

IN-DEPTH REPORT

Group of companies “SAMPLE”

Group “SAMPLE” – wholesale trade in light engineering products

Integrated assessment
of Group activities

07.02.2018

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Goal of research

The goal of the detailed study on “SAMPLE” Group of companies is showing the potential of its business solvency. The evaluation is based on the information received from the Group, as well as on the information confirmed by the official sources.

For this purpose, the authorized representatives of IGK AG have undertaken the analysis of the extended list of document copies received from the management of the Group in order to study the additional guarantees.

The group is formed taking into account the types of activities, the specificity of the client base.

The list of companies is determined by the Group itself.

General information on the Group “SAMPLE”

The Group “SAMPLE” was established in 1997 in Sample. At present the main business activity of the Group is wholesale and retail trade in home lighting, lamps, components and light engineering products. The Group operates across the territory of the RF: in Sample, Moscow, Novosibirsk and Saint-Petersburg.

The composition of the Group “SAMPLE”

	Name / VAT number	Foundat ion	Shareholders	General director	Share capital, th RUB	Staff	Business line
1	AAAAA INTERNATIONAL LOGISTIC COMPANY, LLC VAT number 1234567890	2011	Mrs. Sample, Anastasiya Yuryevna (Russian Federation) – 100%	Mr Sample, Andrey Leonidovich (Russian Federation)	10	16	wholesale trade in lighting equipment; international trade operator
2	SAMPLE-DESIGN, LLC VAT number 1234567890	2004	Mr Sample, Aleksandr Yuryevich (Russian Federation) – 90%; Mrs. Sample, Tatyana Anatolyevna (Russian Federation) – 10%	Mr Sample, Aleksandr Yuryevich (Russian Federation)	10	6	small-scale wholesale and wholesale trade in lighting equipment
3	BBB-LOGISTIC, LLC VAT number 1234567890	2008	UK VM-CENTER, CJSC (Russian Federation) – 90%; Mrs. Sample, Tatyana Anatolyevna (Russian Federation) – 10%	Mrs. Sample, Tatyana Anatolyevna (Russian Federation)	17 777	1	renting and operating of own or leased real estate
4	CCCIMPORT, LLC VAT number 1234567890	2016	Mr. Sample, Aleksandr Yuryevich (Russian Federation) – 57%; Mr. Sample, Igor Aleksandrovich (Russian Federation) – 57%	Mr Sample, Andrey Leonidovich (Russian Federation)	100	2	wholesale trade in lighting equipment; international trade operator

The group is formed taking into account the types of activities.

The companies of the Group are interconnected by the shareholders and directors.

The leading company in the Group is SAMPLE-DESIGN, LLC specializing in wholesale trade in lighting equipment. AAAAA MLK, LLC was established as an international trade operator to carry out deliveries from China. The main purchases of goods under the Group’s own trade mark in China are being transferred to a newly established company, CCCIMPORT, LLC.

BBB-LOGISTIC, LLC is an assets holder in the Group and provides rental or operating services of own or leased real estate.

Report on AAAAA INTERNATIONAL LOGISTIC COMPANY, LLC

Report on AAAAA MLK, LLC. Analysis and evaluation



IDENTIFICATION AND REGISTRATION DATA ON THE COMPANY

Name	OBSHCHESTVO S OGRANICHENNOY OTVETSTVENNOSTYU "AAAAA MEZHDUNARODNAYA LOGISTICHESKAYA KOMPANIYA"	
IGK-number	111-111-111	
Name in English	AAAAA INTERNATIONAL LOGISTICS COMPANY, LTD	
Name in national language	ОБЩЕСТВО С ОГРАНИЧЕННОЙ ОТВЕТСТВЕННОСТЬЮ "AAAAA МЕЖДУНАРОДНАЯ ЛОГИСТИЧЕСКАЯ КОМПАНИЯ"	
Short name	AAAAA MLK, LLC	
Address	Shadrinskiy lane 16, flat 49, YSample, Sverdlovsk region, 620041, Russian Federation	
Legal address	Shadrinskiy lane 16, flat 49, YSample, Sverdlovsk region, 620041, Russian Federation	
Contacts		
Contacts	(+7 343) 216-71-95	
E-mail		
www	www.sample.ru	
Registration Data		
Date of registration	30.08.2011	
Date of registration	1234567890123	
Registr. authority	Ministry for Taxes and Duties (Russian Federation)	
VAT number	1234567890	
Registr. authority	Ministry for Taxes and Duties (Russian Federation)	
Statistics number	12345678	
Registr. authority	Ministry for Taxes and Duties (Russian Federation)	
Legal Form	ООО (Limited liability company by Russian Law)	since 30.08.2011
Share Capital	10 000 RUB (<i>registered</i>)	since 30.08.2011
Changes in registration data		
08.04.2016	shareholders	
30.07.2015	shareholders	
Shareholders / Beneficiaries of AAAAA MLK, LLC	Mrs Sample, Anastasiya Yuryevna (<i>Russian Federation</i>)	100%
Shareholders / Beneficiaries of AAAAA MLK, LLC	Director: Mr. Sample, Andrey Leonidovich (<i>Russian Federation</i>)	

BUSINESS CHARACTERISTICS

The specificity of Company's activities

AAAAA MLK LLC is engaged in wholesale trade in lighting equipment. The company is also an international trade operator specializing in supply of goods from China to Russia and the countries within the Customs Union. This company not only supplies the Group's own brand COLOSSEO, but provides supply services for third party clients. According to data furnished by the Group, in future the deliveries of COLOSSEO products will be carried out by CCCIMPORT, LLC.

According to the data provided, the company's export amounted to:

Period	Sum
31.12.2016 Report. period: 6 months.	6 051 645 RUB
30.06.2017 Report. period: 6 months.	9 748 104 RUB

The company delivered products to Belarus, Kazakhstan.

According to the State Customs Agency of the Russian Federation, the company's import amounted to:

Period	Sum
31.12.2015 Report. period: 12 months.	1 298 907 USD
31.12.2016 Report. period: 12 months.	1 505 910 USD
31.03.2017 Report. period: 3 months.	446 863 USD

The products were delivered from China.

INFORMATION ON STAFF EMPLOYED

Data on the number of employees

Year	Staff number
2015	16
2016	16
10.2017	16

The number of employees in AAAAA MLK, LLC remains stable during the last three years.

INFORMATION ON BANKS, ACCOUNTS, CREDITS

Bank details

ALFA-BANK, JSC (SAMPLE BRANCH)	account 12345678901234567890
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The company does not attract bank loans in order to conduct its activity.

INFORMATION ON ASSETS/PROPERTY

Immovable property

AAAAA MLK, LLC does not have own real estate and rents office and warehouse premises for its business. The floor space of the rented office and warehouse premises amounts to - 75 sq. m.

Leased premises / Leasing

Asset	Own/rented	Agreement No.	Floor space, sq. m.	Адрес
Office	rent	1-A/2015	25	Kislorodnaya street 8, Sample, 620041, Russian Federation
Warehouse			50	

The Group provided the following copies of documents proving the above mentioned data:

- Extended contract of rent of non-residential premises №11-AA/2015 dated 10.01.2015 with the owner BBB-LOGISTIC, LLC (INN 1234567890) at the address: Kislorodnaya street 8, Sample, 620041, Russian Federation, total floor space 75 sq.m.

INFORMATION ON BASIC CUSTOMERS

Information on the main customers of AAAAA MLK, LLC for the first half of 2017.

The client base of AAAAA MLK, LLC includes nearly 50 companies, the main ones are represented in the following table:

Sub-account	Business partner	Country	Payment terms	Volume of supply, RUB	Payment volume, RUB	Share in total sales, %
62.01 Payments in RUB	ООО "Svet-opt"	Russia	100% prepayment	22 259 442,91	22 259 442,91	26%
	ООО "Lyuks-stroy"	Russia	100% prepayment	11 434 333,00	11 434 333,00	13,4%
	ООО "VeyvLink"	Russia	100% prepayment	8 070 331,00	8 070 331,00	9,4%
	ООО "INFERUM"	Russia	100% prepayment	6 116 306,28	6 116 306,28	7,1%
	ООО "UM Stroymost"	Russia	100% prepayment	1 813 916,34	1 813 916,34	2,1%

Goods are supplied on 100% prepayment basis.

The information in the table was verified with the following documents:

- Trial balance - 62.01 sub-account for 12/2017;
- Supply agreement №11-11/EK dated 14.10.2016 with ООО "INFERUM" (INN 1234567890);
- Supply agreement №11/1111-19 dated 28.04.2016 with ООО "KorTreyd" (INN 1234567890), goods are supplied on a prepaid basis;
- Supply agreement №1111/1 dated 27.12.2016 with ООО "Upravlenie mehanizatsii Stroymost" (INN 1234567890), goods are supplied on a prepayment basis.

INFORMATION ON BASIC SUPPLIERS

Information on the main suppliers of AAAAA MLK, LLC for the first half of 2017.

The total number of suppliers of AAAAA MLK, LLC is nearly 30 companies, the main of which are the suppliers from China.

Major foreign suppliers:

HONRUS SHIPPING COMPANY LIMITED (*China*)
Jiangyin Hanil Steel Co. LTD (*China*)
GUANGZHOU COLOSSEO IM (*China*)
HK Milora Intertanional Trading Limited (*China*)
Yiwu City Jin Miao Import and Export Co., Ltd. (*China*)

Information on the main suppliers

Sub-account	Business partner	Country	Payment terms	Volume of supply, RUB	Payment volume, RUB	Share in total purchases, %
60.01 Payments in RUB	Futura Transportnie Resheniya	Russia	100% prepayment	5 838 867,80	5 838 867,80	9,9%
	OOO "SAMPLE- DESIGN"	Russia	deferral 60 days	5 948 849,02	3 950 919,20	10,1%
60.21 Payments in foreign currency	HONRUS SHIPPING COMPANY LIMITED	China	100% prepayment	24 986 938,97	24 986 938,97	54,9%
	Sample Steel Co. LTD	China	100% prepayment	20 535 698,73	16 391 915,07	34,9%

90% of all deliveries are carried out on a prepayment basis.
10% of deliveries are carried out on 60-day deferred payment term.

