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Volume of investments required – \$ 1–25 million

Summary

1. **Production** – wide range of products and services in the field of pre-clinical research of innovative drugs for Russian and international pharmaceutical companies. Services in marketing of own portfolio of innovative drugs on Russian market.
2. **Trade marks** – none.
3. **Sales 2007** – none.

Company profile

Date of establishment – 1992. Chemical Diversity Research Institute (CDRI) is a major non-governmental scientific company. CDRI is main organization of CHEMRAR Hi-Tech Center – a unique scientific and research complex in Russia which consolidates hi-tech innovative organizations carrying out research for pharmaceutical manufacturers. The main mission of CDRI is research and development of novel drugs in the field of oncology, infective, and central nervous system (CNS) diseases using advanced post-genomic technologies. CDRI carries out complete cycle of pre-clinical drug discovery research and development, from high-throughput screening of large libraries of chemical compounds against specific biotargets to advanced *in vitro* & *in vivo* studies. CDRI is one of the leaders on Russian market of pre-clinical drug development. At present CDRI launches a project of development and marketing of own portfolio of innovative drugs on Russian and international markets.

Value of capital assets – equipment and intellectual property.

Previous rounds of investments – International venture fund investments in groups of Russian researches in the field of combinatorial chemistry since 1991.

Signs of public recognition – the activity of CDRI is elucidated in numerous Russian and international periodical publications and mass communication media. Their scientific and business achievements are recognized by many domestic and foreign experts, non-governmental organizations as well as official governmental and academic representatives.

In 2007 the Federal service of surveillance in healthcare and social development of Russian Federation included CDRI in the list of the organizations carrying out pre-clinical research. CDRI is main contractor of the Ministry of industry and trade of Russian Federation in the framework of development of the project of Pharmaceutical Industry Development Strategy for period up to 2020.

Number of employees – over 300 persons.

Structure of ownership

Legal entity: Torrey Pines Investment, Inc.	100%
Aggregate share of government property	0%

Team

Ivashchenko Alexander V. – the Founder of CDRI, DSc., Professor, laureate of some State Awards, Honoured inventor of the Russian Federation, the author of over 130 scientific publications, 4 books and 150 patents in medicinal and computational chemistry.

Dmitry Kravchenko V. – Director General. PhD, DSc, the author of over 100 scientific publications and patents in organic synthesis and medicinal chemistry. Many years' experience of work in organic synthesis and management.

Konarkowski Henrik A. – Business Development Director of CDRI in West Europe and Japan. Many years' experience in economics and investments, organization of privatization vendues and conferences, the author of some books about industry, investments and business development perspectives in Russia.

Bugrov Sergey A. – Director on Marketing. Many years' experience in marketing and sales, the author of over 35 scientific publications.

Production

The production is indispensable for Russian and international pharmaceutical companies involved in drug development and commercialization. The main production and services encompass a wide range of pharmaceutical development needs in the field of pre-clinical research of innovative drugs:

1. Investigations for pharmaceutical and biotechnological companies with use of customized organic synthesis and high-throughput biological screening. CDRI has the largest collection of chemical compounds (over 1 million samples);

2. Production of generics, structural modifications of known drugs, known generic substances with advanced pharmacological properties;
3. Development of innovative drugs. At present CDRI has perspective drug candidates in 3 therapeutic fields.

Current state

CDRI provides products and services on a fee-for-service basis for Russian and international pharmaceutical companies, but also welcome risk-sharing and in-licensing collaborations in areas that are of a mutual scientific and commercial benefit. After the stage of new knowledge generation and “technologization”, the successful initiative developments serve as a basis for establishment of independent start-up companies which provide further commercialization. New strategic profile of CDRI includes:

1. Development of own innovative drugs;
2. Organization of own marketing system in Russia;
3. Marketing of own products on international pharmaceutical market.

Development strategy

Use of funds

1. R&D	40%
2. Acquisition of fixed assets	10%
3. Marketing	30%
4. Acquisition of current assets	15%
5. Other	5%

Investments are needed (requested) for financing of clinical trials and marketing of novel drugs.

Prospective outcome of investment

Successful clinical trials, registration of innovative drugs, emerging Russian pharmaceutical company of new generation with a portfolio of innovative drugs in the fields of oncology, virology and central nervous system diseases.

Marketing & Markets

Marketing strategy of CDRI includes the activity of innovation managers, general and scientific marketing. The strategic partners of CDRI developed a global logistics network for optimal global handling and shipment of products from three sites located in the USA, Europe and Japan. Long-term contracts on the delivery of scientific production are signed with many business partners. The CDRI brand is well recognized by potential customers and venture companies.

In 2007 the volume of Russian pharmaceutical market was \$ 12.5 billion and showed annual growth by 11%. It will be \$ 16–18 billion by 2012 as predicted. Market of drugs for therapy of oncology, infective, and CNS diseases is the most expensive segment of pharmaceutical market. The volume of R&D market is \$ 8 billion.

Interaction with investor

CDRI is ready to grant a non-control packet of shares for investors. The resources will be invested mainly into clinical research (\$ 3–25 million) and marketing of novel drugs (\$ 1–5 million). We have several projects prepared for allocation in independent companies and demanding of seed financing (\$ 1–2 million).

Financial characteristics – can be provided upon request.