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## PITCH DECK

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### OVERVIEW

Novus Acquisition & Development Corp (Novus) through its wholly subsidiary WCIG Insurance Services LLC., has a first-mover advantage in offering health plans that include cannabis benefits for medical and recreational users.

As a carrier, our underlying plans include THC which is state-specific, and CBD Plans which are nationwide. All plans are offered either Stand-a-lone, Discount Medical, Supplemental, Workers' Comp, and/or Guaranteed Issue. Once cannabis is federally legalized, we are positioned to transition to a reimbursement model and User-Based Insurance (UBI) which is a tiered pricing plan based on calculations of a user's consumption behavior.

There is no better technique or cost-effective way to pool cannabis users by incorporating them through employer-sponsored health plans. This compliantly corrals and influences the purchasing habits of the consumers and directs them to specific cannabis brands.

***Infrastructure:*** Novus built its legal cannabis insurance infrastructure and rolled it out in late 2017. Currently, we have 300+ Cannabis Verticals in our Provider Network, 1,200 Selling Agents, 12 participating [Health Carriers](#), [Third Party Administrators](#) (TPA), [Pharmacy Benefits Managers](#) (PBM), [Professional Employment Organization](#) (PEO's) and [Insurance Brokers/Group Sales](#).

### ***The Business Model Benefits***

Novus' business model provides a value proposition in three ways:

- ***Benefit to Shareholders:*** Novus' intrinsic value is based on owning receivables (insurance policies) rather than having a high overhead and owning depreciative assets. Additionally, insurance companies benefit from the highest values traded on Wall Street. Learn How Insurance Companies Are Evaluated: [Click Here](#)
- ***Value to Patient / Members:*** Both recreational and medical users receive a 30% to 45% discount on cannabis meds from our in-network of providers. In addition, many plans qualify for Health Savings Accounts and Health Reimbursement Accounts and can be paid by employer-sponsored health plans.
- ***Value to Cannabis Verticals:*** Novus supports cannabis verticals by driving a loyal and exclusive client base that buys 3 times the national average per visit. We continually increase patronage for the verticals by utilizing geofence advertising technology that is superior to Google, delivering ads to the consumer when they visit a dispensary that is not in the Novus network. Offer preferred rates on P&C.

**Plan Pricing:**

**3 Plan Types**

MONTHLY RATES	CBD only + Rx Discount	THC only + Rx Discount	CBD + THC + Rx Discount
Member	\$19.95	\$24.95	\$26.95
Member + Spouse	\$27.90	\$32.90	\$34.90
Member + Child(ren)	\$27.90	\$32.90	\$34.90
Family	\$35.90	\$40.90	\$42.90

**How the plans work:**

If a cannabis user spends \$100 or more per month on their cannabis meds, they can expect savings of \$600 to \$1,200 per year. Patient/members visit our in-network dispensary to receive their preferred pricing benefits.

**Savings Chart**

Assumption: State of California	Recreational Use		Medicinal Use	
	1 oz. of Cannabis	0.5 oz. of Cannabis	1 oz. of Cannabis	0.5 oz. of Cannabis
Cost of Cannabis before Tax	\$300.00	\$150.00	\$300.00	\$150.00
After 30% Program Discount	\$210.00	\$105.00	\$210.00	\$105.00
State Tax	37%	37%	17%	17%
<b>Final Cost of Product</b>	<b>\$287.70</b>	<b>\$143.85</b>	<b>\$245.70</b>	<b>\$122.85</b>
Cost without Program Discount	\$411.00	\$205.50	\$351.00	\$175.50
<b>Estimated Program Savings</b>	<b>\$123.30</b>	<b>\$61.65</b>	<b>\$105.30</b>	<b>\$52.65</b>

**NOVUS BUSINESS MODEL:**

The business model is based on selling premiums which are fully monetized as an Asset on the Balance Sheet, we don't touch the plant nor carry any inventory which reduces overhead. Our provider network either drop ships statewide or nationwide.

**Characteristics that make this model work:**

- a) Continually negotiating with cannabis verticals on a preferred rate (minimum 30%) at the point of sale.
- b) Corresponding state tax abatements that draw in med and rec users further discounting cannabis at the point of sale by as much as 15% to 17%.
- c) Health Carriers are noticing the benefit of Novus as an enticement to acquire new clients and up-sell existing ones. Especially with high deductible health plans and growing health care costs that outpace inflation 3 times. Not to mention limiting the exposure to issuing opioid prescriptions.
- d) Health Savings Account (HSA) and Health Reimbursement Act (HRA) gives American workers a choice to add cannabis to their health plans and more control over their healthcare dollars now that they can't be terminated from using cannabis compliantly.
- e) Combat illicit cannabis sales that will top \$4 billion by 2025 as reported by [New Frontier Data](#). Just by using an insurance ID card.