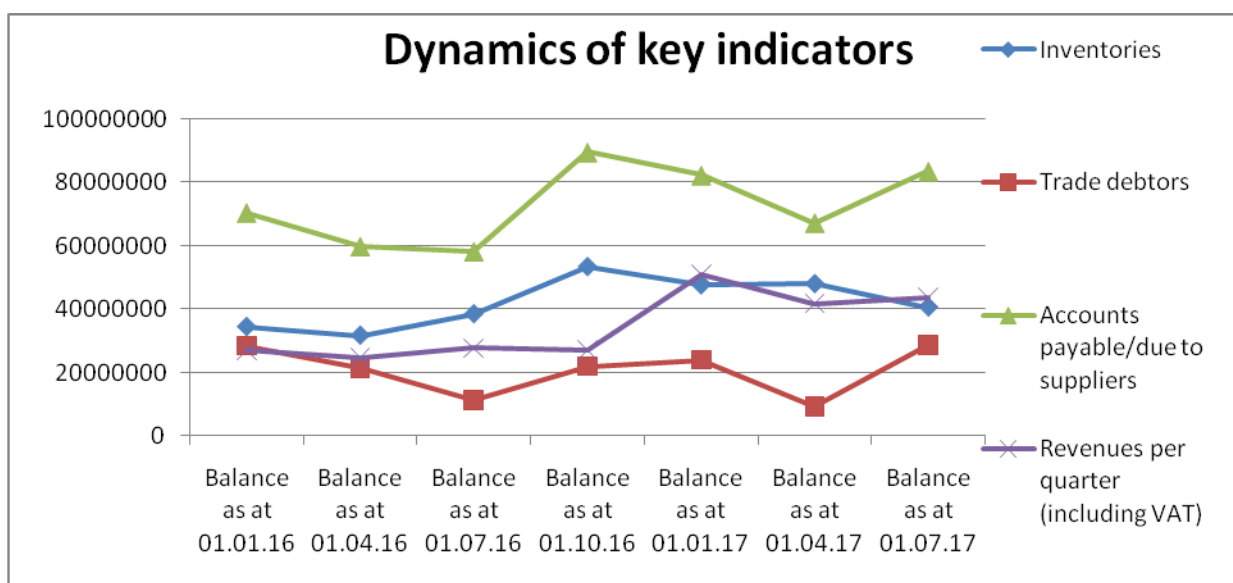
The information in the table was verified with the following documents:
- Trial balance - 60.01 and 60.21 sub-accounts for 11/2017.

The contracts with the suppliers were not provided.

DYNAMICS OF THE KEY INDICATORS OF AAAAA MLK, LLC

Dynamics of sales, inventories, accounts receivable and accounts payable

	Balance as at 01.01.16	Balance as at 01.04.16	Balance as at 01.07.16	Balance as at 01.10.16	Balance as at 01.01.17	Balance as at 01.04.17	Balance as at 01.07.17
Inventories	34 429 348	31 680 654	38 499 212	53 457 436	47 670 797	48 042 526	40 613 483
Trade debtors	435 552	123 723	2 596 098	2 603 269	1 750 454	2 568 928	10 276 611
Advances paid	28 007 845	2 138 114	8 705 293	19 438 268	22 314 798	6 777 251	18 491 565
Accounts payable	39 630 565	40 861 594	42 453 681	48 052 434	42 517 716	42 517 716	48 756 950
Advances received	30 826 331	18 985 048	15 775 625	41 474 865	39 757 415	18 575 921	34 717 112
Revenues per quarter (including VAT)	27 078 108	24 598 911	27 653 256	27 035 393	51 012 911	41 854 907	43 730 348



There is a general upward trend in sales. Trade payables and receivables are stable. According to the information provided by the Group, accounts payable include amounts owed to PromTehTsentr, LLC to the amount of 33 785th rubles and to Expo-prom, LLC to the amount of 5 721th rubles, both amounts however are not liable to repayment.

NEGATIVE INFORMATION

Information on legal claims against AAAAA MLK, LLC

No records on the subject company have been found in RF bankruptcy/insolvency/receivership data base.

In the database of the Supreme Arbitration Court of the Russian Federation there are no court suits registered in the name of AAAAA MLK, LLC.

Information on pre-trial debt collection of accounts receivable

There are no records of debts in the name of AAAAA MLK, LLC in the IGK Debt Collection database.

There are no enforcement proceedings in the name of AAAAA MLK, LLC recorded in the database of the Federal Bailiffs' Service.

On-site (or field) tax inspections have not been carried out.

FINANCIAL STATEMENTS OF AAAAA MLK, LLC

Period, months	6	12	12
Ended	30.06.2017	31.12.2016	31.12.2015
Currency	RUB th	RUB th	RUB th
===== BALANCE SHEET =====			
--- A S S E T S -----			
NON-CURRENT ASSETS			
- Intangible assets			
- Fixed assets			
- Investments in tangible assets			
- Investments in tangible assets			
- Other non-current assets			
Non-current assets total			
CURRENT ASSETS			
- Stock	42 678,00	52 633,00	39 184,00
- Debtors	29 138,00	24 459,00	28 747,00
- Other receivables			
- Short-term financial investments	5 200,00		
- Cash	4 219,00	660,00	60,00
- Other current assets	127,00	1 340,00	
Current assets total	81 462,00	79 092,00	67 991,00
ASSETS TOTAL	81 462,00	79 092,00	67 991,00
--- EQUITY AND LIABILITIES -----			
CAPITAL AND RESERVES			
- Share capital	10,00	10,00	10,00
- Additional capital			
- Other capital			
- Reserve capital			
- Retained earnings (Non-covered loss)	3203,00	2 646,00	2 021,00
Capital and reserves total	3213,00	2 656,00	2 031,00
Provisions			
LONG-TERM LIABILITIES			
- Loans and credits			
- long-term amounts owed to banks			
- long-term amounts owed to banks			
Long-term liabilities total			
SHORT-TERM LIABILITIES			
- Loans and credits			
- short-term amounts owed to banks			
- Creditors	78 249,00	76 436,00	65 960,00
- trade debts			
- accrued payroll			
- tax liabilities			

- other creditors			
- advances received			
- Dividends in arrears			
- Accrued income, deferred charges			
- Other short-term liabilities			
Short-term liabilities total	78 249,00	76 436,00	65 960,00
Liabilities total	78 249,00	76 436,00	65 960,00
EQUITY AND LIABILITIES TOTAL	81 462,00	79 092,00	67 991,00

===== PROFIT AND LOSS ACCOUNT =====

ORDINARY ACTIVITY INCOME AND CHANGES			
Net sales	73 486,00	112 011,00	110 761,00
Cost of goods sold	61 773,00	95 883,00	91 969,00
Gross profit	11 713,00	16 128,00	18 792,00
Distribution costs	10 598,00	14 311,00	16 931,00
Administrative and management costs	42,00	107,00	
Profit (loss) on sales	1 073,00	1 710,00	1 861,00
OPERATING INCOME AND CHANGES			
Interest receivable			
Interest payable			
Income from participating interests			
Other operating income	396,00	92,00	422,00
Other operating charges	770,00	1 016,00	1 069,00
Operating profit			
INVESTMENT INCOME AND CHANGES			
Investment income less charges			
Profit (loss) before taxation	699,00	786,00	1 214,00
Income-tax and other similar payments	151,00	160,00	243,00
Profit (loss) from ordinary activity			
Extraordinary income less charges			
Net profit	548,00	626,00	971,00

----- KEY RATIOS -----

Return on sales	0,95	0,70	1,10
Profit before taxation / Net sales			
Operating margin of profit, %			
Operating profit / Net sales			
Return on investments, %	21,76	29,59	59,77
Profit before taxation / Equity			
Current assets turnover	1,80	1,42	1,63
Net sales / Current assets			
Working capital	3 213,00	2 656,00	2 031,00
Current assets - Short-term liabilities			
Leverage	0,04	0,03	0,03
Equity / Total assets			
Current ratio	1,04	1,03	1,03

Current assets / Short-term liabilities			
Quick ratio	0,50	0,35	0,44
(Current assets - Stock) / Short-term liabilities			
Debt-to-equity ratio	24,35	28,78	32,48
Total liabilities / Equity			
Debtor days	144,73	79,70	94,73
Debtors / Net sales *365			
Creditor days			
Trade debts / Cost of goods sold *365			

Conclusion on AAAAA MLK, LLC

As a result of the analysis of the available data, we can conclude the following:

During the analyzed period AAAAA MLK, LLC demonstrates stability of sales. Business is profitable. The company does not use bank credits, does not participate in any court proceedings. Current ratio, current assets turnover ratio are all within the established limits.

Since the company's trade payables include the debt to PromTehTsentr, LLC to the amount of 33 785th rubles and the debt to Expo-prom, LLC to the amount of 5 721th rubles, which, according to the information provided, should be treated as unliable, the calculation of quick ratio can be done without considering these amounts.

Along with this, it should be noted that the company does not have own immovable property and rents offices and warehouses to conduct its activity. The level of profitability remains low. It should be also noted that, according to the information provided, the Group is planning to transfer deliveries of goods under its own brand COLOSSEO to a newly established business CCCIMPORT, LLC.

Today AAAAA MLK, LLC has no sufficient working capital to finance purchases fully and, therefore, needs to raise additional debts and attract trade credits from suppliers with prolonged delay of payments.

