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Volume of investments required – \$ 5 million

Summary

1. **Production** – Electronic locks **Qmodule**.
2. **Trade marks** – **Qmodule**.
3. **Sales 2007** – \$90 ths.

Company profile

Date of establishment – June 29, 1998.

OOO OMSAR directs unique R&D in the field of systems of alternative power generation and its application in electronic security products.

At the year 2003 new innovation has been born – Project **Qmodule** – “**Batteryless electronic world**”.

New very exciting method and devices for electricity harvesting from the waste mechanical energy has been invented and results in wide variety of electronic devices that can work without traditional galvanic batteries.

Project **Qmodule** attracts great interest as a “green” project for consumers and manufacturers.

Description and value of capital assets – \$10 ths (office equipment and computers).

Previous rounds of investments – none.

Signs of public recognition – 2004 – Grande Prix of Russian innovation contest, Moscow; 2007 – Second Prize of Innovation Technology Business contest, Moscow; 2007 – Prize of international Business Plan contest, Berkeley, the USA.

Number of employees – 6 persons.

Structure of ownership

Natural persons (2)	100% (50% + 50%)
Aggregate share of government property	0%

Team

Nunuparov Martyn – CEO, 54 y.o. PhD in physics, the author of technology and owner of patents. More then 25 years in business devoted to introducing innovations in the field of security.

Petukhov Yuri – COO, 50 y.o. PhD in economics, 20 years of experience in state organizations and in large private corporations as a leading economist and product manager.

Panchishin Vitaly – CTO, 28 y.o. Chief electronic engineer.

Production

Electronic locks – **Qmodule**.

World market of electronic locks shows exciting growth at the years after dramatic event on 9/11 2001 in the USA.

Electronic access control is required today in various buildings and institutions like hotels, trade centers, corporate buildings, sport clubs, airports, etc.

Main problem that restrains blow-up at the market of electronic locks is short life of batteries that are used in the electronic locks.

Project **Qmodule** eliminates this restriction providing innovative technology – electronic lock **without batteries**.

Various prototypes of electronic locks **Qmodule** for premises, for lockers, for containers have been developed.

Due to the innovative “know-how” cost of **Qmodule** locks at least 50% less then cost of competitors locks.

8 International patents of Qmodule inventions in Russia, the USA, Canada and Europe have been granted and belong to the owner of Qmodule, Inc., Martyn Nunuparov. New patent applications have been applied to protect new product applications.

Current state

Two start-up companies are prepared to be established in order to launch production and sales of electronic locks and batteryless electronic access control systems for different product markets. Corporation Qmodule, Inc. had been established in the USA, Maryland, to promote **Qmodule** technology at the USA markets.

Development strategy:

Use of funds:

- | | |
|--|-----|
| 1. R&D (preparation of manufacturing files) | 5% |
| 2. Acquisition of fixed assets (installations) | 10% |
| 3. Marketing | 30% |
| 4. Acquisition of current assets (outsourcing) | 50% |
| 5. Other (Patenting) | 5% |

Prospective outcome of investment

Investment will result in creating of effective company with competitive product line of electronic locks for trade centers, hotels, hospitals, etc. Exit from the project in 5 years is planned in the form of sale to a strategic investor.

Marketing & Markets

Main market – corporate building industry in Russia and CIS.

Planned sales in Russia at \$ 1 million will begin at the year 2010.

Interaction with investor

50% of shares will be offered to investor, and planned income of investor on exit (in 2013) – \$ 15 mln.

Financial characteristics, \$ thousand

Data	Facts			Forecast	Forecast with the investment required			
	2005	2006	2007	2008	2009	2010	2011	2012
Sales	60	80	90	100	500	1 000	3 000	15 000
Operating income	-	5	20	20	-	200	1 000	5 000