VALUE PROPOSITION FOR GARIBAY VENTURES

DUAL SCOPE

1. Our primary product and service

the offered innovation/solution of the company

- DualScope is a next generation smart stethoscope that is optimized for two functions:
  - detecting and interpreting lung sounds in one mode and simultaneously
  - analyzing the electrical condition of the heart (ECG) and heart sound (PCG).
- It provides an opportunity to detect heart problems earlier, even during a general medical examination, which until now was possible by specialist in a personal visit (without AI).
- Patented technology: an analytical algorithm and the artificial intelligence

DualScope has two revenue streams through selling:

- a Product, which is the device of the digital stethoscope, and
- a Service, which is the cloud based digital evaluation of the signals based on AI and human specialists.

DUAL SCOPE

2. Scientific and professional background

the founder and the professional team

Prof. György Kozmann

Semmelweis University

University of Pécs

University of Szeged

The Developer team:

Balázs Alpár
device engineer

Szabolcs Högye
IT/AI expert

Dr. Tamás Nagy
eHealth expert

Mihály Nádasdi
electrical engineer

Péter Ráfi
electrical engineer

Larisa Tereshchenko
Cleveland Clinic

Our solutions are based on solid professional background, especially on the achievements of the great Hungarian scientist, professor György Kozmann, who passed in December 2021.

He dedicated his career to the R&D of eHealth and telemonitoring systems for exploring and medicating human cardiovascular and brain functions. He also worked in University of UTAH.

In the professional team we have 4 doctors/cardiovascular specialists from the above 3 universities.

DUAL SCOPE

3. Innovation management background

The management team and references

The Management Team

Zoltán Butsi, COO

Innovation manager. Former innovation director in State Innovation Agency, in a University, in an eHealth R&D Center. Telco industry.

György Kozmann, CEO

Wearable device development expert. Experience: Heartbit, Wiwe, Speedstar. Committed to eHealth solutions to change healthcare.

Mihály Nádasdi, CTO

Electrical engineer, developing ECG sensors and wearable solutions. Worked at Medres and in 7 FDA regulatory medical devices.

Earlier reference projects

HEARTBIT: sold 3 000 pcs / USD 500 000
INFRATRAINER: sold 250 pcs / € 3 Million
WIWE: sold 20 000 pcs / € 2,8 M in 5 year

DUAL SCOPE

4. Competitive advantage

The market potential of the product

Traditional ↔ Digital stetoschope

eHealth revolution

Digital stethoscope (r)evolution

Digital competitors ↔ DualScope

PATENT:

- With our registered patents we are securing the competitive advantage with blocking/securing development roots and directions for the competitors and currently existing big players towards the right (dual) direction of further development, because the "multi-detection points" concept is registered in our claim.
- It means that they are not able to develop more sensors without cooperating with us, which can be a good basis also to pursue a competitive strategy or to choose a suitable exit strategy with them.
- Registered patents: US, Australia, Japan (valid from 2017).
  Pending ones: EU, Canada, China

DUALSCOPE VERSUS OTHER DIGITAL STETHOSCOPES:

Competitors also started to develop in digital direction, but they kept the traditional "single diagnostic channel" concept, which is not enough efficient and is not providing the highest available quality/potential.

The timing is perfect: the digital stethoscope market is not on zero but below 25%. Ideal for booming.

PRODUCT LIFECYCLE:

As DualScope is not a commerce "fashion" tool, but a serious healthcare device used by doctors, it can remain on the market much longer than other mobile phone-based innovations.

DUAL SCOPE

5. Expenses / required funding

Budget and need for investment

Expense item	Phase #1 USD	Phase #2 USD	Phase #1 HUF	Phase #2 HUF
Management	240 000	240 000	90 000 000	90 000 000
Other HR costs	216 000	270 000	81 000 000	101 250 000
Technical Development	800 000	300 000	300 000 000	112 500 000
Production	20 000	200 000	7 500 000	75 000 000
Validation	80 000	120 000	30 000 000	45 000 000
Marketing, PR	85 000	105 000	31 875 000	39 375 000
Sales	40 000	200 000	15 000 000	75 000 000
Legal	30 000	80 000	11 250 000	30 000 000
Certifications, licenses	37 000	33 000	13 875 000	12 375 000
Accounting, Controlling	2 000	2 000	750 000	750 000
Operation (IT, HQ, Other)	120 000	120 000	45 000 000	45 000 000
	1 670 000	**1 670 000**	**626 250 000**	**626 250 000**

1st phase investment in year #1:
USD 1,67 million
required from our
prime investor partner

2nd phase investment in year #2:
USD 1,67 million
in a way of external financing
organized with our prime investor

Development costs
Spent already till Q2 2020: USD 500k
Definition of professional requirements
Definition of technical specifications
Electronics and software development
Stetoschope product prototyping
Design & development monitoring functions
Performing laboratory mesurements
Phase #1: USD 800k
Finalisation of device software and hardware
Planning and preparing mass production
Verification and testing
System integration with health data systems
Preparation of clinical study
Phase #2: USD 300k
Adoptation to different markets
Development of cloud based AI functions
Development of asset rating procedures
Preparing clinical study