

Guanine Dx Inc

Pro-Forma Statements (\$000)

Income Statement	Yr 1				Yr 2				Yr 1	Yr 2	Yr 3	Yr 4	Yr 5
	Y1-Q1	Y1-Q2	Y1-Q3	Y1-Q4	Y2-Q1	Y2-Q2	Y2-Q3	Y2-Q4					
Direct Sales	0	0	0	0	0	162	460	1,219	0	1,841	13,221	25,198	41,963
Distributor Sales	0	0	0	0	0	0	0	434	0	434	5,039	16,437	46,703
Licensing Revenue	0	0	0	0	25	0	25	0	0	250	5,350	10,700	21,900
Revenue	0	0	0	0	0	162	460	1,653	0	2,525	23,609	52,334	110,567
Cost of Goods Sold	0	0	0	0	0	49	127	507	0	683	4,992	10,181	13,963
Margin	0	0	0	0	0	113	333	1,146	0	1,842	18,617	42,154	96,604
Research & Development	448	586	590	590	617	617	588	588	2,214	2,411	2,652	4,182	7,019
Sales & Marketing	28	102	129	129	188	188	188	188	388	751	3,742	9,613	16,419
Operations, General & Admin	294	315	319	319	334	334	334	303	1,247	1,304	2,630	5,945	8,918
EBIDT	-769	-1,003	-1,038	-1,038	-1,139	-1,026	-776	67	-3,848	-2,624	9,593	-22,413	64,248
Interest - Long Term Debt	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest - Working Capital	0	0	0	0	0	0	0	0	0	0	0	0	0
Depreciation	0	7	0	21	0	0	0	48	28	48	46	100	223
Earnings Before Income Tax	-769	-1,010	-1,038	-1,059	-1,139	-1,026	-776	19	-3,876	-2,672	9,547	22,313	64,026
Taxes	0	0	0	0	0	0	0	0	0	0	0	7,810	22,409
Net Earnings	-769	-1,010	-1,038	-1,059	-1,139	-1,026	-776	19	-3,876	-2,672	9,547	-14,504	41,617
Cash Flow													
Opening Balance	0	5,195	4,155	3,079	2,002	823	-264	-1,118	0	2,002	-965	10,565	22,582
Net Earnings	-769	-1,010	-1,038	-1,059	-1,139	-1,026	-776	19	-3,876	-2,672	9,547	14,504	41,617
Depreciation of Fixed Assets	0	7	0	21	0	0	0	48	28	48	46	100	223
Change in Working Capital	0	0	0	0	0	-22	-38	-127	0	-187	-1,747	-1,873	-2,026
Purchase of Fixed Assets	-35	-38	-38	-38	-40	-40	-40	-36	-150	-157	-316	-713	-1,070
Capital - Equity	6,000	0	0	0	0	0	0	0	6,000	0	4,000	0	0
Change for Period	5,195	-1,040	-1,076	-1,076	-1,179	-1,088	-854	-97	2,002	-2,967	11,530	12,017	38,743
Closing Balance	-5,195	4,155	3,079	2,002	823	-264	-1,118	-1,215	2,002	-965	10,565	22,582	61,326
Balance Sheet													
Cash	5,195	4,155	3,079	2,002	823	-264	-1,118	-1,215	2,002	-965	10,565	22,582	61,326
Accounts Receivable	0	0	0	0	0	13	38	100	0	100	1,087	2,071	3,449
Inventary & Prepaid	0	0	0	0	0	24	63	254	0	254	2,496	5,090	6,981
Loans Receivable	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Current	5,195	4,155	3,079	2,002	823	-227	-1,017	-862	2,002	-612	14,148	29,744	71,756
Fixed (Net)	35	66	104	122	162	202	242	230	122	230	499	1,113	1,961
Total Assets	5,231	4,221	3,183	2,124	985	-25	-775	-632	2,124	-382	14,647	30,857	73,717
Accounts Payable	0	0	0	0	0	16	42	167	0	224	1,641	3,347	4,590
Total Current	0	0	0	0	0	16	42	167	0	224	1,641	3,347	4,590
Long Term Debt	0	0	0	0	0	0	0	0	0	0	0	0	0
Capital - Equity	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	6,000	10,000	10,000	10,000
Retained Earnings	-769	-1,779	-2,817	-3,876	-5,015	-6,041	-6,817	-6,798	-3,876	-6,548	2,999	17,502	59,119
Total Liabilities & Equity	5,231	4,221	3,183	2,124	985	-25	-775	-632	2,124	-632	14,640	30,849	73,709

