

BUSINESS PLAN

of the project on production of thermal panels and frameworks for construction



NON-DISCLOSURE AGREEMENT

This business plan has been drawn up by the company FINANCE ASSIST and contains information on financial, economic, organizational and marketing aspects of the investment project.

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The facts set forth in this document, the analysis performed, the opinions expressed and the conclusions reached, are only in effect within the scope of the assumptions and limiting conditions, specified in this report, and are supposed to be personal and unprejudiced analysis, opinions and conclusions.

The remuneration for drawing up of the business plan is by no means related to the achievement of pre-defined parameters or trends in determining the project potential in favor of the Client, as well as the achievement of a pre-defined result or with the subsequent events.

All settlements shall be effective as per May 29th, 2017, from the indicated date upon prior to the signing of the business plan, no events have occurred that could significantly affect the financial and the marketing criteria of the business plan.

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SUMMARY

PROJECT PROFILE

The project foresees the launch of a product line in Tula Oblast to manufacture the following products:

- Thermal tiles of metal from 0.5 till 3.5 mm thick
- Metal frameworks for buildings and structures based on light steel thin-walled structures technologies
- Metal frameworks for fifth-generation greenhouses

Thermal tiles are the basic material for fabrication of frameworks.

Background of the project consists in the growing share of construction based on light steel thin-walled structures technologies in the total volume of construction works in Russia and reaches nowadays 6%, and within 5 coming years this share is supposed to increase up till 10%. Main advantages of the technology are as follows: low building expenses, speed of construction (not more than 5 months), all-season construction, and success story of more than 50 years of construction of light steel thin-walled structures in developed countries (Canada, Sweden), where 80% of industrial buildings are built according to this technology.

Project implementation plan includes the following milestones:

- Construction of the workshop with a total area of 1,200 sq. m.
- Purchase and installation of the production line with a production capacity up to 1,000 tons of manufactured goods per month.
- Hiring and training of fabrication personnel.

Basic projects parameters:

- **Project cost is 80.0 mln. roubles**
- **Project pay-back is 16 months**
- **NPV at a discount rate of 22% is 425 mln. roubles**
- **IRR is 192%**
- **Common project profitability is 25%**

INFORMATION ON PROJECT INITIATOR:

The project initiator is a group of companies (hereinafter Group), established in 1991 and specializing in production of batch high-precision parts and metal carriers. The client base of the group of companies includes more than 1800 companies from Russia and from abroad.

Release of components is carried out according to the customers' drawings, the range of products is updated on 800 items per year. The group of companies has own production facilities, consisting of turning and milling machines with CNC control, laser cutting machines, 3D robot welding machines, etc. Most of our machines are manufactured by leading global companies.



Main companies of the Group are:

1. Metalworking Technologies LLC (ООО «Технологии металлообработки»):
 - annual turnover: 70 mln. RUB
 - staff: 25 persons
 - company profile: manufacturing of details, units and structures for high-profile clients, incl. Russian Railways



2. Innovation complex Lesnoye LLC (ООО «Инновационный комплекс Лесное»):

- annual turnover: 55 mln. RUB
- staff: 30 persons
- company profile: construction of modular structures and greenhouse complexes



Location of the Group: Russia, Tula Oblast, Dubensky District, Novoye Pavshino village.

BUILDING MATERIALS MARKET IN RUSSIA

Source: KPMG

Main trends of the building markets in 2016

- Currently, real household earnings in Russia are decreasing (fall estimation at the end of 2016 is 5,6%), and in addition to that the demand on primary market of residential real estate remains relatively weak despite the traditional rise in the New Year's Eve. Government subsidies helped to prevent a significant drop in the market; According to preliminary estimates, housing delivery decreased with 9% in 2016, but will return to growth already in 2017. Decrease of delivery of commercial real estate in 2016 is estimated at 20%, and the return to growth is not expected earlier than in 2019. Low rates of market recovery are explained primarily with the significantly reduced purchasing power of the population and with the reduced level of business activity.
- Despite the devaluation of the rouble (this currency fell by 30% against US dollar and by 17% against euro in 2015) and the cost increase of imported building materials (by 42% in 2015), the companies managed to prevent a sharp increase in construction costs due to import substitution and due to work on cost reduction, as well as due to implementation of new technologies, such as BIM and project automated control systems. In the segment of residential real estate of Moscow and Moscow Oblast of business- and elite-class the production cost of a square meter has practically not changed in 2014-2016, in the segment of economy- and comfort-class it has grown by 8%, and in the segment of commercial real estate, Class A, it has increased by 30 %. The difference in trends is due to a higher share of imported building materials in the construction of commercial real estate, Class A, in comparison with residential real estate.
- In 2015 building companies reduced the purchase of imported building materials by 14%, in 2016 the trend of import substitution continued, despite the strengthening of the rouble, but at slower pace. Despite the fact that the total production of building materials decreased by 7.8% in 2015, and the estimation of decline in 2016 is still 8-11%, the producers of building materials and equipment have modernized their production facilities and began to offer new high-tech materials to the Russian market, in order to replace the imported analogues.
- Players make a point that more efficient use of raw and other materials, accompanied by optimization of incoming logistics, are the main methods of reducing costs, while staffing cut has almost never been carried out for this purpose. Nevertheless, to ensure competitiveness in the medium term, building companies will be obliged to look for new strategic opportunities for business diversification or to ensure a total cost reduction.

- Companies successfully introduce innovative technologies, mainly information technologies, in order to optimize their business processes both at the design stage and in order to control the construction works. Transition to more technological and modern building materials enables companies to build more eco-friendly and energy-efficient buildings, which increases interest to the project and allows optimizing costs in the long term.

Basic market criteria

Decrease in volume of building materials market is estimated at 10% at year-end 2016

Dynamics of building materials market in Russia

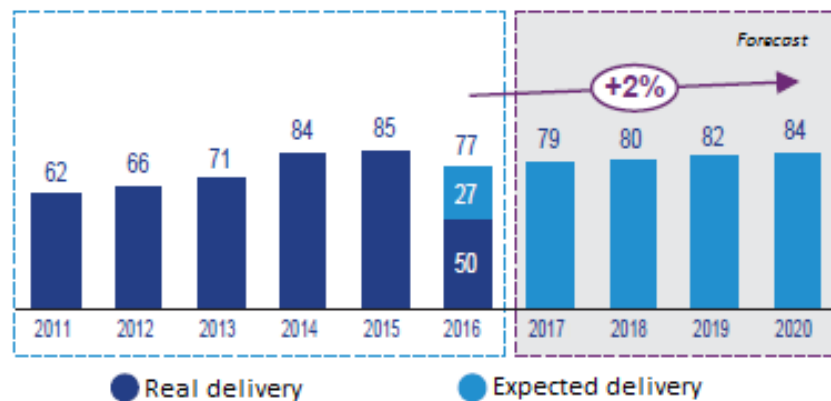


In 2015 and 2016, facing a decline in real incomes by 4.3% and 6.5% respectively, as well as facing general economic recession, the rate of new residential construction slowed down. Since the property development cycle of most projects is about two or three years, we expect that the economic recession will most affect the volume of real estate delivery in 2016-2018. At the same time, state programs on housing subsidies contributed to maintain the demand for real estate and broke the market fall.

Dynamics of real disposable money income in Russia, %

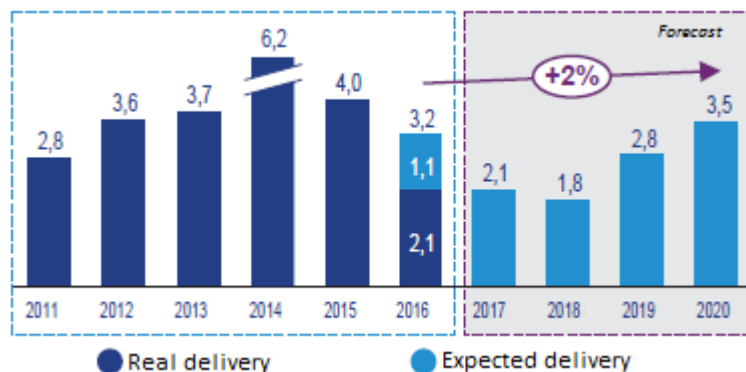


Dynamics of housing delivery in Russia, mln. sq. m.



Commercial real estate market, which is characterized by greater volatility and shorter property development cycle, in comparison with residential property, went through significant decrease of delivery volume in 2015-2016. We assume that the negative trend will continue in 2017-2018, facilitated by low purchasing power of the population, by high proportion of vacant premises in existing facilities and by reduced level of business activity.

Dynamics of delivery of commercial real estate in Russia, mln. sq. m.



Decrease in construction volume has caused a significant drop in the volume of building materials market. The trend of a stable growth of the building materials market in 2011-2014, with an average annual growth rate of 18%, was replaced by a sharp drop of 11% in 2015. In 2016, the rate of drawdown was estimated at 10%.

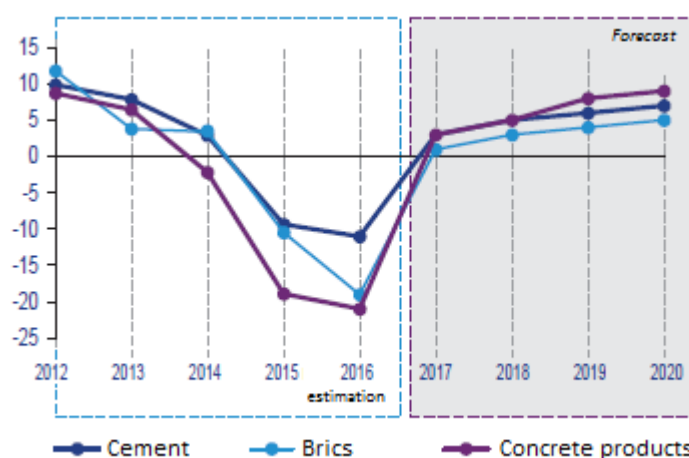
It is not expected that pre-crisis level of consumption of building materials will be achieved by 2020. Building materials market, as the entire construction industry, will recover at a moderate pace, with an average growth rate of 2-3% per year.

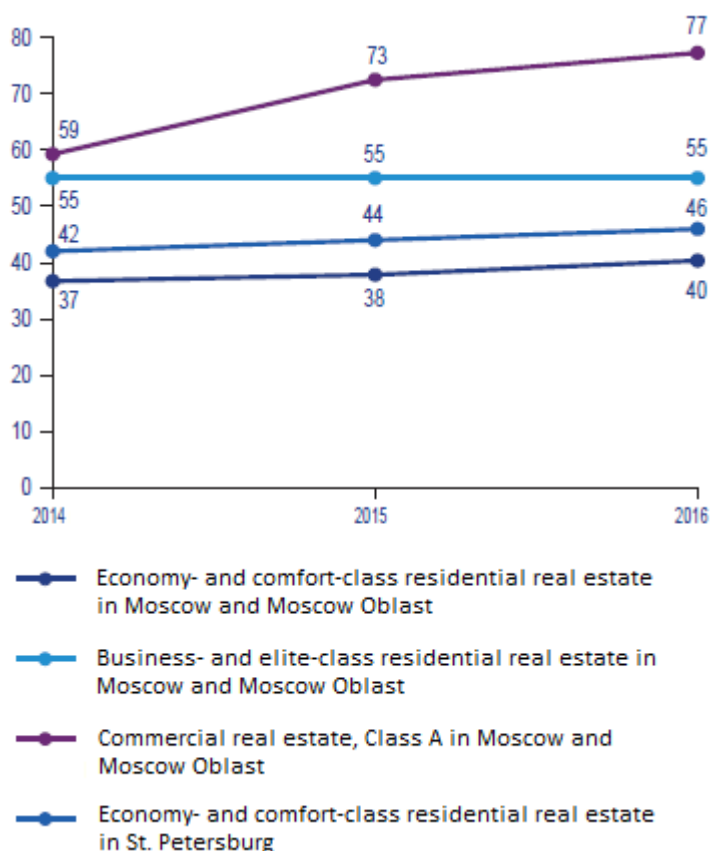
Residential real estate developers were able to avoid a sharp increase in production costs due to the initially lower share of imported goods used in the building materials, as well as due to further decrease in imports and due to localization of procurement.

However, the re-orientation of construction companies to the building materials of Russian origin did not cover the general decline in demand caused by decline in the volume of new housing delivery. The volume of production of building materials decreased by 7.8% in 2015; the decline at year-end 2016 is estimated at 7.5%. Only in the course of the first year of the crisis, the investments in production of building materials fell by more than 2-fold (from 183 bln. roubles in 2013 to 81 bln. roubles in 2015).

At the same time, the production cost of construction of commercial real estate, class A, has increased from 59 to 77 thousand roubles per sq. m. (+ 30%). The difference in trends is due to a higher share of imported building materials in the construction of commercial real estate, class A, in comparison with residential real estate. Survey respondents point out that the key factors in the change of production costs are as follows: increase in the cost of building materials, currency risks and devaluation of the rouble, as well as increase in the cost of equipment.

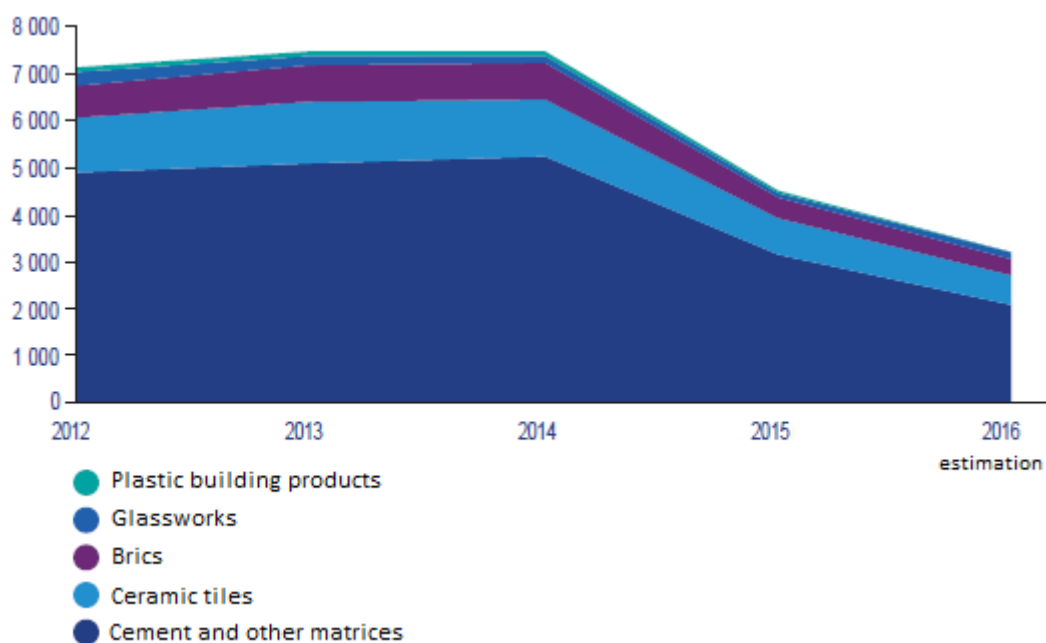
Dynamics of output of basic building materials, %



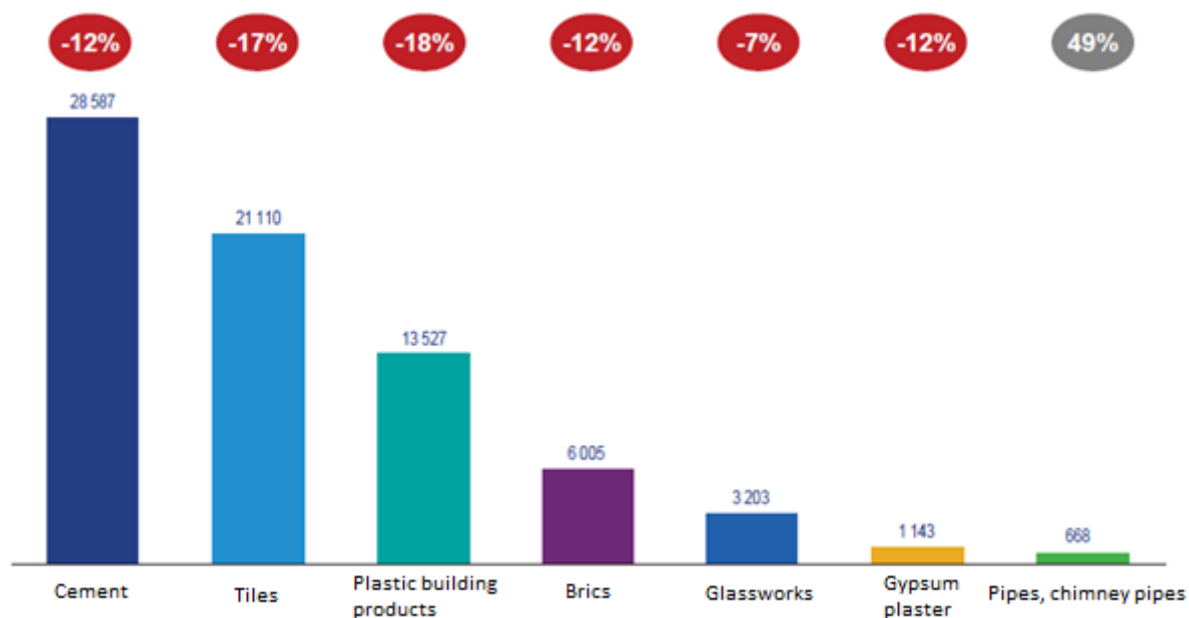
Dynamics of average construction costs in 2014-2016, rub. per sq. m.

