



HEALTHCHECK

HEALTHCARE REIMAGINED

Investor Opportunity

THE CONVERGENCE OF URGENT CARE, CONCIERGE MEDICINE, HEALTHCARE TECHNOLOGY, AND REAL ESTATE.

HealthCheck NOW Investment

THE CONVERGENCE OF URGENT CARE, CONCIERGE MEDICINE,
HEALTHCARE TECHNOLOGY, AND REAL ESTATE.



Healthcare Operations

We own and operate urgent
care centers.



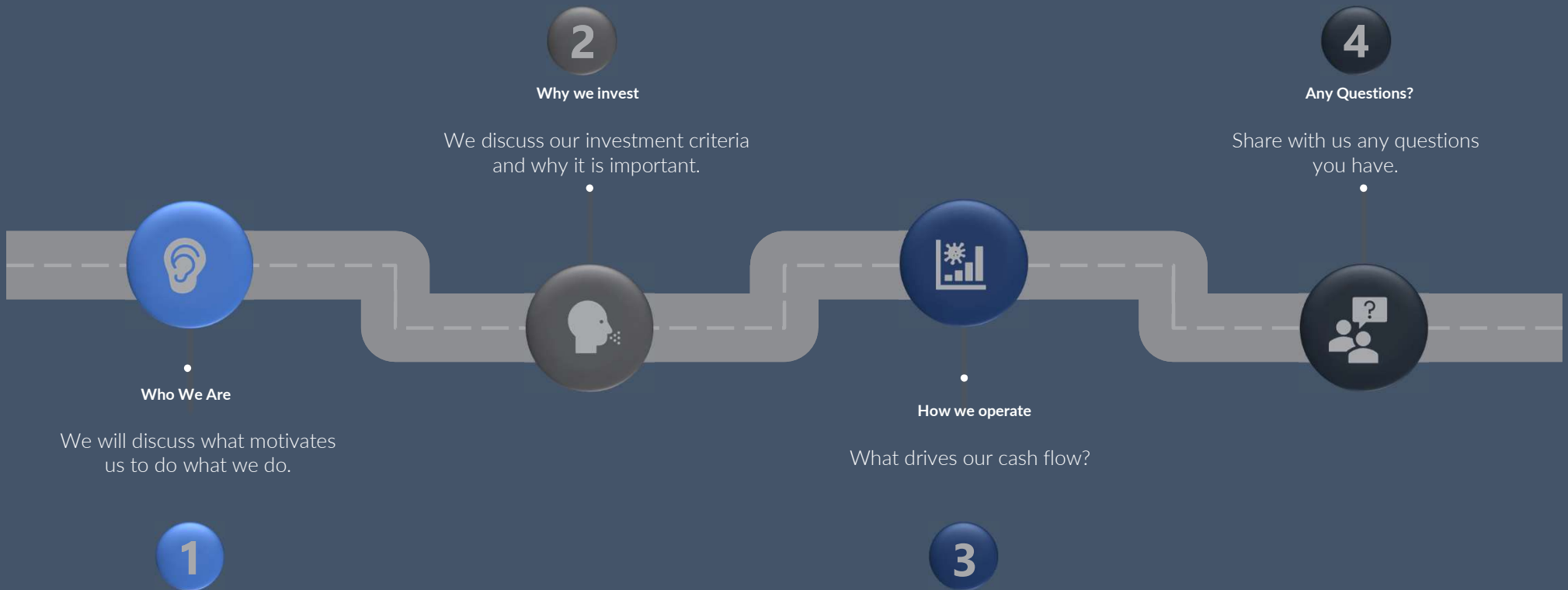
Real Estate Development

We design/build and invest
in real estate.



Presentation Roadmap

This presentation centers on the topics listed below. If you have anything else to discuss, please share it with us.



HealthCheck Investment Overview

Marketing is the study and management of exchange relationships. Marketing is the business process of creating relationships with and satisfying customers.

01

Our ultimate goal is to create an urgent care/healthcare brand with up to 20 CARE CENTERS over 7 – 10 years.

