



Investment Opportunity

Strictly Private and Confidential Feb 2016

Prior Mobile Health, South Africa

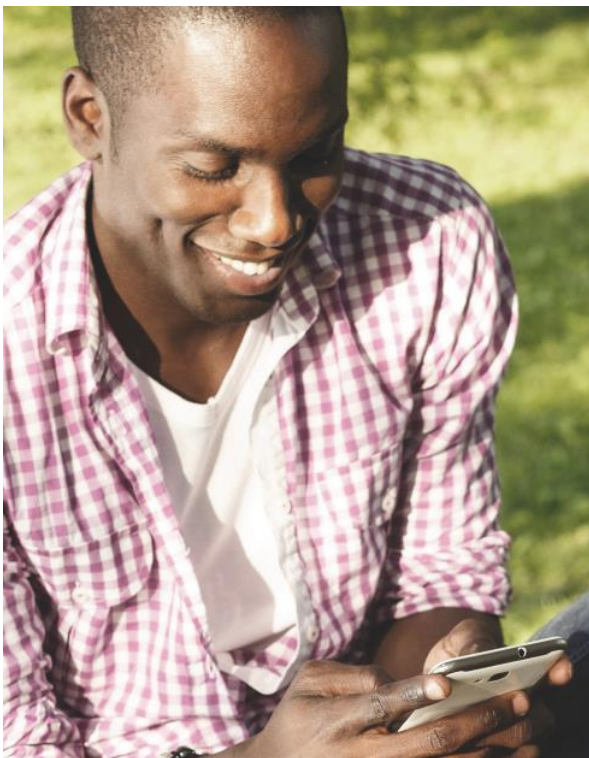
Mobile Application / Healthcare

Launch ready

Equity / Debt capital

US\$ 1- 6 million

Theme: Access to Health Care for the millions who cannot afford medical scheme cover with simple, cost-effective mobile solutions by applying cellular technology



Providing health delivery services to the employed uninsured African poor through the medium of mobile phones is a unique way of solving one of the most pressing socio, economic & political problems in South Africa and the continent of Africa.

Executive Summary

1. Minimum US\$ 1 million (R16m +) investment for loan or 20% equity. (or R2 Revenue Share per Voucher sold for Budget period).
 2. Excellent ROI. Business projects R137 million (profit after tax) in year 5 with only 10% market share.
 3. Excellent cash flows – will fund own growth from end 2017.
 4. Excellent management team – over 30 years' experience in Health Care.
 5. Have secured all possible I.P.
 6. Huge market opportunity for easy, simple, cost effective access to Health – via Prior Mobile pre-paid Health.
 7. No current competitor product – so will be 1st to market, with first mover advantage.
 8. Owners already invested over R5m in Project.
 9. Fully ready to upgrade systems and go to market.
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The Prior Group

Prior is a unique Healthcare Management / Consulting Company. The CEO Bryan Sidders has over 30 years of experience operating in the South African healthcare industry (20 years with Prior). Bryan has conducted 6 start-up companies, including Promex Medical products and Alexander Forbes Healthcare, both good examples of very successful companies.

The Prior Group currently consists of the holding company Prior International and the South African operations entity, Prior Ditema.

Our mission is to improve the health and wellbeing of lower income groups through the use of simple, innovative mobile based systems that enable the dissemination of health products and services in a very simple and cost effective manner. Lower income groups comprise the “Employed Uninsured” i.e. people who are employed but do not have medical insurance as they cannot afford the monthly premiums - whereas the Prior Mobile Health Voucher is pre-paid, and so has no such monthly contribution.

Our primary target market is South Africa. After a successful rollout, Prior will expand into other African countries where very few of the population are on any medical insurance. For this purpose, a holding company for all non-SA activities will be founded in Mauritius. The continent of Africa represents huge business opportunities for Prior which gives the business case a big upside potential – which would then require the higher investment.

Opportunity

Huge Market need for low cost access to Health for low Income Earners, including Solutions for NHI. Employer Sector is 15 million, and other Market sector is 5 million, Prior Target Market is 20 Million Employed Uninsured, made up of: Low income earners, contract workers, migrant workers, temps, SME's & domestic workers.

Bulk of this market is in corporate employment, where the employer will pay for access to health for staff.

Prior forecast 5% market share over 5 years = reaching 1 000 000 Health Voucher sales per month = R137 m profit after Tax. This is ultra conservative, as the need compels at least 10% uptake – which would yield more than double this return, as indirect cost will increase very little.

Project Viability based on only 100 000 Sales or less than 1% of Target Market –realistic by end 2016.

Suppliers and Health Service Delivery Network

We have National Network of Health Service Providers (Drs & Clinics) to service our Mobile Health Patients.

Prior have at least 75% of all Health Service Providers who have agreed to Service the Prior Vouchers.

Market Overview

Our main target market comprises all corporates and small businesses where most of the 15m Employed Uninsured people are employed. Direct sales will also be made to those individuals, and if this includes their family members, then the potential increases significantly. Only 14% of the South African population is on medical insurance.

There is a major need in the South African healthcare market for simple, affordable access to health services. The Prior solution allows employers to provide access to health fast and cost effectively, resulting in a happier employee being more productive. Additionally, the labor unions are pressing for equality of employee benefits – and Prior is providing a means to achieve this.

Africa Market opportunities evaluations will commence in 2016, and from early 2017, product will start to be rolled out to African markets.

The advantages of mobile technology in health delivery have been grossly underutilized in the healthcare industry, especially regarding simple and cost effective mobile solutions that are sustainable being mobile based. The mass market is very familiar with Cellular Products, and indeed are mobile savvy!

