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Volume of investments required – \$ 425 thousand

Summary

1. **Production** – antifungal and fire-protective impregnants and coverings for different materials.
2. **Trade marks** – «Biozashita», «Ognebiozashita», unregistered trademarks.
3. **Sales 2007** – \$9.5 ths (only antiseptic covering «Biozashita»).

Company profile

Date of establishment – the company was established in 2003 by the group of motivated chemists. They developed and introduced in a butch production a multi-purposed antiseptic, which eliminates all kinds of fungi and germs (including tubercular bacillus).

Description and value of capital assets – \$ 10 ths.

Previous rounds of investments – \$ 6 ths in 2007, \$ 10 ths in 2008 – funds of founders.

Signs of public recognition – in 2007 the company won the competition «The Best Entrepreneur of the Irkutsk Region» in the nomination «Business innovation».

Number of employees – 9 persons.

Structure of ownership

Legal entities (Companies)	0%
Natural persons (6):	100% (21% + 20,5% + 20,5% + + 17% + 11% + 10%)
Aggregate share of government property	0%

Team

Mayarenkov Sergei Yuryevich – CEO, 25 y.o. Experienced manager, he was Managing Director of a manufacturing enterprise with \$ 10 mln annual sales (sealed tubes making enterprise).

Lifanov Evgenii Vikentyevich – Production Director, 35 y.o. PhD in chemistry. Co-inventor of the antiseptic covering «Biozashita».

Kolotyigin Oleg Aleksandrovich – Production Deputy Director, 36 y.o. PhD in chemistry. Co-inventor of the antiseptic covering «Biozashita».

Production

At present time the following products are manufactured:

- Antiseptic impregnant «Biozashita» – protects all types of building materials from negative effect of fungi and germs (deterioration, change of color, odour, etc.).
- Fire-protective antiseptic impregnant «Ogne-Biozashita» for wood – protects wood and wood materials from fire and biodeterioration inside and outside of a building.

Antifungal and biocidal properties of these products have been proven by the certificate given by the scientific laboratory of the Irkutsk State University. Today an average price per 1 kg of the fire-protective impregnant is 60 rubles (\$ 2.5); our price for the same amount of high-quality impregnant begins from 30 rubles (\$1.25). Compared to its analogues the product «Ogne-Biozashita» has a reasonable price and a reduced expenditure – 230 gram/m² for the first group of fire protection (expenditure for its analogues made up 400 gram/m²). Each production lot passes a fire-protection quality test in the certified laboratory of the Irkutsk State University. For the latest period our company has received a lot of positive responses from our consumers that proves the high-quality and efficiency of our products. We have a proven logistical tail and a good feedback with our consumers. All necessary certificates and permissions are granted.

The following impregnants are scheduled to be produced:

- «Biozashita-Trans» – wood blueness protection during transportation (for forest harvesting operations and wood processing plants);
- «Ogne-Biozashita concentrated» – dry matter (for industrial volume usage);
- «Water-resistant Biozashita» – multi-purposed impregnant (for industrial and domestic needs);
- «Water-repellent Biozashita» – multi-purposed impregnant (protects materials against atmospheric condensation exposure);
- «Water-resistant and fire protective Biozashita» – antiseptic impregnant for wood, protects against atmospheric condensation exposure (for outside treatment);
- «Ognezashita Metal» – fire-protective covering for metal (for industrial volume usage), professional fire-protective treatment;

- «Biozashita» – multi-purposed antiseptic whitewash (for industrial and domestic needs).

These impregnants meet all mandatory state requirements such as the Construction Norms and Regulations (SNIP), the State Standard (GOST), the Fire Regulations (NPB) and can be easily used for wooden construction. Usage of our products provides safety storage and transportation for wood (water and fire protection). Investments are needed for more efficient manufacture and company development. Compare to its analogues the scheduled products have high quality, low cost, reduced expenditure prolong effective action. Also there are additional advantages for our consumers – high quality at reasonable cost. Patents for existing products have been already applied, for scheduled products patents will be granted.

Current state

In June 2008, manufacturing of new impregnants such as «Biozashita» and «Ogne-Biozashita» was started. Research and development works for the products «Biozashita-Trans», «Water-resistant Biozashita», «Water-repellent Biozashita», «Water-resistant and fire protective Biozashita», «Ognezashita Metal», «Ogne-Biozashita concentrated», «Biozashita whitewash» are being carried out.

Development strategy

Use of funds

1. R&D	7%
2. Acquisition of fixed assets:	
- production plant purchase	38%
- industrial equipment purchase	10%
3. Marketing	5%
4. Acquisition of current assets	35%
5. Other (including intellectual property protection)	5%

Prospective outcome of investment

As a result of investments the scheduled impregnants will be brought to production. The annual sales of the company in 2010 will be made approximately at \$ 1500 ths; also for development and registration of new products a proper scientific plant will be created (not less than 3 patents in a year).

Marketing & Markets

Volume market of fire-protective solutions in Russia made up to \$ 40 mln, antiseptic solutions – \$ 4 mln. Today our market share is quite small, but to 2010 we are planning to cover at least 3.5%. At present time, the products have being distributed through retail outlets and by companies, dealing with fire-protective and antifungal treatment for building and constructions. Company's sales for the first 6 months made up to \$ 28 ths. The products are intended for sales in Russia. For expansion of production demand we participate in various constructional exhibitions. To increase sales volume we collaborate with large building companies and enterprises. The products are distributed in many cities: Moscow, St. Petersburg, Samara, Novosibirsk, Krasnoyarsk, Ulan-Ude, Chita, Vladivostok. Distribution in other regions and dealer systems creation are planned in 2009.

Interaction with investor

Investor's share is up to 50%. Payback period is 1.5–2 years. Investor can take direct part in company activities or appear for the controlling body. In 2–3 years the investor's share (50%) will be estimated at \$ 1.5–2 mln.

Financial characteristics, \$ thousand

Data	Facts			Forecast	Forecast with the investment required			
	2005	2006	2007	2008	2009	2010	2011	2012
Sales	2	7	9.5	42.5	1 149	1 575	2 127	2 820
Operating income	0.9	3.5	4.7	21	574.5	787.5	1 063	1 410