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2015 North American Healthcare Innovation through Integrated Healthcare Services Emerging Market Innovation Award



F R O S T & S U L L I V A N



50 Years of Growth, Innovation & Leadership

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Background and Company Performance

Industry Challenges

Delivering healthcare to large populations in emerging markets is a challenge. Healthcare practices are limited by access to medical equipment, inadequate infrastructure and poor internet connectivity impedes communication. Emerging markets are also constrained by a shortage of skilled and trained resources.

Strategy and Implementation Excellence of Kallo Inc

Strategy Excellence

Criterion 1: Robust Emerging Market Growth Strategy

Kallo Inc (Kallo) is focused on providing healthcare services to underserved areas of emerging markets and has specifically devised its strategies on the premise that the healthcare requirements and challenges of emerging markets vary significantly from those of developed markets. Kallo has built a model that takes care of the entire healthcare delivery chain, from clinic design to personnel training. This model is significant in emerging markets where often only basic healthcare services are available. In such a scenario, healthcare delivery is restricted by infrastructural shortcomings, particularly inaccessibility to remote areas. To address this issue, Kallo has used telemedicine to offer comprehensive and accessible healthcare services to emerging markets. With a wide presence across African and Latin American countries such as Guinea, Senegal, Sierra Leone, Liberia, Cameroon, Chad, Niger, Nigeria, Kenya, Peru, and Brazil, Kallo is looking to expand into the Asia-Pacific market. Kallo's pragmatic outlook combined with its steadfast determination has been instrumental to the company's growth in the emerging markets.

Criterion 2: Emerging Market Penetration Strategy

Kallo has adopted an intensive analytical approach to surmounting the challenges associated with delivering healthcare in emerging markets. Representatives (Qualified Clinicians and Engineers) from the company's Canadian headquarters make routine visits to regions with emerging markets to conduct interactive stakeholder workshops and to gain a better understanding of the region's healthcare scenario, from the state of healthcare infrastructure to the clinical processes in use. The representatives also study treatment protocols, patient management systems, and determine the number of regional, district, and other hospitals are present in the area.

Kallo has established strong resource management skills in emerging markets. Usually, many teaching institutions and the like in emerging markets offer short-term skill enhancement training to medical personnel. Owing to poor infrastructure and follow-up procedures, however, these programs yield poor results. To surmount this challenge, Kallo

has established Kallo University, in collaboration with educational and specialty hospital institutions, which trains healthcare personnel to manage various operations. Kallo University offers distance education and training from its headquarters, and hands-on training in its regional education & training centers. Such foresight and a thorough understanding of market needs have helped Kallo prudently design its blueprint and establish a firm footing in emerging markets.

Criterion 3: Commitment to Innovation

Kallo's foundational structure for healthcare delivery incorporates a network of Mobile Clinics, Polyclinics and hospitals with built-in telemedicine systems. Its operations are divided into four areas: City/Urban, Urban-Rural, Rural-Rural, and Remote-Rural. Kallo has a three tier Polyclinic configuration with clinical referral models which are designed and built to address the unique conditions of each area such as population density, state of healthcare facilities, and accessibility to facilities. Polyclinics operate independently of hospitals but are capable of catering to a broad range of illnesses, infectious diseases, and injuries and are also supported by their own laboratory, pharmacy, and biosafety equipment. Kallo Mobile clinics are essentially an outpatient clinic on wheels with unique proprietary design and components that can be easily set up and driven to multiple communities in a specific geography. They operate in rural and remote locations to provide healthcare services and rapid diagnoses of infectious diseases, and generally cater to multiple clinical programs. Kallo leverages these clinics with its telemedicine services which provide real-time on-demand consultation and clinical services (diagnostic and treatment), improving the efficiency of healthcare services. Through its telemedicine system, Kallo has created a global health network where every point-of-care facility has a satellite communication system. Mobile clinics and polyclinics can connect to Regional Command Centers, which have specialists trained at Kallo University, or to the Clinical Command Center in Canada. This combination of clinics and telemedicine system has created disruptive clinical solutions and improved healthcare delivery.

