



*Presented by*  
*Paula Z. MacDonald*  
*President, Benten BioServices Subsidiary*

# *The Company*

## **Deltagen (OTC: DGEN)**

- Established provider of research tools for early-stage target validation and drug discovery
- Newly-added services for biological testing, cell banking and early-stage manufacturing of vaccines and cellular therapies
- Currently generating over \$2M in annual sales with a global customer base

## **Strategy**

- Capitalize on dissatisfaction with current service providers
- Incorporate company's proprietary technologies to expand CRO services
- Create a global presence
- Position company for exit within 5 years

# *The Market*

- Pharma companies outsource services to minimize risk and to optimize cost
  - Avoiding risk of contamination
  - Avoiding fixed costs and investments
  - Access to technical and regulatory expertise

# *Market Opportunities*

- Dissatisfied customers seeking alternatives
- Service and delivery failures
- Lacking depth of knowledge in biological testing services
- Do not have strong classical virus and vaccine components

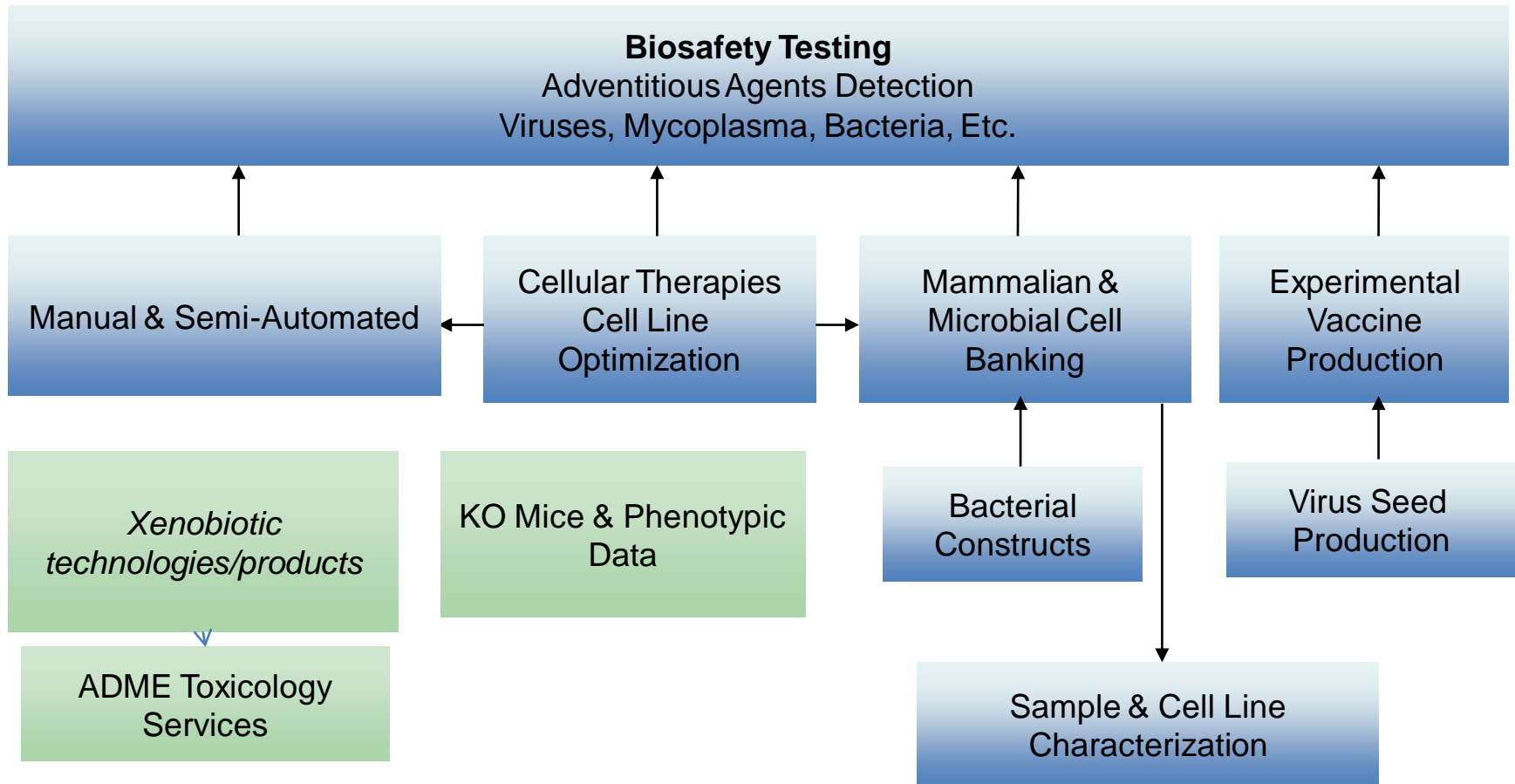
# Market Size

- Estimated \$8B biopharma R&D spend on outsourcing
- Of which \$1.3B relates to biologics
  - CAGR of +11%
- Based on the breadth of the initial service offerings, the company addresses approximately 50% of this market
- Ability to capture remaining market via expansion or acquisitions

# Management Team

<b>CEO, Deltagen</b>	<b>Robert Driscoll, JD, PhD</b> 11 years with Deltagen Previously with Pillsbury Madison & Sutro LLP
<b>President, Bente</b>	<b>Paula Z. MacDonald, MS</b> 26 years in biomedical field Previously with Tektagen, CRL and Accugenix
<b>Vice President, Bente</b>	<b>Harvey Schlesinger, PhD</b> 40 years in biologics Previously with Tektagen, CRL and Accugenix
<b>CFO</b>	<b>John Bond, BA, CA</b> 30 years in pharmaceuticals Previously with Aventis (RPR), Beecham and Eli Lilly
<b>Board of Directors</b>	<b>Constantine Anagnostopoulos, PhD</b>
	<b>David McLachlan, MBA</b>
