

THE ORLAN SYSTEM

MOSCOW/AUGUST 2020



DESCRIPTION OF THE ORLAN SYSTEM



The first aggregator of manufacturers and buyers of concrete mixes in the World and the Russian Federation



The ORLAN System project was launched in 2016.

In April 2018, a working version 1.0 of the world's first aggregator of manufacturers and buyers of concrete mixes for the needs of capital and private construction was released;

In June 2018, a specialized tender site was presented combining concrete production; The platform works in the form of full-fledged PC software, work is carried out through the web interface in the cloud, the company's website or application on iOS and Android;

Further development of the platform will involve the use of blockchain technologies to protect against falsification and organize automated conclusion of transactions between platform participants through smart contracts.

Key features of the tender site

01

1. Tenders involve direct manufacturers and suppliers.

02

2. Access to the tender is free for all counterparties.

03

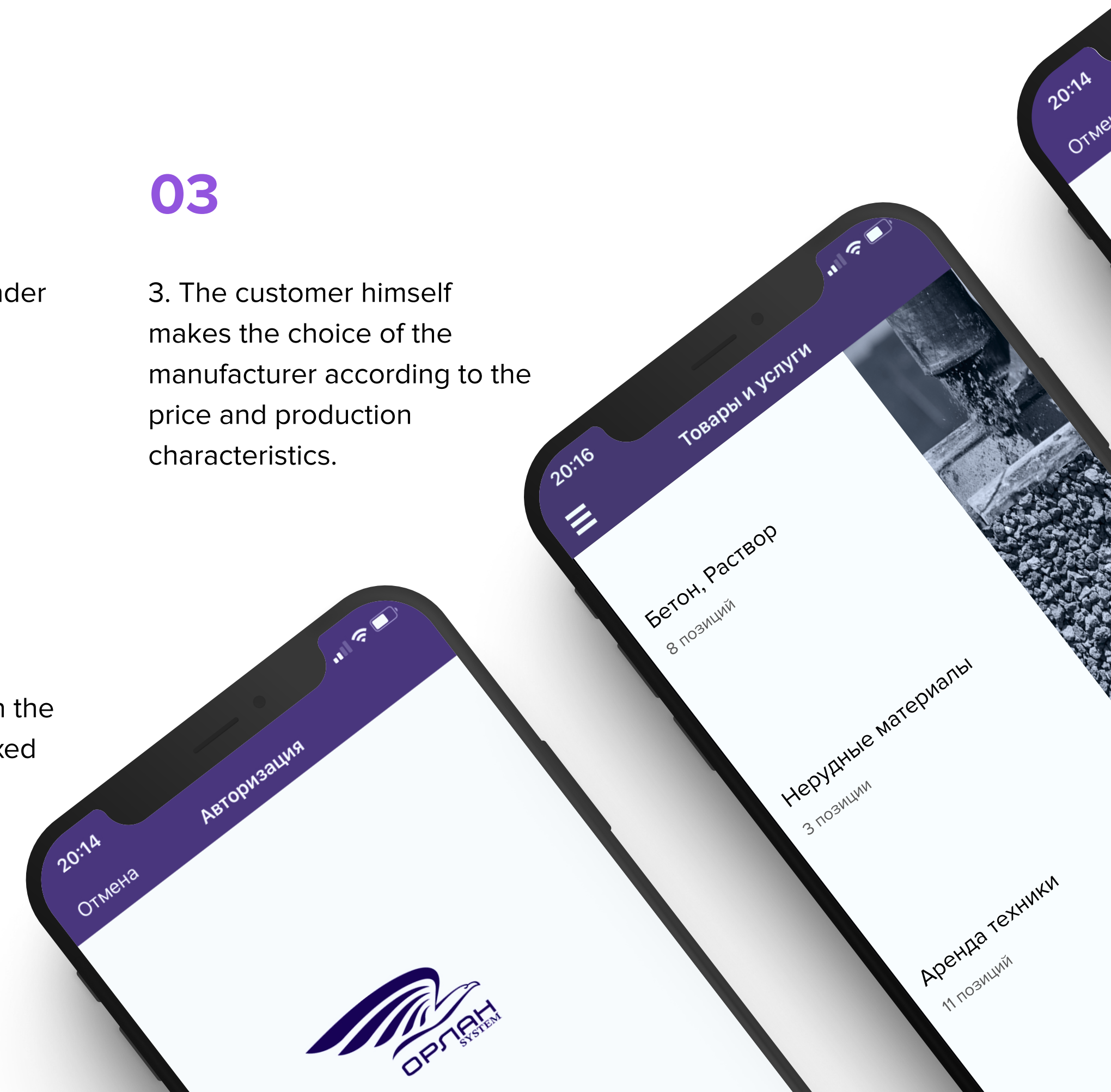
3. The customer himself makes the choice of the manufacturer according to the price and production characteristics.

