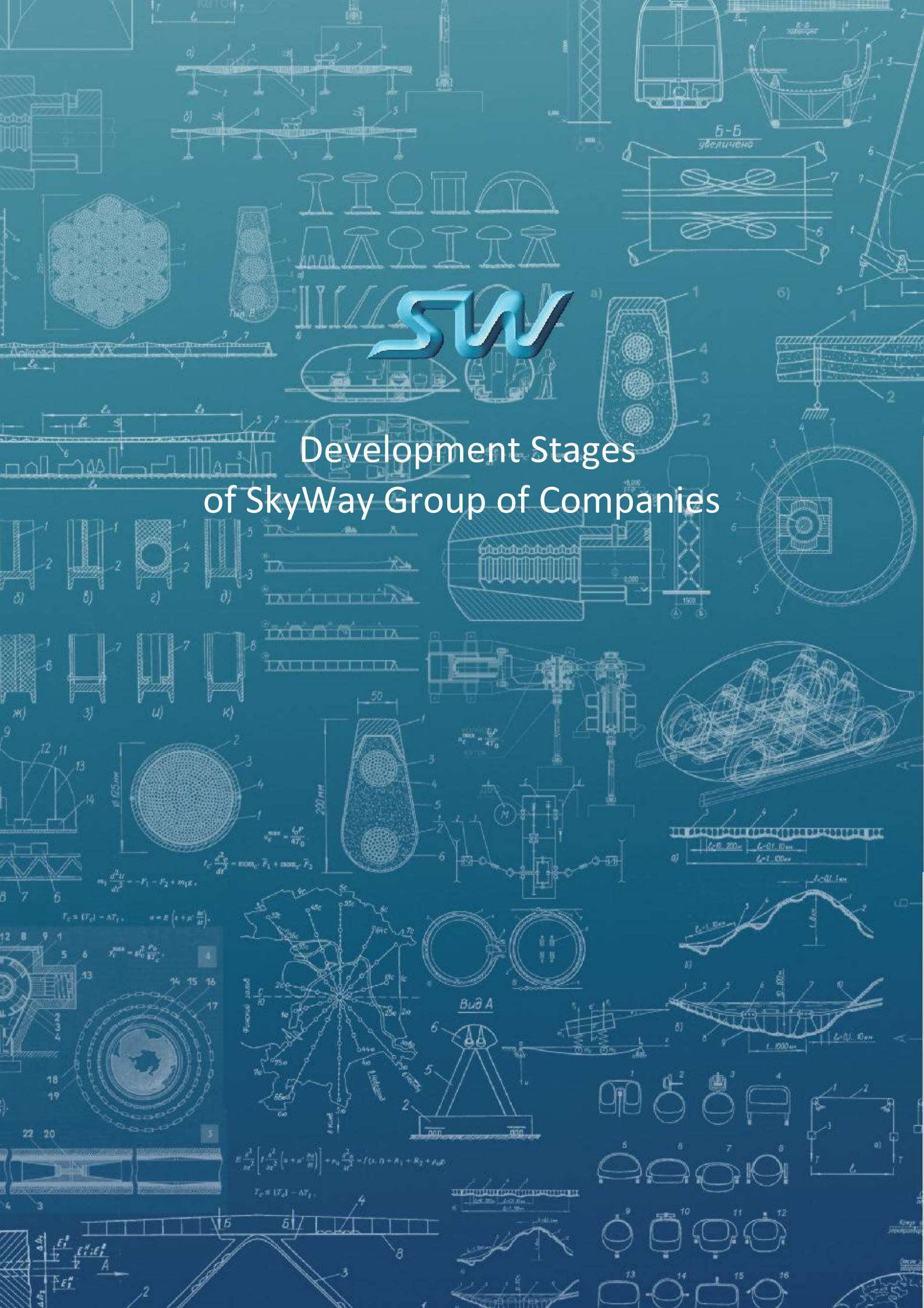




# Development Stages of SkyWay Group of Companies



## Introduction

The definition of “development stage” in this document means a set of activities and events aimed at development of SkyWay group of companies and SkyWay transport and infrastructure complex as a whole.

For implementation and funding of these events, there was carried out their value appraisal and created an investment instrument — a legal entity under the western jurisdiction within the legal framework based on English common law. This company owns all tangible and intangible assets of SkyWay — affiliated companies, rights for intellectual property and know-how. The control packet of shares of the company-investment instrument belongs to its founder. The remaining part is owned by the holding company designed for shareholders, who, on equal terms with the founder, are ultimate owners of the whole business.

Specialists have calculated the required number of shares (and amount of discount) of the company-investment instrument, transfer of which will cover the expenses for implementation of events planned for each stage.

