

PROJECT "NEW GENERATION REFRIGERATORS"

EXECUTIVE SUMMARY

The Problem

Since its creation, the refrigerator has remained the same – closet or chest, which cools. It has become bigger, more effective, technologically improved, more useful, but remains the same boring device for almost 100 years. It is one of the few products, which has not been affected by the significant changes in almost all industries in the last 7-8 years.

The current refrigerators we use now are very well energy optimized massive boxes for keeping food. We could dig a hole in the ground and put an ice to its sides with the same success. Such concepts are uncomfortable, unpractical, does not allow precise regulation and other important features for us like providing information for the quality of the goods.

Currently the big companies are focused on the energy saving of the devices and for some years are trying to incorporate technologies like Internet, additional features and video cameras, but they lack an idea for conceptual development.

The Solution

We have a concept for the development of the refrigerators in the next 10-15 years and we know what and how could be changed. Everything will be new, different, unexpected and exciting:

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|---------------------|--------------------|
| 1. The standards | 6. The place |
| 2. The requirements | 7. The utility |
| 3. The functions | 8. The models |
| 4. The purpose | 9. The sizes |
| 5. The role | 10. The prices |
| | 11. The experience |

We think that the producer must provide special care for the products and the food, because we have put our trust in the refrigerator for the most important things for our existence – food products, ready-to-serve food, drinks and medicaments. A better care is needed than the sole control over the temperature and the energy efficiency.

We give the refrigerator more important role, most important will be to look after our life and health. Its place, of course, will not be limited to the kitchen only. For this reason, we will improve its functions:

- The controllable parameters will be increased.
- We will turn it into a laboratory, which will guarantee the quality of the products and foods.

The contemporary technologies are giving us means to create such devices for unknown experiences. They will be on the new standard levels that we have invented.

The Company

Megatex is a leader in the creation and integration of innovations. For many years, we have realized innovative projects in more than 40 countries around the world and we have built reputation of loyal and trustworthy partners capable of bringing revolution in our everyday lives and on the market from a single idea.

The focus of our effort is on complete innovation of the devices we use every day.

The Founder

Eng. Nikolay Zarkov is an innovative and entrepreneurship oriented person, who has been interested in technique since his early childhood (since 1966 it has become his profession).

In the period 1971- 1989 he has worked at The Institute for Special Electronics. He was the leader of dozens high budget projects in different industries.

On 10.04.1989 he established Megatex - group of companies, working in different areas and realized projects in more than 40 countries.

He has been Chairman of the Union of Inventors in Bulgaria for 7 years (2005 - 2011).

He started the Refrigerators Project in 2008.

Market Overview

The Global Home Appliances Market was valued at USD 174.07 billion in 2017 and is projected to reach a value of USD 203.37 billion by the end of 2023, at a CAGR of 2.6% over the forecast period 2018-2023.

The global home appliances market is experiencing steady growth. With increasing digitalization, consumers have become tech-savvy and have strong knowledge regarding the use and benefits of all modern appliances. The number of smart appliances introduced in the market has increased steadily since 2012.

Refrigeration appliances account for significant market share. Only a few vendors like LG Electronics and Samsung Electronics have paved their way into the smart connected refrigerator space, with product offerings largely targeted at the developed markets. Also, the provision of smart connection in a refrigerator is more of an addition in terms of feature and not a breakthrough technology in mechanics.

Competition and Strategy

The danger for the giants established in the market is the emergence of a new and unpredictable competitor, new “player” with completely different business model, flexible, perhaps smaller. The examples could be numerous, but we would like to mention only one – Apple with the appearance of which Nokia, a leader with its annual revenue of hundreds of billions, disappeared only in 2 years from the mobile phones market.

We consider that we will be able to keep the project safe due to our rich experience in manufacturing engineer devices and special products and our location as well. The size of our competitors is limiting their reaction speed and they will need at least 2-3 years to retaliate against our strike on the market.

Main manufacturers like Liebherr, Electrolux, Whirlpool, Siemens, Vestel, Beko and Mabe have a total annual revenue of 14-15 billion EUR from selling refrigerators. We will earn 1 billion with ease in the second year and we will be able to increase the volume to 3 billion EUR in the following two years.

The completely new concept comes at a bit higher price that will be compensated by the innovations and the benefits. We have planned production of new machines that will focus on the individual desires of the customers as well.

Main milestones achieved

So far, we have:

1. Developed ideas at conceptual and detail level.
2. Developed specific changes in every new refrigerator at conceptual level.
3. Developed new standards – demands, parameters, names, models, testing, and laboratories.
4. Specified the planned technologies for the production.
5. Created business plan at conceptual level that is used for the finance framework.
6. Developed the innovations for the various devices and applications.
7. Defined the image, size and the design of the production.
8. Made Plan B that guarantees the investment return.
9. Specified the approximate price for the refrigerator.
10. Developed conceptual marketing plan for the new devices.
11. Scouted and visited the main producers in the world.