midterm horizon are most exciting to you?

BRAD: We barely scratched the surface of our opportunity at hand. And we've been in market quietly growing and quietly delighting our members for eight years. For me, the opportunity to grow our membership and delight more folks and set a new standard in healthcare for them gets me really excited. We're small but dangerous. And as we continue to grow our presence, that's what gets me most excited, is bringing on more talented clinicians and serving more members. We'll do that by growing in existing markets, by opening in new markets and by expanding our product and service offering over time – that all gets me excited. There is so much white space being in this market as a category creator. We now have the team, the scalable foundation for growth across both systems and processes and the capital with CRG’s partnership to really expand quickly. And I'm super excited to do that.

BEN: That is all very exciting and, likewise, we are excited to be able to continue to partner with Sollis through this next phase of growth. Thank you for your time today, Brad.

Disclaimer:

This release and report does not constitute an offer to sell or the solicitation of an offer to purchase any security. Recipients of This release and report agree that none of CR Group L.P. ("CRG", the "Firm", "we" or "us") or its affiliates or its or their respective partners, members, employees, officers, directors, agents, or representatives shall have any liability for any misstatement or omission of fact or any opinion expressed herein. Each recipient further agrees that it will (i) not copy, reproduce, or distribute this release and report, in whole or in part, to any person or party including any employee of the recipient other than an employee directly involved in evaluating an investment in a private fund that is expected to be managed by the Firm (the "Fund") without the prior written consent of the Firm; and (ii) keep permanently confidential all information contained herein that is not already public. Additionally, by accepting this release and report, each prospective investor agrees that this release and report is being delivered to them subject to the provisions of this disclaimer and any confidentiality agreement entered into between the Firm and each prospective investor.

Except as noted otherwise, the information herein was prepared by the Firm and is believed by the Firm to be reliable. The Firm makes no representation as to the accuracy or completeness of such information. Opinions, estimates and projections in this presentation constitute the current judgment of the Firm and are subject to change without notice. Any projections, forecasts and estimates contained in this presentation are necessarily speculative in nature and are based upon certain assumptions. It can be expected that some or all of such assumptions will not materialize or will vary significantly from actual results. The Firm has no obligation to update, modify or amend this presentation or to otherwise notify a reader thereof in the event that any matter stated herein, or any opinion, project on, forecast or estimate set forth herein, changes or subsequently becomes inaccurate.

The portfolio companies identified and described herein do not represent all of the portfolio companies purchased, sold, or recommended for clients by the firm. The reader should not assume that an investment in the portfolio companies identified was or will be profitable. Past performance is not indicative of future results. A full list of all of our portfolio companies is available upon request.

The portfolio company executive mentioned above has not received any compensation for this feedback and did not invest in any CRG Funds although the executive may have an incentive to make a positive statement due to the executive's ongoing relationship with the firm.

(1) Information was provided by the portfolio company and has not been independently verified by the firm