	<b>Thomas Penn, JD, MBA</b>
	<b>William Scott, PhD</b>

# Products and Services



# *Value Proposition*

- Deltagen offers critical products and services to an underserved market trending heavily toward outsourcing
- Management team has proven track record in CSO industry
- Excellent revenue potential by offering key, high-value biologics services
- Expansion of an established, revenue-generating company leading to near-term investor returns and profitability by 2013

# Competition

- Market leaders in the CSO sector with aggregate sales of over \$200 million
  - BioReliance: USA, UK, Japan & India
  - Charles River: USA, EU, UK & Asia
  - WuXi/AppTec: USA, China
  - Lancaster Labs: USA ..... new experienced manager
  - PPD : USA .....Vaccine & Biologics Centre of Excellence
- Customers dissatisfied with service
- Lacking depth of knowledge in biological testing services
- Do not have strong classical virus and vaccine components

# *Milestones*

## 2010 - 2011

Facility build out & occupancy, service revenues commence, establish Japanese presence

## 2012 - 2013

Service line growth, technology incorporation, first year of profitability, expansion into Singapore

## 2014 – 2015

Sales reach \$30M, evaluate acquisition candidates, evaluate exit strategies

# Financial Projections

	2010	2011	2012	2013	2014	2015
<b>REVENUE</b>	\$2,050,000	\$3,993,000	\$8,810,000	\$17,137,000	\$22,763,000	\$31,739,000
<b>EBITDA*</b>	(\$886,000)	(\$2,596,000)	(\$674,000)	\$2,647,000	\$4,682,000	\$7,430,000
<b>PRE-TAX INCOME</b>	(\$1,044,000)	(\$3,217,000)	(\$1,323,000)	\$1,929,000	\$3,918,000	\$6,895,000
<b>NET INCOME</b>	(\$614,000)	(\$1,916,000)	(\$772,000)	\$1,198,000	\$2,395,000	\$4,180,000

# *Funding and Exit*

- \$1.5 million in new investment
- Seeking \$3.5 million additional investment
  - provide for working capital and general corporate purposes
  - includes building the BioServices sales force and operations teams
- Ability to provide investors with a defined exit opportunity as Deltagen's stock is already quoted in the OTC market