The planned stages have their timeframe and determine the amount of discount, with which it is possible to get a stake (shares) in the company. The higher the ordinal number of the stage is – the lower the amount of discount is. It is explained by the necessity to comply with the schedule of attracting the sufficient amount of funding to the company with the purpose of successful project implementation and reduction of underfunding risk. In addition, achieving planned indices increases market value of the technology, which also reduces risks and, consequently, decreases the amount of venture award – bonus for risk, which, in essence, the discount is. In this case, the value of blocks of shares purchased by investors at previous stages is increased.

Therefore, each transfer to the new stage is explained by fulfillment of the targeted scope of works and achievement of the planned indices, as well as compliance with the schedule of project funding.

Correspondingly, a change of stage is possible not only with the fulfillment of all activities planned for this period and transfer of the corresponding number of shares. In the process of implementing SkyWay technology, design and engineering enterprise SkyWay Technologies Co. included into SkyWay group of companies – developer of string technologies of engineer Yunitsky – constantly carries out optimization and search of the most efficient design and engineering solutions, which leads to significant cost reduction. Apart from that, in the process of technology optimization, some pre-planned events can be replaced with others, or become unfeasible for realization. In this case, the stage can be amended according to the funding schedule. Also, SkyWay group of companies on a regular basis carries out optimization of the calendar plan and schedule of funding works on the principle “For smaller investment, accomplish more and faster with the increased quality of work”. Therefore, for example, the cost of works for 15 stages was reduced from 300 mln pounds sterling (USD 450 mln – plan of 2014) to USD 240 mln (plan of 2016).

This document is the second edition of “Development Stages of SkyWay Group of Companies”, as amended in 2016. The plans of the first five development stages are set out in the original version and were not subject to amendment (except for the timeframe, which is reflected in fact). Over the past period (from the first to the fifth development stages), the technology got significantly less investment than it was planned, which means considerable underfunding. For this very reason, engineer Yunitsky has to correct and optimize the following stages, in order to accomplish the same and within the same timeframe for less funds.

Below is presented all 15 development stages of SkyWay group of companies with a detailed description of events planned for each period – from January 2014 to December 2017.

## Development Stages of SkyWay Group of Companies

### Stage 1

#### January — April 2014

Transfer of 1,500,000,000 shares (shares at nominal value – in pounds sterling, for stages 1–4) at a discount ranging from 1:250 to 1:1,500.

Performance of works:

- 1.1.** Continuing formation of international structure for SkyWay group of companies (hereinafter – “SW”). Creation of Company’s representative offices and their structural divisions in different countries.
- 1.2.** Credit of investments to investors of SW-program for the previous period (1977–2013).
- 1.3.** Development of the program for stage-by-stage implementation of SW-technology of the fourth generation with construction of test sites for cargo, urban and high-speed SW-systems, their certification and entrance to the world markets within the next three years.

Expenses for Stage 1 — 500,000 pounds sterling (rent of premises, acquisition of working places, creation of promotional materials and mechanisms for work with investors and shareholders with legal defense under English common law).

**Stage 2****April — August 2014**

Transfer of 2,000,000,000 shares at a discount ranging from 1:200 to 1:1,000.

Performance of works:

**2.1.** Creation of a special design-engineering bureau with pilot production. Employment of designers staff – designer "core" – 25 designers, with the corresponding service personnel, with fully equipped work places and the corresponding software.

**2.2.** Rent of office space, purchase of equipment, project engineering and design licensed software to organize design and engineering work on cargo, urban and high-speed SW-systems: the corresponding string-rail overpasses, rolling stock and infrastructure of the "second level", including automated systems of control, safety, power supply and communications.

**2.3.** Launch of works with customers and suppliers of equipment, components, assemblies and units to create a pilot industrial base with three test track sections of SW-systems of the fourth generation: cargo, urban and high-speed, including pilot production, elevated track structures, rolling stock and "second level" infrastructure (stations, terminals, cargo terminals, turn-out switches, automated control system, etc.).

**2.4.** Launch of works with customers from all over the world on targeted projects of cargo, urban and high-speed international SW-systems with the purpose of concluding preliminary contracts and receiving pre-orders and advance payments for these orders.

**2.5.** Selection and legal implementation of a land plot for construction of a pilot industrial base of the Company with 3 test track sections of SW-systems – cargo (section length is about 1 km), urban (3 km) and high speed (30 km), with the total area of 25–30 hectares.

Expenses for Stage 2 — 2,500,000 pounds sterling (rent of premises, additional acquisition of working places for project engineers, designers, etc. with the licensed software, salaries for designers and Companies' management, placement of pre-orders, advance payments, marketing, land acquisition, etc.).