**Report on
SAMPLE-DESIGN, LLC.
Analysis and evaluation**



IDENTIFICATION AND REGISTRATION DATA ON THE COMPANY

Name	OBSHESTVO S OGRANICHENNOY OTVETSTVENNOSTY "SAMPLE-DIZAYN"	
IGK-number	111-111-111	
Name in English	SAMPLE-DESIGN, LLC	
Name in national language	ОБЩЕСТВО С ОГРАНИЧЕННОЙ ОТВЕТСТВЕННОСТЬЮ "ПРИМЕР-ДИЗАЙН"	
Address	Kislorodnaya street 8, Sample, Sverdlovsk region, 620041, Russian Federation	
Legal address	Sulimova street 41, flat 29, Sample, Sverdlovsk region, 620137, Russian Federation	
Contacts		
Phone	(+7 343) 111-11-11 (12)	
e-mail		
www	www.sample.ru	
Registration data		
Date of registration	04.11.2004	
Registration number	1234567890123	
Registr. authority	Ministry for Taxes and Duties (Russian Federation)	
VAT number	1234567890	
Registr. authority	Ministry for Taxes and Duties (Russian Federation)	
Statistics number	12345678	
Registr. authority	Statistics Board (Russian Federation)	
Statistics number	ООО (Limited liability company by Russian Law)	since 04.11.2004
Share capital	10 000 RUB (<i>registered</i>)	since 04.11.2004
Changes in registration data		
05.07.2016	SEPARATION EVENT Legal successor: ООО "BBB-ALFA" (1169658076642) Legal predecessor: ООО "SAMPLE-DESIGN" (1046603538706). Legal predecessor continues carrying out business activity.	
19.06.2007	legal address	
Shareholders / Beneficiaries of SAMPLE-DESIGN, LLC	Mr Sample, Aleksandr Yuryevich (<i>Russian Federation</i>)	90%
	Mrs Sample, Tatyana Anatolyevna (<i>Russian Federation</i>)	10%
Management of SAMPLE-DESIGN, LLC	Mr Sample, Aleksandr Yuryevich (<i>Russian Federation</i>)	

BUSINESS CHARACTERISTICS

SAMPLE-DESIGN, LLC is engaged in small-scale wholesale and wholesale trade in lightening equipment.

The company does not run foreign economic activity.

In 3Q/2016 the company was reorganized in the form of separation and creation of BBB-ALFA, LLC. According to the information provided by the Group, the separation is connected with the reduction of stock and trade payables of SAMPLE-DESIGN, LLC to the actual values.

INFORMATION ON STAFF EMPLOYED

Data on the number of employees

Year	Staff number
2016	6
10.2017	6

INFORMATION ON BANKS, ACCOUNTS, CREDITS, LOANS

Bank details

ALFA-BANK, JSC	account 12345678901234567890
RAIFFEISENBANK, JSC	account 12345678901234567890
SBERBANK, PJSC	account 12345678901234567890

Information on bank loans, credit lines of SAMPLE-DESIGN, LLC:

Turnover balance sheet - account Nr. 66 for the first half of 2017

Output data: Accounting records

Account	Opening balance		Turnover for the period		Closing balance	
	Debit	Credit	Debit	Credit	Debit	Credit
66		110335602,54	150537851,12	147626764,57		107424515,99
AO ALFA-BANK		30000000,00	32375642,05	32375642,05		30000000,00
NFK Bank (AO)		6520626,79	12548193,66	10601657,22		4574090,35
SAMPLE MSK OOO			610000,00	1047000,00		437000,00
SAMPLE-Sibir OOO			904000,00	904000,00		
SAMPLE-Ural OOO			201000,00	201000,00		
Sample Tatyana Anatolyevna IP			868000,00	868000,00		
Sample Natalya Anatolyevna IP			50000,00	50000,00		
Sample Aleksandr Yuryevich IP		525000,00	1441000,00	916000,00		
NFK-Premium OOO		5404545,62	11137025,64	9430446,35		3697966,33
Raiffeisenbank (credit)		67885430,13	80192989,77	79023018,95		66715459,31
Sample betteriz OOO (credit)				2000000,00		2000000,00
TD SAMPLE OOO			10210000,00	10210000,00		
Total		110335602,54	150537851,12	147626764,57		107424515,99

As of June 30, 2017, SAMPLE-DESIGN, LLC has been provided 107 424th rubles in credits. The main creditors are ALFA-BANK AO and RAIFFEISENBANK AO. According to the data provided by the Group,

at present the debt owed to RAIFFEISENBANK AO has been paid back. The maturity date on credit agreement №11111L dated 21.04.2016 with ALFA-BANK AO to the amount of 30 000th rubles - 11.01.2019.

The company is also going to sign an agreement regarding the provision of a credit line of 100 000th rubles. The creditor is ALFA-BANK AO, the property used as a credit support is an administration building situated at the following address: Sample, Kislrodnaya street 8, owned by the related company, BBB-LOGISTIC, LLC.

The company has a positive credit history.

The debts under former credits were paid on time.

The company does not attract long-term borrowed funds.

INFORMATION ON ASSETS/PROPERTY

Immovable property

SAMPLE-DESIGN, LLC does not have own real estate and rents office and warehouse premises for its business. The floor space of the rented office and warehouse premises amounts to 1 060.37 sq. m.

Rent / leasing

Asset	Own/rented	Agreement No.	Floor space, sq. m.	Address
Office	rent	0101-1A	132,1	Kislrodnaya street 8, Sample, 420011, Russian Federation
Warehouse			928,27	

The following copies of documents were provided proving the above-mentioned data:

- Extended contract of rent of non-residential premises №1111-AA dated 11.01.2009 with the owner BBB-LOGISTIC, LLC (INN 1234567890) at the address: Kislrodnaya street 8, Sample, total floor space 1 060.37 sq.m.

Fixed assets are represented by equipment.

INFORMATION ON THE MAIN CUSTOMERS

Information on the main customers of SAMPLE-DESIGN, LLC for the first half of 2017

The client base of SAMPLE-DESIGN, LLC includes nearly 1000 companies (from small specialized stores to federal networks), the main of which are represented in the following table:

Sub-account	Business partner	Payment terms	Volume of supply, RUB	Payment volume, RUB	Share in total sales, %
62.01 Payments in RUB	OOO "Alfa-M"	100% prepayment	52 531 788,36	61 310 236,32	25,4%
	OOO "Piter Svet"	no definite terms: from 50% to 100% prepayment	15 489 997,12	15524561,23	7,5%
	OOO "Sample betteriz"	100% prepayment; deferral up to 30 days after goods delivery	8 638 774,83	7 194 263,07	4,2%
	OOO "AAAAA MLK"	deferral up to 60 days	5 948 860,82	3 950 919,2	2,9%
	OOO "Kor Treyd"	deferral up to 120 days	4 306 059,68	4 145 269,43	2,1%

30% of all deliveries are carried out on a prepayment basis.
70% of deliveries are carried out on 30-120-day deferred payment term.

The information in the table was verified with the following documents:

- Turnover balance sheet - sub-account Nr. 62.01 for 1H/2017;
- Supply agreement №111111-1 dated 14.11.2014 with OOO "ALFA-M" (INN 1234567890), goods are supplied on a prepayment basis;
- Supply agreement № 11 11 2013 dated 06.03.2013 with OOO "PITER SVET" (INN 1234567890), goods are supplied on a prepayment basis;
- Supply agreement №11 dated 22.07.2018 with OOO "Sample betteriz" (INN 1234567890), goods are supplied on a prepayment basis or on 30-day deferred payment term;
- Supply agreement №11/1119-13 dated 01.01.2014 with OOO "Kor Treyd" (INN 1234567890).

INFORMATION ON THE MAIN SUPPLIERS

Information on the main suppliers of SAMPLE-DESIGN, LLC for the first half of 2017.

Total number of customers of SAMPLE-DESIGN, LLC is nearly 70 companies, the main of which are represented in the following table:

The main suppliers for the first half of 2017

Sub-account	Business partner	Payment terms	Volume of supply, RUB	Payment volume, RUB	Share in total purchases, %
60.01 Payments in RUB	OOO "KS-Elekstro"	deferral 60 days	110 206 483,87	118 477 590,77	53,8%
	OOO "Svet-opt"	100% prepayment	50 513 730,66	50 513 730,66	24,7%
	OOO "CCCIMPORT"	10100% prepayment	5 014 666,00	4 136 000,00	2%
	OOO "Rabber Treyd"	100% prepayment	2 565 000,00	2 565 000,00	2,4%
	OOO "Prizma-Tek"	100% prepayment	2 433 311,60	2 433 311,60	1,2%

30% of all deliveries are carried out on a prepayment basis.
70% of deliveries are carried out on 60-day deferred payment term.

