

**Guanine Inc.**  
**Funding Strategy and Cap Table**  
**November 14, 2022**

**1. Background**

Guanine, Inc was founded by Neil Gordon. Neil is a Canadian citizen and incorporated Guanine, Inc. as a Delaware C-Corp to undertake US government funded grants. To be eligible for certain programs, the company had to be majority-owned by a US citizen. Ownership is 49% Neil Gordon and 51% Steve Rock. Steve is PhD specializing in electrical and mechanical design. When Steve worked at Rensselaer University's Manufacturing Innovation Center he designed Guanine's test cartridge, prototyped Guanine's sensor and configured the electrochemical reader with Neil. Upon mutual consent Steve will join the team as VP Engineering. Guanine, Inc. has successfully completed a \$225,000 SBIR. Guanine, Inc has no liabilities other than a relatively small loan to Neil.

Guanine Dx Inc will be the operating company and recipient for investments. Guanine Dx will be assigned all patents, develop all products and benefit from all developments in Guanine, Inc. Guanine Dx will be incorporated as a Delaware C-Corp.

**2. Funding Strategy (Guanine Dx Inc.)**

The funding strategy is expected to comprise 3 rounds:

a) Seed Round (Currently being pursued for a 24 month runway)

- Funding sought: \$7.5 M
- SAFE Note. Cap and discount to be negotiated with lead investor.
- Use of funds is for product development and marketing in order to generate revenue in advance of the Series A round from:
  - Sepsis product sales (Consumable revenue model)
  - Licensing to nonmedical vendors (Licensing revenue model)

b) Series A Round (for additional 24 month runway)

- Funding sought: \$7.5 M
- Priced round, Valuation to be negotiated with lead investor.
- Use of funds is to expand product offering that detect sepsis pathogens in other sample types and to develop the AI tool to diagnose infections from skin rash recognition, symptom assessment and patient conditions for Lyme disease and other skin infections, Revenue will be generated from from:
  - Product sales (Consumable revenue model)
  - Licensing to nonmedical users (Licensing revenue model)
  - Infection diagnosis by healthcare professionals and consumers (SaaS business model)

c) Series B Round (for exit)

### 3. Cap Table (Guanine Dx Inc.)

	Founding	Seed	Series A	Series B
Neil Gordon	100%			
Options Pool		tbd		
Newchip Option		4%		
Seed Investors				
Series A Investors				

Newchip is a business accelerator that assists ventures secure funding with investor meetings, venture showcases, Pitch Deck reviews and other mentoring services.