Traditional Analysis Vs. Location Intelligence (Mobile Data)

Selecting an Effective Trade Area

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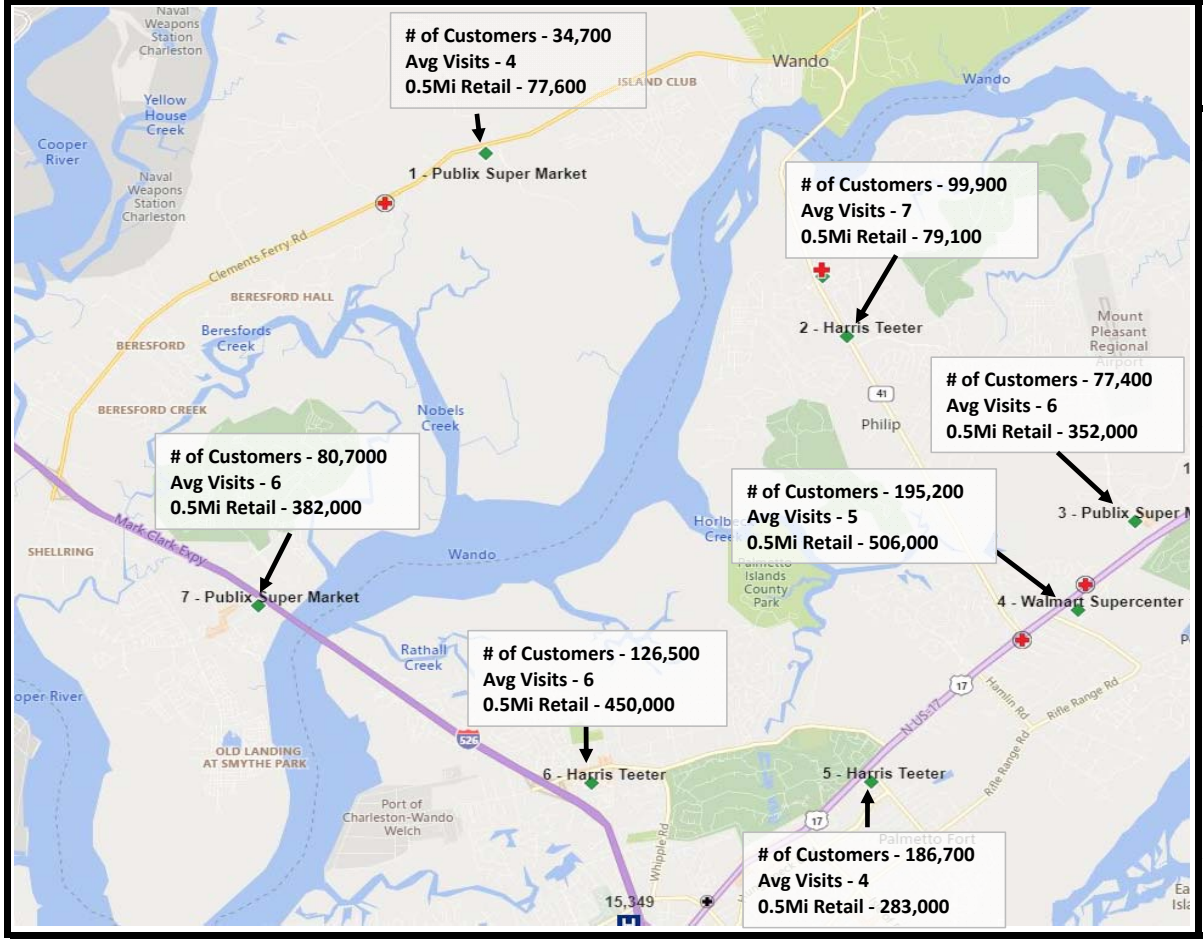

Select the Strongest Draw

When searching for a new urgent care location, several key factors must be evaluated and prioritized to ensure the highest probability of success. The ability to gather, organize, analyze, and compare market analytics and consumer attributes has helped many organizations make critical decisions on an informed basis.