The information in the table was verified with the following documents:

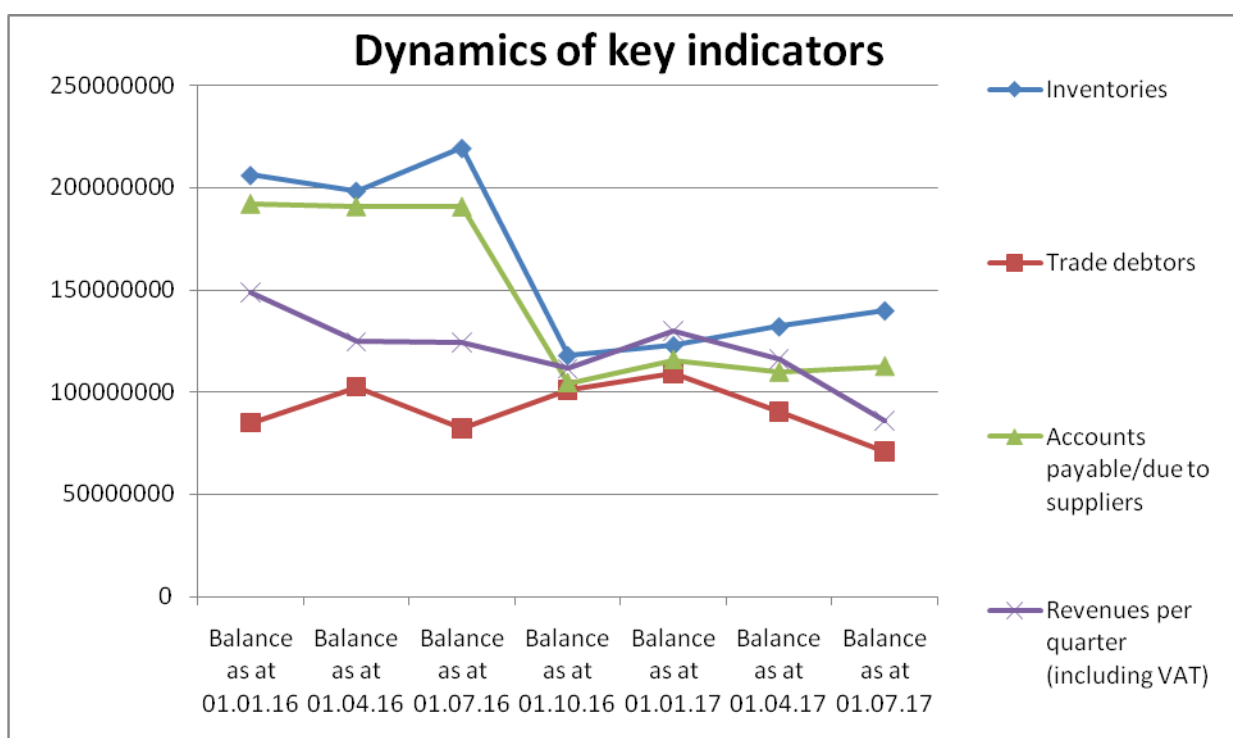
- Turnover balance sheet - sub-account Nr. 60.01 for 11/2017;

The contracts with the suppliers were not provided.

DYNAMICS OF KEY INDICATORS OF SAMPLE-DESIGN, LLC

Dynamics of sales, inventories, accounts receivable and accounts payable

	Balance as at 01.01.16	Balance as at 01.04.16	Balance as at 01.07.16	Balance as at 01.10.16	Balance as at 01.01.17	Balance as at 01.04.17	Balance as at 01.07.17
Inventories	206 058 654	198 273 694	219 327 036	117 618 948	122 475 038	131 774 809	139 599 769
Trade debtors	84 881 308	84 881 308	64 930 045	67 004 395	80 549 133	74 618 981	64 872 345
Advances paid	1 200	11 251 683	17 131 214	34 153 141	28 830 206	28 830 206	5 744 657
Accounts payable	166 562 271	161 855 815	161 439 882	58 667 515	60 249 953	61 679 077	77 133 230
Advances received	25 389 831	28 800 308	29 078 661	45 769 603	55 538 972	48 074 107	35 449 940
Revenues per quarter (including VAT)	148 704 933	124 512 214	124 121 759	111 228 244	129 586 440	115 847 849	85 657 197



The company's sales have general downward trend. Sales decline is observed in the first quarter of 2016 and in the first half of 2017. According to the data provided by the Group, sales decline in the first half of 2017 was caused by the temporary transfer of the sales turnover of the main client, OOO "Alfa-M", to a different legal entity. Trade payables and receivables demonstrate sizeable fluctuation. At the beginning of 2016, accounts payable are almost twice as high as accounts receivable amid significant inventories. In the third quarter of 2016, the company was reorganized in the form of separation and creation of OOO "BBB-ALFA", that resulted in a significant reduction of inventories along with trade payables. In 2017, trade payables and receivables are stable.

NEGATIVE INFORMATION

Information on legal claims against SAMPLE-DESIGN, LLC

No records on the subject company have been found in RF bankruptcy/insolvency/receivership data base.

In the database of the Supreme Arbitration Court of the Russian Federation there is 1 law case in the name of the company, where the company is listed as defendant:

Date of claim	Claimant	Case number	Sum of claim (RUB)	Status
22.06.2017	IP Potapov, Aleksandr Gennadyevich	A60-31588/2017 copyright protection	-	14.08.2017 – settlement agreement

Information on pre-trial debt collection of accounts receivable

There are no records of debts in the name of SAMPLE-DESIGN, LLC in the IGK Debt Collection database.

There are no enforcement proceedings in the name of SAMPLE-DESIGN, LLC recorded in the database of the Federal Bailiffs' Service.

On-site (or field) tax inspections have not been carried out.

FINANCIAL STATEMENTS OF SAMPLE-DESIGN, LLC

Period, months	6	12	12
Ended	30.06.2017	31.12.2016	31.12.2015
Currency	RUB th	RUB th	RUB th
===== BALANCE SHEET =====			
--- A S S E T S -----			
NON-CURRENT ASSETS			
- Intangible assets			
- Fixed assets	331,00	412,00	675,00
- Investments in tangible assets			
- Financial assets			
- Other non-current assets			
Non-current assets total	331,00	412,00	675,00
CURRENT ASSETS			
- Stock	139 629,00	122 480,00	207 114,00
- Debtors	88 051,00	119 801,00	92 160,00
- Other receivables			
- Short-term financial investments	6 833,00	1 775,00	1 775,00
- Cash	99,00	529,00	11,00
- Other current assets		2,00	
Current assets total	234 613,00	244 999,00	301 735,00
ASSETS TOTAL	234 944,00	244 999,00	301 735,00
--- EQUITY AND LIABILITIES -----			
CAPITAL AND RESERVES			
- Share capital	10,00	10,00	10,00
- Additional capital			
- Other capital			
- Reserve capital			
- Retained earnings (Non-covered loss)	14 267,00	11 971,00	9 071,00
Capital and reserves total	14 277,00	11 981,00	9 081,00
Provisions			
LONG-TERM LIABILITIES			
- Loans and credits			
- long-term amounts owed to banks			
- Other long-term liabilities			
Long-term liabilities total			
Long-term liabilities total			
- Loans and credits	107 425,00	110 336,00	96 376,00
- short-term amounts owed to banks			
- Creditors	113 242,00	122 682,00	196 278,00
- trade debts			
- accrued payroll			
- tax liabilities			

- tax liabilities			
- advances received			
- advances received			
- Accrued income, deferred charges			
- Other short-term liabilities			
Short-term liabilities total	220 666,00	233 017,00	292 654,00
Liabilities total	220 666,00	233 017,00	292 654,00
EQUITY AND LIABILITIES TOTAL	234 944,00	244 999,00	301 735,00

===== PROFIT AND LOSS ACCOUNT =====

ORDINARY ACTIVITY INCOME AND CHANGES			
Net sales	170 725,00	414 795,00	489 517,00
Cost of goods sold	144 174,00	358 590,00	418 748,00
Gross profit	26 551,00	56 205,00	70 769,00
Distribution costs	12 324,00	30 633,00	47 847,00
Administrative and management costs			
Profit (loss) on sales			
OPERATING INCOME AND CHANGES			
Interest receivable	9,00	8,00	15,00
Interest payable	7 423,00	15 030,00	17 320,00
Income from participating interests			
Other operating income	970,00	2 691,00	1 594,00
Other operating charges	4 911,00	9 609,00	5 125,00
Operating profit			
INVESTMENT INCOME AND CHANGES			
Investment income less charges			
Profit (loss) before taxation	2 872,00	3 632,00	2 086,00
Income-tax and other similar payments	576,00	733,00	563,00
Profit (loss) from ordinary activity			
Extraordinary income less charges			
Net profit	2 296,00	2 899,00	1 523,00

----- KEY RATIOS -----

Return on sales, %	1,68	0,88	0,43
Profit before taxation / Net sales			
Operating margin of profit, %			
Operating profit / Net sales			
Return on investments, %	20,12	30,31	22,97
Profit before taxation / Equity			
Current assets turnover	1,46	1,70	1,63
Net sales / Current assets			
Working capital	13 947,00	11 570,00	8 406,00
Current assets - Short-term liabilities			
Leverage	0,06	0,05	0,03
Equity / Total assets			
Current ratio	1,06	1,05	1,03

Current assets / Short-term liabilities			
Quick ratio	0,44	0,52	0,32
(Current assets - Stock) / Short-term liabilities			
Debt-to-equity ratio	15,46	19,45	32,23
Total liabilities / Equity			
Debtor days	188,25	105,42	68,72
Debtors / Net sales *365			
Creditor days			
Trade debts / Cost of goods sold *365			

Conclusion on SAMPLE-DESIGN, LLC

As a result of the analysis of the available data, we can conclude the following:

SAMPLE-DESIGN, LLC is a primary company of the Group, engaged in wholesale trade in lighting equipment. In the third quarter of 2016 the company was reorganized in the form of separation and creation of new company OOO "BBB-ALFA". Following the reorganization, the decline in inventories and trade payables is observed.

The company carries out business activity by attracting bank credits and loans against property owned by the related company, BBB-LOGISTIC, LLC.

Current liquidity ratio is within the established limits, which is a positive aspect. The company's working capital has a positive value and trends upward.

At the same time, the level of profitability remains low.

Today SAMPLE-DESIGN, LLC has no sufficient working capital to finance purchases fully and, therefore, needs to raise additional borrowed funds and attract trade credits from suppliers.