**Stage 3****August 2014 — February 2015**

Transfer of 3,000,000,000 shares at a discount ranging from 1:175 to 1:750.

Performance of works:

**3.1.** Continuing work on project documentation for cargo, urban and high-speed SW-systems of the fourth generation. Staff increase in special design-engineering bureau with pilot production up to 50 designers with the corresponding increase of service personnel.

**3.2.** Continuing work with customers and suppliers of equipment, components, assemblies and units to create a pilot industrial base with three test sections of SW-systems: cargo, urban and high-speed, including pilot production, elevated track structures, rolling stock and "second level" infrastructure (stations, terminals, cargo terminals, turn-out switches, control system, etc.).

**3.3.** Start of design, construction and assembly works on a pilot industrial base of the Company.

**3.4.** Continuing work with customers from all over the world on targeted projects of cargo, urban and high-speed international SW-systems with the purpose of concluding preliminary contracts and receiving pre-orders and advance payments for these orders.

Expenses for Stage 3 — 3,000,000 pounds sterling (rent of premises, acquisition of additional working places for project engineers, designers, etc. with the licensed software, salaries for designers, service personnel and Companies' management, placement of pre-orders, advance payments, marketing, design, assembly and construction works on the pilot industrial base and test sections of SW-systems, etc.).

**Stage 4****February 2015 — August 2015**

Transfer of 4,000,000,000 shares at a discount ranging from 1:150 to 1:500.

Performance of works:

- 4.1.** Continuing work with customers and suppliers of equipment, components, assemblies and units to create a pilot industrial base with three test sections of SW-systems (cargo, urban and high-speed, including pilot production, elevated track structures, rolling stock and "second level" infrastructure — stations, terminals, cargo terminals, turn-out switches, control system, etc.).
- 4.2.** Continuing work on project documentation for test sections of the fourth generation – cargo, urban and high-speed – on a "turnkey" basis: the corresponding string-rail overpasses, rolling stock and infrastructure, including the automated system of control, safety, power supply and communications. Staff increase in special design-engineering bureau up to 75 designers with the corresponding increase of service personnel.
- 4.3.** Launch of works on creation of scientific, testing, technological and operational equipment required for experimental and industrial testing, certification, construction and operation of cargo, urban and high-speed SW-systems, including string-rail overpasses, rolling stock and infrastructure of the "second level".
- 4.4.** Continuing work on the pilot industrial base (base project: buildings, facilities, engineering networks, etc., beginning of construction and assembly works). Construction and assembly works on creation of SW-system test sections.
- 4.5.** Continuing work with customers from all over the world on targeted projects of cargo, urban and high-speed international SW-systems with the purpose of concluding preliminary contracts and receiving pre-orders and advance payments for these orders.

Expenses for Stage 4 — 4,000,000 pounds sterling (rent of premises, acquisition of additional working places for project engineers, designers, etc. with the licensed software, salaries for designers, service personnel and Companies' management, marketing, placement of pre-orders for transport overpasses, rolling stock and infrastructure, advance payments, project design, assembly and construction works on the pilot base and test sections of SW-systems, etc.).

## Development Stages of SkyWay Group of Companies

### Stage 5

#### August — December 2015

Transfer of 5,000,000,000 shares (hereinafter the nominal value of shares in the holding company is in USD) at a discount ranging from 1:200 to 1:640.

Performance of works:

- 5.1.** Continuing work with customers and suppliers of equipment, components, assemblies and units to create a pilot industrial base with three test sections of SW-systems (cargo, urban and high-speed, including pilot production, elevated track structures, wheeled rolling stock and "second level" infrastructure — stations, terminals, cargo terminals, turn-out switches, automated system of safety, control, power supply and communications, etc.)
- 5.2.** Continuing work on project documentation for SkyWay test complexes of the fourth generation – cargo, urban and high-speed – on a "turnkey" basis: the corresponding string-rail overpasses, rolling stock and infrastructure, including automated system of safety, control, energy supply and communications, etc. Staff increase in special design-engineering bureau of SkyWay Technologies Co. up to 100 designers with the corresponding increase of service personnel.
- 5.3.** Continuing work on the pilot industrial base (base project: buildings, facilities, engineering networks, etc.). Acquisition of land in Maryina Gorka of Minsk region (Belarus) to create the SkyWay experimental and industrial base. Start of construction and assembly works on creation of test complexes of SW-systems and their infrastructure in "EcoTechnoPark" (Maryina Gorka).
- 5.4.** Acquisition of additional land plot for creation of "Unibus" production under the SkyWay program – elements, units, metal structures, equipment and components for rolling stock, rail-string overpasses and infrastructure, including an automated system of safety, control, energy supply and communications.
- 5.5.** Continuing work on creation of scientific, testing, technological and operational equipment required for experimental and industrial designing, certification, construction and operation of cargo, urban and high-speed SW-systems, including rail-string overpasses, rolling stock and "second level" infrastructure.
- 5.6.** Continuing work with customers from all over the world on targeted projects of cargo, urban and high-speed international SW-systems with the purpose of concluding preliminary contracts and receiving pre-orders and advance payments for these orders.