04

4. Bidding is completely transparent with detailed cost breakdowns (product + delivery).

05

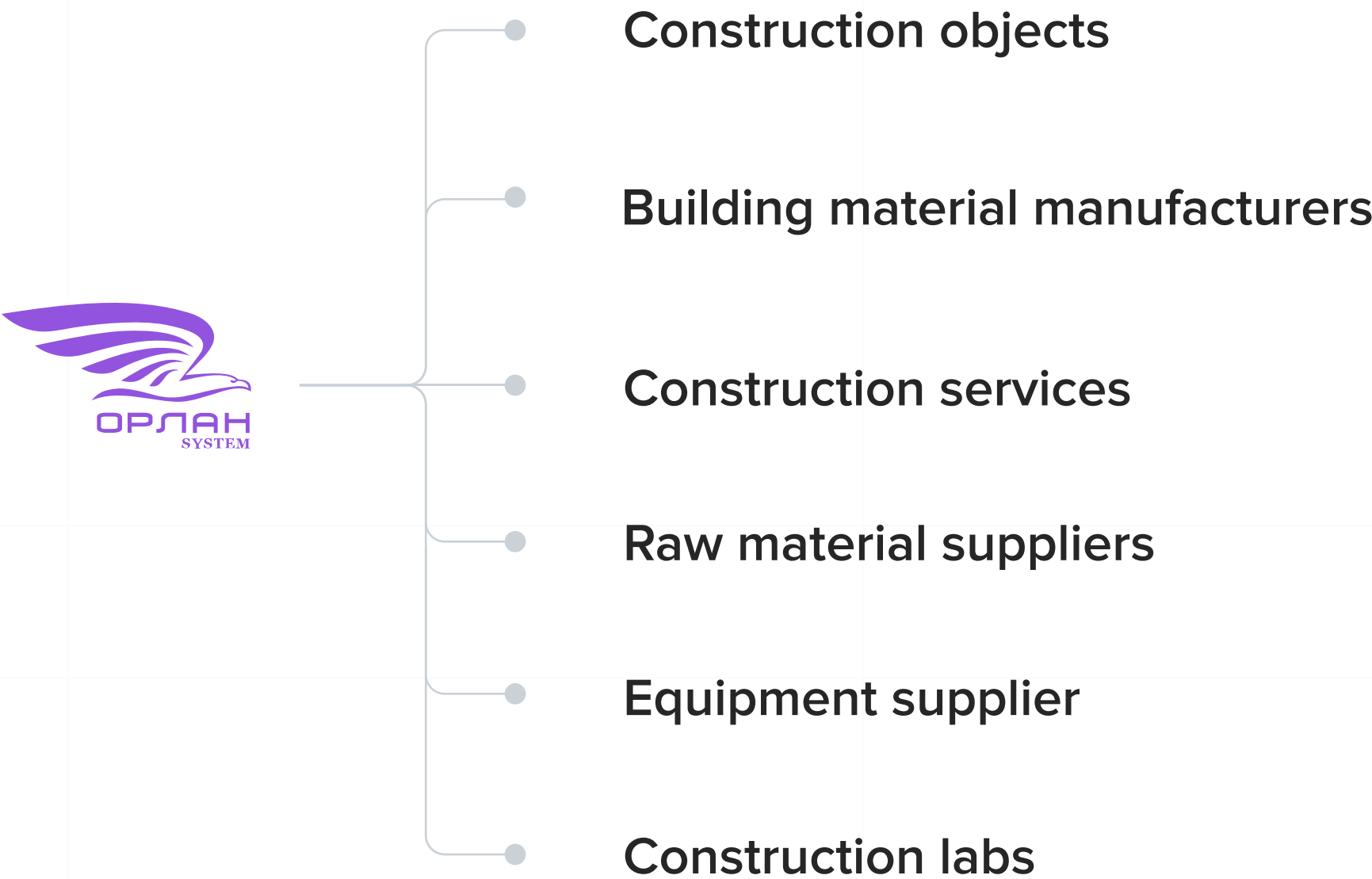
5. Trading profile on the market of ready-mixed concrete.