Report on BBB-LOGISTIC, LLC Analysis and evaluation



IDENTIFICATION AND REGISTRATION DATA ON THE COMPANY

Name	OBSHCHESTVO S OGRANICHENNOY OTVETSTVENNOSTYU "BBB-LOGISTIK"	
IGK-number	111-111-111	
Name in English	BBB-LOGISTIC, LLC	
Name in national language	ОБЩЕСТВО С ОГРАНИЧЕННОЙ ОТВЕТСТВЕННОСТЬЮ "БББ-ЛОГИСТИК"	
Address	Kislorodnaya street 8, Sample, Sverdlovsk region, 620041, Russian Federation	
Legal address	Kislorodnaya street 8, Sample, Sverdlovsk region, 620041, Russian Federation	
Contacts		
Phone	(+7 343) 111-11-11	
E-mail		
www	www.sample.ru	
Registration Data		
Date of registration	12.12.2008	
Registration number	1234567890123	
Registr. authority	Ministry for Taxes and Duties (Russian Federation)	
VAT number	1234567890	
Registr. authority	Ministry for Taxes and Duties (Russian Federation)	
Statistics number	12345678	
Registr. authority	Ministry for Taxes and Duties (Russian Federation)	
Legal Form	OOO (Limited liability company by Russian Law)	since 12.12.2008
Share Capital	17 777 777.78 RUB (<i>registered</i>)	since 24.03.2015
Changes in registration data		
29.12.2016	managers	
24.03.2015	share capital,shareholders	
Shareholders / Beneficiaries of BBB-LOGISTIC, LLC	ZAO Managing company SAMPLE-Center (<i>Russian Federation</i>)	90%
	Mrs Sample, Tatyana Anatolyevna (<i>Russian Federation</i>)	10%
Management of BBB-LOGISTIC, LLC	Mrs Sample, Tatyana Anatolyevna (<i>Russian Federation</i>)	

BUSINESS CHARACTERISTICS

Characteristics of business of BBB-LOGISTIC, LLC

BBB-LOGISTIC, LLC is focused on renting and operating of own or leased real estate.

INFORMATION ON STAFF EMPLOYED

The staff employed by BBB-LOGISTIC, LLC amounts to 1 person.

INFORMATION ON BANKS, ACCOUNTS, CREDITS, LOANS

Bank details	
ALFA-BANK, JSC (SAMPLE BRANCH)	account 12345678901234567890
RAIFFEISENBANK, JSC (SAMPLE BRANCH)	account 12345678901234567890

Information on bank loans, credit lines of BBB-LOGISTIC, LLC:

Primary accounting data on balance and turnover of short-term/long-term loan settlements for the first half of 2017

Turnover balance sheet – account Nr. 67 for the first half of 2017

Output data: Accounting records

Account	Opening balance		Turnover for the period		Closing balance	
	Debit	Credit	Debit	Credit	Debit	Credit
67		21 284 148,54	7 737 809,52	1 149 574,64		14 695 913,66
Ural Branch of Raiffeisenbank, JSC in Sample		21 284 148,54	7 737 809,52	1 149 574,64		14 695 913,66
Total		21 284 148,54	7 737 809,52	1 149 574,64		14 695 913,66

According to the information provided by the Group, as of 26.10.2017 long-term credit loan has been paid back.

Turnover balance sheet – account Nr. 66 for the first half of 2017

Output data: Accounting records

Account	Opening balance		Turnover for the period		Closing balance	
	Debit	Credit	Debit	Credit	Debit	Credit
66		45 084 300,00		3 827 300,78		48 911 600,78
SAMPLE-DESIGN OOO		1 335 000,00				1 335 000,00
BBB-OPT OOO		750 000,00				750 000,00
Sample Tatyana Anatolyevna IP		400 000,00				400 000,00
Sample Aleksandr Yuryevich IP		39 074 300,00		3 827 300,78		42 901 600,78
TD SAMPLE OOO		3 525 000,00				3 525 000,00
Total		45 084 300,00		3 827 300,78		48 911 600,78

As at June 30, 2017 the company has the loan of 42 901th rubles provided by the beneficiary of the business, Mr Sample, Aleksandr Anatolyevich. The company also has the loan of 400th rubles provided by the shareholder, Mrs Sample, Tatyana Anatolyevna. The maturity date for these loans can exceed one year.

INFORMATION ON ASSETS/PROPERTY

Immovable property

Own

BBB-LOGISTIC, LLC is an asset holder in the Group. The company owns trade and office premises with a total floor space of 2 231.3 sq. m., warehouse premises - total floor space of 2 752.1 sq. m., 5 land plots - total floor space of 7 564 sq. m.

Turnover balance sheet - account Nr. 01 for the first half of 2017

Output data: Accounting records

Account	Opening balance		Turnover for the period		Closing balance	
	Debit	Credit	Debit	Credit	Debit	Credit
01	120 643 492,15				120 643 492,15	
Office building	14 550 000,00				14 550 000,00	
Land plot 1057 sq.m.	215 000,00				215 000,00	
Land plot 422 sq.m	631 000,00				631 000,00	
Land plot 4582 sq.m	510 172,56				510 172,56	
Land plot 595 sq.m	883 000,00				883 000,00	
Land plot 908 sq.m	2 470 063,42				2 470 063,42	
Air conditioner 5,3 kW	48 628,38				48 628,38	
Air conditioner 2,6 kW	27 347,66				27 347,66	
Air conditioner 5,3 kW	50 651,10				50 651,10	
Air conditioner Panasonic	47 477,49				47 477,49	
Fire and security alarm / warehouse	97 557,20				97 557,20	
Fire and security alarm /office	127 060,43				127 060,43	
Commerce and office center	100 889 262,73				100 889 262,73	
Barrier arm	96 271,18				96 271,18	
Total	120 643 492,15				120 643 492,15	

The company has provided the following documents confirming the ownership rights:

- Cadastral certificate of the non-residential premises dated 01.11.2011 with a total floor space of 2 752.1 sq.m., address: Sample, Kislodnaya street 8 (Technical Inventory Bureau № 11 1111);

- Extract from the technical certificate of the non-residential premises dated 21.10.2017 with a total floor space of 2 752.1 sq.m., address: Sample, Kislodnaya street 8;

- Certificate of State Registration of Title № 11-AA 111111 dated 06.03.2015 for immovable property: non-residential four-storey building with a total floor space of 2 231.3 sq.m., address: Sample, Kislodnaya street 8;

- Certificate of State Registration of Title № 11-AA 111111 dated 18.12.2012 for immovable property: land plot with a total floor space of 908 sq. m., address: Sample, Kislodnaya street 8;

- Extracts from the Unified State Register of Immovable Property:

№ 11-11-01/XXX/2011-641 dated 30.08.2011 (property)

of title to real property: land plot with a total floor space of 1 057 sq.m.; cadastral value as at 10.10.2017: 1 015 777 rubles

Encumbrance (mortgage loan)

№ 11:41:111111:44-66/001/2017-1 dated 14.03.2017 (under contract) duration until 28.08.2017

№ 11-66-01/111/2013-127 dated 14.05.2013 (under contract) duration until 28.02.2017

№ 11-66-01/111/2013-469 dated 20.06.2013 (under contract) duration until 24.09.2018

The limitation is set in favor of Raiffeisenbak, JSC (INN 1234567890)

For the period until 24.09.2018.

№ 11-11-01/111/2012-294 dated 18.12.2012 (property)

of title to real property: land plot with a total floor space of 908 sq.m.; cadastral value as at 10.10.2017: 872 588 rubles;

Encumbrance (mortgage loan)

№ 11-11/001-11/001/332/2016-2291/1 dated 30.12.2016 (under contract) duration until 29.12.2017

№ 11:41:0111111:29-66/001/2017-1 dated 14.03.2017 (under contract) duration until 28.08.2017

№ 11-11-01/111/2013-127 dated 14.05.2013 (under contract) duration until 24.09.2018

№ 11-11-01/111/2013-469 dated 20.06.2013 (under contract) duration until 24.09.2018

The limitation is set in favour of Raiffeisenbak, JSC (INN 1234567890)

№ 11-11/001-66/111/111/2015-163/4 dated 06.03.2015 (property)

of title to real property: non-residential four-storey building with a total floor space of 2 231.3 sq.m.; address: Sample, Kislородnaya street 8; cadastral value as at 10.10.2017: 25 420 085.25 rubles;

Encumbrance (mortgage loan)

№ 11-01/01-111/2004-148 dated 29.06.2004 duration until 28.02.2017

№ 11-66-01/111/2013-127/1 dated 06.03.2015 (under contract) duration until 28.02.2017

№ 11-66-01/111/2013-469/1 dated 06.03.2015 (under contract) duration until 24.09.2018

№ 11-66/001-11/111/332/2016-2292/1 dated 30.12.2016 (under contract) duration until 29.12.2017

№ 11:41:0111111:81-66/001/2017-1 dated 14.03.2017 (under contract) duration until 28.08.2017

The limitation is set in favor of Raiffeisenbak, JSC (INN 1234567890)

№ 11-11-01/111/2012-450 dated 04.12.2012 (property)

of title to real property: land plot with a total floor space of 595 sq.m; cadastral value as at 10.10.2017: 2 113 916 rubles;

Encumbrance (mortgage loan)

№ 11:41:0111111:326-66/001/2017-1 dated 14.03.2017 (under contract) duration until 28.08.2017

№ 11-11-01/194/2013-127 dated 14.05.2013 (under contract) duration until 28.02.2017

№ 11-11-01/231/2013-469 dated 20.06.2013 (under contract) cp duration until no 24.09.2018

The limitation is set in favor of Raiffeisenbak, JSC (INN 1234567890)

№ 11-11-01/436/2014-157 dated 01.04.2014 (joint shared ownership)

of title to real property: land plot with a total floor space of 7 006 sq.m.; address: Sample, Kislородnaya street 8; cadastral value as at 07.11.2017: 22 916 906.24 rubles;

Encumbrance (mortgage loan)

№ 11-11-01/199/2013-438 dated 14.05.2013 (under contract)

Thus, according to the official data, a part of immovable property of the company is burdened. According to the data provided by the Group, loans owed to Raiffeisenbank, JSC were refinanced in Alfa-Bank, JSC, that led to the relief of encumbrance on the part of real estate:

№ 11-11-01/111/2009-310 dated 13.11.2009 (property)

of title to real property: non-residential building (warehouse) with a total floor space of 2 752.1 sq.m.; address: Sample, Kislородnaya street 8; cadastral value as at 07.11.2017: 19 046 320.87 rubles;

№ 11-11-01/111/2012-451 dated 04.12.2012 (property)

of title to real property: land plot with a total floor space of 422 sq.m.; address: Sample, Kislородnaya street 8; cadastral value as at 07.11.2017: 1 499 281.6 rubles.

