

MANUFACTURE AND EXPORT OF DRY PORE-FORMING MIXES IN THE REPUBLIC OF CRIMEA



History and Concept of Project

History of Project

In the mid-2019, a group of Russian and European partner companies began to look into the possibility of participation in a number of projects in North and West Africa.

While choosing the construction technology for some projects, preference was given to the Growing Aerated Concrete (**RGB/GAC**) technology.

Concept of Project

A number of large-scale construction contracts in West Africa is scheduled to be signed by the partners in the 3rd and 4th quarters of 2020.

In connection with this, a specialized company, **ALTUM LLC**, was incorporated in the Republic of Crimea in order to provide the kitting-up and delivery of certain kinds of Russian materials and equipment from the ports of Crimea and Novorossiysk to the partner projects in Africa and other countries.

In particular, the use of the Growing Aerated Concrete technology (see below) was approved for a number of African construction projects.



ALTUM Products

Growing Aerated Concrete (RGB/GAC)

cast-in-place, fire-safe, durable, water-resistant and environmentally friendly.

The following has been developed and is made by **ALTUM** to manufacture Growing Aerated Concrete:

dry pore-forming mix (SPS) packaged in 20-kg plastic buckets; and

portable equipment, i.e. cavitation mixers with a productive capacity of 0.5 m³ and 1.0 m³.

Aerated concrete meets the requirements of GOST 25485-89.

Self-supporting aerated concrete permits the construction of up to three storeys high and up to five storeys if poured into the light gauge steel framing.

Dry pore-forming mix (SPS)



Cavitation mixer SKD-1.0

ALTUM Products



Examples of manufacture of RGB-based decorative facing panels



Dry pore-forming mix (SPS)



Cavitation mixer SK-0.5

RGB Application Domain

1. Monolithic house construction and monolithic frame house construction
2. Aerated concrete blocks, both standard and with ready façade decoration for further coating and/or painting, which do not require external protection and additional heat insulation
3. Decorative facing panels, heat insulating, for façade repairs, decoration and heat insulation
4. Heat-insulated waterproof subflooring
5. Heat-insulated waterproof monolithic roofing
6. Cosmetic façade repair, structural restoration work, roof repairs
7. Renovation of buildings
8. Swimming-pools of all forms
9. Sarcophaguses to bury hazardous, harmful and radioactive waste
10. Vegetable storages, farms and poultry factories
11. etc.

Characteristics

- ✓ The prime cost is 15-20% lower than in case of monolithic construction from high weight concrete
- ✓ Frost resistance: more than 200 cycles
- ✓ Durability: from 25 to 120 kg/cm²
- ✓ Wide range of specific weight: from 200 to 1,200 kg/m³
- ✓ Pronounced growing effect, with 80% - 100% bloating
- ✓ Sealed-in ceilings, floors, walls and foundations
- ✓ Can structurally restore the destroyed façade stone

Preparation for Manufacture and Export

Technology and Products

ООО ALTUM's specialists use the technology of growing aerated concrete (**RGB/GAC**) manufacture on the basis of dry pore-forming mix (**SPS**).

This technology is successfully used in Russia, in particular, at the Vostochny cosmodrome, as well as in a number of European countries, in the UAE and in Central America, and has very good references.

As at today, **ООО ALTUM** plans to launch the manufacture of **SPS** and the associated manufacturing equipment in the Republic of Crimea with subsequent exportation to Syria, MENA countries and a number of West African countries, including exportation for our partners' projects in those regions.

* The description of the technology, its application domain and references can be found in the attached Presentation.

Subject of Export

All **SPS** components and manufacturing equipment units are made in the RF.