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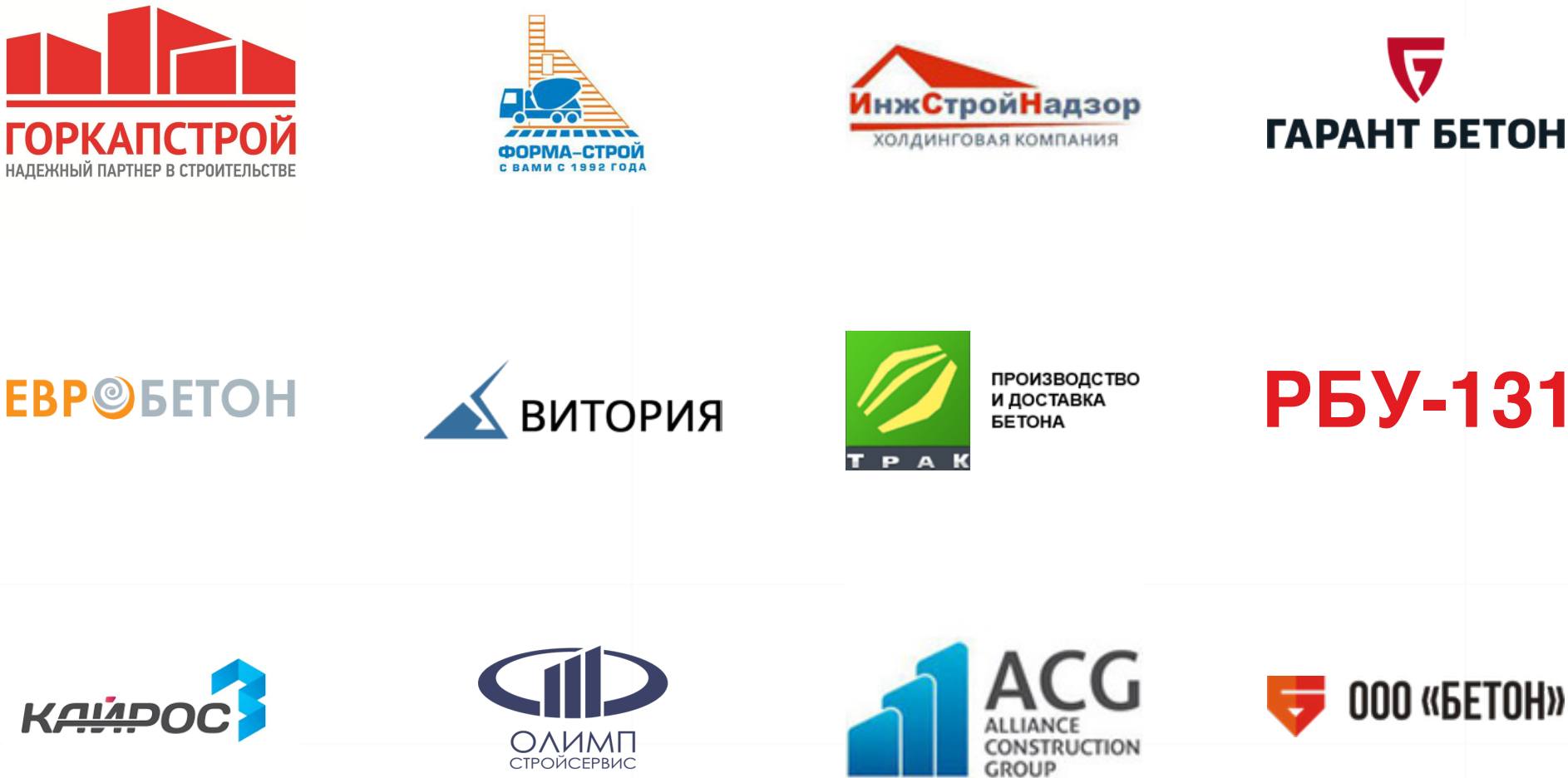


Interaction with all counterparties
in the market



Leading manufacturers and consumers of concrete mixes are
already connected to the ORLAN System

Market players connected to the
platform



The program has been tested by corporate
regulations and fully complies with them;

KEY METRICS OF THE ORLAN SYSTEM

Source: company data



Description of the ORLAN System platform

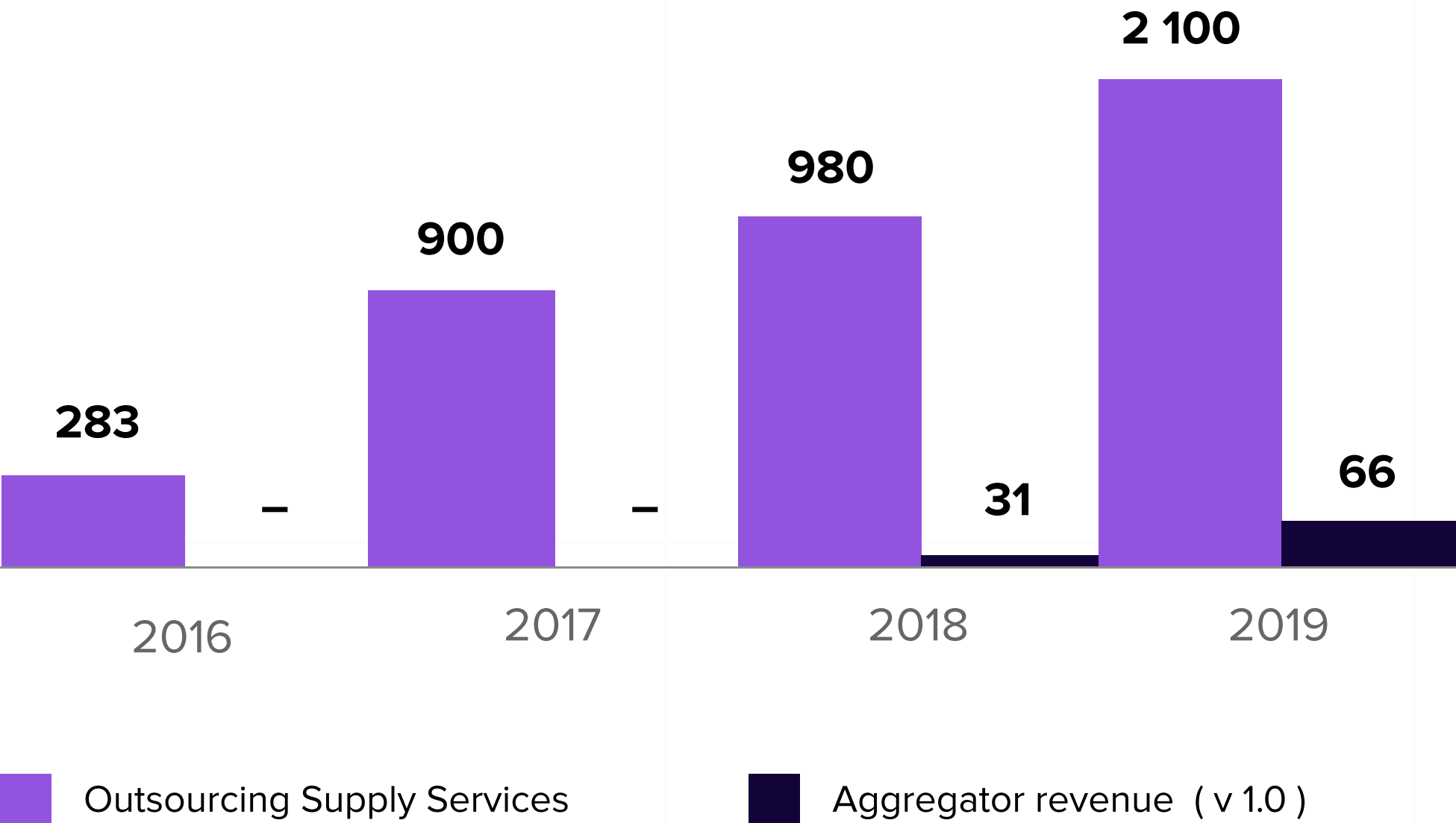
Currently, the bulk of the total revenue comes from working in “manual mode” on outsourcing;