Historically, market indicators such as demographics, psychographics, crime, and retail synergies have been inventoried using Radii or Drive-Time geographies (ex. 1/3/5-Miles or 5/10/15-Minutes, respectively). While concentric-rings and drive-time-polygons have been largely accepted as the 'industry-norm,' new technology based-on Location Intelligence (LI), better known as mobile data, can provide a more accurate depiction of consumer travel and behavior. Understanding consumers' path-of-travel and shopping patterns may provide urgent care operators insight to strategic real estate and marketing initiatives.

In many cases, the center-point of a trade area is a grocery store. Groceries generate consistent traffic and are typically surrounded by synergistic retailers (ex. pharmacy, dining, etc.). Presence and proximity to retail helps maintain a consistent flow of potential patients. It is the regular, and not the random, shoppers who are key to an urgent care's success.

As an illustration, the adjacent map highlights 7 potential grocery anchored shopping centers and the estimated annual customer volume In addition to the volume the amount of existing retail within

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Traditional Analysis - Radius Rings

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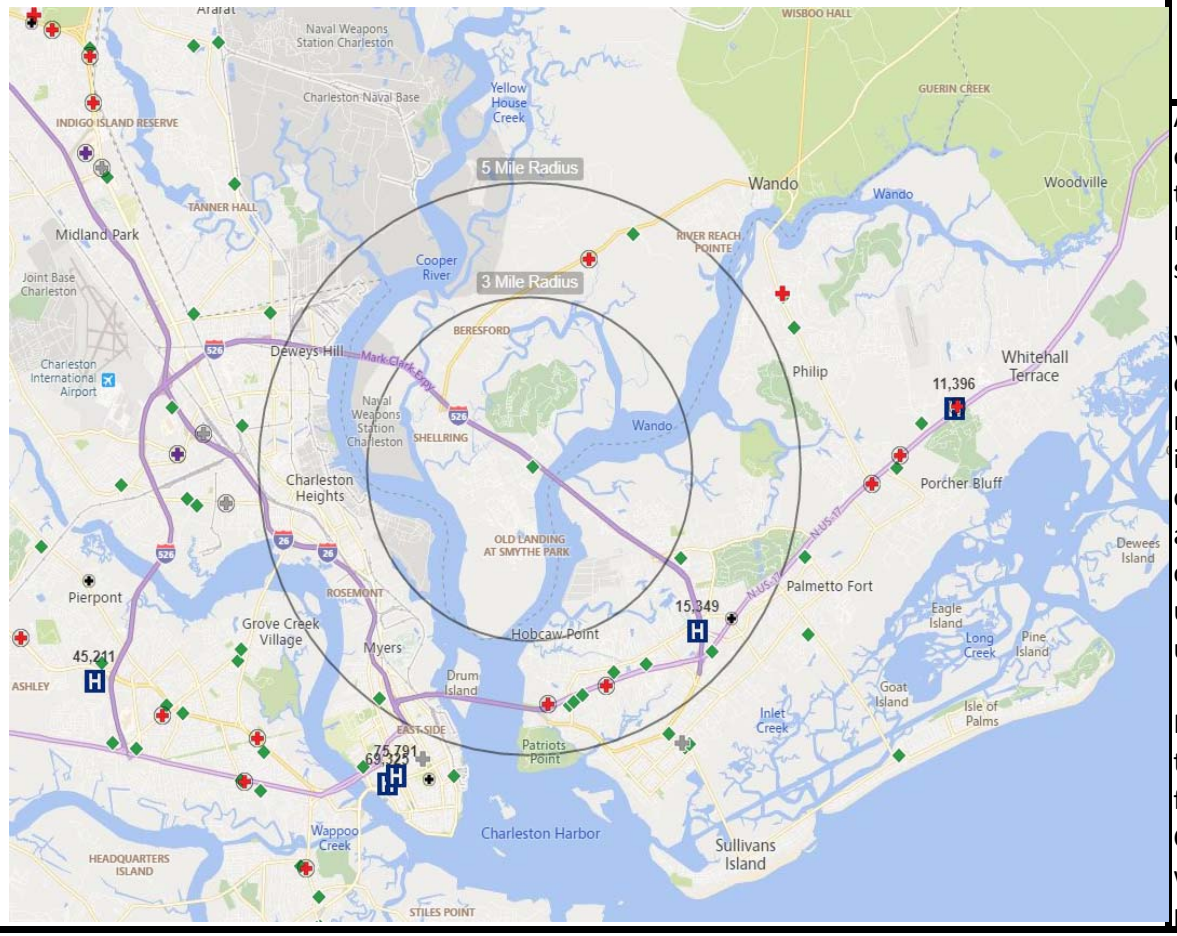

