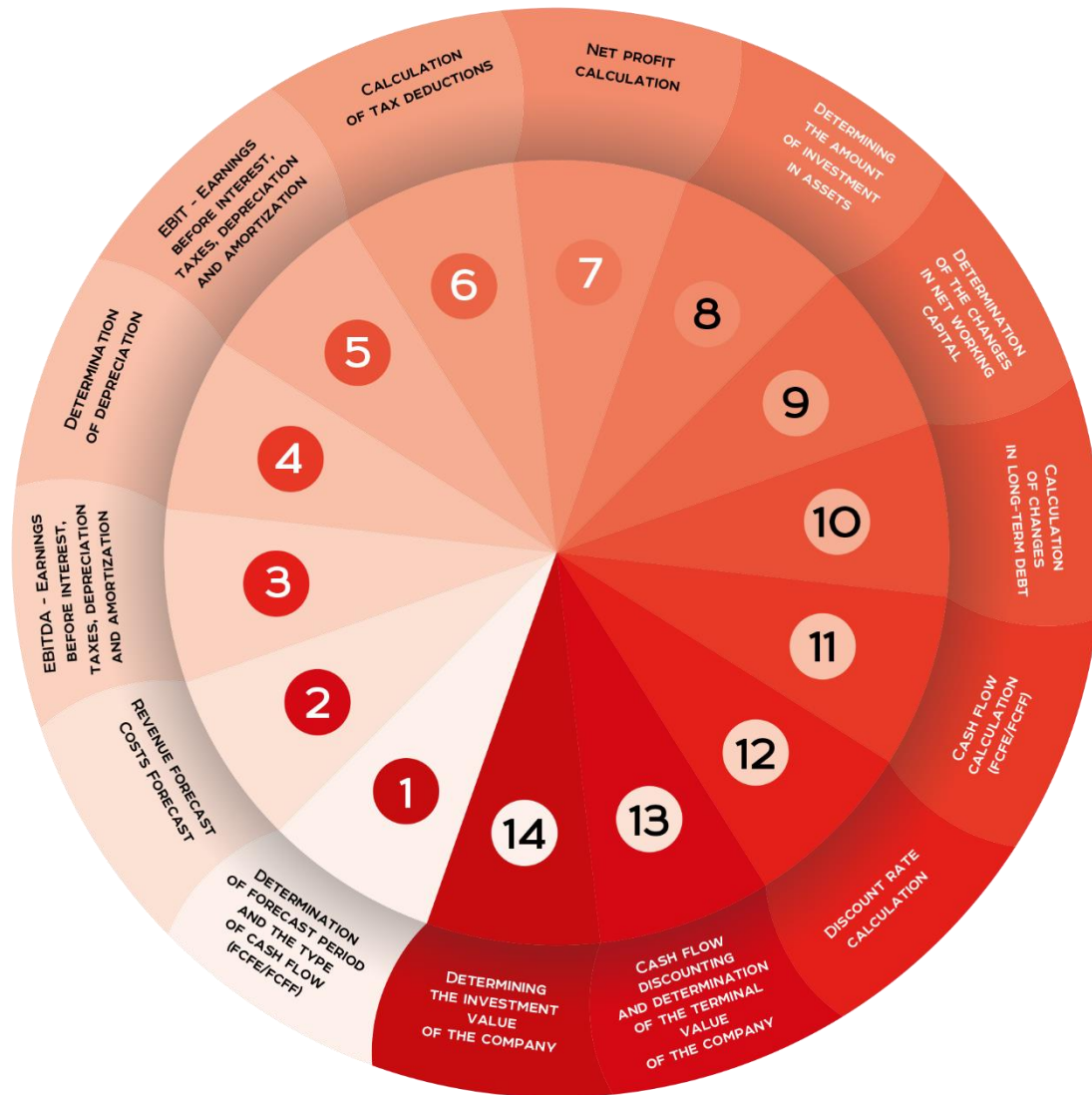


## EXPERT OPINION ON THE ASSESSMENT OF THE INVESTMENT VALUE OF THE "PROBEERKA" PROJECT



- 1 TO DETERMINE THE FORECAST PERIOD, GENERALLY ACCEPTED VALUATION PRACTICE IS TAKEN INTO ACCOUNT. SELECTING THE TYPE OF CASH FLOW DEPENDS ON WHETHER THE USE OF LONG-TERM DEBT IN THE COMPANY'S ACTIVITIES IS PLANNED
- 2 ACCORDING TO THE BUSINESS PLAN OF THE COMPANY PROVIDED BY THE CUSTOMER/OWNER
- 3 REVENUE FORECAST. COSTS FORECAST
- 4 IS CALCULATED ON THE BASIS OF DATA ON THE INITIAL AND RESIDUAL VALUES, AS WELL AS ON AVERAGE WEIGHTED RATES OF DEPRECIATION OF FIXED ASSETS
- 6 TAX - TAX IN THE REGION/COUNTRY WHERE THE COMPANY IS LOCATED
- 8 FORMULA 1
- 9 BASED ON INDICATORS OF THE TURNOVER OF RECEIVABLES AND PAYABLES OF THE COMPANY, INVENTORIES AND THE SHARE OF CASH IN REVENUE. IT IS CALCULATED IN CASE OF THE ORIGINAL DATA IN BUSINESS PLAN.
- 10 IS CALCULATED IF THE COMPANY USES LONG-TERM BORROWINGS
- 11 FORMULA 2
- 12 FORMULA 3
- 13 FORMULA 4
- 14 IS CALCULATED AS THE SUM OF DISCOUNTED CASH FLOWS DURING THE FORECAST AND POSTFORECAST PERIODS

## FORMULAS.

$$1 \quad \boxed{Capex = V_1 \cdot dr \cdot (1 + i_{gr}) + PE}$$