Expenses for Stage 5 — USD 7,000,000 (rent of premises, acquisition of additional working places for project engineers, designers, etc. with the licensed software, salaries for designers, service personnel and Companies' management, marketing, placement of pre-orders for transport overpasses, rolling stock and infrastructure, advance payments, project design, assembly and construction works on the pilot base and test sections of SW-systems, etc.).

## Development Stages of SkyWay Group of Companies

### Stage 6

**December 2015 — May 2016**

Transfer of 6,000,000,000 shares at a discount ranging from 1:150 to 1:500.

Performance of works:

**6.1.** Continuing work with customers and suppliers of equipment, components, assemblies and units to create a pilot industrial base with three test sections of SW-systems of the fourth generation (cargo, urban and high-speed, including pilot production, elevated track structures, rolling stock and "second level" infrastructure — stations, terminals, cargo terminals, turn-out switches, automated system of safety, control, energy supply and communications, etc.).

**6.2.** Continuing work on project documentation for SkyWay test complexes of the fourth generation – cargo, urban and high-speed – on a "turnkey" basis: the corresponding string-rail overpasses, rolling stock and infrastructure, including automated system of safety, control, energy supply and communications, etc. Staff increase in SkyWay Technologies Co. up to 125 designers with the corresponding increase of service personnel.

**6.3.** Continuing work on the pilot industrial base "EcoTechnoPark" (base project, buildings, facilities, engineering networks, etc.). Continuing construction and assembly works on creation of SW-systems test sections.

**6.4.** Start of works on creation of "Unibus" production under the SkyWay program (on rented areas) – elements, units, metal structures, equipment and components for rolling stock, rail-string overpasses and infrastructure, including motor-in-wheels and an automated system of safety, control, energy supply and communications.

**6.5.** Continuing works on creation of scientific, testing, technological and operational equipment required for experimental and industrial designing, certification, construction and operation of cargo, urban and high-speed SW-systems, including rail-string overpasses, rolling stock and "second level" infrastructure.

**6.6.** Continuing work with customers from all over the world on targeted projects of cargo, urban and high-speed international SW-systems with the purpose of concluding preliminary contracts and receiving pre-orders and advance payments for these orders.

Expenses for Stage 6 — USD 9,000,000 (rent of premises, acquisition of additional working places for project engineers, designers, etc. with the licensed software, salaries for designers, service personnel and Companies' management, placement of pre-orders for overpasses, rolling stock and infrastructure, advance payments, marketing, project design, assembly and construction works on the pilot base and test sections of SW-systems in "EcoTechnoPark" in Maryina Gorka and "Unibus" production; scientific, research and experimental development works, etc.).



## Development Stages of SkyWay Group of Companies

### Stage 7

**April — July 2016**

Transfer of 7,000,000,000 shares at a discount ranging from 1:150 to 1:400.

Performance of works:

**7.1.** Completion of creating working documentation for the test complex of cargo SW-system of the fourth generation on the principle of "Two-in-one" — a product pipeline above, suspended unitrucks and unicars for cargo and passenger transportation below. Cargo complex characteristics: section length (in one direction) — about 1,100 m; design capacity — 10 million tons per year (bulk cargo; it is the most demanded capacity in the market — it accounts for about 2/3 of all received pre-orders; complex modernization will in the future allow to raise its capacity up to 100 million tons per year and more); loading cargo terminal with cargo loading on the move (without stopping the rolling stock); unloading cargo terminal with cargo unloading on the move (without stopping the rolling stock); an automated system of safety, control, energy supply and communications.

**The estimated cost of working documentation for cargo SW-complex (in case of documentation sale on the world market, without construction of a test section) — USD 200 million.**

**7.2.** Continuing work with customers and suppliers of equipment, components, assemblies and units to create a pilot industrial base with three test sections of SW-systems (cargo, urban and high-speed, including pilot production, elevated track structures, rolling stock and "second level" infrastructure — stations, train terminals, cargo terminals, turn-out switches, an automated system of safety, control, energy supply and communications, etc.).

**7.3.** Continuing work on project documentation for test sections of the fourth generation — urban and high-speed — on a "turnkey" basis: the corresponding rail-string overpasses, rolling stock and infrastructure, including an automated system of safety, control, energy supply and communications. Staff increase in SkyWay Technologies Co. up to 125 designers with the corresponding increase of service personnel.