How a Radius May Provide Misleading Data

As an example of radius-based trade area evaluation, we examined the 'market potential' of a Publix grocery store. While there are many radius rings that can be created, 3-Mile and 5-Mile rings are common areas of measure when considering a potential site. For this reason, we replicated those zones for our example.

While radii provide a consistent geography for examination, they can often introduce demographics or other considerations that may not truly represent a potential market area. In the example included, the target radii traverse man-made and naturally-occurring boundaries (ex. bridges, swamp, and rivers). Blindly accepting the trade area created by the radius may limit actual consumer-draw and traffic to a specific location. Conversely, utilizing radii may artificially inflate key analytical factors that are used for evaluation.

It should be noted that while radii are consistent units of measure, they also hypothesize that a specific location will draw equally from all points within the radius. Location Intelligence and Consumer Mapping can be used to determine the actual area that will consistently draw potential patients so the urgent care can plan accordingly.

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Drive Times

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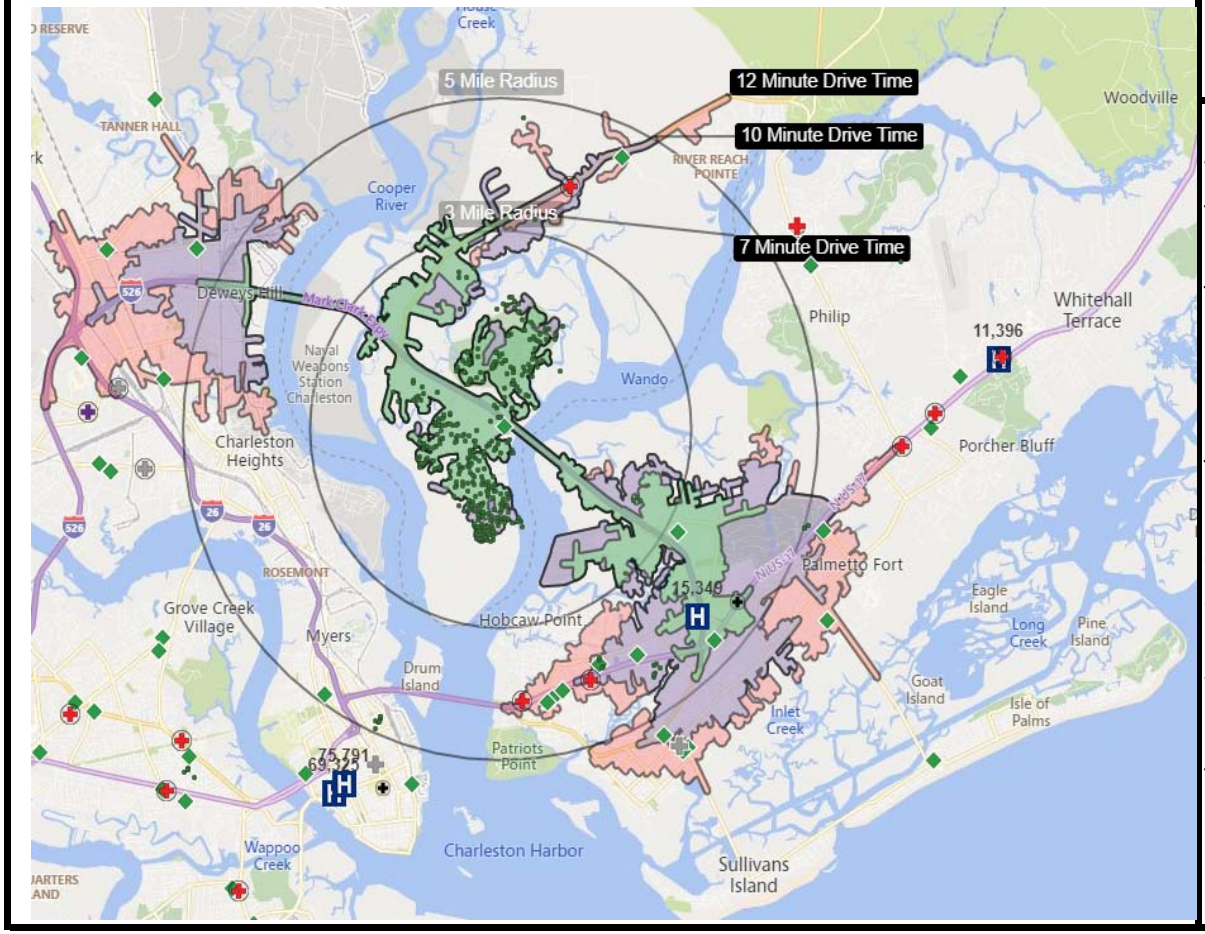