The share of revenue from aggregator services does not exceed 5%, because at the moment, it meets the needs of a smaller business;

The total product turnover in money terms of the ORLAN System is ~ 2.17 million EUR, while the net commission income from the turnover is 7-10%.

Historical financial performance

thousand EUR





Stages of development of LLC Orlan

2016

Opening in February 2016;

The main activity is the supply of construction materials.

Since 2016, the company has evolved from an intermediary in the sale and purchase of building materials into an independent aggregator platform in the market for ready-mixed concrete and construction materials.

2017

The beginning of work on the base of real concrete production and the launch of a concrete aggregator.

2018

The official launch of the ORLAN System aggregator on the market of the Moscow region;

Actively filling the database of trusted suppliers.

2019

Cooperation with Severstal PJSC

Indicative purchase offer> 26% share;

Work with VEB Innovation LLC: a proposal for co-investment in a ratio of 1: 1.

2020

Functioning version 1.0;

Revenue generation, preparation for launch 2.0;

In February 2020, they began to pilot work on the market of St. Petersburg.

01 1. Orlan delivers ready-mixed concrete, mortar, non-metallic materials and provides construction equipment for rent to MSTU. Bauman by direct agreement and by auction (Federal Law # 44).

02 2. Orlan collaborates with the company "GorKapStroy" (supply of building materials for the reconstruction of VDNH, installation of viaducts in Reutov and in the village of Nakhabino, etc.)

03 3. Orlan supplies Olimp-Stroy company to their facilities in elite cottage villages and is the main supplier of masonry mortar to the Khimki-2019 residential complex of the Samolet group of companies

04 Supplies to «Ленэнерго» in St. Petersburg, for "SELGROS" in Zelenograd and Mytishchi.

ROADMAP DEVELOPMENT ORLAN SYSTEM

Source: company data



Stages of development of the ORLAN System

2020

Finalization of the application;
Promotion of IT-service in Moscow;
Launch of the pilot version in St. Petersburg.
The Orlan development plan over the next 5 years includes expanding the geographic

Orlan's development plan for the next 5 years includes expanding its geographical presence throughout the country and improving the quality of the provided service.

2021

Expansion of assortment and scaling in St. Petersburg, Yekaterinburg and Novosibirsk.

2022

2023

2024

Scaling further on the territory of the Russian Federation and the European Union

01 1. There will be an account of regional characteristics and a fully functional personal account for each platform participant through which he will be able to make purchases, as well as sell his products or services. Updating Web-service and mobile applications under the updated IT-platform.2

02 2. Updating the Web service and mobile applications for the updated IT platform.

03 3. Conducting marketing activities to acquire both buyers and suppliers.

04 4. Scaling throughout the Russian Federation and the EU



BUSINESS DESCRIPTION

THE PROJECT TEAM

PLATFORM DESCRIPTION



ANDREI LUPIY

**Director of Orlan LLC,
Project CEO**

Developed the main idea of the platform. Controls all processes. Approves the final solutions to all problems. Higher education (industrial and civil construction). Graduated from continuing education courses in various areas ("School of the Director General at RANEPА").