02

This presentation discusses the operating performance and investment for one CARE CENTER.

03

The proforma results for multiple CARE CENTERS will depend on the type and timing of CENTER development and its cash flows.

04

The financial EBITDA forecasts, and data built upon forecasted EBITDA, are built on conservative assumptions.

05

The presentation discusses forecasted EBITDA, Internal Rate of Return (IRR), Valuations, and Investor Return on Investment (ROI).

06

Valuations are based on 5x and 10x multiples. Industry multiples typically trade at 6 – 13 multiples.

Growth in Urgent Care Centers

2015 - 2021



■ The number of care centers grew 33.1% from 2015 to 2021.

■ The number of care centers grew 14.5% from 2018 to 2021.

■ The number of care centers grew 4.5% from 2020 to 2021.

Change in Primary Care Businesses

2015 - 2021



▾ The number of primary care businesses grew 1.6% from 2015 to 2021.

▾ The number of primary care businesses declined 0.9% from 2018 to 2021.

▾ The number of primary care businesses grew 1.5% from 2020 to 2021.

Investment Criteria and Goals

We keep an eye on what end use investors deem important when investing in/purchasing urgent care brands. So, we ensure that our brand remains investment-worthy and prepared to achieve our exit strategy. Based on an article by ¹Alan M Ayers, MBA several factors impact the marketability of an urgent care brand or business, all of which are discussed in detail in our strategic plan.

**Criteria 1**

Market forces – Review level of competition, demographic attractiveness of the population, and payer mix diversification and reimbursement from insurance

**Criteria 2**

Operations – Ensure clinical quality, patient experience, compliance, coding patterns, appropriate and flexible clinical staffing models, and utilization of technology solutions

**Criteria 3**

Financials – Create stable revenue trends, revenue cycle management competency, and quality of earnings

**Criteria 4**

Growth outlook – De novo growth opportunity and experience in ramping new sites effectively, add-on acquisition growth experience and opportunity, service line diversification opportunity, and strategic partnership opportunities with health systems

**Criteria 5**

Other factors – Confirm quality of management team, strength of brand in the market, impact of flu season severity on recent performance, and ability of debt to finance leveraged transactions



¹ Alan M Ayers, MBA, The Journal of Urgent Care Medicine (JURM) (Alan A. Ayers, 2020). How Does a Private Equity Buyer View the Future Landscape of Urgent Care?
<https://www.jucm.com/how-does-a-private-equity-buyer-view-the-future-landscape-of-urgent-care/>

HealthCheck First Year Costs

The costs below are for a single CARE CENTER. Additional CARE CENTERS may be created at a lower cost because of scale.

First Year Start-Up Costs

COST	SUBTOTALS	TOTALS	COMMENTS
ADMINISTRATIVE / GENERAL		\$77,897	Includes Malpractice Insurance, Billing, Legal *, Other Insurance, etc.
LOCATION / OFFICE		\$297,000	Includes Rent, PMS, EHR, Utilities, Internet, Etc.
EQUIPMENT			
- Furniture	\$15,000		To Be Leased
- Medical Equipment	\$400,000		To Be Leased
- Computer Hardware	\$20,000		To Be Leased or Purchased
- Start Up Inventory (Pharma)	\$30,000		Purchased
- Medical Supplies (Gloves, PPE, Etc.)	\$50,000	\$515,000	Purchased
MARKETING		\$96,500	First Year Marketing is Twice the Subsequent Yrs. Amt.
LABOR EXPENSES		\$425,000	1 Doctor, 2 NPs and 2 MAs; Some discretionary salaries included.
OTHER		\$10,000	
TOTAL START-UP EXPENSES		\$1,421,397	
- Doctor's Portal	\$200,000		Cost to Develop Online Portal and Medical eCommerce Mall
			\$60,000

HealthCheck Proforma Assumptions

The financial proforma on the preceding slide is based on an NP – centered CARE CENTER. We track the revenue KPIs daily and report them to staff at the beginning of the next day.