Kallo's other disruptive clinical solutions include: Integraat, an innovative framework that enables medical devices to connect to an electronic medical record (EMR); CygnaMed™, a medical tourism application; Keristaa™, an information management system for collection, integration, and communication of clinical information in emergency situations; and eHealth, which enables governments to undertake e-initiatives in healthcare delivery in developing countries.

Implementation Excellence

Criterion 4: Agility to Localize for Emerging Market Requirements

Currently, Kallo caters to remote locations in developed countries and underserved areas in emerging markets. Each delivery program is tailored to the needs of the location. To address the challenges of poor or no infrastructure and resource scarcity in emerging markets, Kallo pre-fabricates the polyclinics and mobile clinics in Canada before shipping

them to their respective destinations. These units are assembled on site which takes about 4-6 weeks. The modular approach of the clinics gives Kallo certain advantages over the brick-and-mortar approach, the most important being that Kallo can oversee the construction of the clinics and mitigation risks associated with local resources and material availability. Another challenge in emerging markets is the extensive orientation and training provided to personnel, less extensive training is required in developed markets. Kallo faces similar infrastructure requirements, such as infection control and waste management, in both markets. Applying its knowledge of developed markets, Kallo has been successful in raising the bar of operating standards in emerging markets.

Criterion 5: Commercialization Success

Kallo has had a distinct model of healthcare delivery in place since 2011. The company has secured a \$200 million supply contract for the mobile care program with the Republic of Guinea and received \$795 million project approval from the government of Ghana in 2014 for setting up its MobileCare™, RuralCare™, and DialysisCare™ programs in the country. Kallo organizes four-day workshops for its stakeholders which have been attended by representatives from Ministries of Health, Finance, Infrastructure etc., (mostly senior officials such as Secretary Generals, Directors and chiefs, of Ghana, Guinea, Cameroon, Chad, and Sierra Leone. Kallo's projects in the pipeline are valued at more than \$5 billion. The first deployment of mobile clinics is expected in early 2016 and Kallo anticipates a minimum of 120 patients to visit each mobile clinic every day (based on the current number of patients trying to access healthcare services). An overwhelming response from the company's stakeholders and patients is helping catalyze Kallo's growth.