Limitations When Using Drive-Times

Using the same Publix grocery as referenced previously, we examined the subject site with 7, 10, 12 minute drive-times. Much like the 3-Mile and 5-Mile radii, drive-times help define and measure potential market trade areas. These drive-times provide a quick reference to forecast a potential patient's willingness to travel a specific distance (in time) to reach your urgent care.

There are many factors that may influence a drive-time polygon and its shape. Some items to consider are: time of day, traffic flow and congestion, proximity to highways or toll-roads, alternate routes of travel, etc.

While drive-times may better account for man-made and naturally occurring boundaries/barriers, similar to radii, these trade areas often assume equal distribution around a location and often grow in a uniform or homogenous manner (in many cases, contrary to actual consumer behavior).

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Location Intelligence

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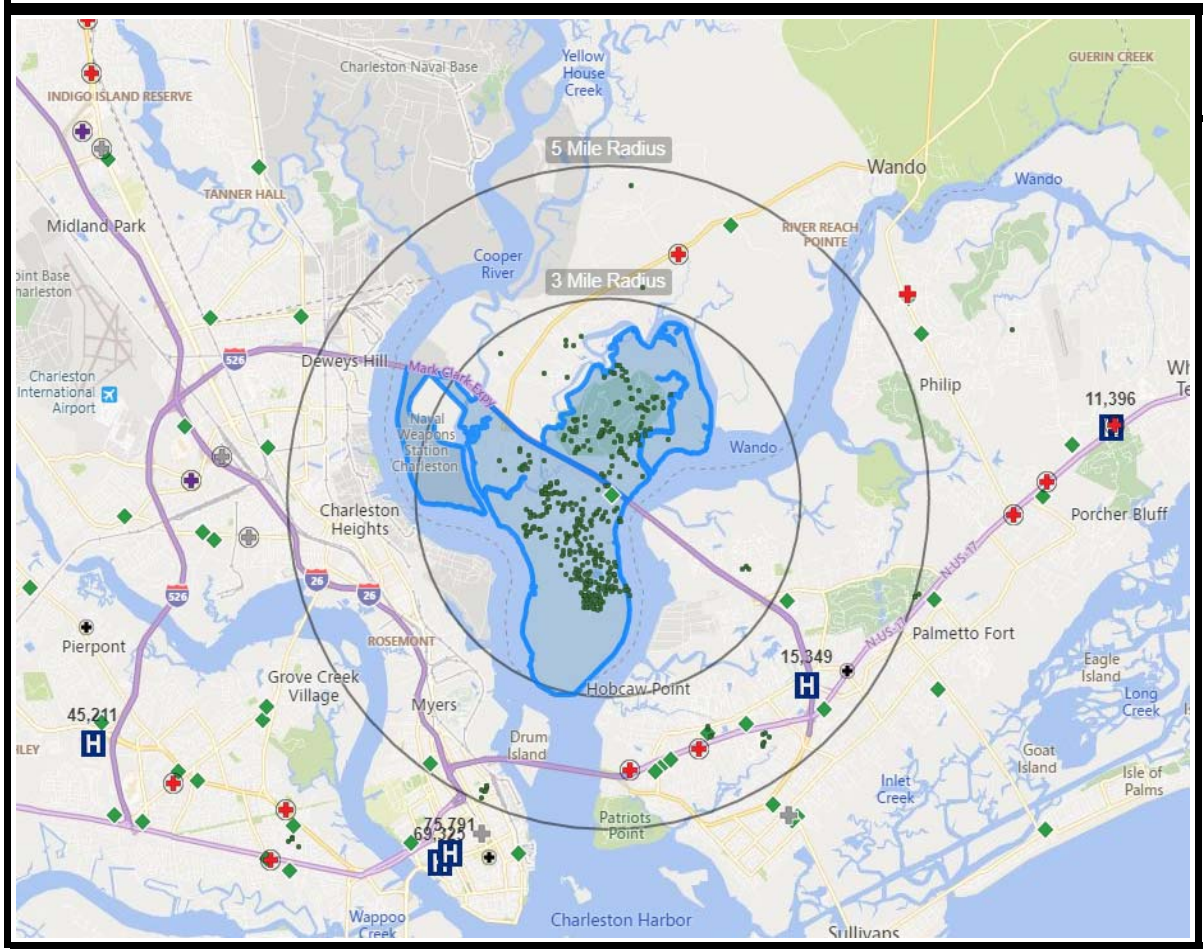

Insights Provided by Location Intelligence

Location Intelligence and Consumer Mapping helps inventory and establish the consistent and repeat behaviors of residents and shoppers within a market. Understanding the true path of travel and 'draw area' allows users to create polygonal trade zones.

Improvements in technology and the prevalence of 'smart devices' has allowed many data aggregators/compilers to pull geo-data (i.e. GPS data) from user devices. This information can be used to map the location of that device (and other devices) over specified periods of time and under specified conditions. GPS data as collected by smart phones and third-party applications can now be used to understand the 'Common Evening Location' and/or 'Common Daily Location' (i.e. home/work) of that device/consumer.

