https://xactlaboratories.com/

XACT'S SEVEN GENETIC DATA PATENTS

Exclusive IP Licensing & Royalty Opportunity

TOTAL PLATFORM OPPORTUNITY

$1.7B – $4.0B+ Annual Revenue

Licensing + Royalties + De-Identified Data | Patent Protection Through 2038

COMBINED ENTERPRISE VALUE	5-YEAR NET SAVINGS	DATA ASSET VALUE
$7.1B – $28.3B	**$6.95B – $16.39B**	**$4.6B – $24.8B**
Licensing + Data Assets	At 25% Market Adoption	De-Identified Data Alone

PATENT PORTFOLIO OVERVIEW

7 Issued + 7 Pending U.S. Patents protecting end-to-end PGx workflow control—from test eligibility and ordering, to prescribing enforcement, pharmacy blocking, and continuous therapy optimization. Coverage extends **beyond behavioral health to ALL genomic testing**, including high-cost chronic and specialty drugs.

THE CORE VALUE PROPOSITION

The IP isn't "a PGx test." The value is the **automation + interoperability + workflow control** that removes failure points (test ordering, data transmission, EHR/prescribing integration, pharmacy/PBM enforcement)—Xact's IP solves the scalability issue that minimizes the use of PGx testing.

LICENSING & ROYALTY REVENUE (U.S. ONLY)

VERTICAL	MODEL	ANNUAL REVENUE
Commercial Payers	**$2 PMPM**	**$360M – $960M**
Government Payers (Medicare, Medicaid, VA, TriCare)	**$2 PMPM**	**$480M – $840M**
Diagnostic Test Labs	**5–7% Royalty**	**$70M – $170M**
PBMs & Pharmacies	**SaaS/API + Tx Fees**	**$120M – $300M**
EHR Providers	**Platform Licensing**	**$60M – $150M**
LICENSING & ROYALTY SUBTOTAL		**$1.1B – $2.4B+**

WHAT CANNOT BE SAFELY CIRCUMVENTED

Any system that does all three below is highly likely infringing:

Uses genetic efficacy data	Automatically intervenes (alert, block, suggest)	Embedded in clinical / pharmacy / payer workflows

That combination is exactly what the portfolio locks down.

STRATEGIC BOTTOM LINE

- Yes, the patents can be designed around — but only by degrading value.
- Any clinically meaningful, scalable, real-time PGx decisioning platform will almost certainly need a license or acquisition.
- **This is a commercial moat, not just legal protection.**

DE-IDENTIFIED DATA ASSET: THE SECOND REVENUE ENGINE

Owning the Xact IP makes the acquirer the **system of record** for longitudinal PGx + therapy-outcome data. This dataset is **extremely rare and highly monetizable.**

THE CLOSED-LOOP DATA CHAIN

Genotype → Drug → Dose → Outcome → Cost → Re-optimization

Longitudinal, real-world, cross-payer, cross-EHR | De-identified, HIPAA-safe, reusable many times

DE-IDENTIFIED DATA REVENUE STREAMS

BUYER SEGMENT	USE CASES	ANNUAL REVENUE
Life Sciences / Pharma	Drug dev, label expansion, trials	**$300M – $900M**
PBMs & Payers	Formulary design, VBC contracts	**$150M – $400M**
AI / Health Tech / CROs	AI training, predictive algorithms	**$75M – $200M**
Government & Public Health	Drug safety, policy modeling	**$50M – $150M**
DE-IDENTIFIED DATA SUBTOTAL		**$575M – $1.65B**

WHY DATA VALUATION EXCEEDS OPERATING BUSINESS VALUATION

NON-RIVALROUS
Same data sold many times to multiple buyers
80-90%+ gross margins

DEFENSIBLE
Locked by workflow patents, not just data rights
Patent + workflow lock-in

COMPOUNDING
Each new patient increases dataset value
Network effects at scale

IRREPLACEABLE
Requires enforcement at care + dispense
Pharma cannot build this themselves

DATA ASSET VALUATION BRIDGE

Comparable data-centric healthcare platforms trade at **8–15× revenue** (especially when data is proprietary, longitudinal, and outcomes-linked):

SCENARIO	DATA REVENUE	MULTIPLE	VALUATION
Low	$575M	8×	**$4.6B**
Mid	$1.1B	12×	**$13.2B**
High	$1.65B	15×	**$24.8B**

Xact IP data alone supports **$4.6B – $24.8B** enterprise value

This EXCLUDES: PMPM payer revenue, SaaS/API licensing, test royalties, enforcement IP value

WHY PHARMA PAYS: THE SIMPLE MATH

ONE AVOIDED PHASE III FAILURE	ONE LABEL EXPANSION
$300M – $1B saved	**$500M+ incremental revenue**

Paying **$25–50M/year** for Xact IP data is trivial by comparison.

VALUATION RATIONALE

Combined valuation logic: Licensing business ($2.5B–$3.5B based on operating revenue) **PLUS** Data asset ($4.6B–$24.8B at 8–15× data revenue) = **$7.1B–$28.3B total enterprise value.** Additional upside from:

- ✓ Improved Stars/quality performance
- ✓ Reduced utilization from fewer adverse drug events
- ✓ PBM differentiation and client retention
- ✓ Long-run value of longitudinal data asset (through 2038)

RECOMMENDED DEAL STRUCTURE

UPFRONT	**$5B – $20B** at close (reflects combined licensing + data asset value)

EARNOUTS	**$2.1B – $8.3B** tied to adoption thresholds, validated savings & data monetization
GOVERNANCE	Full exclusivity/ownership and control of deployment across payer, PBM, provider workflows
INTEGRATION	IP transfer + technical implementation support to accelerate time-to-value

STRATEGIC IMPACT FOR ACQUIRER

INFRASTRUCTURE OWNERSHIP
Establishes the acquirer as the infrastructure owner of PGx decision enforcement—not a test lab or services vendor

DIVERSIFIED REVENUE
Produces diversified, non-exclusive licensing revenue across every major healthcare stakeholder

POLICY ALIGNMENT
Directly supports payer VBC goals, CMS innovation mandates, and national precision-medicine policy

EXPANDED TAM
Expands total addressable market dramatically by covering all genomic-drug interactions, especially expensive specialty medications

COMBINED PLATFORM OPPORTUNITY

Core Licensing & Royalties: **$1.1B – $2.4B/year**

De-Identified Data: **$0.6B – $1.65B/year**

TOTAL: $1.7B – $4.0B+ annual recurring revenue

Achievable without owning labs, running tests, or delivering care. Revenue is defensible, scalable, and policy-aligned.