

# INVESTMENT SUMMARY

## Generico, Inc. (example only – fictitious company)

**Business Summary:** Generico's mission is to provide researchers and clinicians with effective, biologist friendly, easy-to-use software analysis tools to meet the ever changing needs of today's genetic researcher and diagnostician.

**Total Available Market:** There are an estimated 2,000 sites (laboratories) performing Genetic Analysis and approximately 6,000 laboratories perform Genotyping. Experience indicates that each laboratory requires an average of 2.6 concurrent user licenses, leading to a T.A.M of \$100 million. This market is expected to grow at a compounded annual rate of 20% over the next 10 years.

**Customers:** (All listed are current Generico customers) Research Institutions: Univ. of Leeds, Harvard Partners, Johns Hopkins, Case Western, Cornell, Univ. Penn, Mount Sinai. Diagnostic Labs: Univ. Chicago, Stanford, UT Medical, Baylor, Mayo Clinic, Duke, Novartis. Pharmaceuticals: Bristol Myers Squibb, Millennium Pharmaceuticals, Novartis.

**Customer Problem:** Current software analytics are restricted to tools provided by the hardware suppliers and academically developed applications. Both of these groups are deficient in meeting market needs in both computation speed and accuracy.

**Product/Service:** Genetic Surveyor/Genetic Explorer software perform an actual physical comparison of sample or patient DNA sequence traces to a normal or reference sequence providing accuracy and sensitivity that was previously unachievable. Programs are Windows PC-based, and accept inputs from all major DNA sequencing systems and chemistry systems.

**Value Proposition:** Genetic Surveyor and Genetic Explorer, because they are highly accurate in DNA sample comparison, are the only software validated for use in clinical genetic discovery and confirmation. Therefore, all clinical mutation and discovery confirmation labs (8,000 worldwide) that want to reduce personnel and time in manual genetic tracking will realize significant efficiencies by utilizing Generico software.

### Financial Info

|                   |              |
|-------------------|--------------|
| Capital Raised    | \$ 800,000   |
| Debt              | \$ 200,000   |
| Equity            | \$ 600,000   |
| Capital Available | \$ 100,000   |
| Monthly Cash Flow | \$ (30,000)  |
| Capital Seeking   | \$ 1,000,000 |
| Econ Devel Debt   | \$ 150,000   |
| Equity            | \$ 850,000   |

### Company Info:

URL: [generico.com](http://generico.com)  
Industry: Life Science  
Employees: 10  
Incorporation: C Corp  
Founded: 09/03

### Management:

Walt Wei, President  
Rob Day, Development  
Ninon Jacobs, CFO  
James Smith, Marketing

### Contact:

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### Generico, Inc.

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**Intellectual Property:** Genetic Surveyor and Genetic Explorer utilize a patent pending technology that performs an actual physical comparison of sample or patient DNA sequence traces to a normal or reference sequence providing accuracy and sensitivity that was heretofore unachievable.

**Competitors:** Current software programs do not meet market needs. However, some of the current competitors include BioTools, Beckman Coulter, Gene-IT, Accelry, Bioinformatics Solutions, Gene Codes, and ABI.

**Competitive Advantage:** Generico is the first company to develop highly-accurate “biologist” friendly DNA analytic software. Generico software combines the accuracy of a high precision instrument with the ease-of-use required by busy research and commercial biologists.

**Sales/Marketing Strategy:** Generico software is sold through an international network of 35 local dealer representatives who have developed strong relationships with biologists. North America represents 60% of the market, while other economically advanced countries comprise the remaining 40%. Promotional activities include scientific exhibitions, free trials, on-site workshops, Google advertising, direct mail, and print advertisements.

**Revenue Model:** Licenses are sold on a perpetual basis, with an annual upgrade/technical service access fee. Licenses include a basic license sold at a premium and additional user licenses sold at a discount. Experience indicates that each laboratory requires an average of 2.6 concurrent user licenses.

**Use of Funds:** Hire the following staff: IT/DATA Base Product Manager; Senior Scientist (Micro-Array); Senior Scientist (DNA analysis); and two Technicians.

**Management:** Generico management has considerable domain knowledge in genetic software development. Walt Wei was the former CEO of Smith Analytical (acquired last year). Rob Day was the former COO of CoreGenetics (completed IPO in 2002). Generico is also utilizing the expertise of key scientists at Penn State, Johns Hopkins, and Columbia.

**Potential Exit Strategy:** Generico believes that a financial exit in the form of a merger, acquisition, or IPO is possible.