Criterion 6: Go-To-Market Models

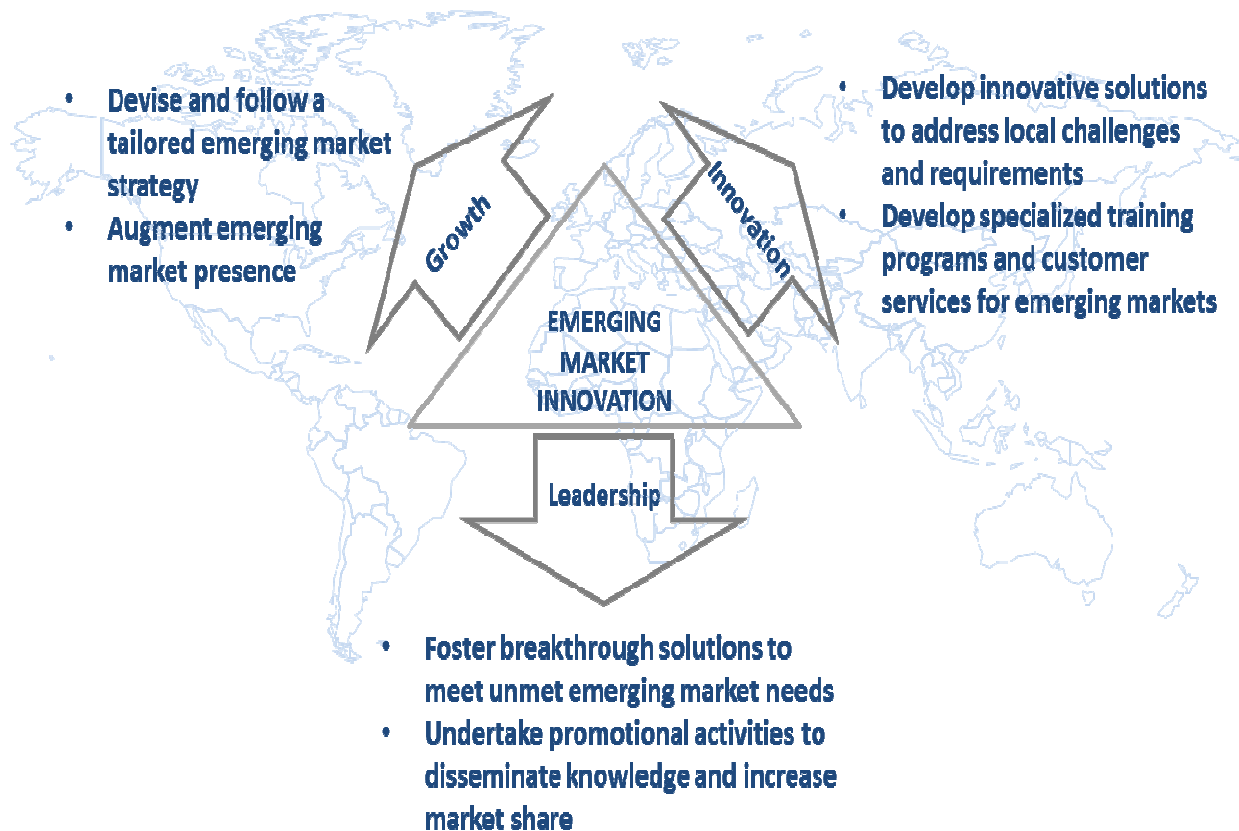
To navigate its way through emerging markets, Kallo works closely with the governments of the countries in which it operates. This approach solves the dual challenge of securing funding and obtaining market access. Kallo helps orchestrate financing for the governments to own and provide healthcare services through Kallo Integrated Delivery systems. Kallo provides operational oversight and maintenance of all systems, technologies, Education and Training and clinical service support under the contract with its local presence in the country. To keep its software updated and to access advanced technologies, Kallo partners with companies such as IBM Corporation and Cisco Systems Inc. Kallo's pricing model has played a key role in its success in emerging markets. The pricing model is determined by a combination of vertical costs (which include the price of the solutions) and horizontal costs (which comprise the costs of maintenance, education, training, supply chain management, and others). Pricing is also dependent on the region, type of mobile clinic or polyclinic required, hospitals required and the number of such clinics and hospitals required. Kallo's partnership and sales models have been instrumental in establishing Kallo Integrated Delivery System referred as KIDS.

Conclusion

Kallo has displayed remarkable innovation capabilities through its all-encompassing healthcare services and solutions for emerging markets, including mobile clinics, telemedicine, hospital information systems and healthcare personnel training. Its concerted efforts to improve healthcare delivery in emerging economies across Africa, Latin America, and the Asia-Pacific have been fruitful. Kallo's Integrated Delivery System (KIDS) with disruptive clinical solutions, such as MobileCare™, RuralCare™, Integraat, CygnaMed™, Keristaa™, and eHealth have the potential to significantly transform healthcare delivery. With a clear understanding of emerging market requirements, the company has been successful in building a pragmatic business model with customized healthcare solutions, effective marketing strategies, and strategic partnerships. In recognition of its intensive work in delivering healthcare and telemedicine to emerging markets, Frost & Sullivan is proud to present the 2015 North America Emerging Market Innovation Award in Healthcare Innovation through Integrated Healthcare Services to Kallo Inc.