Guanine Dx Inc

Backup Values

1. Direct Sales

<u>Direct Units</u>	<u>Y1-Q1</u>	<u>Y1-Q2</u>	<u>Y1-Q3</u>	<u>Y1-Q4</u>	<u>Y2-Q1</u>	<u>Y2-Q2</u>	<u>Y2-Q3</u>	<u>Y2-Q4</u>	<u>Yr1</u>	<u>Yr2</u>	<u>Yr 3</u>	<u>Yr 4</u>	<u>Yr 5</u>
New Readers	0	0	0	0	0	25	25	50	0	100	175	250	350
Cumulative Reader	0	0	0	0	0	25	50	100	0	100	275	525	875
Tests/month - Cumulative readers	0	0	0	0	0	10	15	20	0	7.5	20	20	20
Cartridges	0	0	0	0	0	750	2,250	6,000	0	9,000	66,000	126,000	210,000

Cartridges per period is the average of cumulative readers at the end of the period and at the start of the period (i.e. previous period)

2. Distributor Sales

<u>Distributor Units</u>	<u>Y1-Q1</u>	<u>Y1-Q2</u>	<u>Y1-Q3</u>	<u>Y1-Q4</u>	<u>Y2-Q1</u>	<u>Y2-Q2</u>	<u>Y2-Q3</u>	<u>Y2-Q4</u>	<u>Yr1</u>	<u>Yr2</u>	<u>Yr 3</u>	<u>Yr 4</u>	<u>Yr 5</u>
New Readers	0	0	0	0	0	0	0	50	0	50	100	500	1200
Cumulative Reader	0	0	0	0	0	0	0	50	0	50	150	650	1,850
Tests/month - Cumulative readers	0	0	0	0	0	10	15	20	0	5	20	15	15
Cartridges	0	0	0	0	0	0	0	3,000	0	3,000	36,000	117,000	333,000

Cartridges per period is the average of cumulative readers at the end of the period and at the start of the period (i.e. previous period)

3. Pricing

	<u>Y1-Q1</u>	<u>Y1-Q2</u>	<u>Y1-Q3</u>	<u>Y1-Q4</u>	<u>Y2-Q1</u>	<u>Y2-Q2</u>	<u>Y2-Q3</u>	<u>Y2-Q4</u>	<u>Yr1</u>	<u>Yr2</u>	<u>Yr 3</u>	<u>Yr 4</u>	<u>Yr 5</u>
Direct Reader					\$495	\$495	\$495	\$495	\$0	\$495	\$495	\$495	\$495
Distributor Reader					\$347	\$347	\$347	\$347	\$0	\$347	\$347	\$347	\$347
Direct Cartridge					\$199	\$199	\$199	\$199	\$0	\$199	\$199	\$199	\$199
Distributor Cartridge					\$139	\$139	\$139	\$139	\$0	\$139	\$139	\$139	\$139

4. Costs of Good Sold

Direct Reader					\$390	\$390	\$390	\$390		\$390	\$350	\$290	\$250
Distributor Reader					\$390	\$390	\$390	\$390		\$390	\$350	\$290	\$250
Direct Cartridge					\$52	\$52	\$52	\$52		\$52	\$48	\$41	\$25
Distributor Cartridge					\$52	\$52	\$52	\$52		\$52	\$48	\$41	\$25

5. Margin

Direct Reader					\$105	\$105	\$105	\$105			\$145	\$205	\$245
Distributor Reader					-\$43	-\$43	-\$43	-\$43			-\$3	\$57	\$97
Direct Cartridge					\$147	\$147	\$147	\$147			\$151	\$158	\$174
Distributor Cartridge					\$87	\$87	\$87	\$87			\$91	\$98	\$114

6. Margin% of Sales

Direct Reader					21%	21%	21%	21%			29%	41%	49%
Distributor Reader					-12%	-12%	-12%	-12%			-1%	16%	28%
Direct Cartridge					74%	74%	74%	74%			76%	79%	87%
Distributor Cartridge					63%	63%	63%	63%			65%	71%	82%

Revenue (000)/reader

9.2 11.0

43.0 35.4 32.5

Margin (000)/reader

6.7 7.6

43.8 35.9 35.5

7. Licensing Customers

	Y1-Q1	Y1-Q2	Y1-Q3	Y1-Q4	Y2-Q1	Y2-Q2	Y2-Q3	Y2-Q4
New					1		1	
Royalty - Yr 1								
Royalty - Yr 2								
Royalty - Yr 3								

	Yr1	Yr2	Yr 3	Yr 4	Yr 5
	0	2	3	4	5
			2	3	4
				2	3
					2

8. Average Licensing Fee

Upfront (000)					\$25	\$25	\$25	\$25
Royalty - Yr 1								
Royalty - Yr 2								
Royalty - Yr 3								
Services								

	\$0	\$25	\$50	\$100	\$200
	\$0	\$0	\$100	\$100	\$100
	\$0	\$0	\$500	\$500	\$500
	\$0	\$0	\$0	\$2,500	\$2,500
	\$0	\$100	\$1,000	\$1,000	\$1,000

8. Licensing Revenue

Total					25	0	25	0
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	0	250	5,350	10,700	21,900
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9. Other Cost Items

Accounts Receivable	30 days
Accounts Payable	30 days
Tax Rate	35.00%