



FIRST WARNING SYSTEMS, Inc.

www.firstwarningsystems.com

CEO Jim Holmes

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MANAGEMENT TEAM

Research - William Reeves, PhD.
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Business Development and
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Commercialization -
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ADVISORS

Senior Medical Advisor -
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Software Engineering -
Nanyang Technical University
Regulatory and Clinical -
Emergo Group- FDA

CONSULTANTS

Operations - Matt Benardis
Hardware Engineering -
Synergy Technology, Inc.

FINANCING ROUNDS 2012, 2013, 2014

Series A \$500,000
Series B \$2,500,000
Series C \$2,000,000 (a)

(a) The final and limited clinical trial costs (\$1.5M), estimated to be funded via grants. If grants are not available Series C will need to be increased to an estimated to \$3.5M

TIME & MILESTONES 2012, 2013, 2014

Q1-Q2: Upgrade software &
hardware
Q3-Q4: : Pre-clinical testing

Q5-Q6: CE Mark/Euro Revenues
US Pre IDE
Q7-Q8: Limited Clinical Trial
FDA 510k application

Q9-Q10: US Revenues

EXECUTIVE OVERVIEW: February 2012

OBJECTIVE/OPPORTUNITY: *Commercialization of the First Warning System (FWS), a disruptive technology, designed, developed and patient tested. This predictive analytic system identifies breast tissue abnormalities earlier than current technologies at a lower cost.*

VALUE PROPOSITION: *The FWS is a cost effective system that saves lives, delivers reduced healthcare costs, and is more patient-friendly than current protocols. Primary market research places pre-revenue value at \$36.3M US, \$93.7M worldwide*.*

MARKETS: *The US annual market is over \$1B, the European market is comparable, and the rest of the world market is greater than the combination of the two.*

US market focuses on 74M women who undergo 48M mammograms per year and a comparable number in Europe. This situation, with annual US revenue of over \$1B, presents an opportunity for a more accurate and efficient protocol. Indications suggest the number of women seeking to improve their breast healthcare procedures could significantly increase using the FWS with no compression, no radiation and is noninvasive. Current testing protocols are primarily offered by 38,000 OB/GYN specialists. FWS can also be offered by 82,000 general practitioners and 102,000 internal medicine specialists.

THE PROBLEM: *Current economic and "gold standard" procedures are missing or mis-detecting approximately 30% of the breast tissue abnormalities and cancers.*

Of the 48m mammograms per year in the US, resulting in over 1M biopsies, approximately two thirds (over 750,000) are negative. These false positives cause needless healthcare costs (estimated at over \$1B annually) and much emotional distress to those women mired in inappropriate screening, detection, and therapeutic modalities.

THE SOLUTION: *FWS is an office-based, screening system non-invasive, non-toxic, early screening system.* The FWS process significantly reduces false positive interpretations of all solid tumors regardless of physiological state with a low cost investment, offers significant patient comfort improvement, disruptive economics for the patient and medical delivery system and additional revenues to a physician's practice, all of which are significant economic drivers for revenue acceleration. Non-invasive features encourage more frequent, timely testing. A patient accessible health history database is part of client contact service model.

PRODUCT: *Patent pending software & patented hardware projects low COGS and high margins.* The FWS system uses a small data collection device placed in patient bra to collect breast tissue abnormality data (*dynamic thermal fingerprints*) for profile comparison. Circadian rhythm based temperature variances of cells in chaos are measured to identify abnormalities at earlier stages of tumor development when treatment regimes are most effective. Predictive analytics and artificial intelligence send a report direct to the patient's physician. Over 650 women tested in three clinical trials have achieved sensitivity, specificity and accuracy in the 90% range, as compared to current modalities that are 70% accurate with disadvantages of compression and radiation. A recent Lawrence Livermore Lab report demonstrates that breast compression can release cancer cells into the blood stream. The iterative software significantly reduces cost of capital as compared with current diagnostic modalities and is automatically updated as additional procedures are processed.

MILESTONES: *Private placements to drive value milestones.*

We are raising \$5M in three rounds to: 1) upgrade hardware and software; 2) manufacture a clinic-ready device; 3) conduct pre-IDE trial; 4) complete CE Mark; 5) complete clinical trial 2012-13, and 5) obtain FDA 510(k) marketing clearance for a US market launch 2014.

EXIT and LIQUIDITY: *Acquisition by or joint venture with a strategic partner.*

The FWS system has four paths to partnership and revenue: 1) Europe-CE Mark; 2) US-FDA clinical trial and market launch; 3) Initial Public Offering; 4) OTC product with a strategic partner, and 5) Align with potential strategic partner(s) and distribution partners that have been identified.