Due to the price increase for imported goods caused by devaluation of the rouble, construction companies have reduced the purchase of imported building materials by 14% from 87 bln. roubles in 2014 to 74 bln. roubles in 2015. Despite the strengthening of the rouble in 2016, the imports of building materials continued to decline. For example, the volume of imported cement fell by 33% in 10 months of 2016. At the same time, the major foreign supplier of cement was Belarus, followed by Kazakhstan and the countries of the Baltic region. According to preliminary estimation, the structure of imports by type of building materials has not changed significantly in 2016.

Dynamics and import structure of building materials to Russia, in thousands metric tons



Imports of building materials to Russia in 2015, mln.rub., and comparison to imports in 2014, %



Forecast of the construction market in light steel thin-walled structures technology in Russia

Based on the forecast of the construction market in the Russian Federation, compiled by KPMG specialists, a forecast of the light steel thin-walled structures market volume for the next few years can be made, taking into account the growth trend in the share of light steel thin-walled structures technology construction, stimulated by the Government of Russia.

Criteria	2015	2016	2017	2018	2019	2020	2021	2022
Residential construction, mln. of m ² (1)	85	77	79	80	82	84	86	88
Non-residential construction, mln. of m ²	42.02	38.4	35.5	35.9	35.1	36	36.9	37.7
In all, total construction volume, mln. m ²	129.7	115.4	114.5	115.9	117.1	120.00	122.9	125.7
Share of construction with use of light steel thin-walled structures, % (3)	4.8	5.7	6.6	7.0	8.0	9.0	9.5	10.0
In all, total of construction with use of light steel thin-walled structures, mln. m ²	6.1	6.58	7.56	8.12	9.37	10.8	11.67	12.57
The same, thousands tons (4)	304.85	328.9	377.83	400.8	468.6	540.0	583.6	628.6

Based on the forecast data, it can be concluded that the construction market in light steel thin-walled structures technology will increase in 2022 by more than twofold in comparison with 2015.

DESCRIPTION OF GOODS

Released goods are divided into three areas:

- Basic products – thermal profiles of metal from 0.5 till 3.5 mm thick with different criteria
- Metal frameworks for construction of buildings and structures
- Metal frameworks for fifth-generation greenhouses

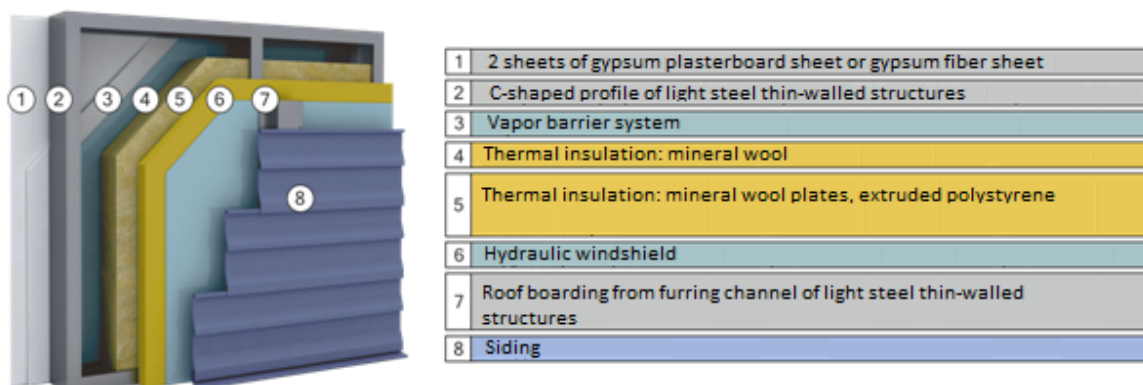
APPLICATION OF THERMAL PROFILES AND CONSTRUCTION WITH APPLICATION OF LIGHT STEEL THIN-WALLED STRUCTURES TECHNOLOGY.

Thermal profiles are used in the relatively new technology of metal framework construction from light steel thin-walled structures for residential and public buildings.

This technology was developed in the 1950s in Canada. The main reason for the emergence of this technology was a necessity to build a lot of low-rise houses for the middle class, corresponding to the climatic conditions of the country. However, the main reason for the development of light steel thin-walled structures was still the possibility of industrial and mass production of steel profiles and availability of the material.

This technology has been used in Russia for more than 15 years and currently holds approximately 6% of the delivered real estate properties. In Europe, Asia and North America, light steel thin-walled structures hold up to 15% of the total volume of construction, and in low-rise industrial facilities this rate holds 80%.

Framework of the buildings up to three floors is assembled from galvanized profiles U of metal from 0.7 till 1.5 mm thick with use, normally, of self-tapping screws (welding is rarely used, since it requires rust prevention). In buildings with the framework made of light steel thin-walled structures, a non-combustible insulation, in the form of tiles of basalt or ecowool, is normally used. The exterior cladding is made of bricks, siding or waterproof panels, the interior one of gypsum plasterboard.



Fields of application of light steel thin-walled structures:

- cladding structures manufacturing for high-rise construction; construction of interfloor, interior overlapping and attic floor;
- construction and reconstruction of attics;
- in low-rise residential housing (villas, townhouses, low-rise buildings up to 3 floors);
- in commercial construction (production facilities, garages, warehouses, agricultural buildings and structures, car parkings, gas stations, parking lots, shops, shopping centers);
- in construction of civil facilities (hospitals, churches, schools, kindergartens, etc.).

Buildings with framework of light steel thin-walled structures meet the requirements for affordable and comfortable housing, are simple in design solutions and are durable. As the example thereof are individual and apartment buildings with framework of light steel thin-walled structures, built within 2-3 months in Moscow Oblast, in Arkhangelsk, Lipetsk, Yoshkar-Ola, in Leningrad Oblast, Rostov-on-Don Oblast and in other regions, as well as in Siberia.



Also, according to the light steel thin-walled structures technology, there are some houses being built under the program of relocation from ancient and emergency housing and for the construction of military installations. Relevancy of the application of these technologies in the northern and seismic regions was proved as well.



Recently, one of the companies operating in the Central Federal District of Russia, completed the construction of a three-floored kindergarten. Foundation of this building consists entirely of the framework based on galvanized profiles. This facility has always received all necessary requirements and expertise.



Several schools have already been built based on light steel thin-walled structures framework in Yakutia. In Sakhalin and Kamchatka (the most earthquake generating regions), construction of apartment houses is being carried out with use of light steel thin-walled structures.

On December 3rd, 2016, the Minister of Construction and Housing and Communal Services of the Russian Federation has approved by the Order No. 881/pr the Guidelines “Light steel thin-walled structures from cold-formed galvanized profiles and corrugated sheets. Design rules”.

In the course of developing this highly anticipated regulatory and technical document for the metal building industry, the main trends in the development of the Russian metal-building industry, domestic and foreign experience in the design and application of light steel thin-walled structures, as well as the technological capacities of metallurgical plants for the production of galvanized rolled steel and rolled steel with polymer coating for construction purposes, were taken into account.

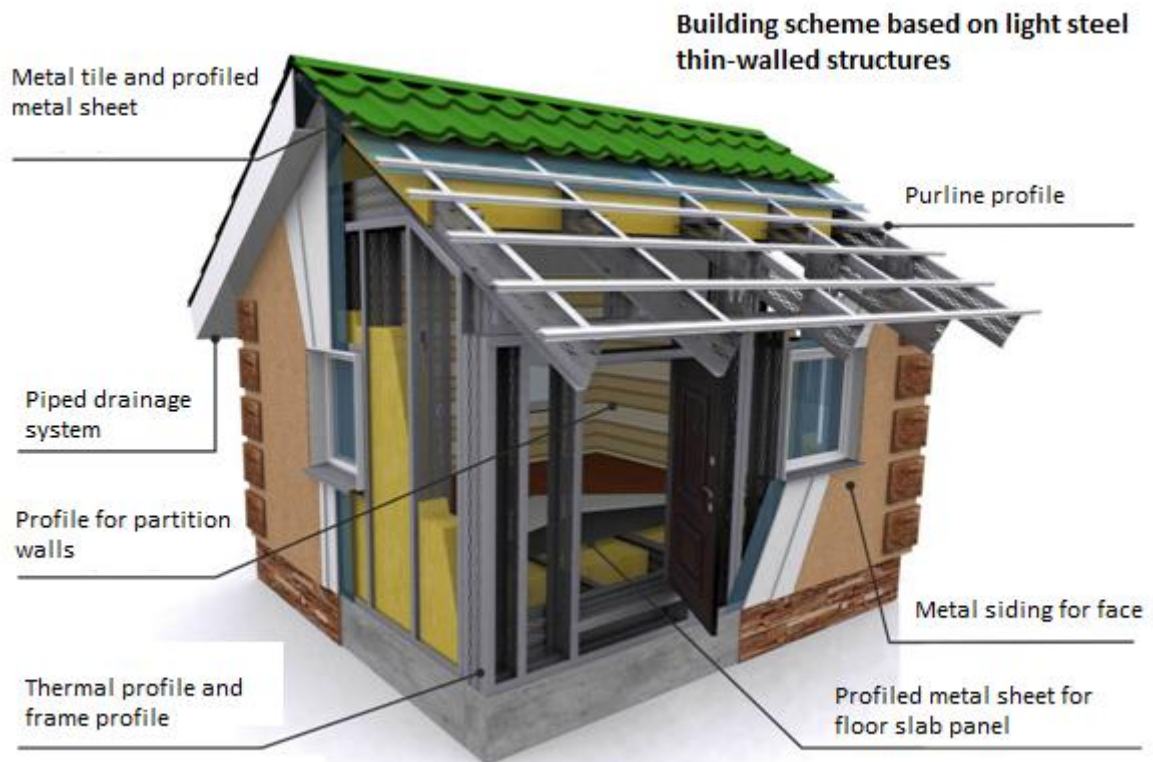
Implementation of the guidelines will ensure:

- high quality level of design of buildings and structures with use of light steel thin-walled structures;
- possibility of passing a project expertise without additional costs for Project Specific Technical Specifications per facility;
- range expansion of the use of the developed technologies to the regions of the Far North and the territories equated to them;
- increase in the production volume of reliable, safe in service and durable buildings and structures from light steel thin-walled structures.
- expansion of the range of activity of metal products, directed to the needs of the construction industry.

Main advantages of construction according to light steel thin-walled structures technologies:

- Low cost price of 1 sq. m. of the area (from 11,500 roubles shell and core).
- Light weight of the building (45-150 kg/sq. m. against 500 in traditional technology). Therefore, lower transportation costs and lower costs of structure erection.
- Fast all-season installation without the use of welding, wet processes, heavy lifting machines.
- High fire resistance of buildings.
- Reliability and long-life cycle. Galvanized coating 275 g/m² guarantees service lifetime of the structures – 100 years.
- Wide architectural possibilities and application areas.
- Effective energy saving. Thermal profile of 1.5 mm steel with 200 mm basalt wool corresponds to 1.5 m of brickwork.
- Environmentally friendly for production, operation and disposal.
- Resistance to seismic and other dynamic effects.
- Possibility for building constructions up to 6 floors (8 floors when redistributing part of the load on the reinforced-concrete elevator shafts).
- Use of light steel thin-walled structures in cladding structures when erecting high-rise buildings on reinforced-concrete or thick-walled hot-rolled framework.

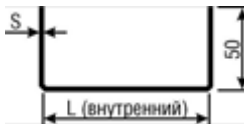

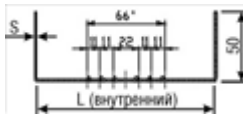
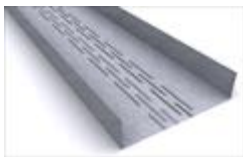
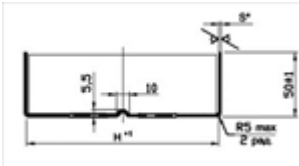

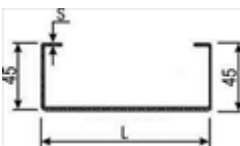

- Light steel thin-walled structures are the best technology for reconstruction and capital repairs of residential properties.

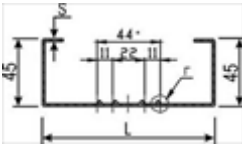
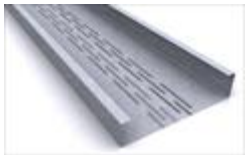
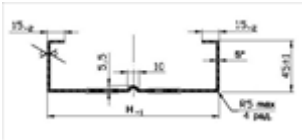
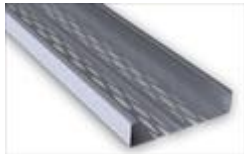
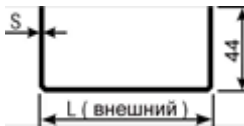

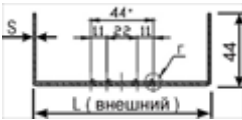

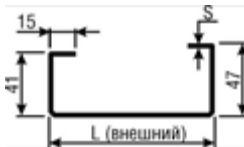

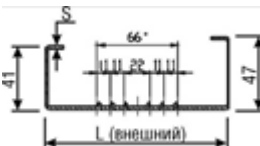





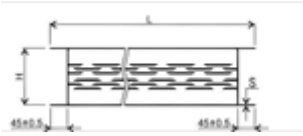

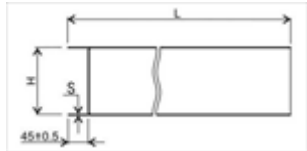
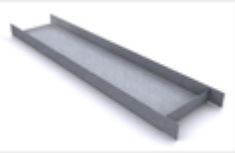
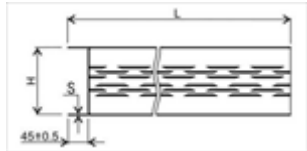

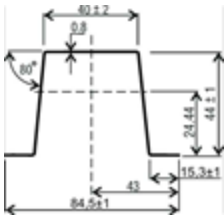

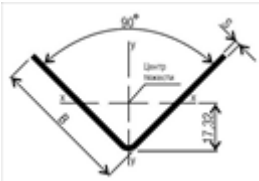

BASIC PRODUCTS – THERMAL PROFILES

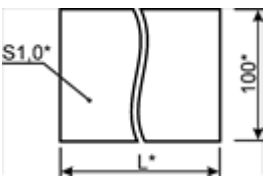
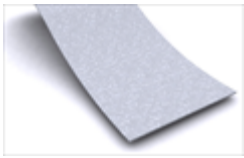
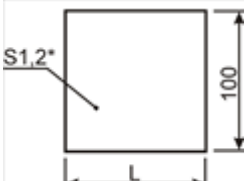

During project implementation, the equipment system will allow the manufacturing of thermal profiles of metal from 0.5 till 3.5 mm thick. The product range will correspond to the assortment of the leading Russian companies producing light steel thin-walled structures. Besides that, production of profiles, less common among manufacturers, less than 1 mm and more than 3 mm thick, is stipulated.

