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Volume of investments required – \$ 500 thousand
Summary

1. **Production** – cryoprotector «Cryostar» for storage of biomaterials under ultralow temperatures. The product consumers are stem cell banks, livestock farms and fish-breeding companies.
2. **Trade marks** – none.
3. **Sales 2007** – none.

Company profile
Date of establishment – 29.02.2008.

Previous rounds of investments – none.

Signs of public recognition – diploma «50 best innovative ideas for Tatarstan Republic», diploma «Idea 1000», «Best company of venture fair» certificate of III Kazan Venture Fair in 2008.

Number of employees – 8 persons.

Structure of ownership

Legal entities (Companies) – «Investment and Venture Fund of the Republic of Tatarstan»	25%
Gazizov I.M.	20%
Kiassov A.P.	20%
Arhireev V.P.	20%
Kalentyev V.K.	15%
Aggregate share of government property	25%

Team
Gazizov Ilnaz Marselevich – Director General, 26 y.o. Responsible for general and strategical management of the company.

Kiassov Andrey Pavlovich – Scientific Adviser, 47 y.o. Ph.D, Professor, Chief of Human Anatomy Department of Kazan State Medical University, scientific adviser of Stem Cell Bank of KSMU. Responsible for scientific and technical management of the company.

Arhireev Vyacheslav Petrovich – Chemical Engineer, 70 y.o. Ph.D, Professor of Kazan State Technological University. Responsible for chemical modification of developing products.

Kaletyev Valeriy Konstantinovich – Chemical Engineer, 61 y.o. Ph.D, Senior lecturer of Kazan State Technological University. Has business experience and experience of working in foreign company. Responsible for optimization of chemical synthesis.

«Medinotech» Ltd. is planning to hire professional managers after receiving patent for developing products.

Production

Cryoprotectors are chemical substances, which stop crystallization process of water molecules during freezing of biological materials (cells, tissues, organs, bacteria strains, embryos, fish eggs etc.), saving them from damaging and enabling to use them even after decades after storage.

Today cryoprotector market is suffering monopoly of dimethylsulfoxide, unless its 2 main disadvantages from consumers point of view, which are toxicity and high price. «Medinotech» Ltd. is proposing to bring into the market a new cryoprotector devoid of dimethylsulfoxides' disadvantages.

Manufacturing of *product under development* is based on withdrawing main substance from dividing border of 2 dissolvents. Technological process is under patent registration (application was formed on May 19, 2008, formal expertise is passed on June 2, 2008).

Indirect competing products in cryoprotectors market are polypropylenglycol, sucrose, ficoll, ethyleneglycol, propylene glycol, acetamide.

Anyway «Cryostar» has several advantages:

- Acting mechanism of «Cryostar» is realized trough intracellular and extracellular way, when other cryoprotectors act just by one way;
- More efficient, number of viable cells after ultralow freezing and thawing is 10–15% higher;
- Does not cause rejection and negative immune reactions by immune system.

Characteristics	«Cryostar» «Medinotech» Tatarstan Republic, Russia	DMSO «dimethylsulfoxide»	PEO-1500 «polyethyleneoxide»
Toxicity, lethal dose for 50%	16 g/kg	3,8 g/kg	10 g/kg
Mechanism	intracellular and extracellular	intracellular	intracellular
Necessity of eliminating cryoprotector after thawing	none	obligatory	none
Cell loss	low (15%)	average (25%)	average (30%)
Price, rub./ml	100	400	-

Current state

Currently company is carrying research, patenting of method for chemical synthesis of main substance of developing cryoprotector. After receiving patent and finishing research company will start patenting cryoprotector as pharmacological agent «Cryostar».

Investments are needed for research and organization of industrial production of product.

Development strategy

Use of funds

1. R&D, product certification	40%
2. Acquisition of fixed assets	10%
3. Marketing	20%
4. Acquisition of current assets	25%
5. Other	5%

Prospective outcome of investment

As a result of investments industrial production of new nontoxic cryoprotector will be created, which will change situation in the market in shortest time period and produce 200 kilos of product annually, which will cover 40% of Russian markets' need.

Marketing & Markets

Main competing product is DMSO. DMSO sales in Russia in 2007 – 200 mln rubles (\$8 mln), international market in 2007 – \$ 15 000 mln. Annual increase of Russian market – 25–35%, international – according to different views, from 10 to 20%.

«Medinotech» plans to have 25% share of Russian market in 2012.

1. Taking part in specialized conferences (Biotechnology World, Moscow, 2009. Medicine – today and tomorrow, Sochi, 2009).
2. Positioning company as highly technological Russian manufacturer of cryoprotectors on Russian market, creating positive image through advertisement campaign (personal advertisement delivery, publications in specialized journals etc.).
3. Making long-term agreements with medical centers (Stem Cell Bank of Kazan State Medical University), biological laboratories, livestock farms and fish-breeding companies, creating agreements with dealers (international scientific industrial holding «Delrus»).

Interaction with investor

Share of company's property which will be given to investors' ownership will be discussed individually.

Financial characteristics, \$ thousand

Data	Facts			Forecast	Forecast with the investment required			
	2005	2006	2007	2008	2009	2010	2011	2012
Sales	-	-	-	0	25	80	400	1 500
Operating income	-	-	-	0	12	35	220	800