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Volume of investment required – \$ 600 thousand

Summary

1. **Production** – Metalink offers to companies a virtual office space, where their remote employees can work, communicate and collaborate like in the real office. Built in the immersive game-like style, Officeverse helps to address psychological and communication issues of distant work and distributed teams.
2. **Trade marks** – Metalink, Loudtalks, Officeverse.
3. **Sales 2007** – \$ 300 ths.

Company profile

Date of establishment – October 2002. Founded by a team of experienced software developers, the company is focused on building of innovative software products in areas of multimedia, VoIP and distributed systems. Metalink has successfully completed over 50 projects for the customers for US, Western Europe and Asia. Since January 2007, the company is focused on building its own products under Loudtalks and Officeverse brands.

Description and value of capital assets – \$1800 ths (software).

Previous rounds of investments – none.

Signs of public recognition – Loudtalks (www.loudtalks.com) was selected as a finalist of TechCrunch 40 – the prestigious start-ups conference, which took place in September 2007 in San Francisco. The product launch received a good coverage in Russian and US media. Officeverse announcement at RIF-2008 brought lots of attention, and the leading business newspaper Delovoy Petersburg published an editorial dedicated to the project.

Number of employees – 10.

Structure of ownership

Natural persons (4 shareholders, including 3 company's managers):	100%
<i>Veronika Zaslavskaya</i>	41%
<i>Alexey Gavrilov</i>	29%
<i>Eugene Mymrin</i>	20%
Aggregate share of government property	0%

Team

Zaslavskaya Veronika – CEO, 27 y.o. Veronika co-founded Metalink, and spent the last seven years working in IT. Thanks to her energy and enthusiasm, Metalink has its unique atmosphere of hard work and innovation. She has been leading the Metalink Fitness Manager product development, which currently is the leading product in the fitness automation software market in Russia. In April 2007, Veronika was elected to the Board of RUSSOFT (Russian software developers association), where she represents SME.

Gavrilov Alexey – Commercial Director, 30 y.o. Prior to starting Metalink, Alexey worked as copywriter, market analyst and then director for online marketing department in Lavtech.com, the biggest Russian co-op loyalty program operator (brand Mnogo.ru). Prior to Lavtech.com, he was a fellow researcher in Nuclear Safety Institute of Russian Academy of Sciences, where invented, validated and implemented the innovative mathematical model for heavy gases dispersion. Alexey received M.S. in physics and applied math with Honors, from Moscow Institute of Physics and Technology.

Mymrin Eugene – CTO, 29 y.o. Eugene is naturally was born a software developer, who started programming as soon as he got his first computer. Prior to joining Metalink in October 2002 as its first employee, Eugene worked for two years as freelance C++ programmer and was involved in tens of Windows application development projects for small businesses. Eugene received master's degree in IT with honors from Archangel State Technical University.

Vinogradov Alexander – Architect, 26 y.o. Alexander is "can do" developer. He joined Metalink as Windows C++ developer in January 2003. His strongest virtue is the learning curve... its absence, to be precise. He gets familiar with new technologies, tools and programming languages almost instantly and can deliver working product as soon as humanly possible. He has always been on the cutting edge of Metalink's projects and continues to play an important role in bringing innovations to our development process

Production

Officeverse offers to companies a virtual office space, where their remote employees can work, communicate, collaborate, and even banter just like in the real office. Built in the immersive game-like style, Officeverse helps to address psychological and communication issues of distant work and distributed teams. Officeverse is like an office

space, but instead of rooms filled with desks, chairs and computers, it's a software. It provides a persistent virtual world, which closely resembles real office and its interactions.

Now instead of commuting an employee just needs to log in to the application. For others, his virtual avatar will enter the virtual room and take his workplace. He can see, what other people are working in the office at the moment and can approach anyone to talk. Few people can gather together to discuss something – in a meeting room, someone's cubicle or near the watercooler. He can show his screen to others or draw something on one of whiteboards or post a sticky note on the wall. He can also drop some files or folders on someone's desk, into cabinet or lock them into a safe.

People can personalize their workplace like in the real world and even more – put a photo frame or a plant on the table, posters on the wall, select their favorite colors and materials.

With Officeverse you can:

- Offer the telecommuters in your company efficient and convenient work environment
- Simplify management and control over distributed teams
- Mix and match project teams from employees, working at different locations
- Reduce costs, increase productivity and receive tax benefits from increasing the number of employees, who telecommute
- Get rid of your physical office altogether.

Current state

Product prototype is being developed at the moment, funded internally.

Development strategy

Use of funds

1. R&D	58%
2. Marketing	2%
3. Acquisition of current assets	15%
4. Other (debt return, surplus reserve)	25%

The initial investment round will be used to develop the product and achieve product-market fit (make first sales). The second round is planned then to fund marketing and sales expansion.

Prospective outcome of investment

The investment will allow to build the product. Projected metrics are: IRR – 118%, ROI – 9.3 (based on 5 years cashflow forecast), NPV – \$22 mln.

Marketing & Markets

Global market size is ~\$1 bln a year, including \$280 mln – US and \$370 mln – EU. There are 100 mln people in the world who work remotely. Gartner predicts that by 2012 50–70% of companies in US will have digital offices or “networked virtual environments”. Despite huge market potential there is still no clear leader in the corporate virtual world market segment, and Officeverse intends to fulfill that niche. Unlike competition Officeverse is the first casual virtual world, built to suit the needs of work collaboration, which happens along with normal work activities instead of replacing them. Officeverse business model is freemium with basic service offered for free (up to 40 sq. m of virtual office space) and a paid version, which allows building larger offices. Internet PR and advertising will be used as the primary marketing channel. By 2013, Officeverse intends to get up to 10% share of the global market and become one of the top ten corporate virtual world’s vendors.

Interaction with investor

A new company will be registered for the project’s realisation. Shares distribution is negotiable based on investor’s quality and relevance. In one year from the initial round the second round of \$2.4 mln will be raised. The investor may expect an exit within 4 years via M&A.

Financial characteristics, \$ thousand

Data	Facts			Forecast	Forecast with the investment required			
	2005	2006	2007	2008	2009	2010	2011	2012
Sales	-	-	-	0	100	7 600	30 000	67 000
Operating income	-	-	-	-500	-1 500	2 600	16 000	38 000