Types of produced profiles

<p>U-Shaped profile “АИ ПН”</p> <p>Height: 40, 50 mm Width: 100, 150, 175, 200, 250, 300 mm</p>		
<p>U-Shaped thermal profiles “АИ ТН”</p> <p>Height: 40, 50 mm Width: 150, 175, 200, 250, 300 mm</p>		
<p>U-Shaped perforated thermal profiles “АИ ТНс”</p> <p>Height: 40, 50 mm Width: 100, 150, 175, 200, 250, 300 mm</p>		
Profiles, C-shaped		
<p>C-Shaped equal flange profiles “АИ ПС»</p> <p>Height: 45 mm Width: 100, 150, 175, 200, 250, 300 mm</p>		

<p>C-Shaped equal flange thermal profiles “АИ ТС”</p> <p>Height: 45 mm Width: 150, 175, 200, 250, 300 mm</p>		
<p>C-Shaped perforated equal flange thermal profiles “АИ ТСс”</p> <p>Height: 45 mm Width: 100, 150, 175, 200, 250, 300 mm</p>		
<p>C-Shaped profiles non-flanged “АИ ПС”</p> <p>Height: 44 mm Width: 100, 150, 175, 200, 250, 300 mm</p>		
<p>C-Shaped thermal profiles non-flanged “АИ ТС”</p> <p>Height: 44 mm Width: 150, 175, 200, 250, 300 mm</p>		
<p>C-Shaped dissimilar flange profiles “АИ ПС”</p> <p>Height: 41/47 mm Width: 100, 150, 175, 200, 250, 300 mm</p>		
<p>C-Shaped dissimilar flange thermal profiles “АИ ТС”</p> <p>Height: 41/47 mm Width: 125, 150, 175, 200, 250, 300 mm</p>		
Hatch beams		

<p>Beam profiles “АИ ПН”</p> <p>Height: 50 mm Width: 100, 150, 175, 200, 250, 300 mm</p>		
<p>Perforated thermal beam profiles “АИ ТН”</p> <p>Height: 50 mm Width: 100, 150, 175, 200, 250, 300 mm</p>		
<p>Beam profiles unilateral “АИ ПНп”</p> <p>Height: 50 mm Width: 100, 150, 175, 200, 250, 300 mm</p>		
<p>Unilateral thermal beam profiles “АИ ТНп”</p> <p>Height: 50 mm Width: 150, 175, 200, 250, 300 mm</p>		
Purline profiles, roof boarding		
<p>Perforated purline profiles (non-perforated) “АИ ПП”</p> <p>Height: 44 mm Width: 84,5 mm</p>		
Corner, plate, tape		
<p>Corner “АИ У”</p> <p>Flange width: 20-300 mm Angle: ≥ 90 degrees</p>		

<p>Tape "АИ Л"</p> <p>Width: 35-1230 mm</p>		
<p>Plate "АИ П"</p> <p>Width: 35-1230 mm</p>		

The goods will be manufactured exclusively as per order of the customers, which will not create excessive residual stock.

The order specification of the customer shall indicate the technical parameters of the items and their required quantity. The time of manufacture will not exceed 3 days.

Terms of payment: 100% prepayment.

Competitive position of the products:

- manufacture of thermal profiles of metal less than 1 mm and more than 2 mm thick, most manufacturers do not have such items.
- prices are on average 10 % than the ones of the competitors
- timely order manufacturing
- custom order manufacturing

Major consumers of manufactured goods:

- federal and regional retail networks of building materials
- wholesale distributors of building materials
- construction companies
- industrial companies
- state-owned companies
- retail customers

METAL FRAMEWORK FOR CONSTRUCTION OF BUILDINGS AND VARIOUS FACILITIES.

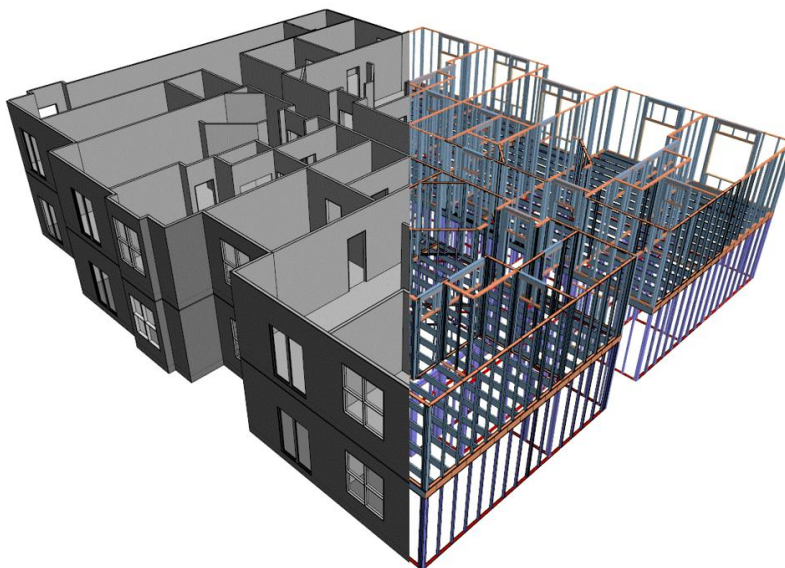
Metal frameworks for buildings and structures will be manufactured according to standard and individual design of the customer.

Design of the framework of buildings will be performed with use of software module: ADE system Vertex-BD (Building Design).

The project initiator owns a licensed version of computer program Vertex BD, which has been used in solving its own production tasks for more than 5 years. In-house design specialists have a successful experience with this program.

Vertex-BD (Building Design) - the world's leading software for design and construction of buildings with use of light steel thin-walled structures technology, that has a history of over 35 years.

Using the BIM model software technology (Building Information Model), the Vertex BD software complex maximizes performance and design accuracy by creating architectural and structural (working) designs, production drawings, material lists, production assignments and marketing visualizations by using for these purposes one single building model.



Use of the software will give a possibility to create comprehensive assembly drawings for the workshop and for the construction site, including complete list of profiles for each panel, their length, weight, marking, assembly order, panel materials and number of screws.

The process of designing buildings with the approval of the customer for typical structures usually takes no more than 3 days.

After creating the design of the framework of the building, manufacture of the thermal tiles according to the software drawings begins on the production lines. Manufacturing process does not exceed 5 days.

After manufacturing of all the details according to the drawings, the received items are transported to the construction site and assembled as a constructor. It is important to note that the assembly of the structures can be carried out regardless the season.

Types of manufactured standard frameworks for building structures

RESIDENTIAL BUILDINGS

- Country houses (villas etc.)
- Apartment blocks



OFFICIAL AND COMMERCIAL BUILDINGS

- Official and commercial buildings
- Sport facilities
- Foodservice outlets
- Hotels
- Health resorts
- Garages
- Shopping pavilions

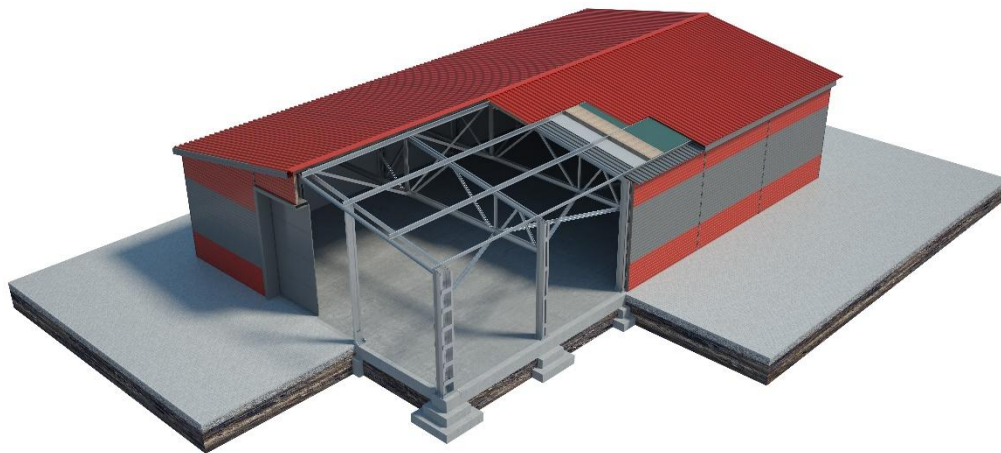


PUBLIC BUILDINGS

- Kindergartens
- Schools
- Universal projects

**AGRICULTURE BUILDINGS**

- Farms
- Warehouses and granaries
- Machinery hangars
- Greenhouses

**ATTICS**

Construction of attics with use of light steel thin-walled structures technology allows to increase the housing stock of urban buildings under deficit of free spaces, without influencing the framings and building footings.



CLADDING STRUCTURES

Cladding structures are designed for delimitation of dimensions, as well as for thermal, hydraulic and noise protection of a building. There are two types of cladding structures in the field of application (external and internal) and in structure (single-layered and multilayered). They are used for the construction of walls, ceilings, internal partitions.



The manufacturing of a metal framework for a typical building requires, on average, 50 kg of thermal profile products per 1 sq. m.

All framework structures will have a warranty of 30 years.

Payment terms on framework orders for buildings and structures – 50% prepayment, 50% after manufacturing and facility assembly.

Key customers:

- construction companies
- industrial companies
- state-owned companies
- retail customers

METAL FRAMEWORKS FOR FIFTH-GENERATION GREENHOUSES.

Metal framework for greenhouses are part of the standard facilities on light steel thin-walled structures technology, but at present the project initiator is developing a technology of construction of 5th generation greenhouses, using its own and domestic equipment, which will significantly reduce the cost of greenhouses. The expected growth in demand for such greenhouses from the side of leading agricultural companies enabled us to identify this type of product in a separate direction.

DESCRIPTION OF 5-TH GENERATION GREENHOUSES



5th generation greenhouses were born about eight years ago and nowadays they are intensively built all over the world. This is a technological revolution in the world of greenhouses. Find below the main differences of such greenhouses from the previous generation.

Fourth generation VENLO type greenhouses are greenhouses up to 8 meters high, well sealed, highly autonomous, allowing to implement advanced technologies for vegetable production. With introduction of these greenhouses, it was possible to achieve a significant increase crop capacity of vegetable production, and photoculture technology allowed to double the crop of vegetables per square meter. However, these highly profitable greenhouses have significant shortcomings that do not fully allow to obtain the crop that is biologically embedded in hybrids. The most significant shortcoming is the inability of the greenhouse to maintain an optimal microclimate in certain seasons. This shortcoming starts to manifest itself in the spring, and when using photoculture technology even earlier. At this time, overheatings start to appear in the

greenhouse and, in order to maintain a given microclimate, it is necessary to open the vents, which entails a surplus of thermal energy, and, that is very important, the plants get a thermal shock due to the cold air that goes down, and this negatively affects the plants and leads to crop capacity loss. It turns to a negative multiplicative effect: it is impossible not to open the vents because of the “steaming” of plants, and when opening, the top of the plants get damaged and the heating costs are increasing. In the summer period of growing vegetables, the fourth-generation greenhouse is in principle not able to maintain the necessary microclimate, as there are no resources to reduce the temperature.



The fifth-generation greenhouse, so-called “semi-closed greenhouse”, created using Ultra Clima technology, retains all the advantages of VENLO type greenhouses, but is superior to it in a number of parameters:

1. The greenhouse maintains an ideal microclimate at any time of the year.
 - In winter or in spring when overheating, as well as in the standard greenhouses, the vents are open, but there are 90% less of those vents than in standard greenhouses and they serve only to remove a small pressure excess, under which remains the Ultra-Clima greenhouse. At the same time, air always leaves the greenhouse and in this case a thermal shock is in principle not possible, and since there are few vents, respectively, less heat loss occurs.
 - In summer, the greenhouse is capable of cooling itself. It is equipped with the adiabatic panels along the entire length, which receive water. Water evaporates and takes away some energy and the air cooled in such a manner enters the greenhouse. Practical use of such a cooling system in the greenhouse in the town of Dankov, Lipetsk Oblast, showed that it is possible to reduce the temperature in the greenhouse till 10 degrees Celsius, which, in its turn, has a beneficial effect on plants and no crop loss occurs.
2. The greenhouse saves heating costs.

This occurs due to the secondary use of thermal energy. In a standard greenhouse, warm air rises from the heating pipes and through the glazing of the roof of the greenhouse comes out, and, the greater is the temperature difference of the external and internal air, the higher is the transpiration intensity. Of course, winter is the season of maximum heat consumption. In Ultra-Clima greenhouses warm air is rising upwards, is taken by the fans and then is again supplied for heating purposes through plastic hose pipes located under each seed bed. This effect is especially enhanced by using the photoculture technology. The heat from the lamps, which is about 90% of the lamp's power, disappears irretrievably in a standard greenhouse, and in Ultra-Clima greenhouse it is almost completely used for heating.

3. A greenhouse can maintain the optimum CO₂ level at any time.

It is known that during the time when it is necessary to open the vents, it is not possible to maintain the CO₂ level necessary for the technology in a standard greenhouse. It always aspires to the natural level in the street, which is approximately 400 ppm. Such CO₂ level is insufficient for proper photosynthesis, which leads to crop loss. In Ultra-Clima greenhouse, due to its "semi-closed" type, it is possible to maintain the necessary concentration of CO₂ to a greater extent, which has beneficial effect on crop capacity.

4. Greenhouse is protected from penetration of pests.

One of the features of the Ultra-Clima greenhouse is the excess of pressure inside. When opening the air vents and the entrance gate, insects cannot overcome the force of excessive pressure and do not penetrate into the greenhouse.

5. No air blanketing occurs in Ultra-Clima greenhouses, which prevents the development of diseases, due to tubular sheeting located under each seed bed.



Besides these advantages, there are a number of related ones that synergistically enhance the greenhouse efficiency.

- For example, in spring-summer time, when the temperature in a standard greenhouse reaches 35 degrees Celsius with high humidity, the work of greenhouse staff becomes, to put it mildly, uncomfortable, and this turns into significant loss of labor productivity, not to mention the personnel turnover because of the difficult working conditions. The temperature in Ultra-Clima greenhouse does not practically exceed 24 degrees Celsius, which allows the staff to comfortably carry out their duties.
- Hose pipes located under each seed bed, serving to supply warm air with the specified parameters, provide the so-called "active microclimate". In a standard greenhouse, employees have to heat registers for this, which also leads to increased energy consumption.

The abovementioned advantages are confirmed by the practice of operating of such greenhouses in Russia.



Crop production of Torero and Starbuck tomatoes in 2014 (kg/m²)

April	May	June	July	August	September	October	November	December	Total
0.38	10.38	10.93	10.26	8.2	6.67	5.16	4.41	0.68	57.07

SITUATION OF GREENHOUSING IN RUSSIA IN 2017



Most of existing greenhouses in Russia nowadays are expensive, outdated pellicular agricultural structures. But now the greenhouse industry is entering the period of renewal. Its products are in-demand by domestic consumers.

Industry of glasshouse horticulture has become attractive in recent years is attractive to investors. Therefore, despite a number of problems, amount of projects in this industry is increasing.

Main reasons:

- Large scale of domestic market;
- Significant increase in food prices;
- Growth of consumer demand.

Owners of greenhouse farms are able to push out imports from the domestic market. They are supported by consumers, preferring to buy domestic berries, vegetables, greenery, fruits.

The state is ready to support the greenhouse industry, since the problem of production of delicious, healthy, inexpensive vegetables has become particularly relevant not only in Russia, but also worldwide.

Russian buyers easily distinguish domestic products from foreign ones. Overseas tomatoes in vacuum packs can be stored for a long time, but in the refrigerator, they quickly turn into a tasteless, shapeless product saturated with pesticides, often with forbidden ingredients.



Food allowance of Russian inhabitants includes lower share of vegetables is lower than in most developed countries. This share is 4 times lower than the norm. Imported vegetables grown in greenhouses occupy 70% in the consumption pattern of the inhabitants of the country. Therefore, the owners of domestic greenhouse facilities are set to drastically push out imports, although they understand that greenhouse business is high-cost production, sometimes unprofitable.

Nevertheless, by 2020 it is planned to fully provide the population of Russia with vegetable produce grown not abroad but in their own country.

Quite for a long time, the greenhouses have traditionally been located in the South of the country. And the leader is still the Krasnodar Krai.

But, nowadays, cultivation of vegetables in greenhouses is intensively developing in:

- Central regions of Russia;
- Volga District;
- Southern and North-Caucasian Federal Districts.

This industry has become interesting for inhabitants of Siberia and the Far East.

