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Volume of investments required – \$ 4 100 thousand

Summary

1. **Production** – Immunoenzymatic test systems and biochips for diagnosis of different human diseases.
2. **Trade marks** – trademark certificate, joint patents with the Federal State Institution of Science, State Research Center of Virology and Biotechnology “Vector”.
3. **Sales 2007** – \$ 1 500 ths.

Company profile

Date of establishment – 16 June, 1993. In 1993-1994 manufacture of diagnostic test systems and their practical medical application was started. In 1995 immunoenzymatic laboratories for diagnosis of different human diseases were established. In 1999 a laboratory for chain polymerization was established. In 2006 Russian-Kazakhstan joint venture “ImDiAsia Test” was formed. In 2007 land was allotted in the Technology Park of Science Town Koltsovo for building a factory for manufacture of the test systems. In 2008 two joint ventures were established in China. One will assemble diagnostic sets from components of the test systems produced by ImDi. Sales are planned in China and other Asian countries. The other joint venture, Russian-Chinese Institute, will make research in the area of multi-field diagnostics. By now ImDi has developed and implemented more than 50 types of immunoenzymatic tests systems. At present the company is also developing enzymatic diagnostics based on biochips.

Description and value of capital assets – \$ 85 ths, manufacture and laboratory equipment and office appliances.

Previous rounds of investments – \$ 163.2 ths of bank loans that are already paid back.

Signs of public recognition – Diploma of the Second Siberian Venture Fair for successful business model (2008); Laureate Diploma of regional business competition “Golden Mercury” in the nomination “The Best Small Innovation Company” (2008); Certificate of the Forth International Forum “Healthcare, Pharmacy, Medical industry” (Sochi, 2007); Certificate of the First Siberian Venture Fair (2007); Diploma of the 13th Harbin Trade and Economic Fair (China, 2006); the Second Prize Diploma (small golden medal) of the competition “Golden Medal of Siberian Fair” of Innovation and Investment Projects Fair (2005); the Second Prize Diploma of the Innovation and Investment Projects Competition held by Novosibirsk Region Administration (2005), the First Prize Diploma in the nomination “The Best Biotechnological Company” of the competition held by Novosibirsk Region Administration and Russian Venture Capital Association.

Number of employees – 49 persons.

Structure of ownership

Natural persons (2)	70% & 30%
Aggregate share of government property	0%

Team

Krivenchyuk Nikolay Andreyevich – Managing Director, 58 y.o. Research supervisor, PhD in chemistry.

Ryabuha Vladimir Nikolayevich – Deputy Director on distribution and supply, 50 y.o. Higher technical education and 14 years of work experience. He has contributed to significant increase of sales.

Antonov Nikolay Alexandrovich – Deputy Director on manufacture, 58 y.o. Higher technical education and 12 years of work experience. He helps the company to start manufacturing new kinds of products every year.

Production

The company manufactures highly sensitive and specific immunoenzymatic test systems for diagnosis of sexually transmitted human diseases (chlamydiosis, trichomoniasis, ureaplasmosis, mycoplasmosis, gonorrhoea, HIV etc.); prenatal infections (toxoplasmosis, herpes infection, cytomegalovirus infection, rubella etc.); zoonogenous infections (brucellosis, listerellosis, leptospirosis); helminthosis (opisthorchis, lambliasis) and other infections. The test systems are used in diagnostic laboratories of medical institutions (diagnostic centers, out-patient clinics, prenatal clinics, maternity hospitals and other medical institutions).

At present the company is developing diagnostic test systems based on biochips for simultaneous detection of 8 and more human diseases. Such test systems will improve quality of diagnostics and reduce time for testing. They will be cheaper and it will be possible to use them widely in rural areas.

Comparison to analogues

Characteristics	Biochips developed by CJSC "ImDi", 2009	Immunoenzymatic test systems produced by "Vector-Best" and CJSC "ImDi", Russia 2007	Immunoenzymatic test systems Israel 2000-2007
1. Number of infections detected by one test	8	1	1
2. Number of test systems required for detection of 8 infections	1	8	8
3. Cost of analysis for 8 infections	\$1,9	\$3,8	\$30,2
4. Time required for examination of 1 patient for 8 infections	40 minutes	60 minutes × 8 = = 480 minutes	40 minutes × 8 = = 320 minutes

Current state

Manufacture is organized on rented facilities (1300 square meters). The territory of 2500 square meters in the Technology Park of Science Town Koltsovo was allotted for building a factory for manufacture of the test systems for diagnosis of human diseases. A factory from pre-fabricated constructions is being developed. Joint ventures in Middle Asia and in China are formed. ImDi is marketing the test systems in Middle Asia and China.

Development strategy

Use of funds

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|---|-----|
| 1. R&D (development of an industrial sample of biochips) | 9% |
| 2. Building a factory in the Technology Park of Science Town Koltsovo | 66% |
| 3. Marketing immunoenzymatic test systems and biochips in Middle Asia and China | 10% |
| 4. Purchasing additional equipment for expansion of production | 15% |

Prospective outcome of investment

Building a factory in 2008-2009 for manufacture of immunoenzymatic test systems will contribute to expansion of production and increase of sales number to more than \$ 30 mln per year. New test systems based on biochips will be manufactured. These systems are already in demand in Russia, China and other countries. The volume of sales is expected to achieve \$ 20 mln per year.

Financial indicators of the project:

Indicator		Value
Investment Required	Investment Required	\$4.1 mln
Net profit after 5 years	Net Profit (EAT)	\$54.0 mln
PE	Price to Earnings multiple	6 times
Equity Capital	Equity Basis Expected	\$324.1 mln
NPV(20%)	Net Present Value	\$24.5 mln
PBP ^d , лет	Payback Period discounted	3
BCR ^d	Benefit/Cost Ratio discounted	1.86
IRR, %	Internal Rate of Return	212%

Marketing & Markets

ImDi sells the products throughout Russia and in CIS countries. The company has a network of distributors and representatives in Russia and Kazakhstan. The company in Kazakhstan assembles the test systems produced by ImDi for sales in Kazakhstan and other countries of Middle Asia. Products of CJSC "ImDi" are registered in Kazakhstan Ministry of Health. Several affiliates of ImDi in Middle Asia are created for joint manufacture of the test systems and their registration and further sales in the countries of Middle Asia. ImDi is going to register the test systems in China and supply the products to the joint ventures. The price of ImDi products in China is estimated to be 2 times lower than the price of Chinese analogues. In order to expand markets ImDi is going to broaden range of products, participate in specialized exhibitions and scientific conferences. The world market of test systems for diagnosis of human infections is \$ 3 bln with an average annual growth 4.1%. In Russia the market growth is more than 10% per year. At present ImDi market share is \$ 190 ths. By 2012 it will reach \$ 65 mln.

Interaction with investor

- The investor's share in the company may be up to 35%.
- Cost of the investor's share will be \$42 mln after 4 years and \$113 mln after 5 years.

Financial characteristics, \$ thousand

Data	Facts			Forecast	Forecast with the investment required			
	2005	2006	2007	2008	2009	2010	2011	2012
Sales	1433	1447	1914	184.1	1423.1	10 261	29 019	62 765
Gross profit	57.7	71.4	85.1	135.1	1010.1	8024	21 803	46 797