Marketing and Distribution

Our marketing instruments include:

- Web based marketing: The new website www.prior.co.za is online (currently being upgraded, and to include Med e Card)
- Above the line marketing such as press releases
- Below the line marketing
- Networking – especially via health care brokers
- Trade shows and exhibitions

Prior Mobile Health was present at the [Board of Healthcare Funders of Southern Africa](#) – where the whole industry met from July 26th – 29th, 2015. The Prior Voucher was promoted at the conference, and being visible on the [conference web site](#), we have received many requests from promising leads that resulted in follow-up consultations. Prior also attended the next important Health Conference of the year in October – which was [PHASA](#) (Public Health Association of South Africa). This is important re State Health and National Health Insurance (NHI). Attendees from many countries in Africa did participate.

Distribution Channels




Our product shall be distributed through a multi-distribution channel system. Players in our distribution channel are payable by a commission driven model:

- Corporate employers
- Retail sector
- Micro lending space
- Mining sector
- Free/ Individual market
- Medical Schemes and administrators
- Cellular networks
- Public sector

Cooperation Partners

Much progress has already been made to secure strategic major players in the above channels and there is major focus to attract more through commissions and revenue shares payable.

Prior is working together with the following co-operation partners:

- **Cipla**, a Company with strategic synergies, especially regarding Primary Healthcare Clinics, who plays a key role in providing expertise in the development of generic medicine – driving affordability. South African-based Cipla is a supplier of branded and generic pharmaceuticals in many countries across the world and of consumer and nutritional products in selected territories. 
- **Afribiz**, a well-established U.S. based service provider with local presence in South Africa - who will take accountability for training, educating and coaching all Clinical personnel and employees. 
- **Innovation Hub**, The Innovation Hub is sub-Saharan Africa's first internationally accredited and leading science and technology park.  Established by the Gauteng Provincial Government in 2001, The Innovation Hub has created initiatives that support innovation; enterprise development and development for over 14 years. The Innovation Hub awarded Prior a Grant of R1m in 2015 to conduct formal POC of the Voucher concept and Systems. This has provided huge impetus and also credibility to the Government regarding Prior mobile health solutions.

The mass market is very familiar with the exceptionally successful mobile pre-paid airtime concept. It is within this context, that we are confident the Prior brand will be received with enthusiasm and success in the market. We are in a first mover position as there is no other product of this nature in the market.

Prior has a full comprehensive 5 year Business Plan & GO TO Market Plan – developed with professional marketing company, and checked by Innovation Hub.

Products and Services

Initially, there are two products:

- **Prior Med e Health™**: Mobile Health Voucher, for people who cannot afford Medical Scheme Cover. It works same as pre-paid airtime – but here it is pre-paid health.
- **Prior Med e Card™**: Auto Mobile Membership and Validation System for Medical Scheme Members.

Soon after launch we will add nutritional vouchers, pharmacy vouchers, Ozone and dental vouchers.

Following is a brief description of how the Prior Health Voucher works:

1. Employer: REGISTER on Prior web portal – thereafter just log in using selected password.
2. Your appointed local broker or Prior Administrator will assist you with this.
3. Buy bundle (10 or more) of Health Vouchers.
4. Only issue Health Vouchers, *as and when Staff are sick* – direct to employee's cell phone - from same Prior web portal, after logging in. Password protected.
5. Employee goes to Prior Network Health Service Provider, for consultation and medicine – no cash needed, just show doctor the Voucher pin number, and doctor will treat employee/patient at no charge.
6. Prior pay doctor directly & automatically by bank transaction, when doctor redeems Voucher on Prior web portal.
7. Pre-paid health, no monthly contribution, no underwriting, no risk pool, no cross subsidization, no contracting – just one-time registration on Prior web portal.
8. No more work hours wasted while employees wait in long queues as can attend private doctor in Prior Health Network countrywide.

The Prior Health Voucher is the creative use of existing cellular technology to apply as disruptive technology that has the potential of becoming a game changer in the healthcare industry in Africa.

Technology

Prior has well established Technology Partners for Vouchers (PMT) – including for all front end mobile devices via RAD (Rapid Application Development & Deployment) both of whom are also fully capable of scaling the business easily, as we gain market uptake. PMT already process millions of pre-paid airtime mobile transactions monthly.

Prior has 2 patent applications pending over the Mobile Health Voucher and Med e Card - and is the owner of a fully developed system that supports the creation, retail, distribution and redemption of health Vouchers.

B. Sidders is Inventor and holds all I.P. (Patent Applications, Copyright & Trade Marks) all licensed exclusively to Prior Ditema for RSA, via a registered trust.

Prior is also busy developing an IT Platform for a fully integrated set of Systems to run PHC Clinics or Doctor Practices. This is also being prepared for GDoH & NHI – as we can offer them an integrated solution to run their health facilities, which includes Med e Card as a membership system for NHI, and the Vouchers as a way for NHI to manage patients benefits.

Financial Highlights

Prior is seeking debt and/or equity capital of between US\$ 1 million (Business upgrade) for which we do have an up-to-date 5 year budget and returns = **US\$ 8,7 million Net Profit After Tax**.

Then \$5 million to Increase business structure to prepare for escalation into SADC and then Africa.

For full expansion into Africa, if the Investor is interested - further investment of \$5 million will be needed for:

- Start of rolling out of specially developed model clinics in South Africa
- Expansion in SADC region, and to start moving into Africa.

The following information is available to eligible investors only after signing a Non-Disclosure Agreement:

- *Profitability projection*
- *Income Statement*
- *Company valuation*

Social Responsibilities:

15% Shares of Prior International (Pty) Ltd (the majority shareholder in Prior Ditema) held by Life Foundation Trust – for support of selected ministry community outreach work & community upliftment.

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*Engaging the future with
innovative Mobile Technology*



Prior
Mobile Health