State support measures for the development of greenhouse facilities in Russia

According to the Resolution of Russian Government No. 717 dd. July 14th, 2012 “State Program on Agribusiness Development and Regulation of Farm Produce, Raw Materials and Foodstuffs Markets for 2013-2020”, support of the greenhouse facilities is provided as follows:

- partial (up to 20%) reimbursement of energy costs
- subsidized loans for up to eight years for the construction, reconstruction and modernization of greenhouses
- subsidies for partial compensation of interest on short-term loans for the purchase of mineral fertilizers, plant protection products and supplies for greenhouses; For the purchase of elite seeds and hybrids of vegetable crops
- subsidies for reimbursement of a part of the direct costs incurred to establish and modernize the agribusiness facilities

As a result of program implementation, the Ministry of Agriculture of Russia expects to increase the area of winter greenhouses from the current rate of 3.0 to 4.7 thousand hectares by 2020. At the same time, the gross output of vegetables by 2020 can reach 1,720 thousand tons.

Therefore, in the coming years there are significant prerequisites for growth in demand for the latest generation greenhouses.

MANUFACTURE OF GREENHOUSE FRAMEWORK

Manufacture of an average greenhouse framework requires 30 kg of thermal profiles products per 1 sq. m.

All framework structures will have a warranty of 30 years.

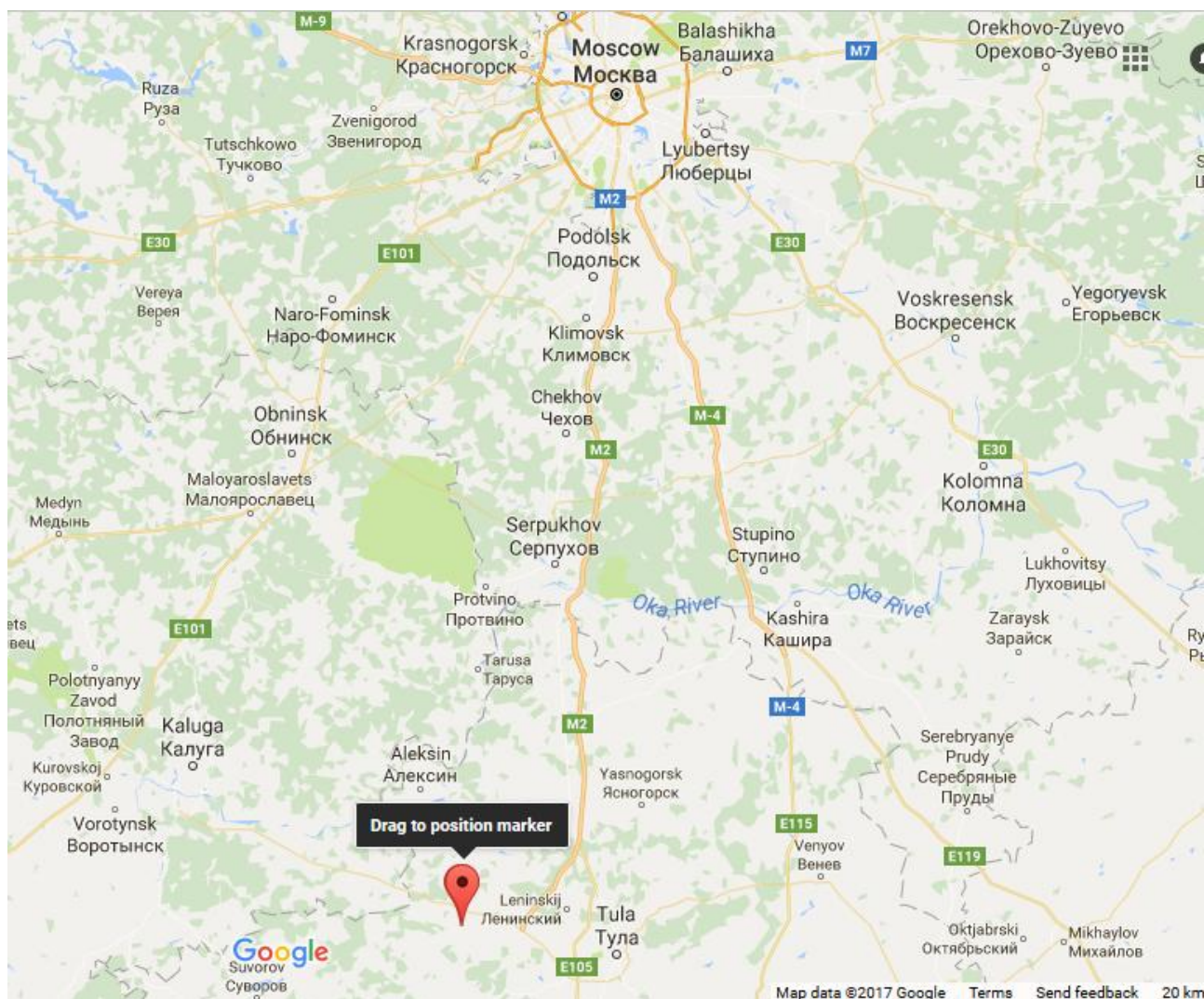
Payment terms on framework orders for buildings and structures – 50% prepayment, 50% after manufacturing and facility assembly.

Key customers:

- agricultural companies of federal and regional level
- industrial companies
- regional authorities
- state-owned companies
- retail customers

GEOGRAPHICAL POSITION

The village of Novoye Pavshino is located in 24 km from the city of Tula and in 120 km from the city of Moscow.



STAFFING PLAN, STAFF COSTS

When assessing the project staffing needs, it was taken into account that the project will be implemented as part of the operating enterprise, that has already its legal service, accounting and other essential services, which will also be involved in this project.

The management team and key employees of the project will be formed based on the staff of the initiator's group of companies. personnel

The largest part of fabrication and other personnel will be recruited in the labor market of Tula Oblast. The staff will require an average level of qualification with a special education, therefore shortage of personnel is not expected.

The management team, key project staff, as well as part of fabrication staff will undergo additional training and certification on specifications of production engineering of thermal panels from the equipment supplier.

Project staffing plan within operating enterprise.

Business unit	Job title (position)	FTE	Salary (labor rate), rub.	Bonus	Monthly payroll,
Directorate	Executive Director	1	60,000.00	0.3% of sales volume	60,000.00
Sales department	Head of department	1	30,000.00	0.2% of sales volume	30,000.00
	Software designer	1	50,000.00	50%	50,000.00
	General Thermal Profile Manager	1	25,000.00	0.2% of sales volume	25,000.00
	Structures Manager	1	25,000.00	0.2% of sales volume	25,000.00
	Greenhouse Manager	1	25,000.00	0.4% of sales volume	25,000.00
Production department	Chief Engineer	1	40,000.00	50%	40,000.00
	Maintenance Engineer	1	27,000.00	50%	27,000.00
	Quality Control Specialist	1	27,000.00	50%	27,000.00
	Machine Operator	3	25,000.00	50%	75,000.00
Maintenance and supply department	Loaders-Assemblers	4	15,000.00	50%	60,000.00
Total:		16 FTE			444,000.00

Two types of bonuses are provided for staff motivation

- Floating bonuses for management and sales department, depending on the sales volume
- Fixed bonus up to 50% of salary for other personnel.

RAW AND OTHER MATERIAL COSTS.

To produce a range of products, as raw material, the project needs standard rolled steel with certain requirements, produced in many metallurgical plants of Russia.



List of raw materials for the production:

- galvanized thin steel coil under GOST 14918 group for cold profiling, first class of zinc coating thickness;
- hot dipped galvanized flat steel under GOST R 52246 mark 250 with double-sided coating class 275g/m²;
- imported rolled steel that meets the requirements of GOST R 52246.

Blank dimensions should meet the requirements of GOST R 19851.

Manufacturers and suppliers of raw materials:

- Open Joint Stock Company “Novolipetsk Steel” (NLMK)
/ОАО «Новолипецкий металлургический комбинат»/

Russian metallurgical company, which includes the first largest smelter in the country. It is located in the city of Lipetsk (Levoberezhny district). It is located in 350 km from the Kursk magnetic anomaly - the major supplier of raw materials for the enterprise, and is located in 500 km from Donetsk coal basin. NLMK Group produces 21% of Russian steel.

- JSC Severstal (city of Cherepovets, Russia) /ОАО «Северсталь»/

Russian steel and mining company, which owns the Cherepovets Metallurgical Plant (Vologda Oblast), the second largest smelter in Russia. Owns assets in Russia, as well as in Ukraine, Latvia, Poland, Italy, Liberia.

- PJSC MMK Group (city of Magnitogorsk, Russia) /ОАО «ММК»/

Russian Metallurgical Plant in the city of Magnitogorsk, Chelyabinsk Oblast. One of the largest smelters in CIS, ranks third in Russia.

According to the technology of purchased equipment, production of 1 ton of finished goods requires 1.2 tons of raw materials. Raw materials will be purchased as orders from customers will follow for 100% prepayment.

Analysis of raw materials market showed that the average market price for galvanized steel is 51 thousand roubles per ton. Source: <http://www.metalinfo.ru>.

PUBLIC UTILITIES.

To the premises of the workshop, where the production line will be located, the following utility facilities are connected:

- Power supply
- Water supply
- Water removal
- Heat pipeline

The production technology provides with the use of electrical networks. The planned demand for electricity at full load of the production line is 50 kW.

Water supply and water removal are necessary in fixed and small volumes. Heat pipeline will be used only in the cold season from October to April.

Production of finished goods of 590 tons per month implicates the estimated payment of the utilities at 600 thousand roubles.

MARKETING PLAN OF PRODUCTS.

The project marketing plan is aimed at gradual increase in information level the level of awareness of the quality and range of project products among potential customers, as well as at increase in the popularity of light steel thin-walled structures technology in construction industry.

List of planned marketing activities:

- Creation and promotion of the website
- Range of representative events in order to create network among potential customers:
 - participation in sector exhibitions in Russia and CIS
 - presentation at seminars and forums related to the construction industry
 - membership in construction associations
- Placement of advertising materials in specialized printed publications and on building Internet portals
- Preparation and publication of feature stories on light steel thin-walled structures technologies with the involvement of experts from building industry

In addition to the abovementioned activities, the accumulated network of the customers of the initiator's group of companies will be used to sell the products.

Implementation costs of the marketing plan.

No.	Activity	Activity costs	Average monthly costs
1.	Website	200,000.00	100,000.00
2.	Range of representative events	500,000.00	100,000.00
3.	Placement of advertising materials	200,000.00	150,000.00
4.	Publication of feature stories	100,000.00	50,000.00
	Total:	1,000,000.00	400,000.00

Frequency of marketing activities.

No.	Activity	Frequency of implementation
1.	Promotion of website	Daily
2.	Range of representative events	4 events quarterly
3.	Placement of advertising materials	Monthly
4.	Publication of feature stories	Quarterly

PRICE FORMATION

Based on the price analysis results of the major participants of on light steel thin-walled structures market, the following market prices for products are determined:

- Basic products – 76,000 roubles per 1 ton.
- Frameworks for buildings – 89,700 roubles per 1 ton.
- Frameworks for greenhouses – 103,500 roubles per 1 ton.

List of manufacturing companies involved in the analysis:

- Company StroyGarant-2002 (СтройГарант-2002). Website: www.stroygarant.su
- LSC Baltic Group. Website: mettem-lsc.ru
- LSTKstroyGroup (ЛСТКстройГрупп). Website: lstk-msk.ru/
- Production association “Etalon” (Производственное объединение «Эталон»). Website: www.poetalon.ru
- LSTK framework (ЛСТК каркас). Website: www.lstk-karkas.ru

In order to rapidly increase monthly production volumes, it is planned, within 2 years, to sell products at a discount of 10% to the market. In the third year, after strengthening the company’s position in the market, the prices will be gradually increased to the average market levels within 5 months.

Product prices dynamics in relation to average market prices

Products	Year 1	Year 2	Year 3	Year 4	Year 5
Basic products	90 %	90 %	100%	100%	100%
Frameworks for buildings	90%	90%	100%	100%	100%
Frameworks for greenhouses	90%	90%	100%	100%	100%

Product prices dynamics per 1 ton in absolute values

Products	Year 1	Year 2	Year 3	Year 4	Year 5
Basic products	69,000.00	69,000.00	76,000.00	76,000.00	76,000.00
Frameworks for buildings	89,700.00	89,700.00	98,800.00	98,800.00	98,800.00
Frameworks for greenhouses	103,500.00	103,500.00	114,000.00	114,000.00	114,000,00

SALES OBJECTIVE

Products sales forecast takes into consideration the following factors:

- annual share growth of light steel thin-walled structures technologies in total construction volume in Russia
- implementation of a range of project marketing activities
- product pricing 10% lower than average market pricing
- available preliminary agreements on product delivery with customers

The forecast is based on conservative estimation and provides for a gradual increase in sales of products at a monthly rate of 10%, as well as phased introduction of three major types of products.

Schedule of introduction of major types of products:

No.	Products	Start of production from the project launch date
1.	Basic products	from the 1 st month
2.	Frameworks for buildings	from the 4 th month
3.	Frameworks for greenhouses	from the 7 th month

Schedule of sales dynamics in the first 12 months in tons.

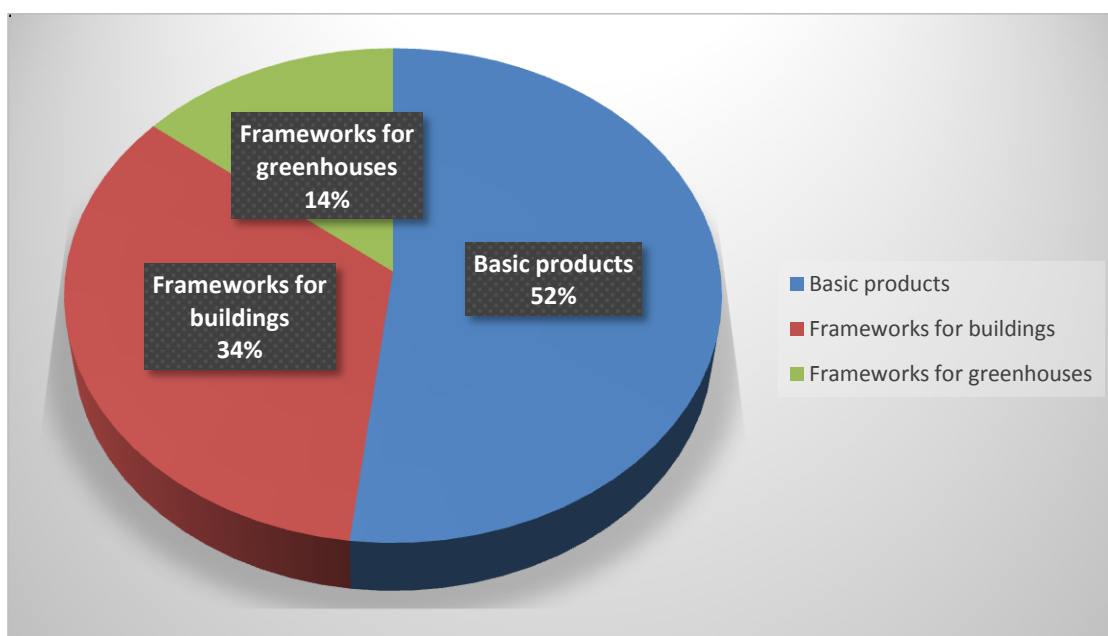
Products	month 1	month 2	month 3	month 4	month 5	month 6
Basic products	60	120	180	228	270	306
Frameworks for buildings	-	-	-	12	30	54
Frameworks for greenhouses	-	-	-	-	-	-
Total:	60	120	180	240	300	360

Products	month 7	month 8	month 9	month 10	month 11	month 12
Basic products	325.5	336	337.5	330	346.5	360
Frameworks for buildings	84	120	162	210	231	252
Frameworks for greenhouses	10.5	24	40.5	60	82.5	108
Total:	420	480	540	600	660	720

Schedule of sales dynamics for 5 years in tons.

