



## Medium-term development and opportunities

We believe peat to be the undervalued asset for now as you can form a range of related business assets around this product



power plant construction



construction of greenhouses and production of agricultural products

### POWER PLANT

The basic economic advantages of peat are exposed when used as a local fuel source. **When burning peat within 100 km from the extraction site, it is less in cost than gas and coal at the mean of 15-20%, as well as decidedly more eco-friendly.** Due to the usage of the Finnish and Canadian technologies applied at our company, this index can be substantially increased.

The peat was recognized as RES (renewable energy source) in Russia in 2016 and has obtained a number of state preferences. For instance, construction of the power transmission line from the power plant to the supergrid entrance point is compensated by the state, the state obliges the grid companies to buy back the whole electrical output produced by the power plant at factory prices, not market ones.

Electrical power generation by-product is the **generated heat energy to be recovered**. To use this type of energy effectively rather than recover it, we suggest organizing the greenhouse business as a part of our company.

#### Advantages:

- Peat combustion is possible at a low air access. It burns long and leaves a little ash as it has bound oxygen in its composition;
- Peat combustion by-products are excellent fertilizers for agriculture and crop growing;
- During combustion, the peat evolves a small number of hazardous substances, thereby providing the environmental compatibility;
- Due to the high heating value, the milled peat allows for reducing the costs of generation of 1 Gcal of heat by 15-20% compared to coal.

### GREENHOUSE BUSINESS

#### Market pre-conditions:

- it is impossible to grow agricultural products on the fields due to the climate zone of Sverdlovsk region;
- population of Sverdlovsk region is 4.3 mln. people;
- 50% of vegetables are imported from other regions or countries;

#### Technological pre-conditions:

- availability of non-occupied territories, fields after the peat extraction;
- availability of in-house fertile soils;
- availability of non-recovered heat energy from the power plant.