**Capex** - AMOUNT OF INVESTMENT IN ASSETS

**V<sub>1</sub>** - THE INITIAL COST FIXED ASSETS

**dr** - DEPRECIATION RATE

**i<sub>gr</sub>** - FIXED ASSETS GROWTHS INDEX

**PE** - COST VALUE OF PRODUCTION EXPANCIION

$$2 \quad \begin{aligned} FCFE &= NP + DA - \Delta NWC - \Delta Capex + \Delta LD \\ FCFE &= EBIT - TAX + DA - \Delta NWC - \Delta Capex \end{aligned}$$

**NP** - NET PROFIT

**DA** - DEPRECIATION AMOUNT

**Δ NWC** - NET WORKING CAPITAL CHANGE

**Δ Capex** - NET INVESTMENT (CHANGE) IN LONG-TERM ASSETS

**Δ LD** - CHANGE IN LONG-TERM DEBT

**EBIT** - EARNINGS BEFORE INTEREST AND TAXES

**TAX** - TAX IN THE REGION/COUNTRY WHERE THE COMPANY IS LOCATED

$$3 \quad \boxed{k_e = R_f + P(R_m - R_f) + S_1 + S_2 + S_3}$$

**R<sub>f</sub>** - RISK-FREE RATE

**R<sub>m</sub>** - AVERAGE MARKET RATE OF RETURN

**P** - "BETA" COEFFICIENT

**S<sub>1</sub>** - COUNTRY RISK PREMIUM

**S<sub>2</sub>** - SMALL CAPITALIZATION PREMIUM

**S<sub>3</sub>** - SPECIFIC RISK PREMIUM

$$\boxed{WACC = k_d \cdot (1-T) \cdot \frac{D}{E+D} + k_e \cdot \frac{D}{E+D}}$$

**k<sub>d</sub>** - MARKET RATE ON BORROWED CAPITAL, %

**T** - INCOME TAX RATE

**D** - AMOUNT OF BORROWED CAPITAL

**E** - COMPANY EQUITY

**k<sub>e</sub>** - MARKET (REQUIRED) RATE OF RETURN ON EQUITY OF THE COMPANY, %;

$$4 \quad \text{The formula for the present value of the currency unit received in the future is as follows:}$$

