

Summary

1. **Volume of investments required – \$ 1000 thousand.**
2. **Production** – cryotherapeutic system for hypothermal stimulation and training of system of thermoregulation – cryosauna KAEKT-01 “Cryon”.
3. **Trade marks** – “КРИОН”(Cryon).

Company profile

Date of establishment – the “Cryon” company was formed by the group of engineers of the St.Petersburg State University of Refrigeration and Food Technologies in March 1992, in order to implement in medical care the results of the researches on “Cryogenic physiotherapy”. For 6 years on the basis of the university laboratory first sample of cryosauna has been developed. The manufacturing of head system (KAEKT-01 “Cryon”) was the final result of the researches and it was installed in the hospital N 32 in St.Petersburg. Since 1998 cryosauna with serial number 1 has been working in the pulmonology department.

Signs of public recognition – “The week of High Technologies” – The diploma for assistance in research and development of the system, 2003; “The Contest of innovative projects and research and development projects “KNOWLEDGE-INNOVATIONS” devoted to the tercentenary of Saint-Petersburg” – Winner Certificate; “V anniversary All-Russia – resort-medical forum” – Certificate for development and manufacturing of modern system for cryotherapy, 2004; International Certificate of Conformity (EC); Publications in magazines: “GALA”, “Machines and Mechanisms”, “Art of Beauty Professionals”. Presentations of Prof. Baranov A. on the radio “Svoboda” and on television (“THT”-channel: “St.Petersburg – introduction for using” program).

Number of employees – 20 persons; nearly 10 temporary employees.

Team

Highly-qualified engineers and managers. All the employees have special higher or professional education, additional certificates and diplomas, and great experience in this field.

Baranov Vladimir – Director General, 26 y.o. Has the diploma of higher education in the sphere of cryogenics and air conditioning, Master’s Degree in Cryogenics; at present he is a post-graduate student in cryogenics.

Baranov Alexander – Deputy Director on scientific work, 50 y.o. The leading developer of the cryosauna KAEKT-01 “Cryon”. Dean of the faculty of cryogenics and air-conditions in St.Petersburg State University of Refrigeration and Food Technologies; Professor, Academician of International Academy of Refrigeration, Doctor of Engineering.

Products characteristics

Cryosauna KAEKT-01 “Cryon” – brand-new system for medical action for the whole body. Method: the patient is placed for 2–3min in liquid vapor at the temperature –150 °C.

Cryosauna:

- Corrects physiological processes;
- Restores natural balance;
- Stimulates metabolism and immune system;
- Used for the treatment of large range of diseases: arthritis, bronchitis, skin diseases, allergies, injuries, burns etc.;
- Large anaesthetic effect during 4–6 hours;
- Short-period procedures (2–3min), cause quick positive reaction.

The result can be felt in 5–20 min after the procedure and lasts no less than 6 hours.

Competitive advantages compared to group cryosauna:

- 20 times cheaper;
- Simplicity and reliability in using;
- Minimum energy consumption (1KWT);
- Minimum preparation period – 5–10min;
- Minimum place for installation (4m²);
- Minimum requirements for technical qualification of the personnel.

Cryosauna KAEKT-01 “Cryon” – the most purchased installation in the world, for last 10 years it has been manufactured more than other systems.

We don’t have real competitors. There are manufactures who produce similar systems, for example, group cryosaunas and apparatus for local cryotherapy. However, the action principles are absolutely different. Speaking about group systems, it should be noted, that working mode of our system – 15 procedures (courses of treatment) per hour, and medical effect is 8 times bigger.

Nowadays we plan to introduce renewed model of KAEKT-01 “Cryon”, which is being developed now. Our equipment has all necessary certificates and for countries of Europe and CIS correspondingly. Cryotherapy is fully adopted by traditional medicine (there is an adoption of Health Ministry of Russia). Also we have patent for useful models.

Current state

Our company is actively developing now. Great attention is paid to scientific base of manufacturing. There are investigations and experiments in order to improve the equipment construction. New technical specialists are employed. Also we do marketing researches in Russia and abroad.

Development strategy**Use of funds**

1. R&D	35%
2. Acquisition of fixed assets (computers, technical equipment, materials)	25%
3. Marketing	15%
4. Acquisition of current assets	20%
5. Others	5%

Prospective outcome of investment

As the result of investments, new technical equipment and new materials will be purchased. Some additional workers will be employed correspondingly. We plan to introduce new products and renewed cryosauna. Renewed sample will have absolutely different construction and will be manufactured from different materials. Also it will be an opportunity to open small medical establishment on the base of the "Cryon" company.

Marketing & Markets

Market shows that the sales are increased, and for recent years market has got a great development due to the popularity of private medical establishments, beauty salons, fitness centers etc. Our equipment is being sold not only in Russia, but is being exported abroad: Finland, Korea, the USA, Ukraine, Poland, Israel, Slovakia, Turkey, Germany, Latvia, Estonia. There are official distributors in many countries, and we consider the question of giving official distribution in Australia and Spain.

"Cryon" takes part in all-Russia and international exhibitions, conferences, where you can see cryosauna, get information prospects and experience the procedures. Also we plan to increase advertising budget. This will allow to create a commercial and show it on TV channels; put advert in main newspapers and magazines; the company will be able to take part in more expensive exhibitions in Russia and allow the employees to travel abroad.

Interaction with investor

Exact share can be defined only after pre-discussions (approximately 20%). The term of pay-back is about 1 year. Investor can discuss his share with the company's management.