At the moment, he is undergoing a continuing education course in the specialty of "AI Director", and is also a co-chairman of the Guild of Organizations of the Construction Complex of the Moscow Chamber of Commerce and Industry and a member of the construction committee and committee of the all-Russian public organization "Business Russia"

THE PROJECT TEAM

Source: Company data



SERGEY TAVANCHEV

Chief commercial office of Orlan LLC.

Project Development Manager, Orlan System. Negotiates with top executives of partner companies. Participates in marketing activities. Supervises the work of ordinary employees of the company on the tasks of the project. Higher education in the field of "Law". He has held executive positions since 2012.



DINAR KHALIULLIN

Deputy Director of Orlan LLC.

An IT specialist. Developed a simple and reliable system for receiving and processing applications. In the ORLAN SYSTEM is responsible for the stable operation of the entire system. Higher education in the field of "Information Security Specialist".



SVETLANA GOLUBKOVA

Deputy Director of Orlan LLC.

She is responsible for the development, control and optimization of business processes of the project, document management and work with the company staff. Responsible for the staff selection and adaptation. Two higher educations in areas: "Specialist in social work" and "Management by the personnel of the organization." She has held executive positions since 2005.



EVGENI KHAIROV

IT developer of the Orlan System.

Responsible for software development and maintenance. Higher education in the field of "Information Security Specialist."

THE PROJECT TEAM

Source: Company data



Supplier Relations Manager.

Project Manager of the Orlan System.

Works with platform clients and partners. Monitors transactions and solves emerging problems. In charge of acquiring both customers and partners to the platform. At the same place of work, she took part in the creation of the Call Center and led the department of 30 managers.



ANDREY LABUTIN

Manager of Orlan LLC.

Works with clients of the company and the project. Identifies needs and controls shipment. He takes an active part in collecting information from platform customers in the development of services. Work experience> 10 years.



IVAN SOROKIN

Supplier Relations Manager.

Supervises the work of partner suppliers. Works on finding and attracting partners to the Orlan Systems platform. Has a work experience as a supplier manager for 7 years.



MIKHAIL BOLGANSKY

Manager Orlan LLC.

Works with clients of the company and the project. Identifies needs and controls shipment. He takes an active part in collecting the necessary information from platform clients in the development of services. Work experience> 15 years.

THE PROJECT TEAM

Source: Company data



VLADIMIR SARNOVSKY

Director of the construction laboratory

Responsible for the organization of quality control of the supplied products. He took part in the implementation of projects: Amur GPP, Cosmodrome Vostochny, Novatek, Yamal SPG 2, Technopark Sberbank of Russia (Skolkovo).



EVGENIA BOGDANOVA

Chief Accountant

Responsible for accounting and taxation management. She has two higher economic education.



DMITRY RYS

Chief specialist of the construction laboratory.

Responsible for quality control of the supplied products and training processes for employees and participants in the construction market.

He participated in the implementation of projects: Amur GPP, Cosmodrome Vostochny, Novatek, Yamal SPG 2, Technopark Sberbank of Russia (Skolkovo).



OLEG ISHCENKO

Lawyer.

Responsible for legal issues. Member of the Moscow College of Lawyers. Lecturer at the Department of Special Training of the Higher Educational Center at Lomonosov State University of Moscow.

Legal experience - 16 years, lawyer experience - 10 years

THE PROJECT TEAM

Source: Company data



ALEXEY MOSTOVSHCHIKOV

Project partner

Responsible for attracting investments, PR and GR-promotion. Member of the General Council for Digital Economy and Blockchain Technologies under the Committee of the State Duma of the Federal Assembly of the Russian Federation, Member of the General Council, Chairman of the Subcommittee for Digital Economy of the All-Russian Public Organization "Business Russia".



HERBERT SHOPNIK

Specialist at S7 Techlab

Responsible in the Orlan System project for the development of a part of the platform on distributed registry technology. S7 TechLab has vast practical experience in using smart contacts to optimize payment processes in the B2B sector.