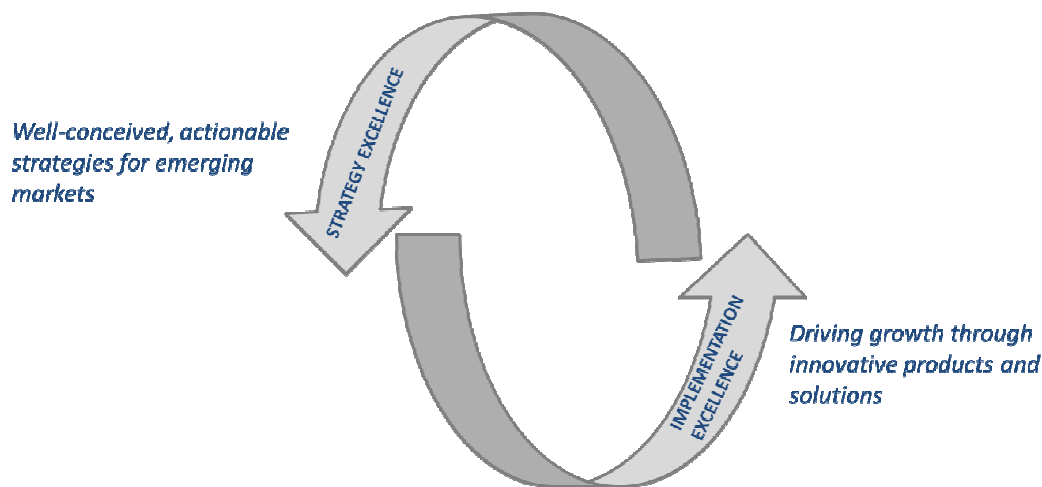
Significance of Emerging Market Innovation

Amidst changing global dynamics, emerging markets have emerged as hotbeds of opportunity in the last decade and companies have been eager to expand their presence into these markets to gain sustained global leadership. However, owing to the inherent nature of emerging markets and their distinction from developed markets, a one-size-fits-all approach by companies is likely to fail. In order to succeed in emerging markets, a company would have to be best-in-class in three key areas:



Understanding Emerging Market Innovation

A true emerging market innovator would make a thorough assessment of market conditions, formulate a tailored emerging market strategy, then proceed to expand and retool its portfolio of products and solutions. Strategy and implementation excellence are therefore key to realizing the three-pronged goals of growth, innovation and leadership mentioned above. By successfully innovating for emerging markets, a company not only enhances its own growth, but contributes to the growth and development of emerging markets.



Frost & Sullivan's Global Research Platform

Frost & Sullivan maintains more than 50 years in business and is a global research organization of 1,800 analysts and consultants who monitor more than 300 industries and 250,000 companies. The Company's research philosophy originates with the CEO's 360 Degree Perspective, a holistic research methodology that encourages us to consider growth challenges, and the solutions companies employ to solve them, from every angle. This unique approach enables us to determine how best-in-class companies worldwide manage growth, innovation and leadership. Based on the results of our research, Frost & Sullivan is proud to present the 2015 North America Emerging Market Innovation Award in Healthcare Innovation through Integrated Healthcare Services to Kallo Inc.

Key Benchmarking Criteria

For the Emerging Market Innovation Award, we evaluated strategy and implementation excellence according to the criteria detailed below.

Strategy Excellence

- Criterion 1: Robust Emerging Market Growth Strategy
- Criterion 2: Emerging Market Penetration Strategy
- Criterion 3: Systematic Use of Mega Trend
- Criterion 4: Commitment to Innovation
- Criterion 5: Aspirational Ideals

Implementation Excellence

- Criterion 1: Agility to Localize for Emerging Market Requirements
- Criterion 2: Commercialization Success
- Criterion 3: Customer Service and Training Adapted to Local Needs
- Criterion 4: Go-To-Market Models
- Criterion 5: Sustainable Initiatives

The Intersection between 360-Degree Research and Best Practices Awards

Research Methodology

Frost & Sullivan's 360-degree research methodology represents the analytical rigor of our research process. It offers a 360-degree-view of industry challenges, trends, and issues by integrating all 7 of Frost & Sullivan's research methodologies. Too often, companies make important growth decisions based on a narrow understanding of their environment, leading to errors of both omission and commission. Successful growth strategies are founded on a thorough understanding of market, technical, economic, financial, customer, best practices, and demographic analyses. The integration of these research disciplines into the 360-degree research methodology provides an evaluation platform for benchmarking industry players and for identifying those performing at best-in-class levels.