Products	Year 1	Year 2	Year 3	Year 4	Year 5	Total:
Basic products	3,199.5	5,010	5,040	5,040	5,040	23,330
Frameworks for buildings	1,155	3,507	3,528	3,528	3,528	15,246
Frameworks for greenhouses	325.5	1,503	1,512	1,512	1,512	6,365
Total:	4,680	10,020	10,080	10,080	10,080	44,940

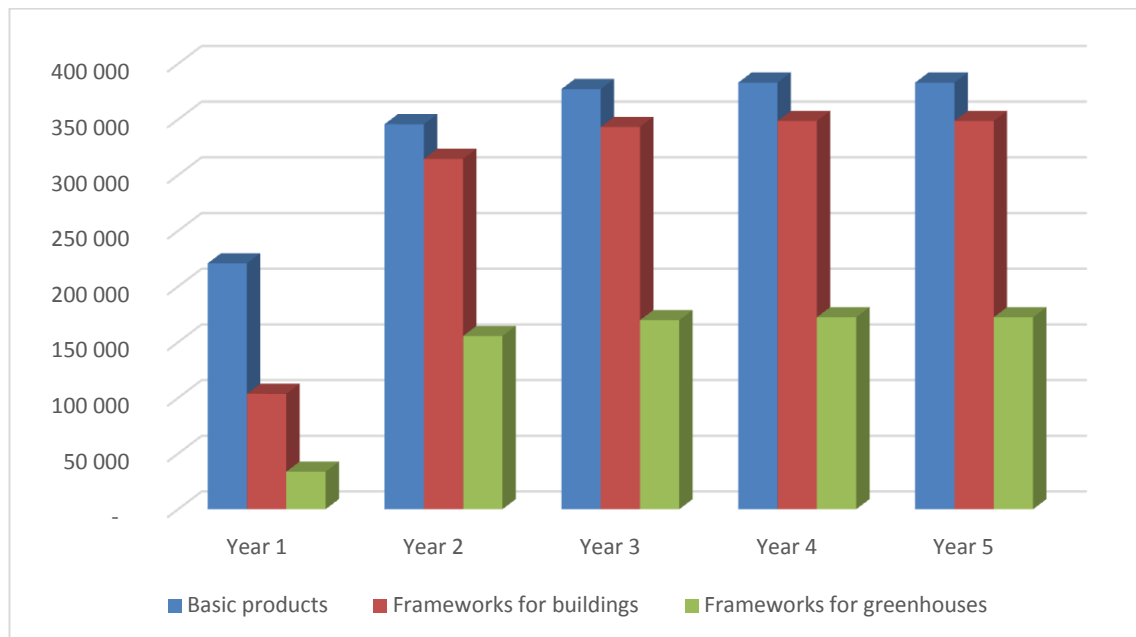
Sales pattern diagram for 5 years.



Schedule of sales dynamics for 5 years in cash equivalent (thousand roubles)

Products	Year 1	Year 2	Year 3	Year 4	Year 5	Total:
Basic products	220,765.5	345,690	377,193.1	383,040	383,040	1,709,729
Frameworks for buildings	103,603.5	314,577.9	343,245.7	348,566.4	348,566.4	1,458,560
Frameworks for greenhouses	33,689.25	155,560.5	169,736.9	172,368	172,368	703,723
Total:	358,058.25	815,828.4	890,176	903,974.4	903,974.4	3,872,011

Sales dynamics diagram for 5 years in cash equivalent (thousand roubles)



ORGANIZATION PLAN

INVESTMENT COSTS OF THE PROJECT.

The production site will be located on the territory of the group of companies at the address: Russia, Tula Oblast, Dubensky District, near Novoye Pavshino village.

The management of the factory has already allocated a site for the construction of the workshop using the light steel thin-walled structures technology with the following criteria:

- total area of 1,200 sq. m. and
- dimensions 24x50 m.

A building permit for the construction of the workshop has been received from the local municipality.

After construction completion, a production line shall be installed in the workshop premises. After equipment installation and commissioning works, the project will be ready to start the production.

List of investment costs of the project.

No.	Cost types	Cost	Contractors/Suppliers
1.	Workshop construction and connection of utility facilities Construction period: 3 months	20,000,000.00	Andrometa LLC and resources of group of companies of the initiator
2.	Production line and commissioning work Delivery time: 2 months	58,375,000.00	Lipetsk Roll Forming Machine Manufacturing Pilot Plant
3.	KOMATSU loader 1.8T	1,625,000	By tendering
	Total:	80,000,000.00	

Features of suppliers:

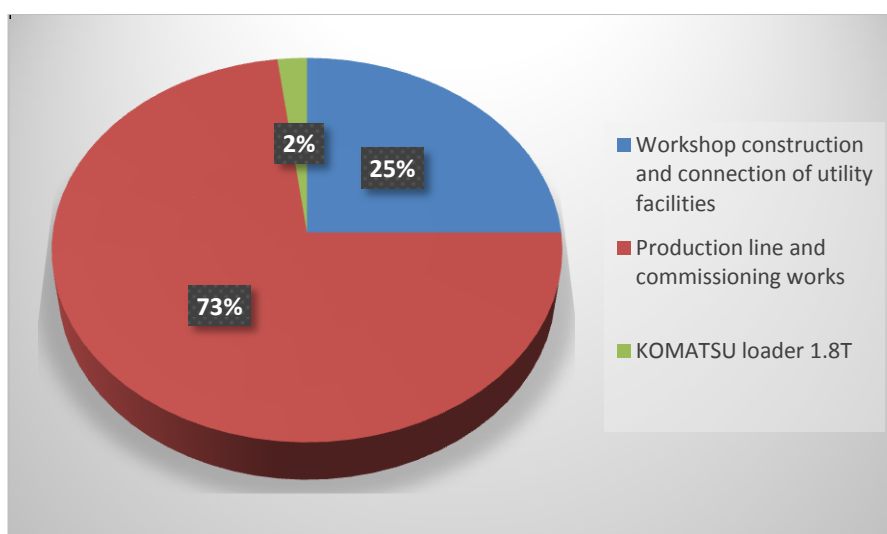
- Andrometa LLC (ООО «Андромета»). Website: andrometa.ru

Work experience of the enterprise - since 1991. Currently, this is a modern industrial complex with a capacity of up to 2,000 tons of metal structures per month. In 2000, it received officially the title of the best industry player. Over the years, thousands of buildings have been built - serial and exclusive, small and huge - for industry, agriculture, social sphere, sports and for other purposes.

- Lipetsk Roll Forming Machine Manufacturing Pilot Plant. Website: znpo.lipetsk.ru

Work experience of the enterprise - since 2003. Production capacity is located on 3.5 hectares of land, which includes: about 7,000 sq. m. of heated production areas with overhead crane, its own hardening site, a large park of machines, including turning and milling machines with CNC control.

Structure of investments costs of the project.



Composition of production line.

No.	Nam of equipment	QTY	Cost
1.	Coil preparation line	1	3,300,000.00
2.	Z-shaped profile production line	1	7,000,000.00
3.	C-shaped profile production line	1	14,200,000.00
4.	U-shaped profile production line	1	10,500,000.00
5.	E-shaped profile production line	1	9,500,000.00
6.	Corner forming production line	1	6,000,000.00
7.	Furring channel production line	1	6,000,000.00
8.	Product label printer	1	1,400,000.00
9.	Plant-wide compressor	1	475,000.00
	Total:		58,375,000.00

Maximum capacity of the production line of the project – 1,000 tons of finished products per month.

PROJECT IMPLEMENTATION PLAN

Activities	July 2017	August 2017	September 2017	October 2017
Payment of production line and of the workshop construction				
Workshop construction				
Installation and assembly of equipment				
Staff recruitment and hiring				
Staff training				
Project kick-off				

PROJECT FUNDING SOURCES

Project costs are 80.0 mln. roubles.

Structure and funding form of the project (rub.)

No.	Funding form	Loan amount	Rate	Term	Share of funding	Interest amount
1.	Loan agreement	80,000,000.00	3%	27 months	100%	2.287

Schedule of project funding (rub.)

Month	July 2017	August 2017	September 2017
Amount of funding	29,850,000.00	30,975,000.00	19,175,000.00

Schedule of return on investment (thousands rub.)

Month	Principal debt	Interest
Dec-17	-	200
Jan-18	-	1,027
Feb-18	-	200
Mar-18	5,000	188
Apr-18	6,000	173
May-18	8,000	153
Jun-18	9,000	130
Jul-18	12,000	100
Aug-18	12,000	70
Sep-18	12,000	40
Oct-18	13,000	8
Nov-18	3,000	-
Total:	80,000	2,287

PROJECT EFFICIENCY.

Estimation of economic efficiency of the project.

Justification of discount rate.

Discount rate (%) is effective percentage rate (discount rate), over which the cash flows are discounted. Corresponds to the interest rate reflecting the alternative profitability, or the cost of capital. Discounting is the operation of calculating the present value of monetary amounts relating to future periods of time.

The discount rate for this project was calculated based on the accepted methodology.

A risk-free rate compensates for the money value over time at virtually zero risk. Usually, a risk-free rate is understood as the norm of a compound interest, which can be obtained in the form of profit by investing money in totally secure financial assets.

The size of the risk-free rate is estimated at the rate of return of the most trusted securities. According to experts, such securities include nowadays government bonds of the federal loan of the Russian Federation with variable coupon income of the Russian Federation with maturity in 2018 (No. 49001RMFS of 10.03.2011). The average profitability of which today is 9%. Information source: site of RUSBONDS by Interfax group (<http://www.rusbonds.ru/cmngos.asp>):

Moreover, when calculating the discount rate, it is necessary to consider the so-called “risk premium”.

Evaluation guidelines for assessing the efficiency of investment projects recommend to take into account three types of risk:

- country risk;
- unreliability risk of project participants;
- risk of non-receipt of planned income.

Calculation of discount rate, %

INDEX	LEVEL
Nominal risk-free rate	9
Country risk, including:	9
<i>social and political</i>	3
<i>domestic economical</i>	3
<i>foreign economical</i>	3
Unreliability of project participants	1
Revenue risk	3
Discount rate	22

Thus, the discount rate adopted in project calculations amounted to 22 %.

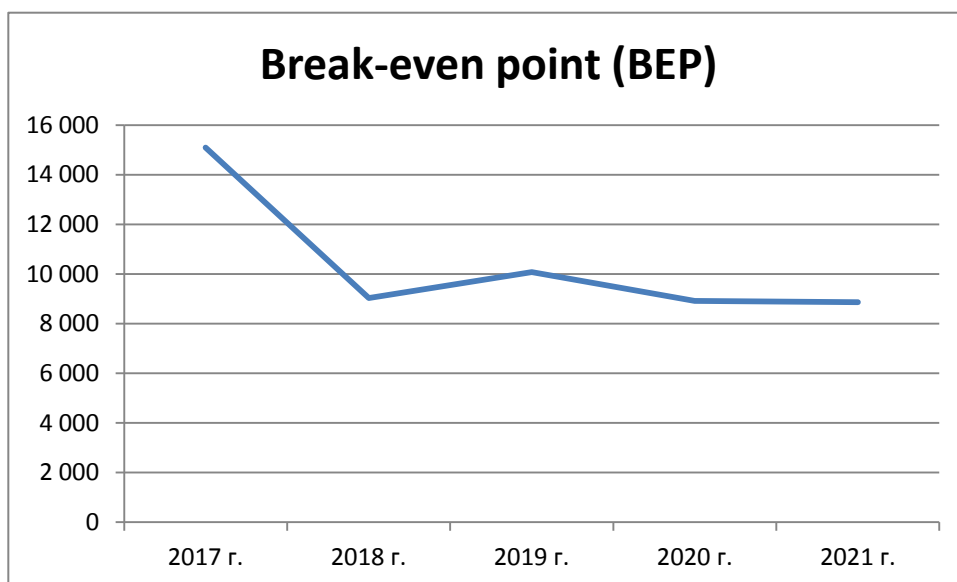
Profitability indexes of the project

Index		2017	2018	2019	2020	2021
Return on assets (ROA)	%	1	31	90	93	94
Return on fixed assets (RFA)	%	5	12	25	37	43
Return on sales (ROS)	%	3	16	21	24	25
Share of fixed costs	%	20	4	2	2	2
Break-even point (BEP)	Thousands rub. per month	15,088	9,029	10,072	8,915	8,868
"Margin of safety"	%	18.3	72	82.8	86	86
EBITDA Margin	%	9	34	45	58	58
EBIT Margin	%	8	32	44	56	57
Net Profit Margin	%	3	16	21	24	25

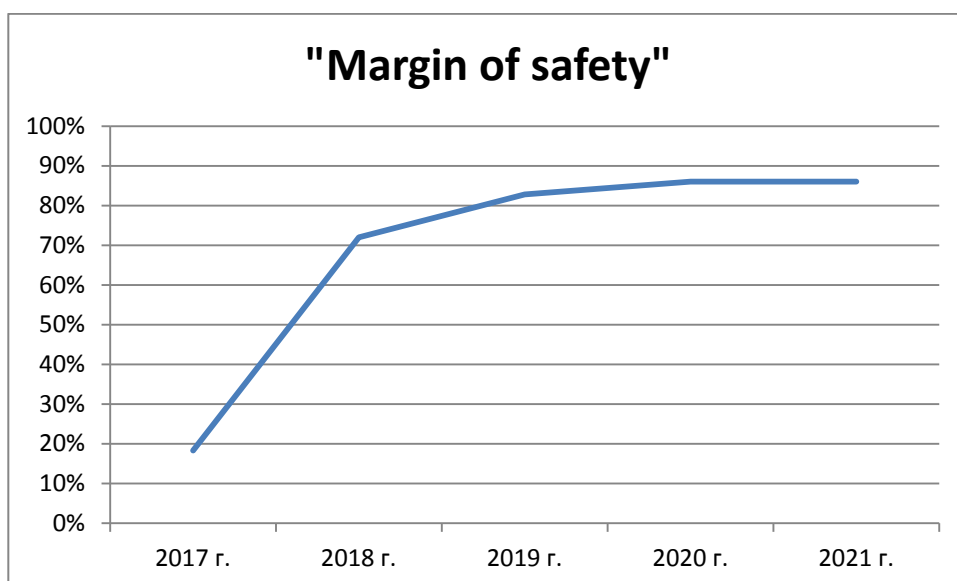
According to calculation, profitability indexes will be quite high.

Brief explanations on profitability indexes

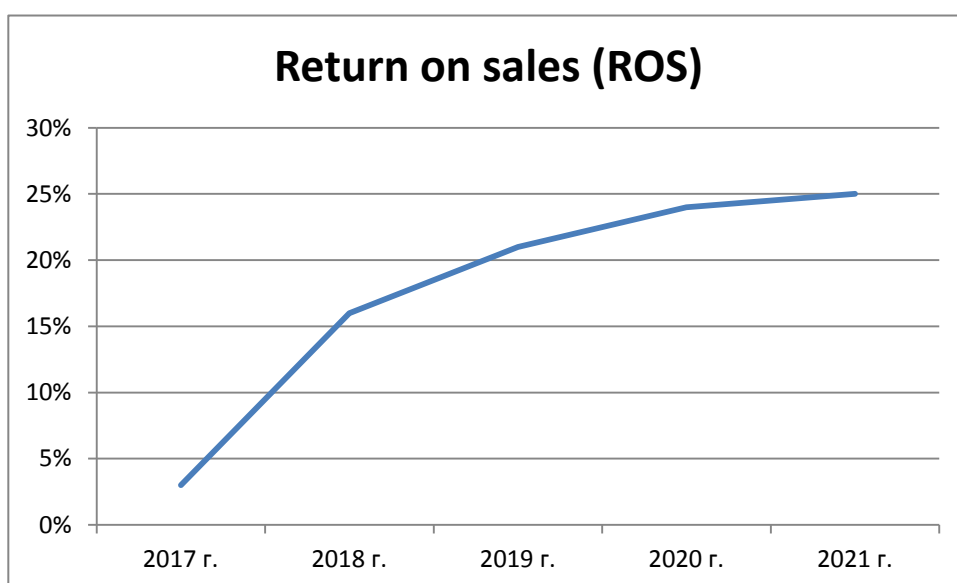
Break-even point is a minimum production level, at which the value of monthly revenues from the sale of the manufactured products, services is equal to its production costs and to distribution of these products. In order to make profit, a company must produce the quantity of products, have a range of activities that exceed the amount corresponding to the break-even point. If the volume is lower to the volume corresponding to this point, the activity becomes unprofitable.