When formed in conjunction with consumer cell-phone data or actual consumer addresses, polygonal trade zones can help combat the historic deficiencies of radii and drive-times. Instead of blindly traversing barriers, increasing trade area size concentrically, and hypothesizing that consumers within an area will all act similarly, you can now examine actual consumer behavior to not only understand the likely composition of your market, but also choose a location that has the most robust draw.

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Traditional Analysis Vs. Location Intelligence (Mobile Data)

Trade Area Comparison

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Snapshot Qualifier - Potential Location		Polygon	3 Mile Radius	5 Mile Radius
Population		11,770	20,148	77,836
Median Age		41	40	39
Traditional UC	PPUC+1	0 [1] 11,770	0 [1] 20,148	3 [4] 19,459
Traditional+Limited	PPUC+1	0 [1] 11,770	0 [1] 20,148	3 [4] 19,459
Pediatric UC	PPUC+1	0 [1] 11,770	0 [1] 20,148	0 [1] 77,836
Total UC (non-retail)	PPUC+1	0 [1] 11,770	0 [1] 20,148	3 [4] 19,459
Households		4,843	8,089	32,271
Daytime Population		7,472	14,116	70,079
Median Income		$130,995	$116,285	$78,263
Avg HH Income		$166,901	$154,662	$111,761
Median to Avg Income %		78%	75%	70%
Group YXB Score %		64.5%	60.8%	55.9%
Group F Score %		2.8%	3.2%	14.2%
Count of Physicians		7	15	72
Pop per Physician		1,681	1,343	1,081
Personal Crime Index		82.8	61.4	138.4
% Pop under 15 Yrs | 19Yrs		21% | 31%	21% | 30%	20% | 27%
% Pop 55+		26%	26%	29%
Private Ins. %		89%	88%	74%
Medicaid %		1%	2%	10%

