

Cheelcare

Medical Devices and Equipment Richmond Hill, ON, Canada

"Patented engineering. Advanced technologies. Robotic capabilities. 4 legs mimic the nature, allow unique mobility, functionality and comfort for disabled users."



Company

URL: <http://www.cheelcare.com>

Founded: May 2015

Employees: 5

Entrepreneur

Dima Paltsev

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Round Overview

Funding Stage: series_seed

Capital Raised: \$704k

Capital Seeking: \$500k

Pre-Money Valuation: --

Run Rate: \$200k

Net Burn: \$30k

Team

Dima Paltsev CFO/Founder

Eugene Cherny CEO/Founder

Social

<http://linkedin.com/company/cheelcare>

<http://twitter.com/cheelcare>

<http://facebook.com/cheelcare>

Company Summary

Cheelcare's revolutionary technology and patented design blend together in a line of assistive mobility devices and accessories. Robotic capabilities enable functionality, efficiency and benefits to users and caregivers. A unique look and set of dignity features provide an unparalleled safety and comfort. Innovative design allows easy personalization, reduces manufacturing costs and enables dealers to significantly shorten users' wait time.

Executive Summary

Management

Eugene Cherny - CEO/Founder. Team leader with a solid record of accomplishment in technology innovation, business strategy and M&A. His versatility is proven through accomplishments in senior roles at OpenText, as a General manager of Connectivity Group, at Hummingbird Ltd, as VP of R&D. Dima Paltsev - CFO/Founder BSc in Automotive Engineering Decades in auto and motorcycle design and production MBA / University of Chicago

Customer Problem

Traditional wheelchairs have self-imposed limitations, there is an unmet need for both technological upgrades and social functionality of power wheelchairs. Outdated technologies result in limited range, low clearance, excessive weight (300-400lbs). High distress of nurses and caregivers cause risk of injuries during patients transfers. Lack of "dignity" features (convenience/design/customization) leads to psychological discomfort of the users.

Product/Services

Products are multifunctional and customizable with "dignity" design, providing benefits to both individual users and healthcare system. Patented mechanical concept provides 3D positioning and high road clearance. Use of modern technologies and digital user interface allow system to accommodate alternative controls including certain auto-pilot functions. The exterior design eliminates user's social discomfort. Unique loaner supply & service model.

Target Market

65M people use wheelchairs 61% of the market is power wheelchairs '17 power wheelchair market: \$2.7B, grows @4.4% CAGR US and Canada is 40% of the world power wheelchair market. Medical condition requiring advanced functionality of power wheelchair represents over 75% of all wheelchairs sold. Unmet needs are creating opportunity to improve users' quality of life and medical outcomes reducing pressure ulcers/falls/pains/fatigue/depression.

Business Model

We will capitalize on innovation, efficiency and design of our products. Adult Xceed and kid's Curio chairs were launched in 2018. AWD and bariatric models will follow in 2019 to strengthen market position and expand customer base. Products will be sold through direct sales and dealers in primary markets. Wheelchairs with prescribed functions are subsidized by government and insurers. New supply/service model will speed up market adoption.

Customers

75% of multifunctional wheelchairs (MW) sold go to 4 groups of users affected by: Spinal Cord Injury; Multiple Sclerosis; ALS; Cerebral Palsy. All require high level of functionality, actively use MWs for decades, require modern technologies available in other areas; are looking for social independence. Payers are willing to pay more for better patients outcomes and cost avoidance, especially on certain outcomes, e.g. pressure ulcers, falls.

Sales/Marketing Strategy

Line of accessories establishes dealer network. Traditional channels: shows, media and events and interaction with special groups (wheelchair dance clubs/special sports) build customer recognition. Initial markets will be US and Canada due to the size (40+% of the total) and similar certification/reimbursement. Design, functionality and tech specs attract, supply and service loaner model provide unparalleled user experience and retention.

Competitors

4 BIG: Invacare, Sunrise Medical, Pride Mobility and Permobil account for 40% of industry's revenue. Strengths: reputation, current market position/dealer network, occupational therapists' loyalty, ADP/FDA clearance. Weakness: conservative, utilizing outdated technologies, depending on other companies to develop and advance their technologies. This makes them vulnerable to a new, improved entry.

Competitive Advantage

Our chairs are lighter, have a higher road clearance, equipped with more efficient batteries and brushless motors, intuitive user interface; 3D wheelchair control, have patented mechanical design and unique styling. At multiple events our products received overwhelmingly positive feedback. Customers are awaiting the official launch of the products. Lower production costs due to embedded functionality. New approach to supply and service models.

Cheelcare Annual Financials

	2016	2017	2018	2019	2020	2021
Items sold	0	0	0	36	228	354
Revenue\$	518	33,815	217,300	790,625	3,845,313	6,246,094
Expenditure\$	123,040	444,833	365,519	1,140,649	2,940,031	3,459,547
Profit (Loss)\$	-122,522	-411,018	-148,219	-350,024	905,282	2,786,547

FY end May 1, numbers in USD