**7.4.** Separation of a cargo trend in SW-technologies into a separate structural subdivision and transfer of this design potential (about 30 designers plus service personnel) for improvement of the fourth generation of bulk cargo transportation, for development of other types of cargo transportation (transfer of liquid, break-bulk and special cargo), for development of other models of cargo and cargo-passenger rail vehicles — unitrucks and unicars — and for development of the next generation of cargo SW-technologies.

## Development Stages of SkyWay Group of Companies

**7.5.** Continuing works on the pilot industrial base (Maryina Gorka) and production base – projects of bases, buildings, facilities, workshops, engineering networks, etc. Continuation of construction and assembly works to create SkyWay test complexes, infrastructure and production shops.

**7.6.** Continuing works on creation of scientific, testing, technological and operational equipment required for experimental-industrial designing, certification, construction and operation of cargo, urban and high-speed SW-systems, including rail-string overpasses, rolling stock and "second level" infrastructure.

**7.7.** Continuing work with customers from all over the world on targeted projects of cargo, urban and high-speed international SW-systems with the purpose of concluding preliminary contracts and receiving pre-orders and advance payments for these orders.

Expenses for Stage 7 — USD 15,000,000 (rent of premises, acquisition of additional working places for project engineers, designers, etc. with the licensed software, salaries for designers, service personnel and Companies' management, marketing, placement of pre-orders for transport overpasses, rolling stock and infrastructure, advance payments, project design, assembly and construction works at the pilot and production bases and test complexes of SW-systems, scientific, research and development works, etc.).

**Stage 8****July — October 2016**

Transfer of 7,500,000,000 shares at a discount ranging from 1:125 to 1:300.

Performance of works:

**8.1.** Completion of creating working documentation for the urban test complex of SW-technology of the fourth generation. Characteristics of the urban complex: the total length of two test sections (mounted and suspended with string rails and string truss) — 2,550 m in one direction; design speed — up to 120 km/h; design capacity — up to 25,000 passengers/hour; automated system of safety, control, energy supply and communications; maximum design track gradient — 15% (at the section with a sagging track structure).

**The estimated cost of working documentation for urban SW-complex (in case of documentation sale on the world market, without construction of test sections) — USD 500 million.**

**8.2.** Separation of an urban trend in SW-technologies into a separate structural subdivision and transfer of this design potential (about 50 designers plus service personnel) for improvement of the fourth generation of urban transportation, for development of other types of passenger and cargo transportation ("city – airport", "city – city" and others), for development of new models of urban mounted and suspended unibuses and unicars, and for designing the next generation of urban, developer's and infrastructural SW-technologies, including intellectual fencing, affordable housing, linear cities, fertile soil, etc.

**8.3.** Continuing work on project documentation for the last test complex – high-speed – on a "turnkey" basis: the corresponding rail-string overpass, rolling stock and infrastructure, including an automated system of safety, control, energy supply and communications. Staff increase in SkyWay Technologies Co. up to 175 designers with the corresponding increase of service personnel.

**8.4.** Continuing works on creation of experimental-industrial and production bases of SkyWay holding company and execution of construction and assembly works. Continuation of construction and assembly works on creation of test complexes of cargo, urban and high-speed SW-systems.

**8.5.** Continuing works on creation of scientific, testing, technological and operating equipment and tooling required for experimental industrial testing, certification, construction and operation of cargo, urban and high-speed SW-systems, including rail-string overpasses, rolling stock and infrastructure of the "second level".

**8.6.** Continuing work with customers from all over the world on targeted projects of cargo, urban and high-speed international SW-systems with the purpose of concluding preliminary contracts and receiving pre-orders and advance payments for these orders.

Expenses for Stage 8 — USD 20,000,000 (rent of premises, acquisition of additional working places for project engineers, designers, etc. with the licensed software, salaries for designers, service personnel and Companies' management, placement of pre-orders for transport overpasses, rolling stock and infrastructure, advance payments, marketing, project design, assembly and construction works at the pilot and production bases and test sections of SW-systems, scientific, research and development works, etc.).

## Development Stages of SkyWay Group of Companies

### Stage 9

#### September — December 2016

Transfer of 7,000,000,000 shares at a discount ranging from 1:100 to 1:225.

Performance of works:

**9.1.** Continuing work with customers and suppliers of equipment, components, assemblies and units to create experimental-industrial and production bases – "EcoTechnoPark" and "Unibus" – with three test sections of SW-systems (cargo, urban and high-speed, including pilot production, elevated track structures, rolling stock and "second level" infrastructure – stations, terminals, cargo terminals, turn-out switches, automated system of control, safety, energy supply and communications, etc.).

