

Case Study 6 – Insourcing cost for multiple sites performing a combined 400 identifications per month using two identification systems.

This financial model illustrates the benefits of outsourcing to Accugenix by structuring a corporate agreement that grants discounted pricing based on the total anticipated monthly volume for all manufacturing sites. In this case there are 10 production sites that perform a total volume of 4,000 sample identifications per month. It assumes that half of the sites utilize a phenotypic system and the other half use a sequencing method for identification. In all cases the identification systems have already been fully amortized, so there are no fixed costs associated with new equipment and performance of a full validation (including IQ, OQ and PQ studies). The only fixed costs considered are service contracts and facility charges. Presented are the average cost per sample based on reagents costs, labor and quality control of reagents. The model assumes that samples with low quality scores or no species level identification are submitted to a contract laboratory other than Accugenix for an identification report at \$125 per sample.

| In-house Testing Cost Across Multiple Sites | |
|---|-------------|
| # Sites | 10 |
| Avg Cost/Sample | \$72 |
| Samples/Month | 4,000 |
| Monthly Avg Cost/Reportable ID | \$288,000 |
| Annual Cost | \$3,456,000 |
| Accugenix Corporate Pricing for Genotypic ID | |
| AccuGENX-ID™ Volume Pricing/Sample | \$62 |
| Monthly Avg Cost/Reportable ID | \$248,000 |
| Annual Cost | \$2,976,000 |
| Annual Savings | \$480,000 |
| Accugenix Corporate Pricing for Proteotypic ID | |
| AccuPRO-ID® Volume Pricing/Sample | \$27 |
| Monthly Avg Cost/Reportable ID | \$108,000 |
| Annual Cost | \$1,296,000 |
| Annual Savings | \$2,160,000 |

Conclusion: The results demonstrate that with a structured corporate agreement the clients could potentially save between \$480,000 to over \$2,000,000 per year by outsourcing to Accugenix. The additional intangible benefits are the ability to standardize and upgrade the identification methods across all 10 sites, while achieving better performance and higher confidence level in the results. For inquiries about corporate agreements contact us at sales@accugenix.com.