### ***Next Generation of Expansion Plan:***

The funding we seek will help expand into Canada and adopt an HMO /PPO in the U.S., but until then, we will increase carrier partnerships in Health, Life, Minimal Essential Coverage, and InsureTech Platforms.

### ***Group Insurance Marketplace Break Through***

Novus' management felt growth could happen internally without investment then COVID hit and it slowed quarterly growth from 12%-14% to 2%-4%. Even with the pandemic that caused the slowdown, we kept growing due to our lean overhead. Then we focused on gaining entry to sell our plans in the employer-sponsored group insurance sales market.

It was a challenge for about two years until March 2020 when New Jersey Supreme Court ruled that under the New Jersey Law Against Discrimination ("LAD"), employees who legally use legal cannabis for medicinal purposes may not be fired. This precedence allowed Novus to procure groups of cannabis users through employer-sponsored health plans and use it as a corralling tool to drive towards participating cannabis brands.

This presented another challenge, are employers ready to handle cannabis as a part of health plans for their employees? The answer is "yes they are", statistics support, 49% of the 150 million American employees get their health plans sponsored by their employer, with more than 60% want cannabis as a health benefit. Based on the New Jersey Supreme Court ruling there is a trend where employers are withdrawing from zero tolerance to the freedom of non-discriminatory workplace rules on cannabis use. Now the carriers and HR departments are noticing Novus.

### ***Novus Current Partnerships***

Since August 2021 we have contracted Carrier, InsurTech, and TPA that want to incorporate with their health plans the Novus Cannabis Medplan each can bring in 8,000 to 10,000 new members per year.

- a. ***PRAM***: A Carrier, PBM, and TPA focus on their proprietary prescription drug health plans as a means of cost containment in the marketplace.
- b. ***Compass Health***: This InsurTech platform offers customized ready-to-buy personalized plans designed for agents' access to customized policies. Their portal pairs Novus Cannabis MedPlan with guarantee issues and as standalone policies.
- c. ***Go Enroll / Elevate Wellness***: One of the nation's top InsureTech platforms targeted for large groups with over 92,000 clients. This platform allows employees to integrate cannabis with Dental, Vision, GAP, and alternative medical plans. The Elevate Wellness Plans cover over 4,500 employers where their employees are allowed to choose alternative treatment options that may not be available through their traditional healthcare providers.
- d. ***Oneshare***: A medical cost-sharing provider an ACA-exempt path to healthcare. Its health-based sharing membership plan focuses on Catastrophic Plans and Complete Health.

- e. **Essential Benefits**: Is **Minimal Essential Care** (MEC) is a plan that meets the Affordable Care Act requirement for getting health coverage. Some of these programs under MEC include marketplace plans, job-based plans, Medicare, and Medicaid. Mainly focused on covering routine preventative illness plans.
- f. **Wellness 360**: This is an employee-based wellness platform that offers white label plans, and many other customizable options for workplace wellness.
- g. **Back 9 Insurance**: This is an InsureTech platform that sells annuities, life, long-term care, and disability. Their platform makes it easy for agents to display side-by-side comparisons with over 50 carriers and offer Novus' plans in a cross-sell.
- h. **National Life**: Contracted through Novus agent/broker Compass Health this is one of the oldest life insurance carriers in the country.
- i. **Medova Healthcare**: A carrier that offers Bridgewell Health®, which are six guaranteed issued plans that offer preventive and wellness plans with robust medical benefits designed for employee group health benefits.

## **COMPETITION**

Though we are concerned about the competition we are confident that our brand has a first-mover advantage in acquiring a sizable provider network. Here are how the major carriers see the cannabis sector.

- Since cannabis is not legal federally, many major insurance carriers will not jeopardize their multi-billion-dollar Medicare/Medicaid contracts by doing business in this sector.
- Insurance companies generally don't favor meds that have not been approved by the (FDA).
- Major carriers usually concentrate on acquiring market share as opposed to creating it.

## **TEAM**

### ***Frank Labrozzi CEO***

Frank is a Wall Street veteran of 27 years. He's a results-oriented, analytical executive with experience in a diverse range of disciplines within the finance, health, and insurance industries. His work now focuses on Novus insurance companies, including the development of new lines of business, strategic planning, acquisitions, and building shareholder value.

### ***Andrea Lopez EVP***

Andrea has created and maintained program integrity and compliance strategic policies for numerous Fortune 500 Companies. With over two decades of corporate experience, she has a broad knowledge base encompassing executive management, professional development, and strategic communication across international healthcare industries.

## **CAP STRUCTURE & FUNDING REQUEST**

### ***Cap Structure: As of 6-30-2021***

• Trading symbol:	<u>NDEV</u>
• Par or stated value:	<u>\$.001</u>
• Total shares authorized:	<u>200,000,000.</u>
• Total Commonshares outstanding:	<u>107,803,624</u>
• Public Float:	<u>31 million</u>
• Total number of shareholders of record:	<u>2,114.</u>
• Insider Trades	<u>None since 2016</u>
• No Convertible Debt	

### **Funding Request:**

We seek \$5,000,000 of which we will use for the following milestones to acquire more patient/member procurement, a haven for investment capital coming into the company, and awareness.

