

HealthNow Investment Notes

We are excited to announce that Enterprise Angels and EA Fund 4 have made an investment into HealthNow Limited.

The Company

Founded in 2020 by [Steven Zinsli](#), [HealthNow](#) is a Business to Business (B2B), Software as a Service (SaaS) provider that streamlines the delivery of employee benefits.

HealthNow provides employees with individually issued HealthNow Mastercards, connected to personal wellbeing accounts, funded by their organisation.

The cards work anywhere that accepts debt cards *and* has been approved by their employer (i.e. can be used at all health and wellness providers, such as physios, doctors, dentists, gyms, pharmacies etc; or if the employer wants to be more targeted, use can be restricted to a narrower grouping of providers or individual businesses e.g. only doctors and dentists OR a specific doctor/dentist).

The Market

The total addressable market is any business globally that wants to simplify how they deliver wellness benefits to employees. Even conservative/narrow estimates of this figure are substantial. If the HealthNow solution was taken up by 5% of the NZ and AUS workforce, that would represent a \$39m p/a revenue opportunity at the current fee structure. This figure ignores many possible synergistic revenue opportunities and further geographic expansion.

Macro timing for a solution of this kind appears strong due to several factors including:

- Tailwinds from the 2021 “great resignation”.
- More than 9 in 10 organizations already offer at least one wellness incentive ([HBR](#), 2019).
- NZ and Australian employers are now legally obligated to consider both the mental and physical health of their employees.
- The wider global corporate wellness market size is large and growing. As of 2023 it is estimated at US\$59.68 billion and expected to grow to US\$119.96 billion by 2033 ([PR](#), 2023).
- There is a reasonably recent and widespread recognition that employee health affects the bottom line of businesses.

The most common employee benefit arrangements currently in practice by businesses are:

1. **Engaging with health vendors in or near the business directly (i.e. having them come into the office or providing employees the ability to access a specific doctor or physios).**

Problem: This leaves a company with supplier relationship/s to manage and doesn't suit all employees (e.g. maybe they like to see their own GP who knows them best, they may not be comfortable with your chosen service provider, maybe they don't need a doctor – but really do need to see a dentist. What if some employees are remote and can't access the local services you provide? etc).

2. **Offering to reimburse employees for health-related expenses.**

Problem: Manual reimbursement is a huge cost to businesses. Depending which sources you trust, figures range anywhere from \$25-58 per transaction to process. Furthermore, there is a poor experience at an accounts level for both the company (costly in time and resource) and for the employee (they must pay out of pocket until they are reimbursed weeks later). There are also issues of anonymity, where employees don't feel comfortable handing in receipts for private/sensitive

medical procedures (in many cases leading to a delay in treatment, which in turn affects productivity).

3. **Paying employees a weekly/monthly health allowance.**

Problem: There is no way for the employer to ensure the money being provided is getting spent on health and wellness, nor can they receive any actionable insights into type of usage and level of uptake across their workforce.

The HealthNow solution provides actionable insights and a simplified delivery mechanism for employers, whilst also providing employees more choice, more efficiently. All at significantly less cost than current alternatives.

10 Reasons we like HealthNow

1. Driven, committed, obsessive, intelligent, coachable, ethical and obsessive founder.
2. Experienced and aligned management team + board with complementary skills (all have impressive personal track records and have invested personal capital in the business).
3. Proven track record of the founder being able to recruit, retain and align top talent toward the company's mission.
4. The founder and senior team have endured some battle scars on the way to achieving product market fit but remained committed and customer focused throughout the challenges. The team have real grit and a true belief in their mission.
5. A near perfect pilot to paid customer conversion rate (note: cards have only been in market for ~6 months).
6. A product focus to date with primary sales channels being word of mouth, email marketing and cold calling with very limited dedicated sales resourcing – thus positioning the company well for rapid scalable growth.
7. Credible and extensive customer pipeline.
8. A lean, and fiscally prudent operation.
9. Very positive early customer feedback and retention metrics.
10. A large and growing addressable market.

Acknowledgements

We extend our thanks and gratitude to Steven for placing his trust in us to help him scale the business. Steven has proven to be a tenacious and capable founder and it has been a pleasure to join the journey alongside him.

We would also like to also extend our thanks to Icehouse Ventures. Icehouse is a supportive and professional co-investor who has provided real value to Steven and the HealthNow mission.