Background

The urgent care business is highly seasonal, with the greatest demand typically being in the winter months. Urgent care - like retail stores, restaurants, hotels, and other “service industries” - is subject to seasonal ebbs and flows in volume. So, the revenue stream to the right is based on smoothing the seasonality represented by the average annual patient visit per day.

Assumptions	
Revenues	
- Patient Sales	\$125.00 Per Patient Visit 30.5 Patients per Day - 1st yr. : 41 Patients per Day Yrs. 2 - 10 27 Days Per Month
- Online Sales	Not Included in Revenue - Underestimates Revenue
- Concierge Medicine	Not Included in Revenue - Underestimates Revenue
- Home Health Care	Not Included in Revenue - Underestimates Revenue
- Telemedicine Revenue	Not Included in Revenue - Underestimates Revenue
Expenses	
- Lease Expense	3000 s.f. Lease in Retail Center @ \$25.00/s.f. - Prevailing Rate
- Other Real Estate	Includes insurance, taxes, trash removal, janitorial, maintenance, other
- Marketing Costs	1st year costs considerably higher due to start-up
- Labor Costs	2 Nurse Practitioners and 3 Medical Assistants
- Medical Director Salary	Salary per Center
- Operations Director Salary	Salary per Center
- Practice Management & Electronic Health Records	eClinical Works Annual Charge
- Malpractice Insurance	At Prevailing Rates
- Medical Billing	2.9% of Insurance Charges. Used Net Sales in Analysis - More Conservative Number.
- Other Expenses	Contingency for Other Potential Expenses. Very Conservative Number

HealthCheck Income Proforma

The revenue forecast is based primarily on below average revenue to average industry standards for conservatism. Expenses were based on actual expected expenses, industry standards or other methodology. The results do not include streams of income outside of the operation of the CARE CENTERS.

Profit and Loss – 10 years In \$s

REVENUE	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	YTD
Net Sales	1,065,225	1,610,500	1,715,315	1,766,624	1,819,473	1,873,907	1,929,975	1,987,724	2,047,206	2,108,472	17,926,443
Cost of Goods Sold	12,000	16,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	148,000
Net Revenue	1,053,225	1,594,500	1,700,315	1,751,624	1,804,473	1,858,907	1,914,975	1,972,724	2,032,206	2,093,472	17,778,443
EXPENSES	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	TOTAL
Administrative General	40,000	77,897	79,455	81,044	82,665	84,318	86,005	87,725	89,479	91,269	799,856
Location / Office	75,000	75,000	75,000	75,000	75,000	77,250	77,250	77,250	77,250	77,250	761,250
- Other Real Estate	6,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	231,000
Marketing	96,500	50,000	51,500	53,045	54,636	56,275	57,964	59,703	61,494	63,339	604,455
Labor	340,000	350,200	360,706	371,527	382,673	394,153	405,978	418,157	430,702	443,623	3,897,719
Medical Director Salary - Discretionary	100,000	105,000	110,250	115,763	121,551	127,628	134,010	140,710	147,746	155,133	1,257,789
Operations Director Salary - Discretionary	100,000	105,000	110,250	115,763	121,551	127,628	134,010	140,710	147,746	155,133	1,257,789
Employer Payroll Taxes @ 7.65%	41,310	40,185	40,185	40,185	40,185	40,185	40,185	40,185	40,185	40,185	402,975
PMS and EHR	40,000	40,000	40,000	40,000	40,000	41,200	41,200	41,200	41,200	41,200	406,000
Malpractice Insurance	20,000	20,400	20,808	21,224	21,649	22,082	22,523	22,974	23,433	23,902	218,994
Insurance Billing	30,544	46,299	49,309	50,797	52,330	53,908	55,534	57,209	58,934	60,711	515,575
Equipment Lease Payment	35,000	35,000	35,000	35,000	35,000	36,750	38,588	40,517	42,543	44,670	378,067
Working Capital Line	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	500,000
Other	10,800	106,000	106,000	106,000	106,000	106,000	106,000	106,000	106,000	106,000	964,800
Total Expenses	985,154	1,125,981	1,153,463	1,180,347	1,208,239	1,242,378	1,274,245	1,307,339	1,341,711	1,377,413	12,196,270
Income Before Taxes	68,071	468,578	546,852	571,277	596,234	616,529	640,729	665,385	690,495	716,059	5,582,172
Net Income Margin	6.39%	29.18%	31.88%	32.34%	32.77%	32.90%	33.20%	33.47%	33.73%	33.96%	31.14%