CURRENT SCHEME

The scheme of interaction of the platform with B2C clients is presented

- 1

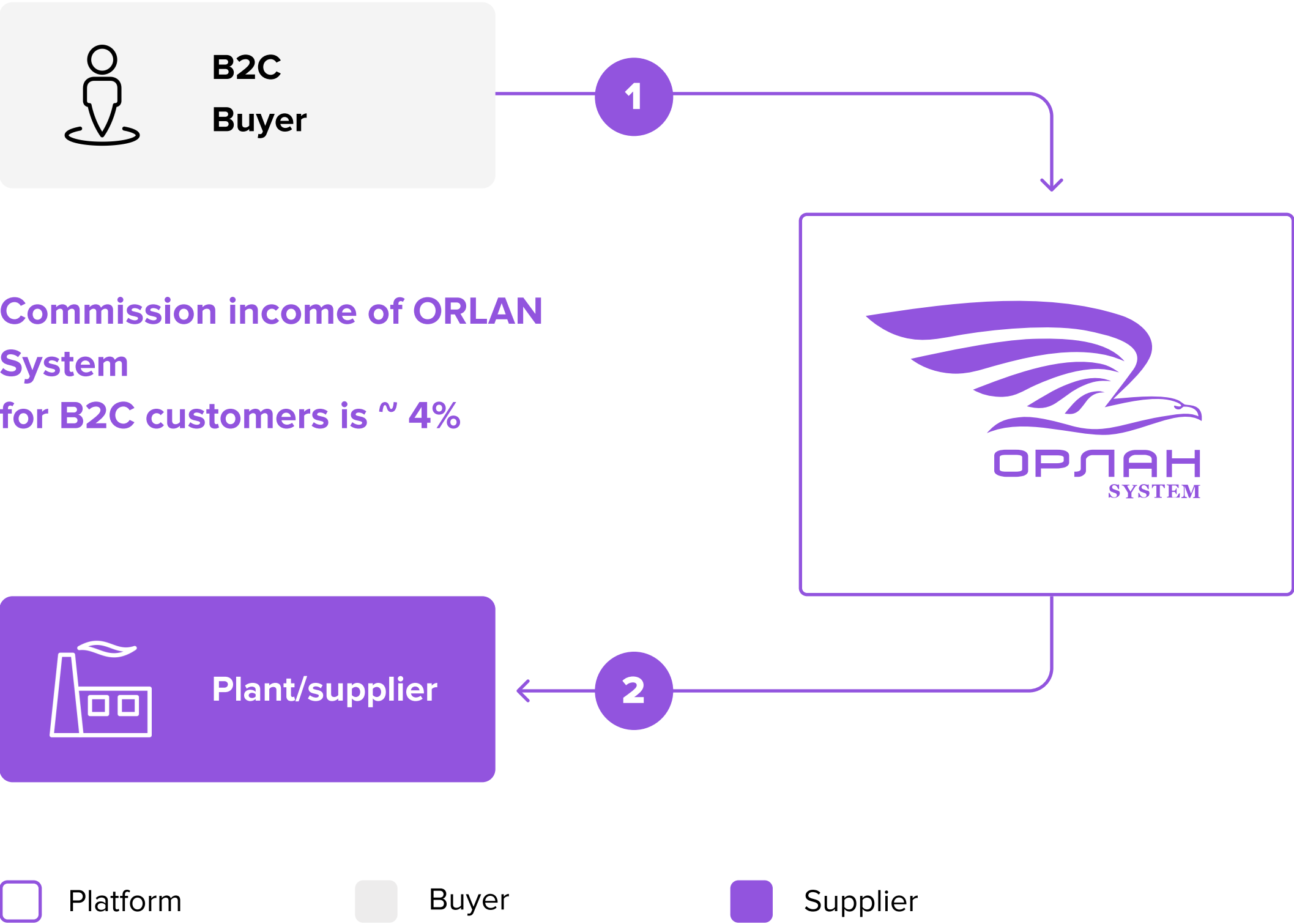
1. Application receipt:

 - The customer makes a selection of a concrete plant;
 - Draws up an application that enters the System;
 - System Manager approves the application with the Factory and confirms it to the Client;
 - The plant ships to the customer according to its documents.
- 2

2. Application payment :

 - Payment for the order through the site or mobile application;
 - Money goes to the System;
 - The system transfers money to the plant within 1 day after shipment (minus agency fees).

