



Industrial
Development
Fund

Industrial Development Fund

Opportunities for Project Funding and Support

THE CORE PRINCIPLES OF THE FUND'S WORK

1 We support various industries

We **UNDERSTAND** that Russia today is not self-sufficient in virtually anything; therefore we have no favorite industries

2 We help strong players

SINCE we don't have much time, we can only support those who will very likely deliver results, and that usually turns out to be those who have done so before. Thus, our clients are sustainable companies with a history of successful development

3 We empower innovators

WE ARE PREPARED to provide loans for the completion of R&D or for commercializing new products. The winner is not the one who follows more inventive competitors, but the one who offers new ideas. It's next to impossible to receive funding for such projects on the lending market. The Fund serves to fill this gap

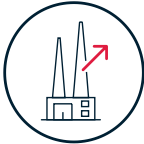
4 Openness

IT IS NECESSARY to support localization of production in Russia by foreign manufacturers. The Fund is prepared to provide loans to companies of foreign origin, provided they are based in Russia

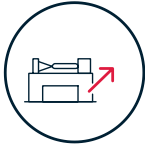
5 One-stop-shop approach

The **FUND RUNS A CONSULTATION CENTER** where you can learn not only about the Fund's own programs, but also about other forms of support for manufacturing enterprises.

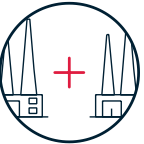
IDF FINANCING PROGRAMS



Development projects



Establishment of mass production of tools and machinery



Consortium projects



Leasing projects

GENERAL TERMS OF LOAN

	DEVELOPMENT PROJECTS	CONSORTIUMS	MACHINE TOOL MANUFACTURING	LEASING
Loan amount (mln. RUB)	50 - 300	100 - 500	50 - 500	5 - 250
Loan term (months)	not more than 60 (5 years)	not more than 84 (7 years)	not more than 84 (7 years)	not more than 60 (5 years) and not more than lease term
Total allocated project budget (mln. RUB)	from 100	from 500	from 71.5	from 20
Target sales of new products	not less than 50% of loan amount per year, starting from the second year of mass production		not less than 30% of loan amount per year, starting from the second year of mass production	-
Co-financing from the applicant, private investors or banks	≥ 50% of the project budget including ≥ 15% of the project budget from owner's equity/ stockholders' equity	≥ 70% of the project budget including ≥ 15% of the project budget from owner's equity/ stockholders' equity	≥ 30% of the project budget	≥ 73% of the project budget Fund finances 10 - 90% of the obligatory down payment (advance payment, but ≤27% of the project budget) which is 10 - 50% of the value of acquired industrial equipment

LOAN PURPOSE

	DEVELOPMENT PROJECTS	CONSORTIUMS	MACHINE TOOL MANUFACTURING	LEASING
Development of a new product/technology, including:				
• Research & Development/Process Development	✓	✓	✓ Not more than 10% of the project cost	
• In-process and marketing testing	✓	✓		
• Patent research and patenting of the solutions developed	✓	✓		
• Certification, review and certification procedures	✓	✓		
• Acquisition of supplies for new product/technology development activities	✓ →	← ✓		
• Process and cost audit of investment projects	✓	✓	✓ Not more than 0.3% of the project cost	
Engineering survey and elaboration of project documentation	✓	✓	✓ Not more than 5% of the project cost	
Acquisition of intellectual property rights	✓	✓	✓ Not more than 10% of the project cost	
Acquisition of process equipment	✓ →	← ✓	✓	✓
Acquisition and use of special purpose equipment for design and development work	✓	✓		
Development of feasibility study, due diligence, not including analytical market research costs	✓	✓		
General running costs	✓ →	← ✓		

INDUSTRIES FINANCED BY THE FUND

1. Food production as related to industrial biotechnologies
2. Textile manufacturing
3. Apparel and garment manufacturing
4. Leather and leather goods manufacturing
5. Wood processing, wood and cork products manufacturing, except furniture; straw and wicker products manufacturing
6. Paper and paper products manufacturing
7. Chemicals and chemical products manufacturing
8. Manufacturing of drugs and materials for medical applications
9. Rubber and plastic products manufacturing
10. Other non-metal mineral products manufacturing
11. Metallurgical production
12. Finished metal products manufacturing, except machinery and equipment
13. Computer, electronic and optical products manufacturing
14. Electrical equipment manufacturing
15. Manufacture of machinery and equipment not grouped elsewhere
16. Motor vehicle, trailer and semi-trailer manufacturing
17. Other vehicle and equipment manufacturing
18. Furniture manufacturing
19. Other finished products manufacturing
20. Assembly and repair of machinery and equipment

LOAN FUNDS CANNOT BE USED FOR:



Construction of buildings and structures



Scientific research



Acquisition of real estate



Manufacturing of military goods

IDF APPLICATION REVIEW PROCESS

under “Development Projects” and “Consortium Projects” programs



¹ – if there is critical feedback on project materials, the time limit for due diligence shall be suspended and recommenced after remedial actions by the applicant

LOAN SECURITY REQUIREMENTS



Loan security shall be equivalent to the loan amount + interest amount over the whole term



Some types of security are accepted by the Fund with a discount

TYPES OF SECURITY ACCEPTED BY THE FUND¹

TYPE OF SECURITY

DISCOUNT

Primary security

1. Guarantees

○ Guarantees of lending institutions	0%
○ Guarantees of the Federal Corporation for the Development of Small and Medium Enterprises, regional funds for the promotion of SME lending	0%
○ Guarantees of financially sustainable legal entities and constituents of the Russian Federation	0%

2. Pledges

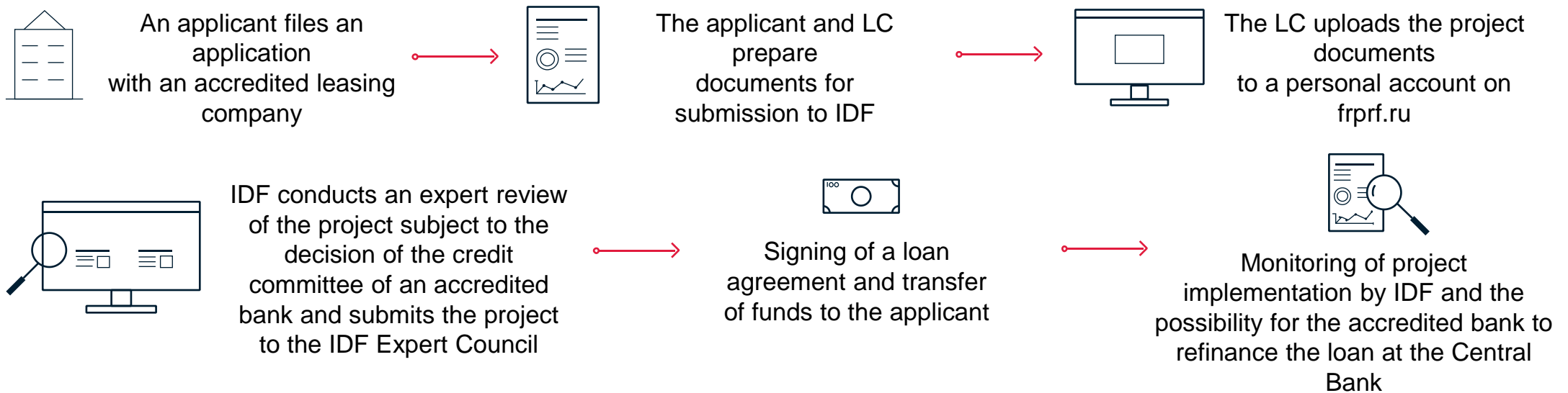
Precious metals in standard and/or measured bullions	0%
○ Exchange-traded bonds of third-party legal entities (listed on the Level 1 MICEX Stock Exchange quotation list)	10%
○ Movable and immovable liquid material assets	15% - 40%
○ Equipment (including that which is purchased during project implementation) and vehicles	25%
○ Exchange-traded stocks of third-party legal entities (listed on the Level 1 MICEX Stock Exchange quotation list)	≥ 25%
○ Non-exchange traded stocks of valid third-party legal entities (in an amount of no less than 25%) or participating interest in the authorized capital of valid third-party legal entities (in an amount of no less than 25%)	40%

Additional security (not included in calculation of the amount of security sufficient for the project)

- Personal guarantees
- Stocks, bonds or participating interest in the authorized capital of legal entities
- Other types of security which cannot be classified as primary security based on the assessment of their quality

¹ – more detailed information about the types of security and their requirements can be found in standard SF-00-01-02 “Procedure for securing loans provided for project funding” posted on the Fund’s website in the section “Borrower’s Documents” – <http://frprf.ru/zaymy/>

“LEASING PROJECTS” PROGRAM



List of accredited leasing companies:

- Gazprombank Leasing JSC
- Gazprombank Leasing LLC
- State Transport Leasing Company PJSC
- Delta Leasing Company LLC
- Praktika LC LLC
- Sberbank Leasing JSC
- Baltic Leasing LLC
- LCMB-RT LLC
- TransFin-M PJSC Universal
- Leasing Company CJSC
- UralBusinessLeasing LLC
- ChelIndLeasing LLC Centre-
- Capital CJSC Expert-Leasing LLC
- NatsPromLeasing LLC
- Business Alliance JSC
- Expo-Leasing LLC

List of accredited banks:

- Sberbank PJSC
- VTB Bank (PJSC)
- Gazprombank (JSC)
- Otkritie FC Bank
- Novikombank JSCB
- Promsvyazbank PJSC
- Svyaz-Bank PJSC AKB