360-DEGREE RESEARCH: SEEING ORDER IN THE CHAOS



Best Practice Award Analysis for Kallo Inc

Strategy Excellence

Criterion 1: Robust Emerging Market Growth Strategy

Requirement: The Company has devised a tailor-made strategy to tap into emerging markets, as opposed to one-size-fits-all approach. The Company would also need to have a strong emerging market presence and/or potential expansion plans in the pipeline.

Criterion 2: Emerging Market Penetration Strategy

Requirement: The Company employs a tactical approach to surmount challenges associated with the initial entry process. For example, the company partners with local teams to overcome language, cultural and regulatory barriers.

Criterion 3: Systematic Use of Megatrends

Requirement: The Company incorporates long-range, macro-level scenarios while strategizing for emerging markets.

Criterion 4: Commitment to Innovation

Requirement: Conscious ongoing development of an organization culture that supports innovation based on a systematic need assessment of emerging markets.

Criterion 5: Aspirational Ideals

Requirement: A willingness to look beyond the simple goal of generating a profit to embrace a more powerful ideal of bringing greater value to customers.

*Implementation Excellence***Criterion 1: Agility to Localize for Emerging Market Requirements**

Requirement: The Company has retooled its existing portfolio of products and services and/or the company has developed new products and services to meet local needs and preferences.

Criterion 2: Commercialization Success

Requirement: To increase the adoption rate of its products and services in emerging markets, the company offers low-cost financing solutions, undertakes promotional activities, presents introductory offers, etc.

Criterion 3: Customer Service and Training Adapted to Local Needs

Requirements: The Company has tailored its customer services and training programs to suit local requirements.

Criterion 4: Go-To-Market Models

Requirement: The Company makes use of unique business models such as corporate partnerships and public-private collaborations in order to enhance and expand its emerging market presence.

Criterion 5: Sustainable Initiatives

Requirements: The Company adheres to environmentally sustainable practices in the emerging markets in which it operates.

Best Practices Recognition: 10 Steps to Researching, Identifying, and Recognizing Best Practices

Our awards team follows a team 10-step process (illustrated below) to evaluate award candidates and assess their fit with our best practice criteria. The reputation and integrity of our awards process are based on close adherence to this process.