Interaction scheme of the parties





CURRENT SCHEME

The scheme of interaction of the platform with B2B clients is presented

- 1

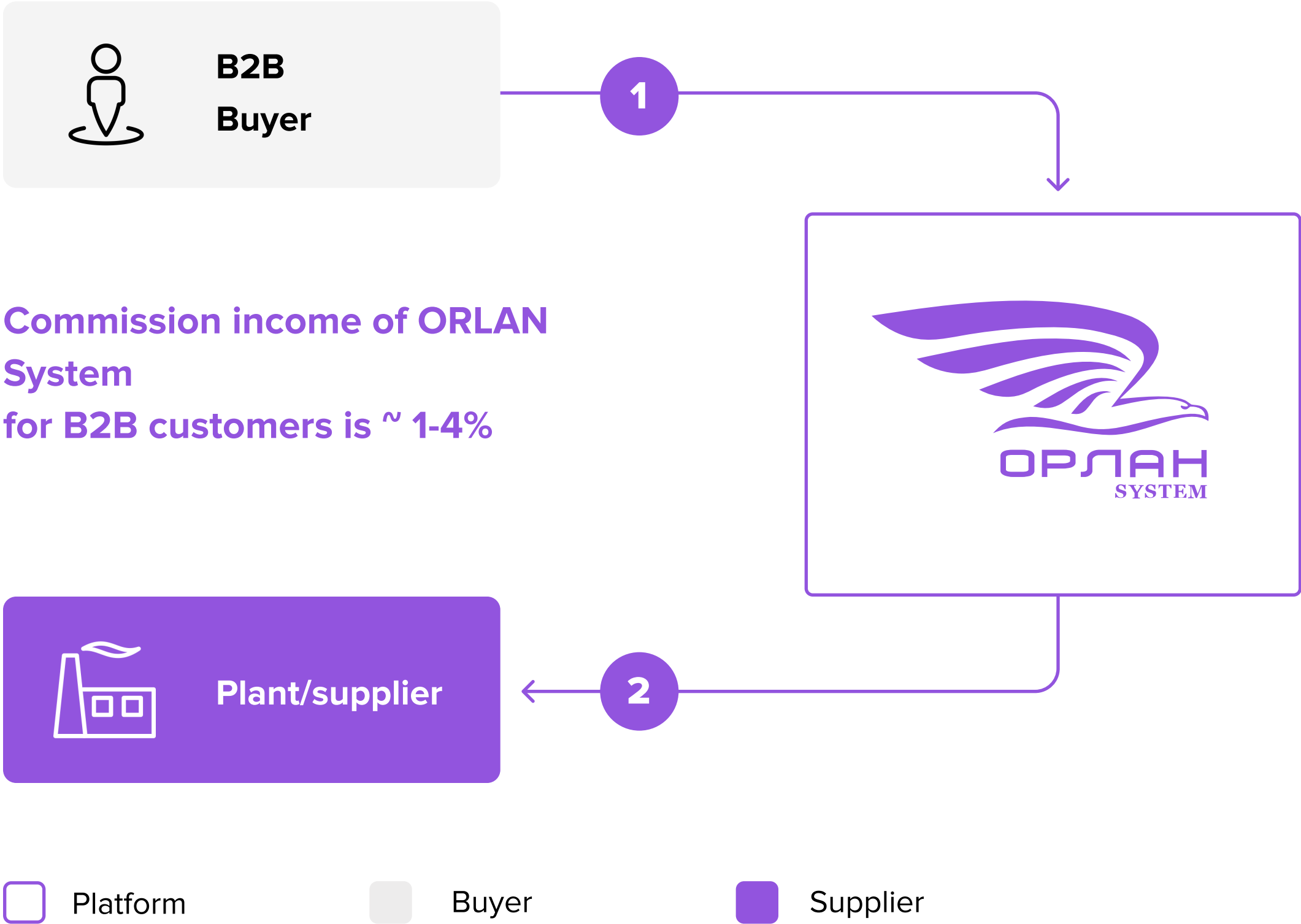
Application receipt :

 - The client makes a request to the System about the need ready-mixed concrete;
 - The System asks the plants for the delivery price at a discount based on delivery conditions;
 - The System informs the Client about the offers from factories;
 - The client selects the plant and signs a contract.
- 2

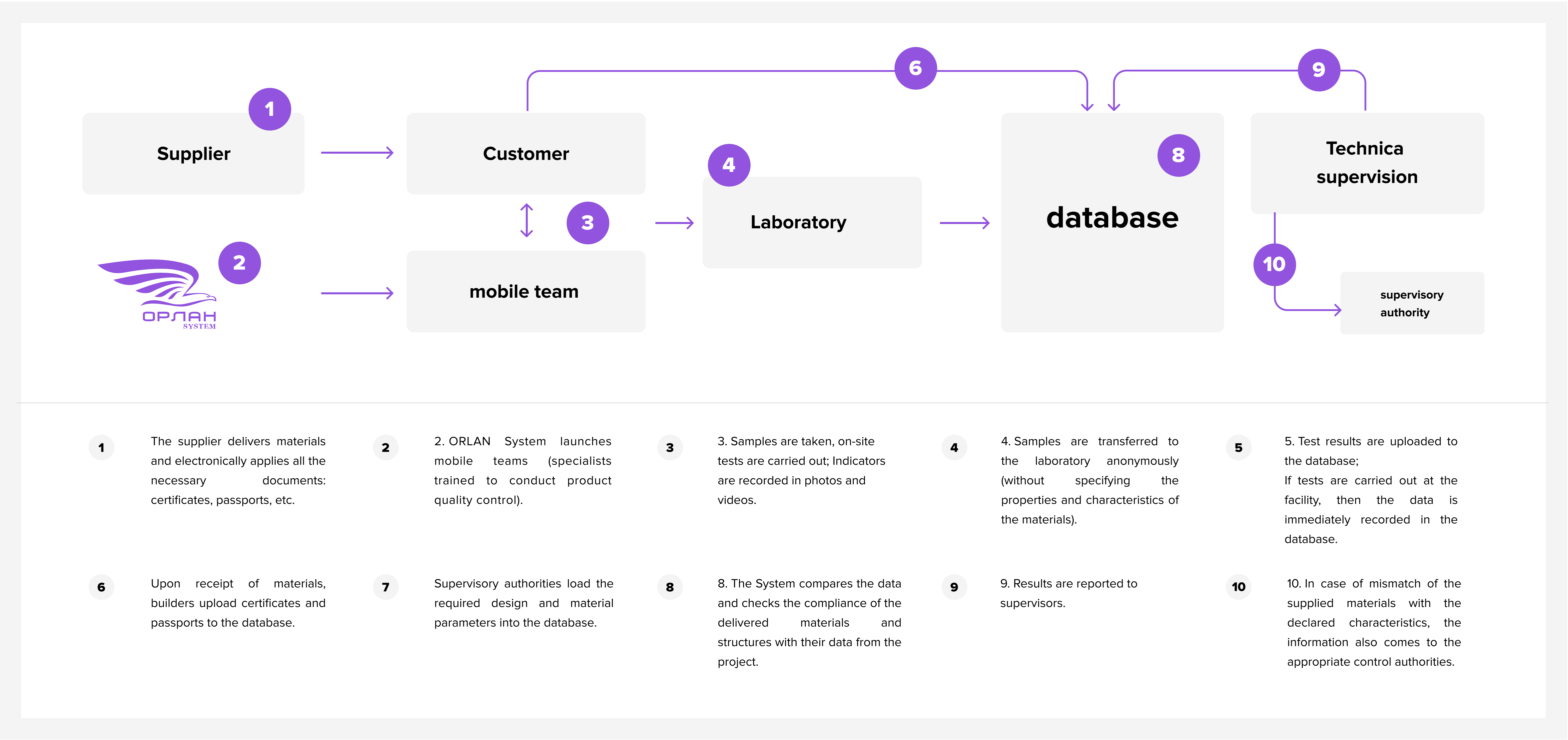
Application payment :