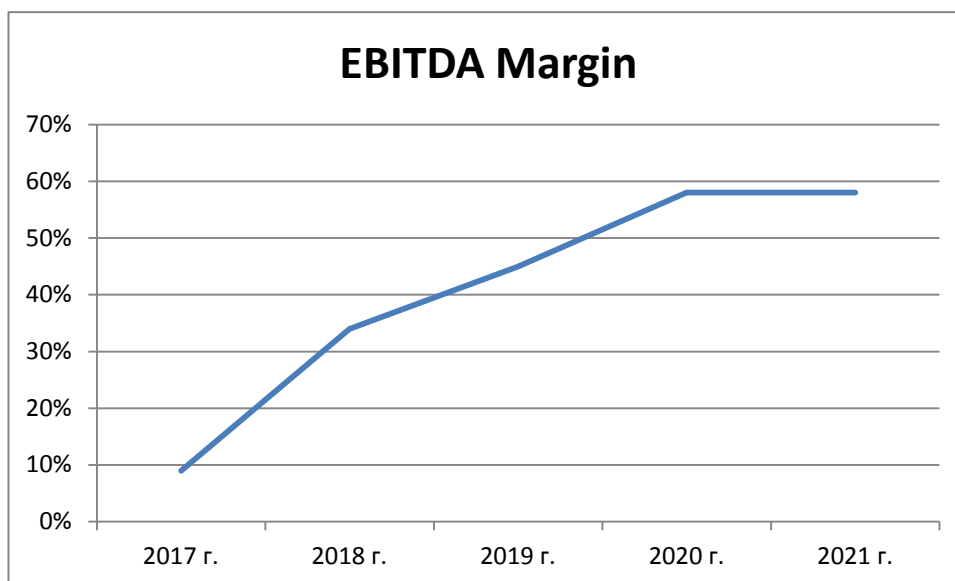
Margin of safety is the difference between the actual monthly output volume and the output volume at the break-even point. Often, the percentage of the financial safety margin to the actual volume is calculated. This value indicates, with how many percent can the sales volume decrease to let the company avoid the loss.



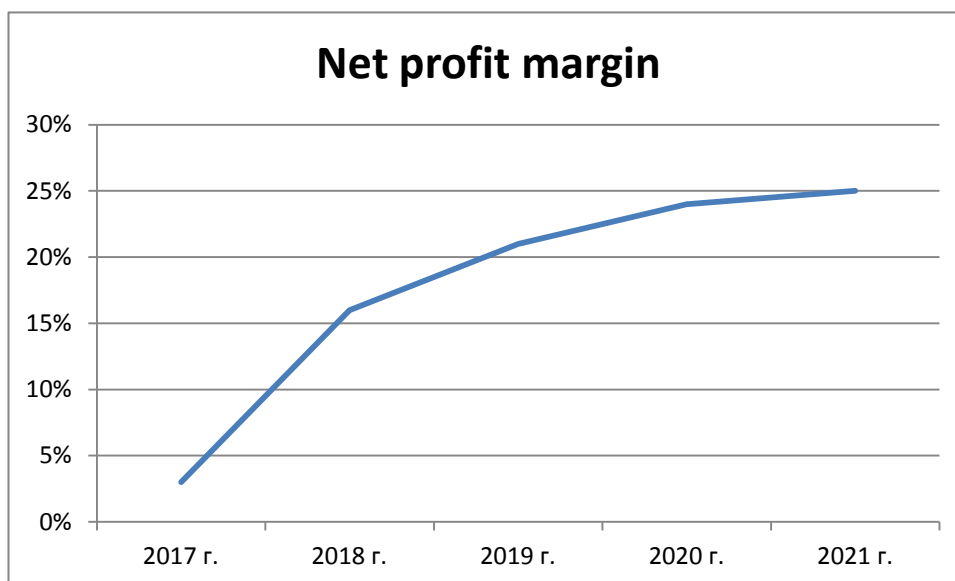
Return on sales characterizes the efficiency of current operations and is calculated in the model as a ratio of net profit to sales revenue. This index is not directly related to evaluation of investment efficiency, but it is a very useful measure of the competitiveness of design products.



EBITDA Margin. EBITDA index is used for long-term evaluation of the efficiency of the company's operations. It represents company's profits free from influence of tax environment and methods of funding, and free from effects of accounting organization (in terms of depreciation). This allows to get successful comparison of the reports of different companies, as well as the efficiency of the company in different periods. Despite the fact that EBITDA is not directly used in calculation of financial ratios, it is widely used as an independent index.



Net profit margin is a ratio of total profit to production costs and sales of goods. Indicates the efficiency of current costs.



Project efficiency indexes

All investment efficiency indexes are calculated with a discount rate of 20%.

Based on calculation results of the project's financial model, using the above data of this business plan, the project has the following efficiency indexes:

INDEXES	UNIT OF MEASUREMENT	VALUE
Simple pay-back period	months	16
Net present value (NPV)	thousands rub.	425,111
Discounted pay-back period (PBP)	months	17
Internal rate of return (IRR)	%	192
Profitability index (PI)		6.39
Modified IRR (MIRR)	%	75

Project efficiency is estimated as above the average for this level of investment and similar projects.

Discount rate is the rate of return (in %) that the investor needs to receive on invested capital. In other words, the project is attractive to investors if its rate of return exceeds the discount rate for any other kind of capital investment with similar risk.

Moreover, the following efficiency indexes were used in the calculations:

Simple pay-back period (PBP) is a duration of the period from the initial time till pay-back moment. The initial time is usually the beginning of business operations.

Net present value (NPV) shows the amount of money that the investor expects to receive from the project, after the cash inflows have compensated his initial investment costs and recurrent cash outflows related to the project implementation.

Discounted pay-back period (DPBP) is a duration of period from the initial time till pay-back moment taking discounting into account.

Internal rate of return (IRR) is the interest rate at which the net present value is equal to 0.

Profitability index (PI) is the ratio of the amount of discounted cash inflows to the amount of discounted cash outflows.

FINANCIAL PLAN

INITIAL DATA AND ASSUMPTIONS

The initial data used in this business plan are provided by the project Initiator, professional participants of the market of light steel thin-walled structures and also obtained through the use of the global Internet network by visiting websites relevant to the topic of the business plan subjects.

- Project duration – 63 months;
- Planning interval – month;
- Project is calculated in constant prices;
- Project is calculated in roubles.

Calculation of the costs related to the taxes payment was carried out in accordance with the current tax policy of the state.

Tax system: General

The following tax rates have been used for the calculations:

1. Profit tax – 20%
2. VAT – 18%
3. Unified social tax - (Pension fund of the Russian Federation 22%, Federal Compulsory Medical Insurance Fund 5,1%, Social Insurance Fund 1,9%) – 29%

REVENUE ESTIMATION

- Revenue forecast was based on the sales plan of the major services of the project unadjusted for inflation.
- Projected cash inflow from sales of services was made, taking in account the sales under condition of 100% prepayment.

ESTIMATION OF PRODUCTION COSTS

- Estimated amount of core project expenses is reflected based on estimated data from the relevant sections of the business plan with calculations under condition of 100% prepayment. Inflation of expenses was not taken into account.

RISK ASSESSMENT

No.	Risks	Risk level	Minimization measures
1.	General economic risk, which is expressed in the decrease of the average level of household income and in the decrease in investments in the construction sector, which affects the potential demand	Low	Risk can be minimized by increasing sales under public procurement and organizing of exports to CIS countries
2.	Marketing risk. The risk is expressed in a decrease of efficiency of marketing activities	Average	Risk is minimized by ordering marketing activities from companies with long track record and high business reputation
3.	Competitive risk	High	Risk is minimized by offering products of higher quality and at prices below the average market level. Deferred payment may be provided to major accounts.
4.	HR risk, expressed in absence of long-term experience in manufacturing technology of thermal panels and frameworks	Low	Risk is minimized by staff training and by additional control over manufacturing processes by the equipment supplier
5.	Technological risk, expressed in the possible non-compliance of the production line with the declared parameters (defects, production rate, etc.)	Average	A manufacturing company (not an intermediary) with a high business reputation was chosen as equipment supplier. 2-year warranty is provided for the equipment.
6.	Risk of price increase for raw materials (galvanized metal)	Average	In case of increase in metal prices, construction costs based on light steel thin-walled structures technology, under otherwise equal conditions, will remain lower the ones based on classical construction
7.	Reputation risk	Low	Risk is assessed to be at a low level due to long-term experience of project initiator in production of goods and metal structures.

PROJECT STRENGTHS

No.	Strengths
1.	Experts predict increase of number of construction projects, which will have a positive effect on the construction market of light steel thin-walled structures
2.	Support of building projects based on of light steel thin-walled structures technologies at the federal and regional level
3.	Adoption of laws on establishment of standards of light steel thin-walled structures in building sector
	For 10 years, increase of share of construction based on light steel thin-walled structures technologies in the total volume of construction works in Russia reaches 2% per year
4.	Presence of prerequisites for further increase of share of construction based on light steel thin-walled structures technologies due to lower cost of projects, short terms of construction of contractions and due to all-season construction
5.	Pay-back of the project is estimated at a level of no more than 18 months
6.	Investment efficiency of the project is estimated at a level above the average NPV - 425 mln. roubles.

ANNEXES

CASH FLOW STATEMENT

(in thousands rub.)

CASH FLOW STATEMENT	Jul-2017	Aug-2017	Sep-2017	Oct-2017	Nov-2017	Dec-2017	Jan-2018	Feb-2018	Mar-2018	Apr-2018	May-2018	Jun-2018	Jul-2018	Aug-2018	Sep-2018	Oct-2018	Nov-2018	Dec-2018
Cash receipts from clients	0	0	0	4,140	8,280	12,420	16,808	21,321	25,958	31,081	36,432	42,011	47,817	53,168	58,622	63,508	68,393	68,393
Cash paid to suppliers	0	0	0	-3,121	-6,242	-9,364	-12,485	-15,606	-18,727	-21,848	-24,970	-28,091	-31,212	-34,333	-37,454	-40,576	-43,697	-43,697
Other variable costs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash paid to employees	0	0	0	-444	-487	-531	-574	-620	-668	-717	-774	-834	-898	-965	-1,028	-1,093	-1,147	-1,201
Total	0	0	0	-460	-520	-580	-640	-700	-760	-820	-880	-940	-1,000	-1,060	-1,120	-1,180	-1,240	-1,240
Taxes paid	0	0	0	0	-689	-568	-634	-961	-1,263	-1,611	-2,001	-2,431	-2,902	-4,677	-6,878	-7,463	-8,040	-8,059
Interest paid	0	0	0	0	0	-200	-1,027	-200	-188	-173	-153	-130	-100	-70	-40	-8	0	0
Cash flows from operating activities	0	0	0	115	341	1,178	1,449	3,233	4,352	5,913	7,656	9,585	11,705	12,063	12,102	13,188	14,269	14,196
Purchases of property and plant	-6,000	-6,000	-8,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Purchases of equipment and other assets	-23,350	-24,975	-11,675	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash flows from investing activities	-29,350	-30,975	-19,675	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loans issued	29,850	30 975	19,175	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loans repaid	0	0	0	0	0	0	0	0	-5,000	-6,000	-8,000	-9,000	-12,000	-12,000	-12,000	-13,000	-3,000	0
Cash flows from financing activities	29,850	30,975	19,175	0	0	0	0	0	-5,000	-6,000	-8,000	-9,000	-12,000	-12,000	-12,000	-13,000	-3,000	0
Total cash flows for the period	500	0	-500	115	341	1,178	1,449	3,233	-648	-87	-344	585	-295	63	102	188	11,269	14,196
Cash at the beginning of period	0	500	500	0	115	456	1,633	3,082	6,315	5,667	5,580	5,236	5,821	5,526	5,589	5,691	5,879	17,148
Cash at the end of the period	500	500	0	115	456	1,633	3,082	6,315	5,667	5,580	5,236	5,821	5,526	5,589	5,691	5,879	17,148	31,344

CASH FLOW STATEMENT	Jan-2019	Feb-2019	Mar-2019	Apr-2019	May-2019	Jun-2019	Jul-2019	Aug-2019	Sep-2019	Oct-2019	Nov-2019	Dec-2019
Cash receipts from clients	68,393	68,393	68,393	68,393	68,393	68,393	68,393	68,393	68,393	69,761	71,156	72,579
Cash paid to suppliers	-43,697	-43,697	-43,697	-43,697	-43,697	-43,697	-43,697	-43,697	-43,697	-43,697	-43,697	-43,697
Other variable costs	0	0	0	0	0	0	0	0	0	0	0	0
Cash paid to employees	-1,201	-1,201	-1,201	-1,201	-1,201	-1,201	-1,201	-1,201	-1,201	-1,201	-1,216	-1,232
Total	-1,240	-1,240	-1,240	-1,240	-1,240	-1,240	-1,240	-1,240	-1,240	-1,240	-1,240	-1,240
Taxes paid	-8,058	-8,057	-8,056	-8,055	-8,054	-8,053	-8,052	-8,051	-8,050	-8,490	-8,944	-9,407
Interest paid	0	0	0	0	0	0	0	0	0	0	0	0
Cash flows from operating activities	14,197	14,198	14,199	14,200	14,201	14,202	14,203	14,203	14,204	15,133	16,059	17,004
Purchases of property and plant	0	0	0	0	0	0	0	0	0	0	0	0
Purchases of equipment and other assets	0	0	0	0	0	0	0	0	0	0	0	0
Cash flows from investing activities	0	0	0	0	0	0	0	0	0	0	0	0
Loans issued	0	0	0	0	0	0	0	0	0	0	0	0
Loans repaid	0	0	0	0	0	0	0	0	0	0	0	0
Cash flows from financing activities	0	0	0	0	0	0	0	0	0	0	0	0
Total cash flows for the period	14,197	14,198	14,199	14,200	14,201	14,202	14,203	14,203	14,204	15,133	16,059	17,004
Cash at the beginning of period	31,344	45,541	59,739	73,937	88,137	102,338	116,539	130,742	144,945	159,150	174,282	190,341
Cash at the end of the period	45,541	59,739	73,937	88,137	102,338	116,539	130,742	144,945	159,150	174,282	190,341	207,345

CASH FLOW STATEMENT	Jan-2020	Feb-2020	Mar-2020	Apr-2020	May-2020	Jun-2020	Jul-2020	Aug-2020	Sep-2020	Oct-2020	Nov-2020	Dec-2020
Cash receipts from clients	74,031	75,331	75,331	75,331	75,331	75,331	75,331	75,331	75,331	75,331	75,331	75,331
Cash paid to suppliers	-43,697	-43,697	-43,697	-43,697	-43,697	-43,697	-43,697	-43,697	-43,697	-43,697	-43,697	-43,697
Other variable costs	0	0	0	0	0	0	0	0	0	0	0	0
Cash paid to employees	-1,248	-1,264	-1,278	-1,278	-1,278	-1,278	-1,278	-1,278	-1,278	-1,278	-1,278	-1,278
Total	-1,240	-1,240	-1,240	-1,240	-1,240	-1,240	-1,240	-1,240	-1,240	-1,240	-1,240	-1,240
Taxes paid	-9,879	-10,313	-10,318	-10,317	-10,316	-10,315	-10,314	-10,313	-10,312	-10,311	-10,311	-10,310
Interest paid	0	0	0	0	0	0	0	0	0	0	0	0
Cash flows from operating activities	17,967	18,818	18,799	18,800	18,801	18,801	18,802	18,803	18,804	18,805	18,806	18,807
Purchases of property and plant	0	0	0	0	0	0	0	0	0	0	0	0
Purchases of equipment and other assets	0	0	0	0	0	0	0	0	0	0	0	0
Cash flows from investing activities	0	0	0	0	0	0	0	0	0	0	0	0
Loans issued	0	0	0	0	0	0	0	0	0	0	0	0
Loans repaid	0	0	0	0	0	0	0	0	0	0	0	0
Cash flows from financing activities	0	0	0	0	0	0	0	0	0	0	0	0
Total cash flows for the period	17,967	18,818	18,799	18,800	18,801	18,801	18,802	18,803	18,804	18,805	18,806	18,807
Cash at the beginning of period	207,345	225,312	244,130	262,928	281,728	300,528	319,330	338,132	356,935	375,739	394,544	413,350
Cash at the end of the period	225,312	244,130	262,928	281,728	300,528	319,330	338,132	356,935	375,739	394,544	413,350	432,157