INFORMATION ON THE MAIN CUSTOMERS AND SUPPLIERS

The leaseholders of BBB-LOGISTIC, LLC are the companies of the Group.

Due to the specific character of business line the company does not have suppliers of goods.

NEGATIVE INFORMATION

Information on legal claims against BBB-LOGISTIC, LLC

No records on the subject company have been found in RF bankruptcy/insolvency/receivership data base.

In the database of the Supreme Arbitration Court of the Russian Federation there are 2 law cases in the name of the company, where it is listed as a defendant:

Date of claim	Claimant	Number of claim	Sum of claim (RUB)	Status
10.08.2016	OOO "INZHENERNIE RESHENIYA"	A60-38395/2016	4 524 549	13.10.2017 the Court approved the settlement agreement, where under OOO "BBB-LOGISTIC" is entitled to pay 4 000 000 rubles.
16.08.2016	OOO "INZHENERNIE RESHENIYA"	60-39236/2016	1 800 000	10.10.2017 the Court approved the settlement agreement, where under OOO "BBB-LOGISTIC" is entitled to pay 1 500 000 rubles.

Information on pre-trial debt collection of accounts receivable

There are no records of debts in the name of BBB-LOGISTIC, LLC in the IGK Debt Collection database.

There are no enforcement proceedings in the name of BBB-LOGISTIC, LLC recorded in the database of the Federal Bailiffs' Service.

The company provided information on absence of any violations following the results of inspections conducted by state agencies in 2016.

FINANCIAL STATEMENTS OF BBB-LOGISTIC, LLC

Period, months	6	12	12
Ended	30.06.2017	31.12.2016	31.12.2015
Currency	RUB th	RUB th	RUB th
===== BALANCE SHEET =====			
--- A S S E T S -----			
NON-CURRENT ASSETS			
- Intangible assets			
- Fixed assets	104 186,00	106 194,00	110 211,00
- Investments in tangible assets			
- Financial assets			
- Other non-current assets			
Non-current assets total	104 186,00	106 194,00	110 211,00
CURRENT ASSETS			
- Stock			
- Debtors	483,00	520,00	2 745,00
- Other receivables			
- Short-term financial investments			
- Cash	3,00	4,00	2,00
- Other current assets			
Current assets total	486,00	524,00	2 747,00
ASSETS TOTAL	104 672,00	106 719,00	112 958,00
--- EQUITY AND LIABILITIES -----			
CAPITAL AND RESERVES			
- Share capital	17 778,00	17 778,00	17 778,00
- Additional capital	5 210,00	5 210,00	5 210,00
- Other capital			
- Reserve capital			
- Retained earnings (Non-covered loss)	11 922,00	11 048,00	6 890,00
Capital and reserves total	34 910,00	34 036,00	31 328,00
Provisions			
LONG-TERM LIABILITIES			
- Loans and credits	14 696,00	21 284,00	36 268,00
- long-term amounts owed to banks			
- Other long-term liabilities			
Long-term liabilities total	14 696,00	21 284,00	36 268,00
SHORT-TERM LIABILITIES			
- Loans and credits	48 912,00	45 084,00	38 385,00
- short-term amounts owed to banks			
- Creditors	6 154,00	6 315,00	6 978,00
- trade debts			
- accrued payroll			
- tax liabilities			

- other creditors			
- advances received			
- Dividends in arrears			
- Accrued income, deferred charges			
- Other short-term liabilities			
Short-term liabilities total	55 066,00	51 399,00	45 363,00
Liabilities total	69 762,00	72 683,00	81 631,00
EQUITY AND LIABILITIES TOTAL	104 672,00	106 719,00	112 958,00

===== PROFIT AND LOSS ACCOUNT =====

ORDINARY ACTIVITY INCOME AND CHANGES			
Net sales	7 010,00	18 087,00	10 734,00
Cost of goods sold			
Gross profit	7 010,00	18 087,00	10 734,00
Distribution costs			
Administrative and management costs	4 671,00	9 793,00	6 569,00
Profit (loss) on sales			
OPERATING INCOME AND CHANGES			
Interest receivable			
Interest payable	1 150,00	3 524,00	
Income from participating interests			
Other operating income		353,00	9,00
Other operating charges	54,00	535,00	409,00
Operating profit			
INVESTMENT INCOME AND CHANGES			
Investment income less charges			
Profit (loss) before taxation	1 135,00	4 588,00	3 765,00
Income-tax and other similar payments	261,00	430,00	
Profit (loss) from ordinary activity			
Extraordinary income less charges			
Net profit	874,00	4 158,00	3 765,00

----- KEY RATIOS -----

Return on sales, %	16,19	25,37	35,08
Profit before taxation / Net sales			
Operating margin of profit, %			
Operating profit / Net sales			
Return on investments, %	3,25	13,48	12,02
Profit before taxation / Equity			
Current assets turnover	14,42	34,52	3,91
Net sales / Current assets			
Working capital	- 54 580,00	- 50 875,00	- 42 616,00
Current assets - Short-term liabilities			
Leverage	0,33	0,32	0,28
Equity / Total assets			
Current ratio	0,01	0,01	0,06

Current assets / Short-term liabilities			
Quick ratio	0,01	0,01	0,06
(Current assets - Stock) / Short-term liabilities			
Debt-to-equity ratio	2,00	2,14	2,61
Total liabilities / Equity			
Debtor days	25,15	10,49	94,34
Debtors / Net sales *365			
Creditor days			
Trade debts / Cost of goods sold *365			

Conclusion on BBB-LOGISTIC, LLC

As a result of the analysis of the available data, we can conclude the following:

BBB-LOGISTIC, LLC is an asset holder in the Group. Due to the specific character of business line the level of sales is not high. The company owns trade and office premises, warehouse premises and land plots. According to the official data, some items of immovable property are pledged. Some real estate assets of the company are also subject to the pledge for credits granted to the related company.

BBB-LOGISTIC, LLC raises loans from banks to conduct its activity. Considering Current and Quick liquidity ratios, it should be noted that short-term credits and loans include loans from the business beneficiary and the shareholder to the total amount of 43 301th rubles. As the maturity date for these loans, according to the data provided by the Group, can exceed one year, they should be excluded from the short-term liabilities and regarded as a non-evident equity capital.

Report on CCCIMPORT, LLC. Analysis and evaluation



IDENTIFICATION AND REGISTRATION DATA ON THE COMPANY

Name	OBSHCHESTVO S OGRANICHENNOY OTVETSTVENNOSTYU "CCCIMPORT"	
IGK-number	111-111-111	
Name in English	CCCIMPORT, LLC	
Name in national language	ОБЩЕСТВО С ОГРАНИЧЕННОЙ ОТВЕТСТВЕННОСТЬЮ "СССИМПОРТ"	
Address	Nikolaya Sample street 25, flat 20, Sample, Sverdlovsk region, 620027, Russian Federation	
Legal address	Nikolaya Samplea street 25, flat 20, Sample, Sverdlovsk region, 620027, Russian Federation	
Contacts		
Phone	(+7 343) 111-11-11	
E-mail		
www	www.sample.ru	
Registration Data		
Date of registration	14.07.2016	
Registration number	1234567890123	
Registr. authority	Ministry for Taxes and Duties (Russian Federation)	
VAT number	1234567890	
Registr. authority	Ministry for Taxes and Duties (Russian Federation)	
Statistics number	12345678	
Registr. authority	Ministry for Taxes and Duties (Russian Federation)	
Legal Form	OOO (Limited liability company by Russian Law)	since 14.07.2016
Share Capital	100 000 RUB (<i>registered</i>)	since 14.07.2016
Shareholders / Beneficiaries of CCCIMPORT, LLC	Mr Sample, Aleksandr Yuryevich (<i>Russian Federation</i>)	57%
	OOO "CCCIMPORT" (<i>Russian Federation</i>)	43%
Management of CCCIMPORT, LLC	Mr Sample, Andrey Leonidovich (<i>Russian Federation</i>)	

BUSINESS CHARACTERISTICS

The specificity of Company's activities

CCCIMPORT, LLC was established in July 2016, as an actual successor of the related company AAAAA MLK, LLC, to carry out deliveries of products under the Group's own trade mark COLOSSEO. The first deliveries were made in 1H/2017.

According to the data provided, the company's import amounted to:

Period	Sum
30.06.2017 Report. period: 6 months.	11 000 000 RUB

The products were delivered from China.

INFORMATION ON STAFF EMPLOYED

Number of employees: 2 people.

INFORMATION ON BANKS, ACCOUNTS, CREDITS

Bank details	
RAIFFEISENBANK, JSC (URAL BRANCH)	account 12345678901234567890
URAL BANK OF SBERBANK, PJSC	account 12345678901234567890

Information on bank loans, credit lines of CCCIMPORT, LLC:

The company does not attract bank loans in order to conduct its activity.

Primary accounting data on balance and turnover of short-term/long-term loan settlements for 1H2017

Turnover balance sheet - account Nr. 66

Output data: Accounting records

Account	Opening balance		Turnover for the period		Closing balance	
	Debit	Credit	Debit	Credit	Debit	Credit
66		1 700 000,00	33 000,00	150 000,00		1 817 000,00
66.03		1 700 000,00	33 000,00	150 000,00		1 817 000,00
Sample A.Yu.		1 700 000,00	33 000,00	150 000,00		1 817 000,00
Total		1 700 000,00	33 000,00	150 000,00		1 817 000,00

As of June 30, 2017 the company has a loan from the shareholder, Mr Sample, Aleksandr Anatolyevich, to the amount of 1 817th rubles. The maturity date for this agreement can exceed one year.