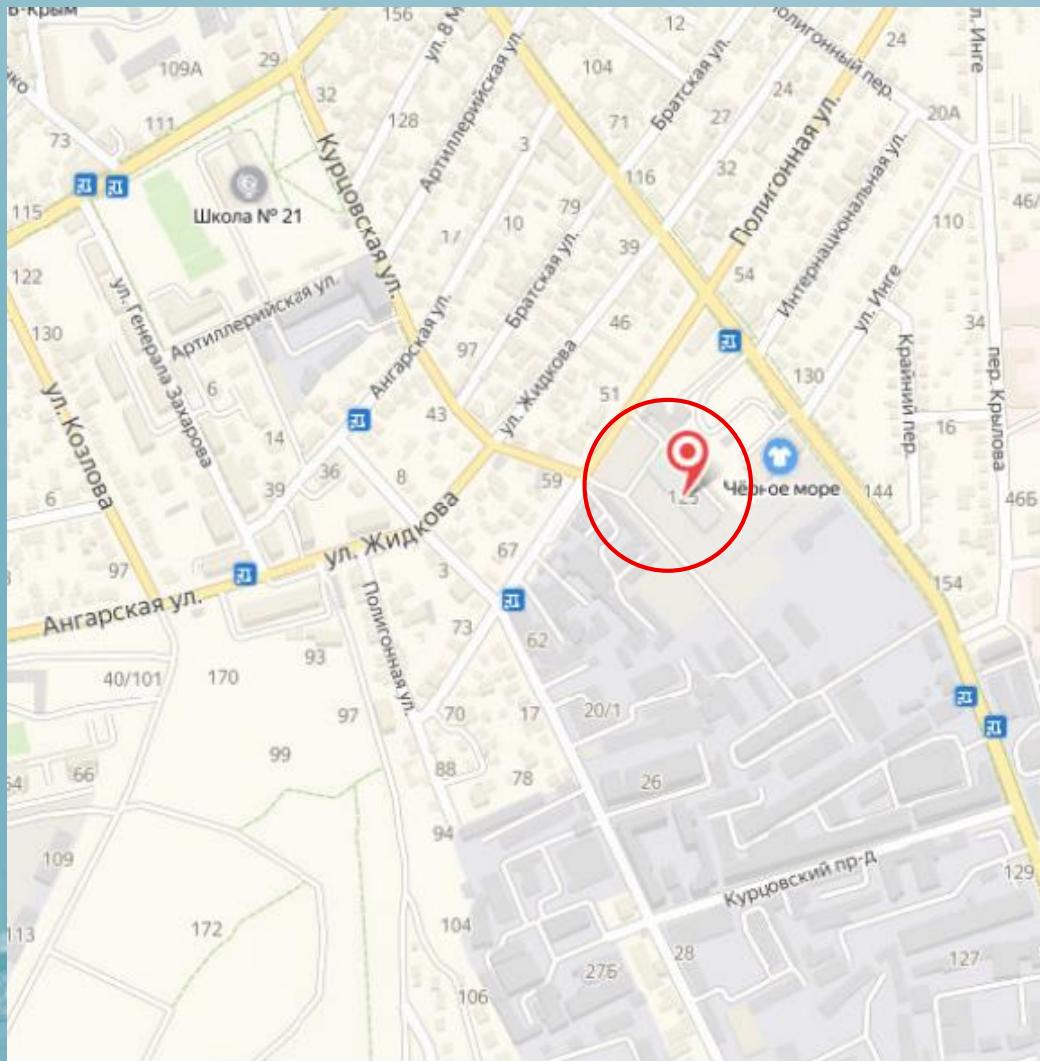
The following is planned to arrange in the Republic of Crimea:

- preparation and packing of **SPS**
- manufacture equipment kitting-up and assembly
- pre-export preparation and shipment of products to the Customer.

In addition, in all the importing countries it will be necessary to set up Training, Engineering Supervision and After-Sales Service Centers.



Production Facility in Simferopol



To implement the scope of the project, a production facility was rented in the Republic of Crimea.