### ***Use Of Proceeds***

- ***Target Corporate Investors Annuity Program:*** Expand on our corporate annuity program to gain entry into Canada. Begin marketing our annuity program to continue to raise money to put on the BS and then offer dividends. **Use of Proceeds:** \$100,000
- ***Implement Annuity Program:*** To expand into Canada which the national insurance regulators say that we need a NAV of \$5 million to begin selling policies. By purchasing interest-bearing financial instruments to guarantee funds are safe and/or safeguarded with conversion rights. For example, zero-coupon bonds, since the U.S. will need to cover the deficit caused by COVID. This can be arranged to show reserves to insurance regulators. **Use of proceeds:** \$4,500,000
- ***InsurTech Platforms:*** They leverage to provide better, more customizable policies and, or better risk assessments that allow more people to access coverage. Most of these platforms cost \$20,000 to gain entry for a carrier and a monthly cost of \$2,000 per month. Our current choice is [Ease](#) and [Employee Navigator](#) together have a combined 108,000 employers with 6.5 million employees that select their health plan through them. **Use of Proceeds:** \$64,000
- ***Investor Awareness:*** Need to hire a more effective IR company to give us more exposure to the investing public. **Use of Proceeds \$60,000**
- ***Segment Departments:*** At the beginning of 2021 we used two salespeople with a combined role of Provider Relations, Agent Recruitment/and In-House Sales. Then we ran into a problem, we were cultivating competitors, we need to separate and segment the departments into three respective categories. **Use of Proceeds: Salaries: \$200,000**

## Growth Rate Of Revenue | Valuation Projections

Description	Current	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5
Yearly Contract Per Life	\$279	\$383	\$422	\$464	\$510	\$562
Total Lives	1139	10,000	20,000	30,000	40,000	50,000
Rev Yrly Contract Per Life	\$317,781	\$3,830,000	\$8,440,000	\$13,920,000	\$20,400,000	\$28,100,000
EBITDA 35%	\$111,223	\$1,340,500	\$2,954,000	\$4,872,000	\$7,140,000	\$9,835,000
NAV	\$1,500,000	\$5,330,000	\$9,940,000	\$15,420,000	\$21,900,000	\$29,600,000
Shares issued	107,000,000	145,000,000	150,000,000	155,000,000	160,000,000	165,000,000
Proj Stock Price	\$0.28	\$0.74	\$1.33	\$1.99	\$2.74	\$3.59
Investment ROI \$5 million	0	\$27,936,552	\$50,362,667	\$75,607,742	\$104,025,000	\$136,339,394

### Footnotes:

- Not calculated in the spreadsheet is procuring convertible annuities we're only showing revenue with the expansion into Canada and membership increases with the procurement of carrier partnerships.
- **Investment:** This is based on a \$5,000,000 investment in the company
- **Growth Rate:** Our yearly growth rate pre-COVID was 120% and during COVID dropped to 16% mainly due to the increase in unemployment. What attributed to the slow down of revenue, we offered 90 days for \$1.00 to patient/members who that lost their jobs, and surprisingly we lost only 8.9% of members but reduced revenue. Contracting with carriers we are seeing that gradual ramp-up in the 3<sup>rd</sup> quarter of 2021. Here is the link to our Quarterly and Annual Financial Statements [Click Here](#)
- **Yearly Contract Per Life:** A contract is monetized on yearly basis as a [Net Asset Value](#) (NAV) vs [Earnings Per Share](#) (EPS) which most stocks are valued.
- **Lives or Life:** Number of people covered under a health policy
- **EBITDA:** Earnings Before Interest, Taxes, Depreciation, and Amortization. We have demonstrated EBITDA to be anywhere from 34% to 38%
- **NAV:** [Net Asset Value](#) is assets minus the liabilities
- **Shares Issued:** [Total Shares Outstanding](#)
- **Projected Stock Price:** Aside from supply and demand the stock price is a fundamental technique used to calculate. For insurance companies, shares are calculated on a NAV, growth rate Equity in Capital and multiples. For insurance companies, they trade at a 20x multiple
- **ROI:** [Return On Investment](#), in this case, is a projection share issued divided by EBITDA

### In Closing:

Through our struggles, we're garnering success, our proof of concept is realized, employers and employees are accepting cannabis in their mainstream health plans and it has changed the game. We thank you for your time in reviewing Novus Cannabis MedPlan. Visit us to learn more at [www.getnovusnow.com](http://www.getnovusnow.com) or contact Frank Labrozzi direct at 305-467-6699.