INFORMATION ON THE MAIN CUSTOMERS AND SUPPLIERS

The clients of CCCIMPORT, LLC are related companies entering “SAMPLE” Group.

The main suppliers are companies from China:

HONRUS SHIPPING COMPANY LIMITED (*China*)

ORISHIP AGENCY COMPANY LIMITED (*China*)

NEGATIVE INFORMATION

Information on legal claims against CCCIMPORT, LLC

No records on the subject company have been found in RF bankruptcy/insolvency/receivership data base.

In the database of the Supreme Arbitration Court of the Russian Federation there are no law suits registered in the name of CCCIMPORT, LLC.

Information on pre-trial debt collection of accounts receivable

There are no records of debts in the name of CCCIMPORT, LLC in the IGK Debt Collection database.

There are no enforcement proceedings in the name of CCCIMPORT, LLC recorded in the database of the Federal Bailiffs' Service.

On-site (or field) tax inspections have not been carried out.

FINANCIAL STATEMENTS OF CCCIMPORT, LLC

Period, months	6	12	12
Ended	30.06.2017	31.12.2016	31.12.2015
Currency	RUB th	RUB th	RUB th
===== BALANCE SHEET =====			
-- A S S E T S -----			
NON-CURRENT ASSETS			
- Intangible assets			
- Fixed assets			
- Investments in tangible assets			
- Financial assets			
- Other non-current assets	4,00	4,00	
Non-current assets total	4,00	4,00	
CURRENT ASSETS			
- Stock	80,00	80,00	
- Debtors	1 479,00	1 680,00	
- Other receivables			
- Short-term financial investments			
- Cash	537,00	6,0	
- Other current assets	10,00	4 407,00	
Current assets total	2 105,00	1 780,00	
ASSETS TOTAL	2 109,00	1 784,00	
--- EQUITY AND LIABILITIES -----			
CAPITAL AND RESERVES			
- Share capital	100,00	100,00	
- Additional capital			
- Other capital			
- Reserve capital			
- Retained earnings (Non-covered loss)	104,00	- 16,00	
Capital and reserves total	204,00	84,00	
Provisions			
LONG-TERM LIABILITIES			
- Loans and credits			
- long-term amounts owed to banks			
- Other long-term liabilities	3,00		
Long-term liabilities total	3,00		
SHORT-TERM LIABILITIES			
- Loans and credits	1 817,00	1 700,00	
- short-term amounts owed to banks			
- Creditors	85,00		
- trade debts			
- accrued payroll			
- tax liabilities			

- other creditors			
- advances received			
- Dividends in arrears			
- Accrued income, deferred charges			
- Other short-term liabilities			
Short-term liabilities total	1 902,00	1 700,00	
Liabilities total	1 905,00	1 700,00	
EQUITY AND LIABILITIES TOTAL	2 109,00	1 784,00	

===== PROFIT AND LOSS ACCOUNT =====

ORDINARY ACTIVITY INCOME AND CHANGES			
Net sales	7 257,00	0,00	
Cost of goods sold	6 943,00	2,00	
Gross profit	314,00	-2,00	
Distribution costs		3,00	
Administrative and management costs	68,00		
Profit (loss) on sales			
OPERATING INCOME AND CHANGES			
Interest receivable			
Interest payable			
Income from participating interests			
Other operating income	41,00		
Other operating charges	137,00	15,00	
Operating profit			
INVESTMENT INCOME AND CHANGES			
Investment income less charges			
Profit (loss) before taxation	150,00	- 20,00	
Income-tax and other similar payments	30,00	- 4,00	
Profit (loss) from ordinary activity			
Extraordinary income less charges			
Net profit	120,00	- 16,00	

----- KEY RATIOS -----

Return on sales, %	2,07	0,00	
Profit before taxation / Net sales			
Operating margin of profit, %			
Operating profit / Net sales			
Return on investments, %	73,53	-23,81	
Profit before taxation / Equity			
Current assets turnover	6,90	0,00	
Net sales / Current assets			
Working capital	203,00	80,00	
Current assets - Short-term liabilities			
Leverage	0,10	0,05	
Equity / Total assets			
Current ratio	1,11	1,05	

Current assets / Short-term liabilities			
Quick ratio	1,06	1,00	
(Current assets - Stock) / Short-term liabilities			
Debt-to-equity ratio	9,34	20,24	
Total liabilities / Equity			
Debtor days	74,39	0,00	
Debtors / Net sales *365			
Creditor days			
Trade debts / Cost of goods sold *365			

Conclusion on CCCIMPORT, LLC

As a result of the analysis of the available data, we can conclude the following:

CCCIIMPORT, LLC is a newly established business. The company acts as an actual successor of the related company AAAAA MLK, LLC, carrying out deliveries of products under the Group's own trade mark COLOSSEO.

At present the sales are low. The business is profitable.

In the first half of 2017 financial ratios characterizing the company's business health exceed the industry average. Considering the subject's equity ratio, it should be noted that the company has a loan from the shareholder to the amount of 1 817th rubles, the maturity date for this agreement according to the data provided can exceed one year. In that case this loan can be regarded as a non-evident equity capital.

It appears impossible to track the business dynamics.

Consolidated financial statements and financial analysis of
“SAMPLE” Group of companies

Consolidated financial statements of the Group “SAMPLE”

Period, months	6	12	12
Ended	30.06.2017	31.12.2016	31.12.2015
Currency	RUB th	RUB th	RUB th
===== BALANCE SHEET =====			
--- A S S E T S ---			
NON-CURRENT ASSETS			
- Intangible assets			
- Fixed assets	104 571,00	106 606,00	110 886,00
- Investments in tangible assets			
- Financial assets			
- Other non-current assets			
Non-current assets total	104 571,00	106 606,00	110 886,00
CURRENT ASSETS			
- Stock	182 387,00	175 113,00	246 298,00
- Debtors	119 151,00	144 780,00	123 795,00
- Other receivables			
- Short-term financial investments	12 033,00	1 775,00	1 775,00
- Cash	4 958,00	1 193,00	75,00
- Other current assets	137,00	1 342,00	
Current assets total	318 666,00	324 203,00	371 941,00
ASSETS TOTAL	488 997,00	494 615,00	542 616,00
--- EQUITY AND LIABILITIES ---			
CAPITAL AND RESERVES			
- Share capital	17 898,00	17 898,00	17 898,00
- Additional capital	5 210,00	5 210,00	5 210,00
- Other capital			
- Reserve capital			
- Retained earnings (Non-covered loss)	29 496,00	25 665,00	17 982,00
Capital and reserves total	52 604,00	48 673,00	42 440,00
Provisions			
LONG-TERM LIABILITIES			
- Loans and credits	14 696,00	21 284,00	36 268,00
- long-term amounts owed to banks			
- Other long-term liabilities			
Long-term liabilities total	14 696,00	21 284,00	36 268,00
SHORT-TERM LIABILITIES			

- Loans and credits	158 154,00	155 420,00	269 358,00
- short-term amounts owed to banks			
- Creditors	197 730,00	205 434,00	269 358,00
- trade debts			
- accrued payroll			
- tax liabilities			
- other creditors			
- advances received			
- Dividends in arrears			
- Accrued income, deferred charges			
- Other short-term liabilities			
Short-term liabilities total	355 884,00	360 548,00	404 119,00
Liabilities total	370 580,00	382 138,00	440 387,00
EQUITY AND LIABILITIES TOTAL	423 187,00	430 811,00	482 827,00

===== PROFIT AND LOSS ACCOUNT =====

ORDINARY ACTIVITY INCOME AND CHANGES			
Net sales	258 478,00	544 893,00	615 292,00
Cost of goods sold	212 890,00	454 473,00	510 717,00
Gross profit	45 588,00	90 420,00	104 575,00
Distribution costs	22 990,00	44 944,00	64 778,00
Administrative and management costs	4 713,00	9 900,00	10 074,00
Profit (loss) on sales			
OPERATING INCOME AND CHANGES			
Interest receivable	9,00	8,00	15,00
Interest payable	8 573,00	18 554,00	22 377,00
Income from participating interests			
Other operating income	1 407,00	3 136,00	2 130,00
Other operating charges	5 872,00	11 160,00	6 784,00
Operating profit			
INVESTMENT INCOME AND CHANGES			
Investment income less charges			
Profit (loss) before taxation	4 856,00	9006,00	2 707,00
Income-tax and other similar payments	1 015,00	1 323,00	806,00
Profit (loss) from ordinary activity			
Extraordinary income less charges			
Net profit	3 841,00	7 683,00	1 901,00

----- KEY RATIOS -----

Return on sales, %	1,88	1,65	0,44
Profit before taxation / Net sales			
Operating margin of profit, %			
Operating profit / Net sales			
Return on investments, %	9,23	18,50	6,38
Profit before taxation / Equity			
Current assets turnover	1,62	1,68	1,65

Net sales / Current assets			
Working capital	- 37 218,00	- 36 651,00	- 32 178,00
Current assets - Short-term liabilities			
Leverage	0,12	0,11	0,09
Equity / Total assets			
Current ratio	0,90	0,90	0,92
Current assets / Short-term liabilities			
Quick ratio	0,38	0,41	0,31
(Current assets - Stock) / Short-term liabilities			
Debt-to-equity ratio	7,04	7,85	10,38
Total liabilities / Equity			
Debtor days	168,25	96,98	73,44
Debtors / Net sales *365			
Creditor days			
Trade debts / Cost of goods sold *365			

According to the information provided by the Group, its consolidated revenue for 9M/2017 amounted to 357 615 th rubles.