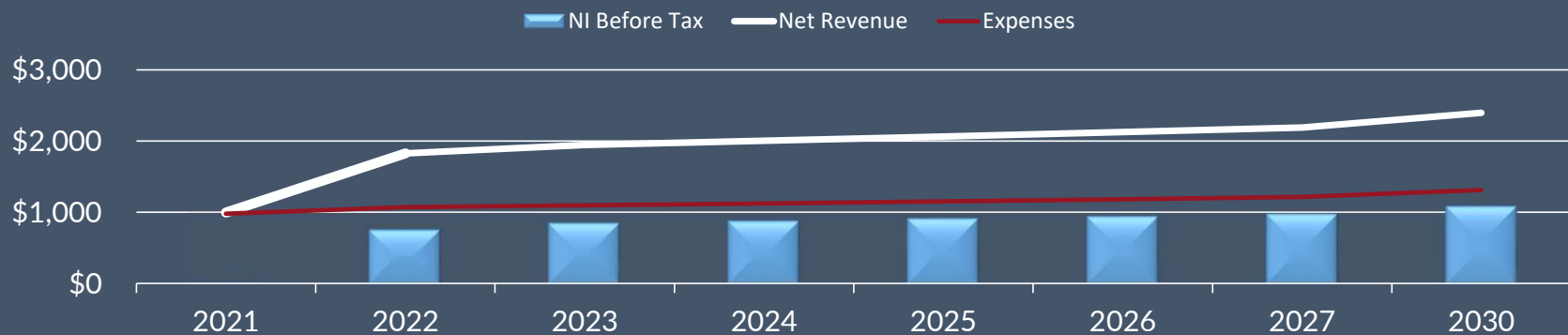
HealthCheck Financial Executive Summary

The IRR results below are based on the cash flows/EBITDA from the previous slide. It assumes all cash flow generated each year is distributed to avoid tax implications. IRR is based on initial leveraged investment and 50% annual cash distributions. Revenue is based on \$125.00 per ticket, 41 stabilized cases per day and 27 days per month. NP centered and doctor centered CARE CENTERS have the same cost per ticket.

Background

Our conservative proforma cash flows reflect strong earnings before taxes. For an NP-centered care center, using a 50% LTV loan/lease on start-up medical equipment and working capital costs yield a leveraged before tax IRR of 22.8%.

Leveraged Internal Rate of Return		
Type	Before Tax	After Tax
NP - Centered	22.8%	18.6%





HealthCheck Valuation Executive Summary

The valuations below are used for discussion purposes only. Valuations are based on assumptions that anticipate the timing of cash flows for urgent care centers that have not been constructed or operational.

Background

The valuations to the right are based on 5x and 10x EBITDA multiples. Industry valuations, however, typical trade at 6 to 13x multiples. So, our valuations reflected on to right are conservative to average. The successful operation of the CARE CENTERS are paramount to achieving these valuations.

Valuation Analysis			
# of Units	Multiple	5 th Year	10 th Year
1 CENTER	5	\$2,981,172	\$3,580,293
1 CENTER	10	\$5,962,343	\$7,160,586
5 CENTERS	5	\$14,406,711	\$17,390,191
5 CENTERS	10	\$28,813,422	\$34,780,382
10 CENTERS	5	N/A	\$34,024,810
10 CENTERS	10	N/A	\$68,049,620

Questions for HealthCheck

If you have any questions about our brand, our mission or vision, or our investment profile, please ask.



THANK YOU



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