 - The buyer pays for the supply of ready-mixed concrete through the System;;
 - Money is transferred to the Plant within 1 day after shipment (minus agent fees);
 - Terms of settlements with each client are individual.

Interaction scheme of the parties



QUALITY CONTROL



Description of Smart Contract

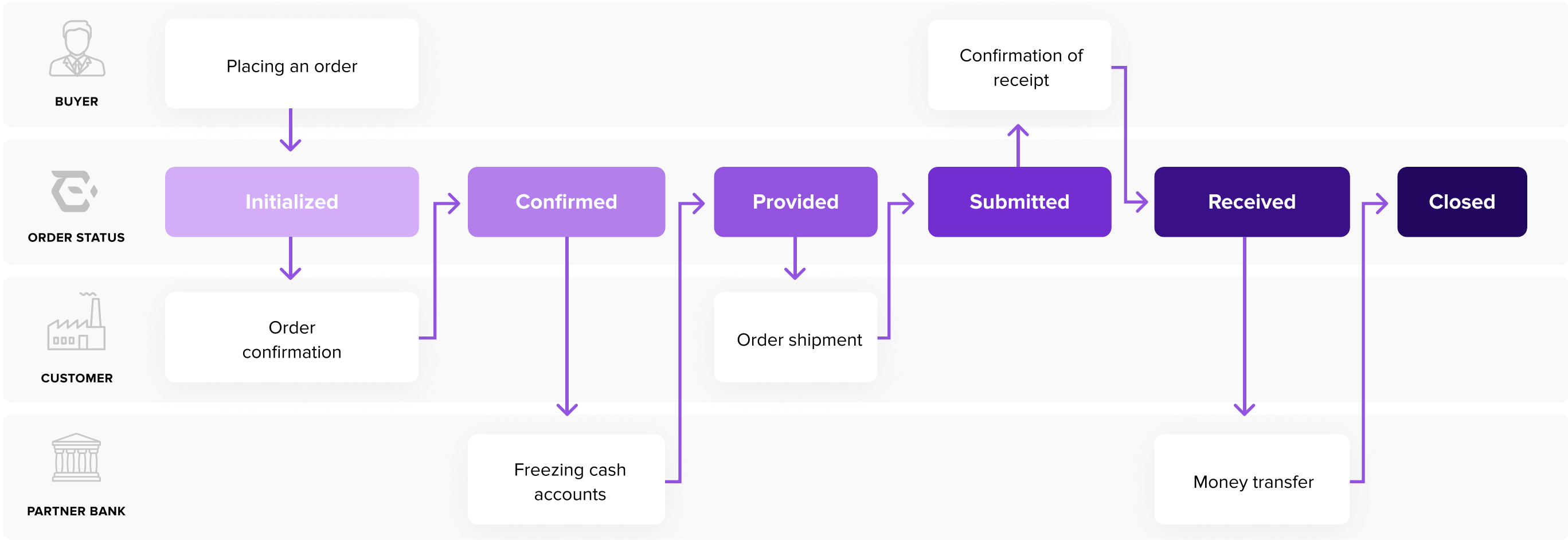
A smart contract will consist of pre-programmed conditions, with exact observance of which a deposit account on the Orlan platform will be opened and the client’s funds transferred to the plant;

The smart contract will take into account the quality and delivery time (in accordance with the completed application on the platform, verified by a secure digital electronic signature);

As a result, the process of search, selection, verification and managerial support of transactions for the sale of building materials will be as automated as possible;

In 2020, together with the international company S7 Tech Lab, ORLAN System implements smart contracts to fully automate the procurement process.

Key elements automated under the Smart Contract



The buyer places an order for the purchase of goods / services in the System. > The supplier confirms the possibility of shipment of the order. > A request for freezing funds is automatically sent to the bank to secure the transaction. > The supplier receives through the System a notice of transaction security and makes the shipment of the ordered goods. > Upon receipt of the goods, the buyer confirms their compliance with the order. > A request is sent to the bank for the transfer of funds to the supplier.