**9.2.** Completion of construction, testing and certification of a test complex for light urban SW-system — creation of a sale showroom of SW-technology for passenger and cargo transportation within a city.

SkyWay urban complex will be created on the principle "Seven-in-one":

- 1) passenger transportation on the principle "Minibus" and "Articulated tram";
- 2) break-bulk cargo transportation on the principle "Container";
- 3) line maintenance of the complex on the principle "Special transport";
- 4) liquid cargo transportation on the principle "Tank";
- 5) liquid cargo transportation on the principle "Product pipeline";
- 6) electric power transmission via power lines, wired in the track structure;
- 7) information transfer via communication lines, wired in the track structure.

Characteristics of light urban complex: the total length of two test sections (mounted and suspended) – 2,550 m in one direction; design motion speed – up to 150 km/h; design capacity — up to 25,000 passengers per hour; automated system of safety, control, energy supply and communications; maximum design track gradient — up to 30%.

**9.3.** Demonstration of the functioning innovative urban transport complex to dozens of potential customers from the "warmed-up" world market. Signing contracts on targeted projects for urban routes SkyWay with customers from all continents of the planet for a total amount of at least USD 5 billion. In the following 3 months, receipt of advance payments (5%) for a total amount of at least USD 250 million — that means the urban test complex of light SkyWay worth of about USD 25 million will be paid off during the first months of its demonstration and will bring 1,000% of income.

**9.4.** Continuing work on project documentation for other test sections of the fourth generation – cargo and high-speed – on a "turnkey" basis: the corresponding rail-string overpasses, rolling stock and infrastructure, including automated systems of safety, control, energy supply and communications.

Staff increase in SkyWay Technologies Co. up to 200 designers with the corresponding increase of service personnel.

**9.5.** Continuing works on creation of experimental-industrial and production bases of the holding company (not only in the Republic of Belarus, but also in other countries) and execution of the corresponding construction and assembly works. Continuation of construction and assembly works on creation of test complexes and production bases SkyWay in EcoTechnoPark in Maryina Gorka.

**9.6.** Continuing works on creation of scientific, testing, technological and operating equipment required for experimental industrial testing, certification, construction and operation of cargo, urban and high-speed SW-systems, including rail-string overpasses, rolling stock and infrastructure of the "second level".

**9.7.** Continuing work with customers from all over the world on targeted projects of cargo, urban and high-speed international SW-systems with the purpose of concluding preliminary contracts and receiving pre-orders and advance payments for these orders.

Expenses for Stage 9 — USD 25,000,000 (rent of premises, acquisition of additional working places for project engineers, designers, etc. with the licensed software, salaries for designers, service personnel and Companies' management, placement of pre-orders for transport overpasses, rolling stock and infrastructure, advance payments, marketing, project design, assembly and construction works at the pilot and production bases and test complexes of SW-systems, scientific, research and development works, etc.).

**Stage 10****November 2016 — February 2017**

Transfer of 5,000,000,000 shares at a discount ranging from 1:75 to 1:175.

Performance of works:

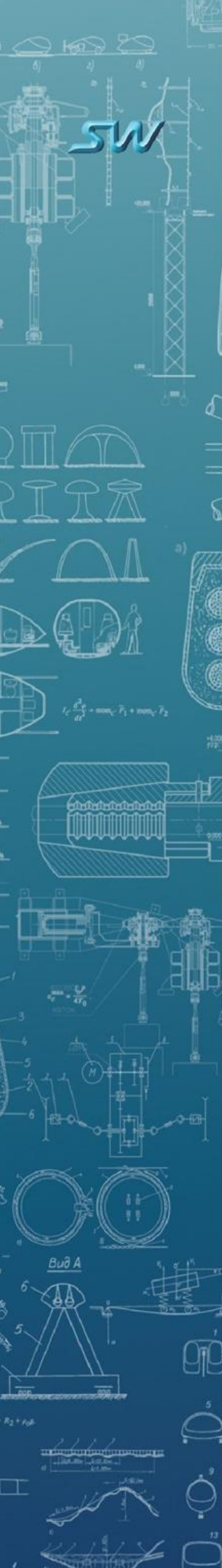
**10.1.** Completion of working documentation on the high-speed intercity test complex. Features of the high-speed complex: length of the test section — 16 km (including 1 km — coincides with a double-rail urban section passing on EcoTechnoPark territory, 15 km — beyond EcoTechnoPark limits) ; design speed — up to 450 km/h (to achieve design speed of 500 km/h, the test section length should be increased to 20—25 km); estimated efficiency — up to 250,000 passengers/24 hours, automated system of safety, control, energy supply and communications; maximum track gradient — up to 15%.

