

## Executive Summary

### Key Highlights:

1. Highly experienced founders with 4+ prior exits
2. Executed licensing distribution Agreements with 10 health insurance brokerages as well as 2 of the largest and most influential Health Insurance GAs in U.S.
3. Full product validation with POC completed and MVP in market as of November 2024 with over 1,000 users/Lives on the platform in 2 months
4. Strong Market validation – ICHRA market demand and adoption growing rapidly, DOL forecasts 250+% CAGR through 2026
5. \$180k ARR since launch of MVP; Breakeven in 18-months and >\$25M ARR with 75% GMs in 4 years

### Founders:

Enrichly is led by experienced Founders Who are Proven Winners with 65 years of combined business operating experience in HR Tech, FinTech, InsureTech/Employee Benefits, and SaaS with 4+ successful exits



[Michael Pires](#)  
Co-Founder & CEO



[Joe Markland](#)  
Co-Founder & President

### Summary:

Health insurance is broken in the U.S., 87% of employers will be unable to offer health benefits within 5 – 10 years. 58% of Americans live paycheck to paycheck, health benefits are simply too expensive for the majority of the population. Individual Coverage Health Reimbursement Arrangements (ICHRA) offer a market validated path for change with a \$42 billion Total Addressable Market

Enrichly is a SaaS InsurTech company transforming health insurance and employee benefits with the first and only ICHRA Operating System (ICHRAOS®) technology for the General Agencies (GAs), Insurance Brokerages, and the HR/Payroll and PEO industries. ICHRAOS enables sales and operations across the lifecycle turning every established GA and insurance broker in the U.S. into an ICHRA and personalized benefits administrator/provider. We have executed reseller distribution agreements with several of the top firms in the country. Our model is highly scalable and delivers capital-efficient ARR growth by leveraging the existing customer bases, and sales personnel and infrastructure of our resellers/licensees.

### The Market:

The ICHRA legislation has been effective since January 2020, the market adoption has been rapid with large employers (e.g. Netflix) as well as tens of thousands of small/mid-sized employers converting from traditional one-size-fits-all plans to ICHRAs. With more than 160 Americans enrolled in health coverage through employers, the shift to ICHRA represents an



approximately \$42 billion Total Addressable Market (TAM). Numerous ICHRA Administrators/Brokers have entered the market raising huge rounds of capital, but they've all made fatal mistakes in their go-to-market strategy and business modeling. Enrichly is disrupting the market with the first, and only, "operating system" (OS) enabling the established players to get in the ICHRA game.

The Trump Administration enacted ICHRA legislation and additional enhancing legislation is in front of congress with strong bi-partisan support. Market is expected to grow exponentially with DOL forecasting >250% CAGR through 2026.

*Our SaaS/PaaS Business Model enables our Distribution Partners (established brokers, GAs, Payroll Providers, and PEOS) to:*

- ✓ In-Source or Co-source vs. Outsource
- ✓ Increase Revenue & Profits with ICHRA for as low as \$5 PEPM vs. \$15 - 30
- ✓ Control the Value Stream and Earn 100% Insurance Commissions
- ✓ Control the Employee/Enrollee Experience
- ✓ Maintain Direct Contract with Client
- ✓ Own the AoR/BoR on the Insurance Plan

### **Progress/Proof Points:**

- ✓ Company raised \$475k from friends and family round launching market-validated POC and full MVP of ICHRA OS in 12-months.
- ✓ Has executed licensing/distribution agreements with more than a dozen insurance firms including two of the largest Health Insurance GAs in the country. These firms do the selling into their established customer bases which collectively represent tens of thousands of employers with several hundred million employees ("lives").
- ✓ With MVP (launched November 2024) and inaugural enrollment cycle Enrichly activated over 1,000 Lives on ICHRAOS resulting in ARR of ~\$180k.
- ✓ The two national GAs have rolled out documented business plans built around the ICHRAOS platform with sales targets of 20,000 lives enrolled through 2025 and 60,000 lives through 2026. As a result Enrichly's forecasted ARR is ~\$2.8M in 2025 and ~\$8M in 2026. Breakeven in 18-months and >\$25M ARR with 75% GMs in 4 years

### **Pre-Seed Investment Objectives:**

Raising \$2 million Pre-Seed to:

1. Execute, and optimize, the sales distribution programs with our 12+ contracted licensees/resellers
  - a. Operationalize our "franchise-like" program for resellers/licensees to drive sales through systematic playbooks
  - b. Add 20,000 Lives/Employees on the ICHRA OS Platform in 2025 and 60,000 in 2026
  - c. Add 18+ new resellers/brokers in 2025
2. Build out core team and expand engineering/software development capacity
  - a. Develop MVP expansion with the ICHRA OS AI/ML engine and our proprietary Decision Support Suite
  - b. Develop Payroll and HRIS System Integrations
3. Obtain SOC 2 Type II and related compliance certifications



## Financial Projections:

	Year 1	Year 2		Year 3	
<b>Client Base Metrics</b>					
Network Partners	32	80	150%	128	60%
Total Employers	479	2,111	341%	4,957	135%
Total Employees/Lives	15,807	69,665	341%	163,597	135%
<b>Revenue</b>					
Revenue	\$ 1,732,901	\$ 7,982,748	361%	\$ 20,761,130	160%
Annualized Recurring Revenue	\$ 2,767,629	\$ 11,529,698	317%	\$ 26,746,405	132%
<b>Expenses</b>					
Payroll, Benefits and Taxes	\$ 2,285,824	\$ 3,288,460	44%	\$ 3,889,057	18%
Sales & Marketing	\$ 403,333	\$ 711,250	76%	\$ 851,875	20%
General & Administrative and Other	\$ 366,186	\$ 666,715	82%	\$ 1,105,941	66%
Total	\$ 3,055,344	\$ 4,666,425	153%	\$ 5,846,874	125%
<b>Fund Raising</b>					
Pre-Seed	\$ 1,750,000				
Seed/Debt		\$ 3,000,000			
<b>Performance Metrics</b>					
Gross Margin	-53%	50%		76%	
EBITDA	\$ (919,110)	\$ 4,027,573	538%	\$ 15,766,131	291%
Cash Balance	\$ 704,402	\$ 4,726,263	671%	\$ 13,606,109	188%
Revenue Per FTE	\$ 96,272	\$ 356,108		\$ 680,693	
<b>Estimated Valuation</b>					
10x ARR	\$ 27,676,290	\$ 115,296,975		\$ 267,464,049	
15x EBITDA		\$ 60,413,591		\$ 236,491,966	

Note: Year 1 in the financial projections begins upon the closing of this pre-seed funding round.

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