ANALYSIS OF FINANCIAL PERFORMANCE AND CREDIT LIMIT EVALUATION ON “SAMPLE” GROUP OF COMPANIES

Key financial ratios characterizing the activity of the Group

1. **Return on sales ratio** (profit/sales volume) shows the share of net profit in company's sales volume. The company's return on sales ratio has a positive value, but is not high.

2. **Current assets turnover ratio** (sales / current assets) characterizes the efficiency of using of available current assets. During the studied period the company's ratio is within industry average.

3. **Current (liquidity) ratio** (current assets/short-term liabilities) shows sufficiency of current assets necessary for business operations and timely repayment of short-term obligations. Considering Current liquidity ratio, it should be noted that short-term credits and loans include loans from the business beneficiary and the shareholder to the total amount of 45 118th rubles. As the maturity date for these loans according to the data provided by the Group can exceed one year, they can be excluded from the short-term liabilities. Additionally, the Group's trade payables include the debt to PromTehTsentr, LLC to the amount of 33 785th rubles and the debt to Expo-prom, LLC to the amount of 5 721th rubles, which, according to the information provided, should be treated as unrepayable. Excluding these amounts Current liquidity ratio is within the established limits.

4. **Quick ratio** (most liquid assets/short-term liabilities). The ratio indicates the company's ability to meet its current obligations in case of difficulties with sales of goods. Considering Quick ratio, it should be noted that short-term credits and loans include loans from the business beneficiary and the shareholder to the total amount of 45 118th rubles. As the maturity date for these loans according to the data provided by the Group can exceed one year, they can be excluded from the short-term liabilities. Additionally, the Group's trade payables include the debt to PromTehTsentr, LLC to the amount of 33 785th rubles and the debt to Expo-prom, LLC to the amount of 5 721th rubles, which, according to the information provided, should be treated as unrepayable. Excluding these amounts Quick ratio is within the established limits.

5. **Working capital** (difference between current assets and current liabilities). The ratio shows the company's ability to fulfill its financial obligations as soon as available. Working capital, calculated upon indicators of financial statements, has a negative value, however, taking into account the loans from the business beneficiary and the shareholder to the total amount of 45 118th rubles, this index turns positive.

6. **Equity to Total Assets ratio** (equity/total assets). The ratio demonstrates the extent of financial independence from creditors. Considering the subject's equity ratio, it should be noted that the Group has loans from the business beneficiary and the shareholder to the total amount of 45 118th rubles, the maturity date for these loans, according to the data provided, can exceed one year. In that case these loans can be regarded as a non-evident equity capital. In that case, during the whole analyzed period, the subject's equity to total assets ratio meets the requirements, which indicates the Group's not high dependence on borrowed funds.

Conclusion on credit limit and assessment of “SAMPLE” Group of companies

As a result of the analysis of the available data, we can conclude the following:

At present the Group “SAMPLE” is represented by two companies-international trade operators, one company, engaged in wholesale trade, and one company, acting as an asset holder.

The Group has its own office and warehouse premises. It raises loans from banks to conduct its activity.

Short-term credits and loans include loans from the business beneficiary and the shareholder to the total amount of 45 118th rubles. As the maturity date for these loans, according to the data provided by the Group, can exceed one year, they should be excluded from the short-term liabilities. Additionally, the Group’s trade payables include the debt to PromTehTsentr, LLC to the amount of 33 785th rubles and the debt to Expo-prom, LLC to the amount of 5 721th rubles, which, according to the information provided, should be treated as unliable. Excluding these amounts Current (liquidity) and Quick ratios are within the established limits.

At the same time, in 2016 the sales volume decrease of the Group made 11% as compared to 2015, the sales decline is also observed in the first half of 2017. According to the data provided, such decline was caused by the temporary transfer of the sales turnover of the main client, OOO “Alfa-M”, to a different legal entity. Net sales of the Group for nine months of 2017 remains at the level of the corresponding period of the last year.

The level of profitability remains low. The most part of the immovable property is under pledge.

Currently, “SAMPLE” Group has no sufficient working capital to finance purchases fully and, therefore, needs to raise additional debts and attract trade credits from suppliers with prolonged delay of payments.

Maximum size of commercial credit for “SAMPLE” Group of companies can amount to 130 000 EUR per delivery.

The estimated level of risk is moderate.

Calculations have been made for presumably 24 deliveries a year.

Size of total yearly commercial credit for suppliers from China, the share of which in the purchases of the Group in 2017 is estimated at the level of 90%, can amount up to 2 500 000 EUR in case of simultaneous supplies with an open account totaling no more than 395 000 EUR.

LIST OF DOCUMENTS PROVIDED

Registration documents:

- AAAAA MLK, LLC (INN: 1234567890)
 - Extract from the Unified State Register of Legal Entities as at 07.07.2017;
 - Taxpayer registration certificate; series 11 №12345678;
 - State registration certificate of legal entity series 11 №12345678;
- SAMPLE-DESIGN, LLC (INN: 1234567890)
 - Extract from the Unified State Register of Legal Entities as at 07.07.2017;
 - Taxpayer registration certificate; series 11 №12345678;
 - State registration certificate of legal entity series 66 №12345678;
- BBB-LOGISTIC, LLC (INN: 1234567890)
 - Extract from the Unified State Register of Legal Entities as at 07.07.2017;
 - State registration certificate of legal entity series серия 11 №12345678;
- CCCIMPORT, LLC (INN: 1234567890)
 - Extract from the Unified State Register of Legal Entities as at 14.07.2016;
 - Taxpayer registration certificate; series 11 №12345678;
 - State registration certificate of legal entity series 11 №12345678;

Companies' Charters:

- Charter of AAAAA MLK, LLC (INN: 1234567890) dated 27.04.2015;
- Charter of SAMPLE-DESIGN, LLC (INN: 1234567890) dated 26.05.2007;
- Charter of BBB-LOGISTIC, LLC (INN: 1234567890) dated 10.03.2015;
- Charter of CCCIMPORT, LLC (INN: 1234567890) dated 22.06.2016;

Loan agreements:

- Loan contract №11111L as of 21.04.2016 with ALFA-BANK, JSC to the amount of 30 000th rubles;
- Letter for loan extension by the shareholder, Mr Sample, Aleksandr Yuryevich, to the amount of 43 901th rubles;

Certificates of State Registration of Titles:

- Cadastral certificate of the non-residential premises dated 01.11.2011 with a total floor space of 2 752.1 sq.m., address: Sample, Kislorodnaya street 8 (Technical Inventory Bureau № 11 1111);
- Extract from the technical certificate of the non-residential premises dated 21.10.2017 with a total floor space of 2 752.1 sq.m., address: Sample, Kislorodnaya street 8;
- Certificate of State Registration of Title № 11-AA 123456 dated 06.03.2015 for immovable property: non-residential four-storey building with a total floor space of 2 231.3 sq.m., address: Sample, Kislorodnaya street 8;
- Certificate of State Registration of Title № 11-AA 123456 dated 18.12.2012 for immovable property: land plot with a total floor space of 908 sq. m., address: Sample, Kislorodnaya street 8;

Extracts from the Unified State Register of Immovable Property:

№ 11-11-01/111/2011-641 dated 30.08.2011 (property) of title to real property: land plot with a total floor space of 1 057 sq.m.; cadastral value as at 10.10.2017: 1 015 777 rubles;

№11-11-11/111/2012-294 dated 18.12.2012 (property) of title to real property: land plot with a total floor space of 908 sq.m.; cadastral value as at 10.10.2017: 872 588 rubles;

№ 11-66/001-66/001/111/2015-163/4 dated 06.03.2015 (property) of title to real property: non-residential four-storey building with a total floor space of 2 231.3 sq.m.; address: Sample, Kislorodnaya street 8; cadastral value as at 10.10.2017: 25 420 085.25 rubles;;

№ 11-11-01/111/2012-450 dated 04.12.2012 (property) of title to real property: land plot with a total floor space of 595 sq.m.; cadastral value as at 10.10.2017: 2 113 916 rubles;

№ 61-66-01/111/2014-157 dated 01.04.2014 (joint shared ownership) of title to real property: land plot with a total floor space of 7 006 sq.m.; address: Sample, Kislorodnaya street 8; cadastral value as at 07.11.2017: 22 916 906.24 rubles;

№ 11-11-01/111/2009-310 dated 13.11.2009 (property) of title to real property: non-residential building (warehouse) with a total floor space of 2 752.1 sq.m.; address: Sample, Kislorodnaya street 8; cadastral value as at 07.11.2017: 19 046 320.87 rubles;

№ 11-11-01/111/2012-451 dated 04.12.2012 (property) of title to real property: land plot with a total floor space of 422 sq.m.; address: Sample, Kislorodnaya street 8; cadastral value as at 07.11.2017: 1 499 281.6 rubles.

Rent agreements:

- Extended contract of rent of non-residential premises №A1-1/2015 dated 10.01.2015 with the owner BBB-LOGISTIC, LLC (INN 1234567890) at the address: Kislorodnaya street 8, Sample, 620041, Russian Federation, total floor space 75 sq.m.;
- Extended contract of rent of non-residential premises №1111-AA dated 11.01.2009 with the owner BBB-LOGISTIC, LLC (INN 1234567890) at the address: Kislorodnaya street 8, Sample, total floor space 1 060.37 sq.m.;

Financial reporting:

- Financial statements of the companies of “SAMPLE” Group:
 - 2015
 - 2016
 - 1-st half of 2017
- Turnover balance sheets for 2015, 2016, 2-nd quarter of 2017 for the following accounts:
 - 41 – Inventories
 - 60 – Trade payables
 - 62 – Trade receivables
 - 66 – Short-term credits
 - 67 – Long-term credits
 - 90 – Earnings from the principal taxation system activity

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