Polygons vs Radii

As illustrated on the adjacent spreadsheet, the polygon generated by the Location Intelligence data (cell-phone-mapping) creates a trade area with considerable demographic variations compared to the 3 and 5-Mile radii.

When compared, the population for the (LI) polygon vs. the 3-Mile radius is approximately one-half; the population for the (LI) polygon vs. the 5-Mile radius is even more condensed. The significant variation in key reporting results could translate to an over-estimation or distorted view of potential trade area size.

Additionally, the greater the distance from the grocery center, the more prevalent the decrease in incomes and private insurance becomes. This is a clear example of how traditional methods of trade area evaluation may include consumers that do not represent actual or consistent trade area participants.

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Traditional Analysis Vs. Location Intelligence (Mobile Data)

Trade Area Comparison

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Snapshot Qualifier - Potential Location		Polygon	7 Minute Drive Time	10 Minute Drive Time
Population		11,770	22,846	54,267
Median Age		41	40	40
Traditional UC	PPUC+1	0 [1] 11,770	0 [1] 22,846	2 [3] 18,089
Traditional+Limited	PPUC+1	0 [1] 11,770	0 [1] 22,846	2 [3] 18,089
Pediatric UC	PPUC+1	0 [1] 11,770	0 [1] 22,846	0 [1] 54,267
Total UC (non-retail)	PPUC+1	0 [1] 11,770	0 [1] 22,846	2 [3] 18,089
Households		4,843	9,376	23,026
Daytime Population		7,472	15,844	42,397
Median Income		$130,995	$109,514	$84,224
Avg HH Income		$166,901	$143,084	$115,228
Median to Avg Income %		78%	77%	73%
Group YXB Score %		64.5%	59.8%	57.3%
Group F Score %		2.8%	4.0%	8.6%
Count of Physicians		7	33	54
Pop per Physician		1,681	692	1,005
Personal Crime Index		82.8	53.2	87.5
% Pop under 15 Yrs | 19Yrs		21% | 31%	20% | 29%	20% | 26%
% Pop 55+		26%	27%	29%
Private Ins. %		89%	88%	80%
Medicaid %		1%	3%	6%

Common Trade Area Mistakes

As illustrated on the adjacent spreadsheet, and similar to the radius comparison, the polygon generated by the Location Intelligence Data also shows considerable demographic variations compared to the 7 and 10-Minute drive times.

When compared, the population for the (LI) polygon vs. the 7-Minute drive time is approximately one-half; the population for the (LI) polygon vs. the 10-Minute drive time is even more condensed. The significant variation in key reporting results could translate to an over-estimation or distorted view of potential trade area size. A reduction in the desired consumer data-points and an increase in the undesired data-points can also be observed as the distance from the center-point grows.

The polygon clearly illustrates that not all consumers are making consistent visits to this potential center-point even though the size of drive-time area may be considered nominal