**The estimated cost of working documentation on a high-speed SW-complex (in case of documentation sale on the world market, without construction of a test section) — USD 1 billion.**

**10.2.** Separation of a high-speed trend in SW-technologies into a separate structural subdivision and assignment of this design potential (about 80 designers plus service personnel) for improvement of the fourth generation of high-speed transportation, for development of other types of high-speed passenger and cargo transfer (overcoming of offshore sections, high-speed traffic in a tunnel, including that with vacuum, etc.), for development of new models of high-speed unibuses, in particular, "family" and "personal" ones, and for development of the next generation of intercity high-speed SW-technologies.

**10.3.** Continuation of work with customers and suppliers of equipment, components, units and assemblies for creation of pilot and production bases with three test sections of SW-systems (cargo, urban and high-speed, including pilot production, elevated track structures, rolling stock and infrastructure of the "second level" – stations, train terminals, cargo terminals, turn-out switches, automated control systems, etc.).

**10.4.** Continuation of work on perfection of project documentation on the high-speed test section on a "turnkey" basis: the relevant rail-string overpass, rolling stock and infrastructure, including an automated control system, power supply and communications. Increase of the staff in SkyWay Technologies Co. up to 225 designers with the adequate increase of service personnel.



**10.5.** Continuation of works on creation of experimental-industrial and production bases of the holding company – "EcoTechnoPark" and "Unibus" – and execution of relevant construction and assembly works. Continuation of construction and assembly works in EcoTechnoPark on creation of test complexes of cargo, urban and high-speed SW-technologies.

**10.6.** Continuation of works on creation of scientific, testing, technological and maintenance equipment required for experimental-industrial testing, certification, construction and operation of cargo, urban and high-speed SW-systems, including rail-string overpasses, rolling stock and infrastructure of the "second level".

**10.7.** Continuation of work with customers from all over the world on targeted projects of cargo, urban and high-speed international SW-systems with the purpose of concluding preliminary contracts and receipt of pre-orders and advance payments for these orders.

Expenses for Stage 10 — USD 25,000,000 (rent of premises, acquisition of additional working places for project engineers, designers, etc. with the licensed software, salaries for designers, service personnel and Companies' management, placement of pre-orders for transport overpasses, rolling stock and infrastructure, advance payments, marketing, project design, assembly and construction works on the experimental-industrial and production bases and test complexes of SW-systems, scientific research and experimental design works, etc.).



**Stage 11****January — April 2017**

Transfer of 4,000,000,000 shares at a discount in the range from 1:50 to 1:125.

Performance of works:

**11.1.** Continuation of work with customers and suppliers of equipment, components, units and assemblies for creation of the experimental-industrial base ("EcoTechnoPark") and production base ("Unibus") of the holding company with three test sections of SW-systems (cargo, urban and high-speed, including pilot production, elevated track structures (double-rail and monorail), rolling stock (mounted and suspended) and infrastructure of the "second level" – stations, terminals, cargo terminals, turn-out switches, automated systems of safety, power supply control and communications, etc.).

**11.2.** Continuation of works on creation of experimental-industrial and production bases of the holding company (not only in the Republic of Belarus, but also in other countries) and execution of relevant construction and assembly works. Continuation of construction and assembly works on creation of test complexes of cargo, urban and high-speed SW-systems in EcoTechnoPark.

**11.3.** Continuation of works on creation of scientific, testing, technological and maintenance equipment required for experimental-industrial testing, certification, construction and operation of cargo, urban and high-speed SW-systems, including rail-string overpasses, rolling stock and infrastructure of the "second level".

**11.4.** Continuation of work with customers from all over the world on targeted projects of cargo, urban and high-speed international SW-systems with the purpose of concluding preliminary contracts and receipt of pre-orders and advance payments for these orders.

Expenses for Stage 11 — USD 25,000,000 (rent of premises, acquisition of additional working places for project engineers, designers, etc. with the licensed software, salaries for designers, servicing personnel and Companies' management, placement of pre-orders for transport overpasses, rolling stock and infrastructure, advance payments, marketing, project design, assembly and construction works on the experimental-industrial and production bases and test sections of SW-systems, scientific research and experimental design works, etc.).



## Development Stages of SkyWay Group of Companies

### Stage 12

March — July 2017

Transfer of 3,000,000,000 shares at a discount ranging from 1:40 to 1:80.

Performance of works:

**12.1.** Completion of the construction, tests and certification of the test complex for cargo SW-system — creation of a sale showroom of the cargo SW-technology for transportation of industrial bulk cargo.

