

## "HyperMethod Company" LLC

Saint-Petersburg

Owners:	5 individuals holding equal shares of 20%
Staff:	35 permanent employees, 15 temporary employees
Previous financing:	\$ 100,778, including own assets \$ 100,778
Current financing:	\$ 139,021, including own assets - \$ 46,348, debt capital - \$ 92,673
Volume of investment required:	\$ 975,000
Intended use of the investments required:	Organization of sales system in USA - 100%

### Company profile

HyperMethod Company was founded in 1991 with the purpose to create high-tech multimedia software tools. The background of our team was formed by the graduates and research officers of the Computer Science Department of St. Petersburg Electrotechnical University ("LETI"). Since 1996 the company is the part of an innovation Technopark of LETI. Within the period from 1994 through 1996 new managers joined the company, and the company began to develop the new lines of business in the area of information technology (IT) and promote its products and services in the foreign markets. The company strongly expands its sales system: an affiliate branch was established in Moscow in 2001. The opening a representative office in Berlin is planned for the beginning of 2003.

The personnel of the company are 50 employees - analytics, programmers, web-designers, and sales managers. All the employees have higher education, 4 employees earned a Ph.D. degree. The top-managers of the company are experts in management and have worked in the company for more than 5 years. A program of professional development of top-managers has been approved and is being realized: for example, the first manager is going to take a Master of Business Administration (MBA) degree in 2003. According to the program of building an American representative office it was formed a manager team in USA. It has a Harvard MBA graduate, a certified public accountant and 2 Ph.D. The top-manager team has a successful experience in 6 venture enterprise, including 2 IPO.

The company has officially registered intellectual property rights.

### Area and directions of activity

The mission of HyperMethod company is to provide every business with an opportunity to maximum exercise all the advantages of modern informational technologies.

The main directions of business:

1. The creation of high-tech software solutions in the sphere of multimedia and Internet, including both authoring tools and end-user products. Exactly this activity brought the fame to the company in Russian market.
2. The development of complex Internet applications, including web-sites.
3. The provision of the services of hosting, registration of domain names and data communications according to the License of Ministry of Communications.
4. The development of authoring tools and implementation of distance learning systems. This company's activity is the most dynamic upcoming.

### Products/Services/Technologies

1. Authoring tools for:
  - o distance learning: products eLearning Office and eLearning Server
  - o electronic publishing: well-known programs HyperMethod and ePublisher
  - o electronic commerce: tools for the creation of Internet shops - MoneyMethod, WAPMethod and a system of video-webcast LiveCam Pro
2. Complex services of informatization for small and medium-size businesses, including technological consulting, installation and development of special software, technical support, hosting. The company gained a unique

experience and a tested technology of creating of effective marketing tools: web-sites, Internet shops, online-catalogues, and presentation compact disks.

Please see site [www.hypermethod.com](http://www.hypermethod.com) for detailed information about products and services of the company.

#### Achievements

Many company products and projects have been highly praised and rewarded with prizes and awards from prestigious competitions, fairs and festivals, including UNESCO, "AniGraf", magazines "ComputerPress", "Home computer". The company was awarded the prize at the Business Soft-2001 contest for the first Russian commercial software for e-shop development.

In 2002 the company won the tender on delivery of distance learning system for Byelorussian Representation of U.N.O. (United Nations Organization). Also the company won a tender on a development of e-tools for educational purpose within the framework of the Federal purpose-oriented program "Development of an united educational informational sphere". An amount of the first contract is about 2 million rubles.

#### Prospects of Development

1. Organization of the effective distribution network in USA. Setting up own representative offices allows increasing effectiveness in the distribution network in West Europe.
2. Entering into the Western market with new innovative products in the sphere of providing intellectual services in Internet, where competitiveness is not so high. This innovative product is T2 Business Analysis Console - web-based software for conducting competitive research projects.
3. Consolidation a leading position in the Russian high growth market owing to widening the product line and promotion activities.

Sales volume (over the last 12 months): \$ 300,000

year	Without investments requested	With the investments requested
2002	\$ 300,000	\$ 300,000
2003	\$ 480,000	\$ 1,238,000
2004	\$ 770,000	\$ 3,001,000
2005	\$ 1,230,000	\$ 7,022,000