END OF THE PERIOD

$$PV = \frac{1}{(1+R)^n}$$

MIDDLE OF THE PERIOD

$$PV = \frac{1}{(1+R)^{n-0.5}}$$

**n** - NUMBER OF PERIODS,  
**R** - RATE **k<sub>e</sub>** / **WACC**

$$4.1 \quad \text{The terminal value of the company is determined as follows:}$$

$$TV = \frac{TCF}{R-gr}$$

**TV** - TERMINAL VALUE OF THE COMPANY

**TCF** - DISCOUNTED CASH FLOW IN THE POST-FORECAST PERIOD

**gr** - THE GROWTH RATE OF THE ECONOMY

## THE INITIAL DATA USED IN THE CALCULATION ALGORITHM.

ITEM	UNIT	1	2	3	4	5	POST-FORECAST PERIOD
REVENUE	RUR	98 482 440	104 224 656	109 252 682	109 252 682	109 252 682	<b>112 421 010</b>
COST PRICE	RUR	33 965 018	35 280 303	36 292 247	36 292 247	36 292 247	<b>37 344 722</b>
EBITDA	RUR	64 517 422	68 944 353	72 960 435	72 960 435	72 960 435	75 076 288
DEPRECIATION DEDUCTIONS	RUR	<b>12 433 783</b>	<b>13 055 472</b>	<b>13 708 246</b>	<b>14 393 658</b>	<b>17 382 141</b>	<b>17 382 141</b>
EBIT	RUR	52 083 639	55 888 881	59 252 189	58 566 777	55 578 294	57 694 147
BALANCE OF OPERATING AND NON-OPERATING EXPENSES AND REVENUES	RUR	0	0	0	0	0	0
EBT	RUR	52 083 639	55 888 881	59 252 189	58 566 777	55 578 294	57 694 147
TAX	RUR	5 908 946	6 253 479	6 555 161	6 555 161	6 555 161	6 745 261
NET PROFIT	RUR	<b>46 174 693</b>	<b>49 635 402</b>	<b>52 697 028</b>	<b>52 011 616</b>	<b>49 023 133</b>	<b>50 948 886</b>
CHANGE IN NET WORKING CAPITAL (DELTA NWC)	RUR	0	0	0	0	0	0
ASSET ACQUISITION (CAPEX)	RUR	<b>11 303 439</b>	<b>12 433 783</b>	<b>13 055 472</b>	<b>13 708 246</b>	<b>14 393 658</b>	<b>14 393 658</b>
CHANGE IN LONG-TERM DEBT (DELTA LD)	RUR	0	0	0	0	0	0
CASH FLOW TO THE OWNER (FCFE)	RUR	<b>47 305 037</b>	<b>50 257 091</b>	<b>53 349 802</b>	<b>52 697 028</b>	<b>52 011 616</b>	<b>53 937 369</b>
DISCOUNT RATE (ANNUAL)	%	<i>26,93%</i>	<i>26,93%</i>	<i>26,93%</i>	<i>26,93%</i>	<i>26,93%</i>	<i>26,93%</i>
DISCOUNT MULTIPLIER	UNITS	<i>0,78784</i>	<i>0,62069</i>	<i>0,48900</i>	<i>0,38525</i>	<i>0,30351</i>	<i>0,30351</i>
TERMINAL VALUE	RUR			-			224 458 484
PRESENT VALUE OF FUTURE EARNINGS	RUR	<b>37 268 800</b>	<b>31 194 074</b>	<b>26 088 053</b>	<b>20 301 530</b>	<b>15 786 046</b>	<b>68 125 388</b>
PRESENT VALUE OF FUTURE OWNER'S INCOME	RUR	198 763 891					
INVESTMENT VALUE 1	USD	<b>3 152 480</b>					

\*EXCHANGE RATE ON 2/5/20 – 63,05

ITEM	MARKET VALUE, RUR
LAND PLOT, LAND CATEGORY: SETTLEMENT LANDS, TYPE OF PERMITTED USE: FOR INDIVIDUAL RESIDENTIAL CONSTRUCTION, AREA 978 SQM, OBJECT ADDRESS (LOCATION): KRASNODAR REGION, ANAPA DISTRICT, ANAPA, KAVKAZ* AGRICULTURAL COMPANY, CADASTRAL NUMBER: 23:37:1006000:6443	964 000
LAND PLOT, LAND CATEGORY: SETTLEMENT LANDS, TYPE OF PERMITTED USE: FOR INDIVIDUAL RESIDENTIAL CONSTRUCTION, AREA 769 SQM, OBJECT ADDRESS (LOCATION): KRASNODAR REGION, ANAPA DISTRICT, ANAPA, KAVKAZ* AGRICULTURAL COMPANY, CADASTRAL NUMBER: 23:37:1006000:6444	758 000
LAND PLOT, LAND CATEGORY: SETTLEMENT LANDS, TYPE OF PERMITTED USE: FOR INDIVIDUAL RESIDENTIAL CONSTRUCTION, AREA 622 SQM, OBJECT ADDRESS (LOCATION): KRASNODAR REGION, ANAPA DISTRICT, ANAPA, KAVKAZ* AGRICULTURAL COMPANY, CADASTRAL NUMBER: 23:37:1006000:6445	613 000
<b>TOTAL, RUR</b>	<b>2 335 000</b>

DISCOUNT RATE	26.93%
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## CONCLUSION:

THE INVESTMENT VALUE OF THE PROJECT  
“PROBEERKA” IS \$ 3,152,480

EXPERT: DMITRY KOSAZHIKHIN  
CERTIFICATE № 0013 OF 01/20/2012  
«BUSINESS UNION OF APPRAISERS»