CASH FLOW STATEMENT	Jan-2021	Feb-2021	Mar-2021	Apr-2021	May-2021	Jun-2021	Jul-2021	Aug-2021	Sep-2021	Oct-2021	Nov-2021	Dec-2021
Cash receipts from clients	75,331	75,331	75,331	75,331	75,331	75,331	75,331	75,331	75,331	75,331	75,331	75,331
Cash paid to suppliers	-43,697	-43,697	-43,697	-43,697	-43,697	-43,697	-43,697	-43,697	-43,697	-43,697	-43,697	-43,697
Other variable costs	0	0	0	0	0	0	0	0	0	0	0	0
Cash paid to employees	-1,278	-1,278	-1,278	-1,278	-1,278	-1,278	-1,278	-1,278	-1,278	-1,278	-1,278	-1,278
Total	-1,240	-1,240	-1,240	-1,240	-1,240	-1,240	-1,240	-1,240	-1,240	-1,240	-1,240	-1,240
Taxes paid	-10,309	-10,308	-10,307	-10,306	-10,305	-10,304	-10,303	-10,303	-10,302	-10,301	-10,300	-10,299
Interest paid	0	0	0	0	0	0	0	0	0	0	0	0
Cash flows from operating activities	18,808	18,808	18,809	18,810	18,811	18,812	18,813	18,814	18,815	18,815	18,816	18,817
Purchases of property and plant	0	0	0	0	0	0	0	0	0	0	0	0
Purchases of equipment and other assets	0	0	0	0	0	0	0	0	0	0	0	0
Cash flows from investing activities	0	0	0	0	0	0	0	0	0	0	0	0
Loans issued	0	0	0	0	0	0	0	0	0	0	0	0
Loans repaid	0	0	0	0	0	0	0	0	0	0	0	0
Cash flows from financing activities	0	0	0	0	0	0	0	0	0	0	0	0
Total cash flows for the period	18,808	18,808	18,809	18,810	18,811	18,812	18,813	18,814	18,815	18,815	18,816	18,817
Cash at the beginning of period	432,157	450,964	469,773	488,582	507,392	526,203	545,015	563,828	582,642	601,456	620,272	639,088
Cash at the end of the period	450,964	469,773	488,582	507,392	526,203	545,015	563,828	582,642	601,456	620,272	639,088	657,905

CASH FLOW STATEMENT	Jan-2022	Feb-2022	Mar-2022	Apr-2022	May-2022	Jun-2022	Jul-2022	Aug-2022	Sep-2022		TOTAL
Cash receipts from clients	75,331	75,331	75,331	75,331	75,331	75,331	75,331	75,331	75,331		3,872,011
Cash paid to suppliers	-43,697	-43,697	-43,697	-43,697	-43,697	-43,697	-43,697	-43,697	-43,697		-2,337,779
Other variable costs	0	0	0	0	0	0	0	0	0		0
Cash paid to employees	-1,278	-1,278	-1,278	-1,278	-1,278	-1,278	-1,278	-1,278	-1,278		-68,573
Total	-1,240	-1,240	-1,240	-1,240	-1,240	-1,240	-1,240	-1,240	-1,240		-68,940
Taxes paid	-10,298	-10,297	-10,296	-10,296	-10,295	-10,294	-10,293	-10,292	-10,291		-487,132
Interest paid	0	0	0	0	0	0	0	0	0		-2,287
Cash flows from operating activities	18,818	18,819	18,820	18,821	18,822	18,823	18,823	18,824	18,825		907,300
Purchases of property and plant	0	0	0	0	0	0	0	0	0		-20,000
Purchases of equipment and other assets	0	0	0	0	0	0	0	0	0		-60,000
Cash flows from investing activities	0	0	0	0	0	0	0	0	0		-80,000
Loans issued	0	0	0	0	0	0	0	0	0		80,000
Loans repaid	0	0	0	0	0	0	0	0	0		-80,000
Cash flows from financing activities	0	0	0	0	0	0	0	0	0		0
Total cash flows for the period	18,818	18,819	18,820	18,821	18,822	18,823	18,823	18,824	18,825		827,300
Cash at the beginning of period	657,905	676,723	695,542	714,362	733,183	752,005	770,827	789,651	808,475		
Cash at the end of the period	676,723	695,542	714,362	733,183	752,005	770,827	789,651	808,475	827,300		

PROFIT AND LOSS STATEMENT

(in thousand rub.)

PROFIT AND LOSS STATEMENT	Jul-2017	Aug-2017	Sep-2017	Oct-2017	Nov-2017	Dec-2017	Jan-2018	Feb-2018	Mar-2018	Apr-2018	May-2018	Jun-2018	Jul-2018	Aug-2018	Sep-2018	Oct-2018	Nov-2018	Dec-2018
Revenues (net)	0	0	0	3,508	7,017	10,525	14,244	18,069	21,998	26,340	30,875	35,602	40,523	45,058	49,680	53,820	57,960	57,960
Cost of goods sold	0	0	0	3,353	6,122	8,961	11,730	15,083	17,857	20,633	23,422	26,215	29,013	31,816	34,613	37,413	40,197	40,276
including																		
Raw materials and materials	0	0	0	2,645	5,290	7,935	10,580	13,225	15,871	18,516	21,161	23,806	26,451	29,096	31,741	34,386	37,031	37,031
Other variable costs	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Expenses for production staff	0	0	0	648	712	775	839	906	975	1,046	1,129	1,218	1,311	1,408	1,501	1,596	1,675	1,754
Lease payment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other production expenses	0	0	0	60	120	180	240	300	360	420	480	540	600	660	720	780	840	840
Depreciation, depletion and amortization	0	0	0	0	0	71	71	651	651	651	651	651	651	651	651	651	651	651
Gross profit (loss)q	0	0	0	155	895	1,564	2,515	2,986	4,141	5,707	7,453	9,387	11,510	13,242	15,067	16,407	17,763	17,684
Expenses for administrative and selling staff	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Administrative expenses	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Selling expenses	0	0	0	339	339	339	339	339	339	339	339	339	339	339	339	339	339	339
Interests	75	152	200	200	200	200	200	200	188	173	153	130	100	70	40	8	0	0
Profit/loss from building activities	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Taxes, excl. income tax	0	0	0	0	0	15	31	78	124	123	122	121	120	119	117	116	115	114
Profit (loss) from operating activities	-75	-152	-200	-384	356	1,010	1,945	2,369	3,490	5,072	6,839	8,798	10,951	12,714	14,571	15,944	17,309	17,231
Profit (loss) from sale of fixed assets	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Exchange gains (losses)	75	152	200	200	200	0	-827	0	0	0	0	0	0	0	0	0	0	0
Other gains	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Profit (loss) before income tax	0	0	0	-184	556	1,010	1,118	2,369	3,490	5,072	6,839	8,798	10,951	12,714	14,571	15,944	17,309	17,231
Income tax expense	0	0	0	0	74	202	224	474	698	1,014	1,368	1,760	2,190	2,543	2,914	3,189	3,462	3,446
Net profit (loss)	0	0	0	-184	482	808	894	1,895	2,792	4,058	5,472	7,038	8,761	10,171	11,656	12,755	13,847	13,785

PROFIT AND LOSS STATEMENT	Jan-2019	Feb-2019	Mar-2019	Apr-2019	May-2019	Jun-2019	Jul-2019	Aug-2019	Sep-2019	Oct-2019	Nov-2019	Dec-2019
Revenues (net)	57,960	57,960	57,960	57,960	57,960	57,960	57,960	57,960	57,960	59,119	60,302	61,508
Cost of goods sold	40,276	40,276	40,276	40,276	40,276	40,276	40,276	40,276	40,276	40,276	40,299	40,321
including												
Raw materials and materials	37,031	37,031	37,031	37,031	37,031	37,031	37,031	37,031	37,031	37,031	37,031	37,031
Other variable costs	0	0	0	0	0	0	0	0	0	0	0	0
Expenses for production staff	1,754	1,754	1,754	1,754	1,754	1,754	1,754	1,754	1,754	1,754	1,776	1,798
Lease payment	0	0	0	0	0	0	0	0	0	0	0	0
Other production expenses	840	840	840	840	840	840	840	840	840	840	840	840
Depreciation, depletion and amortization	651	651	651	651	651	651	651	651	651	651	651	651
Gross profit (loss)q	17,684	17,684	17,684	17,684	17,684	17,684	17,684	17,684	17,684	18,843	20,003	21,187
Expenses for administrative and selling staff	0	0	0	0	0	0	0	0	0	0	0	0
Administrative expenses	0	0	0	0	0	0	0	0	0	0	0	0
Selling expenses	339	339	339	339	339	339	339	339	339	339	339	339
Interests	0	0	0	0	0	0	0	0	0	0	0	0
Profit/loss from building activities	0	0	0	0	0	0	0	0	0	0	0	0
Taxes, excl. income tax	113	111	110	109	108	107	105	104	103	102	101	99
Profit (loss) from operating activities	17,232	17,233	17,234	17,236	17,237	17,238	17,239	17,240	17,242	18,402	19,563	20,748
Profit (loss) from sale of fixed assets	0	0	0	0	0	0	0	0	0	0	0	0
Exchange gains (losses)	0	0	0	0	0	0	0	0	0	0	0	0
Other gains	0	0	0	0	0	0	0	0	0	0	0	0
Other expense	0	0	0	0	0	0	0	0	0	0	0	0
Profit (loss) before income tax	17,232	17,233	17,234	17,236	17,237	17,238	17,239	17,240	17,242	18,402	19,563	20,748
Income tax expense	3,446	3,447	3,447	3,447	3,447	3,448	3,448	3,448	3,448	3,680	3,913	4,150
Net profit (loss)	13,786	13,787	13,788	13,789	13,789	13,790	13,791	13,792	13,793	14,722	15,651	16,599

PROFIT AND LOSS STATEMENT	Jan-2020	Feb-2020	Mar-2020	Apr-2020	May-2020	Jun-2020	Jul-2020	Aug-2020	Sep-2020	Oct-2020	Nov-2020	Dec-2020
Revenues (net)	62,738	63,840	63,840	63,840	63,840	63,840	63,840	63,840	63,840	63,840	63,840	63,840
Cost of goods sold	40,344	40,316	40,337	40,337	40,337	40,337	40,337	40,337	40,337	40,337	40,337	40,337
including												
Raw materials and materials	37,031	37,031	37,031	37,031	37,031	37,031	37,031	37,031	37,031	37,031	37,031	37,031
Other variable costs	0	0	0	0	0	0	0	0	0	0	0	0
Expenses for production staff	1,821	1,845	1,866	1,866	1,866	1,866	1,866	1,866	1,866	1,866	1,866	1,866
Lease payment	0	0	0	0	0	0	0	0	0	0	0	0
Other production expenses	840	840	840	840	840	840	840	840	840	840	840	840
Depreciation, depletion and amortization	651	600	600	600	600	600	600	600	600	600	600	600
Gross profit (loss)q	22,394	23,524	23,503	23,503	23,503	23,503	23,503	23,503	23,503	23,503	23,503	23,503
Expenses for administrative and selling staff	0	0	0	0	0	0	0	0	0	0	0	0
Administrative expenses	0	0	0	0	0	0	0	0	0	0	0	0
Selling expenses	339	339	339	339	339	339	339	339	339	339	339	339
Interests	0	0	0	0	0	0	0	0	0	0	0	0
Profit/loss from building activities	0	0	0	0	0	0	0	0	0	0	0	0
Taxes, excl. income tax	98	97	96	95	94	93	92	90	89	88	87	86
Profit (loss) from operating activities	21,956	23,088	23,068	23,069	23,070	23,071	23,072	23,073	23,074	23,075	23,076	23,077
Profit (loss) from sale of fixed assets	0	0	0	0	0	0	0	0	0	0	0	0
Exchange gains (losses)	0	0	0	0	0	0	0	0	0	0	0	0
Other gains	0	0	0	0	0	0	0	0	0	0	0	0
Other expense	0	0	0	0	0	0	0	0	0	0	0	0
Profit (loss) before income tax	21,956	23,088	23,068	23,069	23,070	23,071	23,072	23,073	23,074	23,075	23,076	23,077
Income tax expense	4,391	4,618	4,614	4,614	4,614	4,614	4,614	4,615	4,615	4,615	4,615	4,615
Net profit (loss)	17,565	18,470	18,454	18,455	18,456	18,457	18,458	18,458	18,459	18,460	18,461	18,462

PROFIT AND LOSS STATEMENT	Jan-2020	Feb-2020	Mar-2020	Apr-2020	May-2020	Jun-2020	Jul-2020	Aug-2020	Sep-2020	Oct-2020	Nov-2020	Dec-2020
Revenues (net)	62,738	63,840	63,840	63,840	63,840	63,840	63,840	63,840	63,840	63,840	63,840	63,840
Cost of goods sold	40,344	40,316	40,337	40,337	40,337	40,337	40,337	40,337	40,337	40,337	40,337	40,337
including												
Raw materials and materials	37,031	37,031	37,031	37,031	37,031	37,031	37,031	37,031	37,031	37,031	37,031	37,031
Other variable costs	0	0	0	0	0	0	0	0	0	0	0	0
Expenses for production staff	1,821	1,845	1,866	1,866	1,866	1,866	1,866	1,866	1,866	1,866	1,866	1,866
Lease payment	0	0	0	0	0	0	0	0	0	0	0	0
Other production expenses	840	840	840	840	840	840	840	840	840	840	840	840
Depreciation, depletion and amortization	651	600	600	600	600	600	600	600	600	600	600	600
Gross profit (loss)q	22,394	23,524	23,503	23,503	23,503	23,503	23,503	23,503	23,503	23,503	23,503	23,503
Expenses for administrative and selling staff	0	0	0	0	0	0	0	0	0	0	0	0
Administrative expenses	0	0	0	0	0	0	0	0	0	0	0	0
Selling expenses	339	339	339	339	339	339	339	339	339	339	339	339
Interests	0	0	0	0	0	0	0	0	0	0	0	0
Profit/loss from building activities	0	0	0	0	0	0	0	0	0	0	0	0
Taxes, excl. income tax	98	97	96	95	94	93	92	90	89	88	87	86
Profit (loss) from operating activities	21,956	23,088	23,068	23,069	23,070	23,071	23,072	23,073	23,074	23,075	23,076	23,077
Profit (loss) from sale of fixed assets	0	0	0	0	0	0	0	0	0	0	0	0
Exchange gains (losses)	0	0	0	0	0	0	0	0	0	0	0	0
Other gains	0	0	0	0	0	0	0	0	0	0	0	0
Other expense	0	0	0	0	0	0	0	0	0	0	0	0
Profit (loss) before income tax	21,956	23,088	23,068	23,069	23,070	23,071	23,072	23,073	23,074	23,075	23,076	23,077
Income tax expense	4,391	4,618	4,614	4,614	4,614	4,614	4,614	4,615	4,615	4,615	4,615	4,615
Net profit (loss)	17,565	18,470	18,454	18,455	18,456	18,457	18,458	18,458	18,459	18,460	18,461	18,462

PROFIT AND LOSS STATEMENT	Jan-2020	Feb-2020	Mar-2020	Apr-2020	May-2020	Jun-2020	Jul-2020	Aug-2020	Sep-2020	Oct-2020	Nov-2020	Dec-2020
Revenues (net)	62,738	63,840	63,840	63,840	63,840	63,840	63,840	63,840	63,840	63,840	63,840	63,840
Cost of goods sold	40,344	40,316	40,337	40,337	40,337	40,337	40,337	40,337	40,337	40,337	40,337	40,337
including												
Raw materials and materials	37,031	37,031	37,031	37,031	37,031	37,031	37,031	37,031	37,031	37,031	37,031	37,031
Other variable costs	0	0	0	0	0	0	0	0	0	0	0	0
Expenses for production staff	1,821	1,845	1,866	1,866	1,866	1,866	1,866	1,866	1,866	1,866	1,866	1,866
Lease payment	0	0	0	0	0	0	0	0	0	0	0	0
Other production expenses	840	840	840	840	840	840	840	840	840	840	840	840
Depreciation, depletion and amortization	651	600	600	600	600	600	600	600	600	600	600	600
Gross profit (loss)q	22,394	23,524	23,503	23,503	23,503	23,503	23,503	23,503	23,503	23,503	23,503	23,503
Expenses for administrative and selling staff	0	0	0	0	0	0	0	0	0	0	0	0
Administrative expenses	0	0	0	0	0	0	0	0	0	0	0	0
Selling expenses	339	339	339	339	339	339	339	339	339	339	339	339
Interests	0	0	0	0	0	0	0	0	0	0	0	0
Profit/loss from building activities	0	0	0	0	0	0	0	0	0	0	0	0
Taxes, excl. income tax	98	97	96	95	94	93	92	90	89	88	87	86
Profit (loss) from operating activities	21,956	23,088	23,068	23,069	23,070	23,071	23,072	23,073	23,074	23,075	23,076	23,077
Profit (loss) from sale of fixed assets	0	0	0	0	0	0	0	0	0	0	0	0
Exchange gains (losses)	0	0	0	0	0	0	0	0	0	0	0	0
Other gains	0	0	0	0	0	0	0	0	0	0	0	0
Other expense	0	0	0	0	0	0	0	0	0	0	0	0
Profit (loss) before income tax	21,956	23,088	23,068	23,069	23,070	23,071	23,072	23,073	23,074	23,075	23,076	23,077
Income tax expense	4,391	4,618	4,614	4,614	4,614	4,614	4,614	4,615	4,615	4,615	4,615	4,615
Net profit (loss)	17,565	18,470	18,454	18,455	18,456	18,457	18,458	18,458	18,459	18,460	18,461	18,462