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Crime Data

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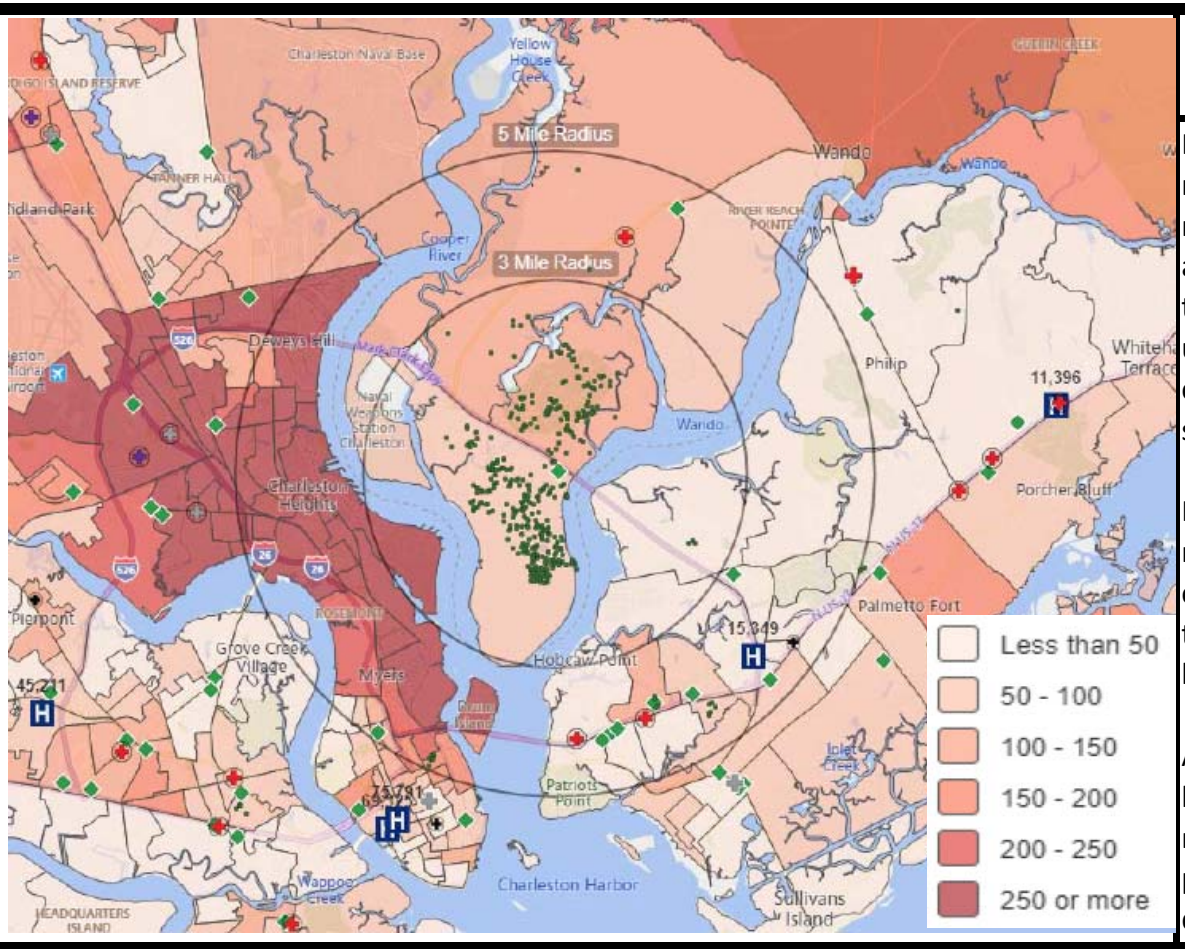

Introduction of irrelevant factors

In addition to examining 'traditional demographics,' crime-rates and safety-trends as provided by the FBI are invaluable resources. While urgent care centers exist in both low-crime and high-crime areas, crime-maps provide insight to potential trade area dynamics. While one may expect crime in an urban market to be elevated compared to sub-urban markets, crime may impact consumer decision-making as well as staffing considerations.

In the included map, the corresponding crime rates are reported based on census tracts. The color-scale shows 'low-crime' areas vs. 'high-crime' areas. The green dots represent the consistent trade area draw for the subject grocery store based on LI and cell-phone-mapping.

As you will note, the crime rate in the core trade area would be considered 'normal' per FBI classifications. Relying on a radius-based zone as a sole basis for evaluation introduces pockets of 'very high crime' and may artificially impact a decision to pursue this location.