STEP	OBJECTIVE	KEY ACTIVITIES	OUTPUT
1 Monitor, target, and screen	Identify award recipient candidates from around the globe	<ul style="list-style-type: none"> • Conduct in-depth industry research • Identify emerging sectors • Scan multiple geographies 	Pipeline of candidates who potentially meet all best-practice criteria
2 Perform 360-degree research	Perform comprehensive, 360-degree research on all candidates in the pipeline	<ul style="list-style-type: none"> • Interview thought leaders and industry practitioners • Assess candidates' fit with best-practice criteria • Rank all candidates 	Matrix positioning all candidates' performance relative to one another
3 Invite thought leadership in best practices	Perform in-depth examination of all candidates	<ul style="list-style-type: none"> • Confirm best-practice criteria • Examine eligibility of all candidates • Identify any information gaps 	Detailed profiles of all ranked candidates
4 Initiate research director review	Conduct an unbiased evaluation of all candidate profiles	<ul style="list-style-type: none"> • Brainstorm ranking options • Invite multiple perspectives on candidates' performance • Update candidate profiles 	Final prioritization of all eligible candidates and companion best-practice positioning paper
5 Assemble panel of industry experts	Present findings to an expert panel of industry thought leaders	<ul style="list-style-type: none"> • Share findings • Strengthen cases for candidate eligibility • Prioritize candidates 	Refined list of prioritized award candidates
6 Conduct global industry review	Build consensus on award candidates' eligibility	<ul style="list-style-type: none"> • Hold global team meeting to review all candidates • Pressure-test fit with criteria • Confirm inclusion of all eligible candidates 	Final list of eligible award candidates, representing success stories worldwide
7 Perform quality check	Develop official award consideration materials	<ul style="list-style-type: none"> • Perform final performance benchmarking activities • Write nominations • Perform quality review 	High-quality, accurate, and creative presentation of nominees' successes
8 Assemble board of advisors	Finalize the selection of the best-practice award recipient	<ul style="list-style-type: none"> • Present candidates to a Board of Advisors • Build consensus • Select winner 	Decision on which company performs best against all best-practice criteria
9 Communicate recognition	Inform award recipient of award recognition	<ul style="list-style-type: none"> • Present award to the CEO • Inspire the organization for continued success • Celebrate the recipient's performance 	Announcement of award and plan for how recipient can use the award to enhance the brand
10 Take strategic action	Share award news with stakeholders and customers	<ul style="list-style-type: none"> • Coordinate media outreach • Design a marketing plan • Assess award's role in future strategic planning 	Widespread awareness of recipient's award status among investors, media personnel, and employees

Impact of Emerging Market Innovation on Key Stakeholders

The Emerging Market Innovation Award recognizes Kallo Inc's accomplishments in Healthcare Innovation through Integrated Healthcare Services. Unbiased, third-party recognition can help enhance credibility and brand value, thereby supporting Kallo Inc's standing in the market. By researching, ranking, and recognizing those who define excellence in their respective endeavors, Frost & Sullivan hopes to inspire and influence the following three constituencies:

Investors

Investors and shareholders always welcome impartial third-party recognition. Similarly, prospective investors and shareholders are drawn to companies with a well-established reputation for excellence. Unbiased validation is a highly credible way to showcase an organization worthy of investment.

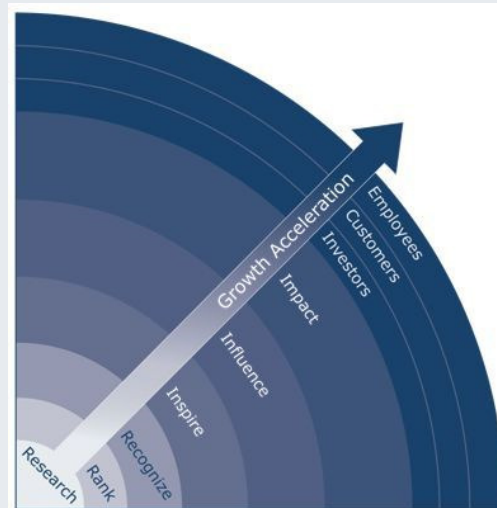
Customers

Third-party validation can help assure prospective customers of a company's value and reputation. It can also help lower the level of risk that a customer may feel in engaging for the first time with an organization.

Employees

This Award represents the creativity and dedication of Kallo Inc's Chairman & CEO, John Cecil, his executive team and employees. Such public recognition can boost morale and inspire this team to continue its pursuit of excellence in emerging market innovations for Kallo Inc.

BEST PRACTICES LEVERAGE FOR GROWTH ACCELERATION



About Frost & Sullivan

Frost & Sullivan, the Growth Partnership Company, enables clients to accelerate growth and achieve best in class positions in growth, innovation and leadership. The company's Growth Partnership Service provides the CEO and the CEO's Growth Team with disciplined research and best practice models to drive the generation, evaluation and implementation of powerful growth strategies. Frost & Sullivan leverages almost 50 years of experience in partnering with Global 1000 companies, emerging businesses and the investment community from 31 offices on six continents. To join our Growth Partnership, please visit <http://www.frost.com>.