PROFIT AND LOSS STATEMENT	Jan-2022	Feb-2022	Mar-2022	Apr-2022	May-2022	Jun-2022	Jul-2022	Aug-2022	Sep-2022	TOTAL
Revenues (net)	63,840	63,840	63,840	63,840	63,840	63,840	63,840	63,840	63,840	3,281,365
Cost of goods sold	40,337	40,337	40,337	40,337	40,337	40,337	40,337	40,337	40,337	2,161,209
including										
Raw materials and materials	37,031	37,031	37,031	37,031	37,031	37,031	37,031	37,031	37,031	1,981,168
Other variable costs	1,866	1,866	1,866	1,866	1,866	1,866	1,866	1,866	1,866	100,117
Expenses for production staff	0	0	0	0	0	0	0	0	0	0
Lease payment	840	840	840	840	840	840	840	840	840	44,940
Other production expenses	600	600	600	600	600	600	600	600	600	34,984
Depreciation, depletion and amortization	23,503	23,503	23,503	23,503	23,503	23,503	23,503	23,503	23,503	1,120,156
Gross profit (loss)q	0	0	0	0	0	0	0	0	0	0
Expenses for administrative and selling staff	0	0	0	0	0	0	0	0	0	0
Administrative expenses	339	339	339	339	339	339	339	339	339	20,339
Selling expenses	0	0	0	0	0	0	0	0	0	2,287
Interests	0	0	0	0	0	0	0	0	0	0
Profit/loss from building activities	72	71	70	68	67	66	65	64	63	5,246
Taxes, excl. income tax	23,092	23,093	23,094	23,095	23,096	23,097	23,098	23,100	23,101	1,092,285
Profit (loss) from operating activities	0	0	0	0	0	0	0	0	0	0
Profit (loss) from sale of fixed assets	0	0	0	0	0	0	0	0	0	0
Exchange gains (losses)	0	0	0	0	0	0	0	0	0	0
Other gains	0	0	0	0	0	0	0	0	0	0
Other expense	23,092	23,093	23,094	23,095	23,096	23,097	23,098	23,100	23,101	1 092 284
Profit (loss) before income tax	4,618	4,619	4,619	4,619	4,619	4,619	4,620	4,620	4,620	218 457
Income tax expense	18,473	18,474	18,475	18,476	18,477	18,478	18,479	18,480	18,480	873 827
Net profit (loss)										

BALANCE SHEET

(in thousands rub.)

BALANCE SHEET	Jul-2017	Aug-2017	Sep-2017	Oct-2017	Nov-2017	Dec-2017	Jan-2018	Feb-2018	Mar-2018	Apr-2018	May-2018	Jun-2018	Jul-2018	Aug-2018	Sep-2018	Oct-2018	Nov-2018	Dec-2018
Cash and cash equivalents	500	500	0	115	456	1,633	3,082	6,315	5,667	5,580	5,236	5,821	5,526	5,589	5,691	5,879	17,148	31,344
Accounts receivable	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
VAT on purchased items	4,477	9,202	12,203	12,109	11,859	11,454	10,855	10,045	9,820	8,951	7,794	6,315	4,479	7 753	13,724	15,051	16,382	16,628
Prepaid expenses	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other current assets	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total current assets	4,977	9,702	12,203	12,224	12,315	13,087	13,937	16,360	14,670	13,235	11,204	9,726	6,959	5,589	5,691	5,879	17,148	31,344
Non-current assets	0	0	0	0	0	16,879	16,808	68,231	67,579	66,928	66,276	65,625	64,974	64,322	63,671	63,020	62 368	61,717
land plots	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
buildings and structures	0	0	0	0	0	16,879	16,808	16,737	16,667	16,596	16,525	16,455	16,384	16,314	16,243	16,172	16,102	16,031
Equipment and other assets	0	0	0	0	0	0	0	51,493	50,913	50,332	49,751	49,170	48,590	48,009	47,428	46,847	46,266	45,686
Unfinished investments	24,948	51,350	68,223	68,423	68,623	51,874	52,074	0	0	0	0	0	0	0	0	0	0	0
Total non-current assets	24,948	51,350	68,223	68,423	68,623	68,753	68,882	68,231	67,579	66,928	66,276	65,625	64,974	64,322	63,671	63,020	62,368	61,717
= TOTAL ASSETS	29,850	60,825	80,000	80,020	80,596	81,598	82,581	84,888	83,066	81,459	79,307	77,760	74,978	77,665	83,086	83,950	95,898	109,689
Accounts payable	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Calculations with budget	0	0	0	204	299	493	580	993	1,379	1,714	2,090	2,506	2,962	7,478	13,243	14,351	15,453	15,458
Total short-term liabilities	0	0	0	204	299	493	580	993	1,379	1,714	2,090	2,506	2,962	7,478	13,243	14,351	15,453	15,458
Long-term liabilities	29,850	60,825	80,000	80,000	80,000	80,000	80,000	80,000	75,000	69,000	61,000	52,000	40,000	28,000	16,000	3,000	0	0
Borrowings	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Retained earnings	0	0	0	-184	298	1,106	2,000	3,895	6,687	10,745	16,217	23,255	32,016	42,187	53,844	66,599	80,446	94,230
Total net worth	0	0	0	-184	298	1,106	2,000	3,895	6,687	10,745	16,217	23,255	32,016	42,187	53,844	66,599	80,446	94,230
= TOTAL LIABILITIES	29,850	60,825	80,000	80,020	80,596	81,598	82,581	84,888	83,066	81,459	79,307	77,760	74,978	77,665	83,086	83,950	95,898	109,689

BALANCE SHEET	Jan-2019	Feb-2019	Mar-2019	Apr-2019	May-2019	Jun-2019	Jul-2019	Aug-2019	Sep-2019	Oct-2019	Nov-2019	Dec-2019
Cash and cash equivalents	45,541	59,739	73,937	88,137	102,338	116,539	130,742	144,945	159,150	174,282	190,341	207,345
Accounts receivable	0	0	0	0	0	0	0	0	0	0	0	0
VAT on purchased items	16,865	17,102	17,339	17,576	17,813	18,049	18,286	18,523	18,760	19,855	20,972	22,110
Prepaid expenses	0	0	0	0	0	0	0	0	0	0	0	0
Other current assets	0	0	0	0	0	0	0	0	0	0	0	0
Total current assets	45,541	59,739	73,937	88,137	102,338	116,539	130,742	144,945	159,150	174,282	190,341	207,345
Non-current assets	61,065	60,414	59,763	59,111	58,460	57,808	57,157	56,506	55,854	55,203	54,551	53,900
land plots	0	0	0	0	0	0	0	0	0	0	0	0
buildings and structures	15,960	15,890	15,819	15,749	15,678	15,607	15,537	15,466	15,395	15,325	15,254	15,184
Equipment and other assets	45,105	44,524	43,943	43,363	42,782	42,201	41,620	41,039	40,459	39,878	39,297	38,716
Unfinished investments	0	0	0	0	0	0	0	0	0	0	0	0
Total non-current assets	61,065	60,414	59,763	59,111	58,460	57,808	57,157	56,506	55,854	55,203	54,551	53,900
= TOTAL ASSETS	123,471	137,254	151,039	164,824	178,610	192,397	206,185	219,974	233,764	249,340	265,865	283,355
Accounts payable	0	0	0	0	0	0	0	0	0	0	0	0
Calculations with budget	15,455	15,452	15,448	15,445	15,442	15,438	15,435	15,432	15,428	16,283	17,157	18,049
Total short-term liabilities	15,455	15,452	15,448	15,445	15,442	15,438	15,435	15,432	15,428	16,283	17,157	18,049
Long-term liabilities	0	0	0	0	0	0	0	0	0	0	0	0
Borrowings	0	0	0	0	0	0	0	0	0	0	0	0
Retained earnings	108,016	121,803	135,590	149,379	163,168	176,959	190,750	204,542	218,336	233,057	248,708	265,307
Total net worth	108,016	121,803	135,590	149,379	163,168	176,959	190,750	204,542	218,336	233,057	248,708	265,307
= TOTAL LIABILITIES	123,471	137,254	151,039	164,824	178,610	192,397	206,185	219,974	233,764	249,340	265,865	283,355

BALANCE SHEET	Jan-2020	Feb-2020	Mar-2020	Apr-2020	May-2020	Jun-2020	Jul-2020	Aug-2020	Sep-2020	Oct-2020	Nov-2020	Dec-2020
Cash and cash equivalents	225,312	244,130	262,928	281,728	300,528	319,330	338,132	356,935	375,739	394,544	413,350	432,157
Accounts receivable	0	0	0	0	0	0	0	0	0	0	0	0
VAT on purchased items	23,270	24,348	24,603	24,855	25,108	25,360	25,613	25,865	26,118	26,370	26,623	26,875
Prepaid expenses	0	0	0	0	0	0	0	0	0	0	0	0
Other current assets	0	0	0	0	0	0	0	0	0	0	0	0
Total current assets	225,312	244,130	262,928	281,728	300,528	319,330	338,132	356,935	375,739	394,544	413,350	432,157
Non-current assets	53,249	52,648	52,048	51,448	50,847	50,247	49,647	49,047	48,446	47,846	47,246	46,645
land plots	0	0	0	0	0	0	0	0	0	0	0	0
buildings and structures	15,113	15,042	14,972	14,901	14,831	14,760	14,689	14,619	14,548	14,477	14,407	14,336
Equipment and other assets	38,136	37,606	37,076	36,547	36,017	35,487	34,958	34,428	33,898	33,369	32,839	32,309
Unfinished investments	0	0	0	0	0	0	0	0	0	0	0	0
Total non-current assets	53,249	52,648	52,048	51,448	50,847	50,247	49,647	49,047	48,446	47,846	47,246	46,645
= TOTAL ASSETS	301,830	321,125	339,579	358,031	376,483	394,937	413,392	431,847	450,303	468,760	487,218	505,677
Accounts payable	0	0	0	0	0	0	0	0	0	0	0	0
Calculations with budget	18,958	19,784	19,783	19,780	19,777	19,774	19,771	19,768	19,765	19,761	19,758	19,755
Total short-term liabilities	18,958	19,784	19,783	19,780	19,777	19,774	19,771	19,768	19,765	19,761	19,758	19,755
Long-term liabilities	0	0	0	0	0	0	0	0	0	0	0	0
Borrowings	0	0	0	0	0	0	0	0	0	0	0	0
Retained earnings	282,872	301,342	319,796	338,251	356,707	375,163	393,621	412,079	430,539	448,999	467,460	485,922
Total net worth	282,872	301,342	319,796	338,251	356,707	375,163	393,621	412,079	430,539	448,999	467,460	485,922
= TOTAL LIABILITIES	301,830	321,125	339,579	358,031	376,483	394,937	413,392	431,847	450,303	468,760	487,218	505,677

BALANCE SHEET	Jan-2021	Feb-2021	Mar-2021	Apr-2021	May-2021	Jun-2021	Jul-2021	Aug-2021	Sep-2021	Oct-2021	Nov-2021	Dec-2021
Cash and cash equivalents	450,964	469,773	488,582	507,392	526,203	545,015	563,828	582,642	601,456	620,272	639,088	657,905
Accounts receivable	0	0	0	0	0	0	0	0	0	0	0	0
VAT on purchased items	27,128	27,380	27,633	27,885	28,138	28,391	28,643	28,896	29,148	29,401	29,653	29,906
Prepaid expenses	0	0	0	0	0	0	0	0	0	0	0	0
Other current assets	0	0	0	0	0	0	0	0	0	0	0	0
Total current assets	450,964	469,773	488,582	507,392	526,203	545,015	563,828	582,642	601,456	620,272	639,088	657,905
Non-current assets	46,045	45,445	44,845	44,244	43,644	43,044	42,444	41,843	41,243	40,643	40,042	39,442
land plots	0	0	0	0	0	0	0	0	0	0	0	0
buildings and structures	14,266	14,195	14,124	14,054	13,983	13,912	13,842	13,771	13,701	13,630	13,559	13,489
Equipment and other assets	31,780	31,250	30,720	30,191	29,661	29,131	28,602	28,072	27,542	27,013	26,483	25,953
Unfinished investments	0	0	0	0	0	0	0	0	0	0	0	0
Total non-current assets	46,045	45,445	44,845	44,244	43,644	43,044	42,444	41,843	41,243	40,643	40,042	39,442
= TOTAL ASSETS	524,137	542,598	561,059	579,522	597,985	616,449	634,914	653,380	671,847	690,315	708,784	727,253
Accounts payable	0	0	0	0	0	0	0	0	0	0	0	0
Calculations with budget	19,752	19,749	19,746	19,743	19,740	19,737	19,734	19,731	19,728	19,725	19,721	19,718
Total short-term liabilities	19,752	19,749	19,746	19,743	19,740	19,737	19,734	19,731	19,728	19,725	19,721	19,718
Long-term liabilities	0	0	0	0	0	0	0	0	0	0	0	0
Borrowings	0	0	0	0	0	0	0	0	0	0	0	0
Retained earnings	504,385	522,849	541,313	559,779	578,245	596,713	615,181	633,650	652,120	670,591	689,062	707,535
Total net worth	504,385	522,849	541,313	559,779	578,245	596,713	615,181	633,650	652,120	670,591	689,062	707,535
= TOTAL LIABILITIES	524,137	542,598	561,059	579,522	597,985	616,449	634,914	653,380	671,847	690,315	708,784	727,253

BALANCE SHEET	Jan-2022	Feb-2022	Mar-2022	Apr-2022	May-2022	Jun-2022	Jul-2022	Aug-2022	Sep-2022
Cash and cash equivalents	676,723	695,542	714,362	733,183	752,005	770,827	789,651	808,475	827,300
Accounts receivable	0	0	0	0	0	0	0	0	0
VAT on purchased items	30,158	30,411	30,663	30,916	31,168	31,421	31,673	31,926	32,179
Prepaid expenses	0	0	0	0	0	0	0	0	0
Other current assets	0	0	0	0	0	0	0	0	0
Total current assets	676,723	695,542	714,362	733 183	752,005	770,827	789,651	808,475	827,300
Non-current assets	38,842	38,242	37,641	37,041	36,441	35,840	35,240	34,640	34,040
land plots	0	0	0	0	0	0	0	0	0
buildings and structures	13,418	13,347	13,277	13,206	13,136	13,065	12,994	12,924	12,853
Equipment and other assets	25,424	24,894	24,364	23,835	23,305	22,775	22,246	21,716	21,186
Unfinished investments	0	0	0	0	0	0	0	0	0
Total non-current assets	38,842	38,242	37,641	37,041	36,441	35,840	35,240	34,640	34,040
= TOTAL ASSETS	745,723	764,195	782,667	801,140	819,614	838,088	856,564	875,041	893,518
Accounts payable	0	0	0	0	0	0	0	0	0
Calculations with budget	19,715	19,712	19,709	19,706	19,703	19,700	19,697	19,694	19,691
Total short-term liabilities	19,715	19,712	19,709	19,706	19,703	19,700	19,697	19,694	19,691
Long-term liabilities	0	0	0	0	0	0	0	0	0
Borrowings	0	0	0	0	0	0	0	0	0
Retained earnings	726,008	744,483	762,958	781,434	799,911	818,389	836,867	855,347	873,827
Total net worth	726,008	744,483	762,958	781,434	799,911	818,389	836,867	855,347	873,827
= TOTAL LIABILITIES	745,723	764,195	782,667	801,140	819,614	838,088	856,564	875,041	893,518