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Competition

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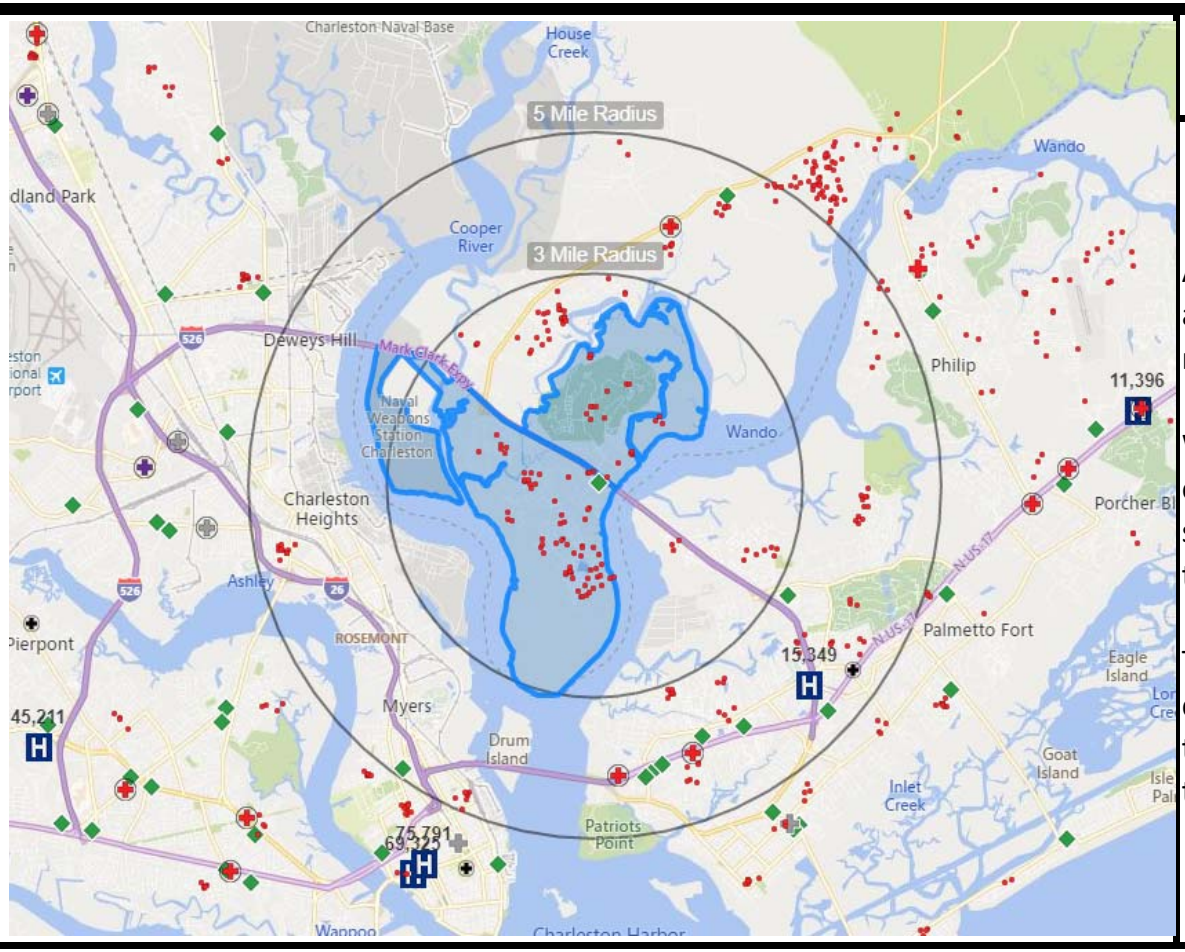

Impact of Competition by Competitors

An additional advantage of Location Intelligence is the ability to access the potential impact of competition relative to a subject or potential new site.

When examining the patient visit data for the urgent care operator located to the north of the subject site, we can see that they have a strong network of patients in the trade area of the Publix grocery store.

The presence and draw-area of the existing provider could make starting a new clinic difficult due to the fact that the competition has an established relationship with the community.

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