Brief Description of Production Facility

- Location: 125 Krylov St., Simferopol
- The facility has enough space, workshops and buildings to deploy the manufacture and arrange delivery picking locations

The facility is provided with all necessary engineering and transportation infrastructure

Projected Delivery Geography



Scheme of Deliveries to West Africa

Purpose of Export Deliveries

The first several deliveries to Burkina Faso will be carried out in order to procure the partner companies' own projects in that country. Therefore, the exportation of materials and equipment from the RF is integrated into the in-situ implementation of partner projects.

For Deliveries to Africa

In order to carry out deliveries to African countries, a carrier shipping company is required, as well as a Novorossiysk partner company for delivery kitting-up and logistics purposes.

Projected Delivery Geography



Scheme of Deliveries to the Syrian Arab Republic

Alongside the projects in Africa, **ALTUM** is interested in expanding its delivery geography, with deliveries to the Syrian Arab Republic (SAR), Iran, India and other countries.

SAR Cooperation Models

We are ready to negotiate various cooperation models with the Syrian Party: from simple deliveries and local distribution to setting up SPVs and consortiums with a deeper-level participation in local projects, including EPC (M/F).

What We Need to Organize Export to the SAR

1. Assistance on the part of the Crimean-Syrian Trading House and the South Regional Center for Export Support, an Autonomous Non-Commercial Organization, in what concerns the conclusion of product delivery, training and engineering supervision contracts with the SAR Customers
2. Establishment of relations with the customs service and the carrier, the Crimean-Syrian Shipping Company or its equivalent
3. Investments:
 - In case of conclusion of contracts providing for a 50+% prepayment, no investments shall be required.
 - In case of conclusion of contracts providing for LC payments, an investor/a credit for the amount of 35.0 - 50.0 mln rub shall be required.

* The investing/crediting terms and conditions shall be subject to case-to-case negotiations, depending on situation.

Project Economics*

1. The minimum planned quantity of shipments in the first business year: three 40-ft containers/month = 60.0 t of SPS/month
2. The prime cost of one container (20.0 t of SPS + 3-5 units of equipment): 8,250.0 thou rubles (\$ 126.9 K)*
3. Price for Customer on FOB terms: 11,550 thou rub (\$ 177.7 K)*
4. GOP (Gross Operational Profit, with quantity of shipments = 3 containers/month) = 9,900 thou rub/month ~ 118.8 mln rub/year
5. Production and exportation profitability ~ 40%

* Exclusive of other deliveries and services

Ruble/\$ accounting
exchange rate = 65.0



Jobs and Taxes

The required personnel: at least 19-22 people

Tax payments: at least 35.0 mln rub/year

Project Team



Boris Yurchenko

CEO



Vladimir Koposov

General Manager



Anna Kononova

Sales Manager



and our partners



What partners are we interested in?

We are interested in partners who have sufficient potential, infrastructure and competence in the following areas:

- Marketing and distribution for the domestic market and geographic growth of export deliveries
- Construction general contracting/subcontracting, EPC (M/F)
- Export shipments kitting-up (Novorossiysk)
- Certification
- Customs clearance and logistics
- Organization of the Russian Export Center export co-financing
- Co-financing of project preparation stages (RDA)
- Investments in concession/BOOT projects
- O&M, Asset management



We thank

- The RF Presidential Permanent Mission of the Republic of Crimea
- The Ministry of Industrial Policy of the Republic of Crimea
- The Ministry of Construction and Architecture of the Republic of Crimea
- The Crimean-Syrian Trading House Sodruzhestvo
- Krymregiontorg, a State Unitary Enterprise
- The South Regional Center for Export Support, an Autonomous Non-Commercial Organization
- JSC Russian Export Center
- JSC Republic of Crimea Development Corporation
- Russian Exporters' Association
- The Trade and Economy Department of the Russian Embassy to Syria
- The Russian Embassy to the Republic of Côte d'Ivoire and Burkina Faso
- The Russian Embassy to Cameroon
- The commercial attaché of the Russian Embassy to the Republic of Ghana
- The Russian House in Senegal

for their help and assistance!



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