SkyWay cargo complex will be created on the principle "Eight-in-one":

- 1) bulk cargo transportation on the principle "Product pipeline";
- 2) liquid cargo transportation on the principle "Tank";
- 3) liquid cargo transportation according to the principle of "Product pipeline";
- 4) break-bulk cargo transportation on the principle "Container";
- 5) passengers transportation (employees, workers, servicing staff, etc.) on the principle "Minibus";
- 6) line maintenance of the complex on the principle "Special transport";
- 7) electric power transmission via power lines, wired into the track structure;
- 8) information transfer via communication lines, wired into the track structure.

Features of the cargo complex: length of the test section — 1,100 m in one direction; design capacity — 10 million tons per year (the main purpose — bulk cargo transportation; in the future, the section may be modified up to the capacity of 100 million tons per year or more); loading cargo terminal with cargo handling on the move (without stopping the rolling stock); unloading cargo terminal with cargo unloading on the move (without stopping the rolling stock); "unmanned" system with fully automated control; estimated longitudinal gradient of the track — up to 30%.

**12.2.** Demonstration of the functioning cargo complex of the new generation to dozens of potential customers from the "warmed-up" world market. Signing contracts on targeted projects of cargo routes for transportation of industrial bulk cargo (ore, coal, bulk construction materials, etc.) with customers from all continents of the planet for a total amount of not less than USD 5 billion. Receipt of advance payments (5%) totaling of at least USD 250 million — that means the cargo test SkyWay complex worth of about USD 50 million will be paid off during the first month of its demonstration and will bring 500% of income.

**12.3.** Continuation of work with customers and suppliers of equipment, components, units and assemblies for further creation of experimental-industrial and production bases with two other test sections of SW-systems (urban and high-speed, including pilot production, elevated track structures, rolling stock and infrastructure of the "second level" – stations, terminals, depots, turn-out switches, automated systems of safety, control, power supply and communications, etc.).

**12.4.** Continuation of works on creation of experimental-industrial and production bases of the holding company (not only in the Republic of Belarus, but also in other countries) and execution of construction and assembly works. Continuation of construction and assembly works in EcoTechnoPark on creation of a test complex for high-speed SW-system.

**12.5.** Continuation of works on creation of scientific, testing, technological and maintenance equipment required for experimental-industrial testing, certification, construction and operation of cargo, urban and high-speed SW-systems, including rail-string overpasses, rolling stock and infrastructure of the "second level".

**12.6.** Continuation of work with customers from all over the world on targeted projects of cargo, urban and high-speed international SkyWays with the purpose of concluding preliminary contracts and receipt of pre-orders and advance payments for these orders.

**12.7.** Creation and launch of a specialized design company of the holding company for designing targeted projects of cargo routes to be built by SW-technologies on all continents of the planet. The project design company works on a self-financing principle through advance payments received from the customers of targeted projects.

Expenses for Stage 12 — USD 25,000,000 (rent of premises, acquisition of additional working places for project engineers, designers, etc. with the licensed software, salaries for designers, service personnel and Companies' management, placement of pre-orders for transport overpasses, rolling stock and infrastructure, advance payments, marketing, project design, assembly and construction works on the experimental-industrial and production bases and test sections of SW-systems, scientific research and experimental design works, etc.).

**Stage 13****June — September 2017**

Transfer of 2,000,000,000 shares at a discount ranging from 1:30 to 1:60.

Performance of works:

**13.1.** Continuation of work with customers and suppliers of equipment, components, units and assemblies for completion of creating the experimental-industrial and production bases with an unfinished test section of SW-system (high-speed, including pilot production, elevated track structures, rolling stock and infrastructure of the "second level" – stations, terminals, cargo terminals, turn-out switches, automated systems of safety, control, power supply and communications, etc.).

**13.2.** Continuation of works on creation of experimental-industrial and production bases of the holding company (in the Republic of Belarus and other countries) and execution of relevant construction and assembly works. Continuation of construction and assembly works in EcoTechnoPark on creation of a test complex for high-speed SW-system.

**13.3.** Continuation of works on creating scientific, testing, technological and maintenance equipment required for pilot industrial testing, certification, construction and operation of cargo, urban and high-speed SW-systems, including rail-string overpasses, rolling stock and infrastructure of the "second level".

**13.4.** Continuation of work with customers from all over the world on targeted projects of cargo, urban and high-speed international SW-systems with the purpose of concluding preliminary contracts and receipt of pre-orders and advance payments for these orders.

Expenses for Stage 13 — USD 25,000,000 (rent of premises, acquisition of additional working places for project engineers, designers, etc. with the licensed software, salaries for designers, service personnel and Companies' management, placement of pre-orders for transport overpasses, rolling stock and infrastructure, advance payments, marketing, project design, assembly and construction works on the experimental-industrial and production bases and test complexes of SW-systems, scientific research and experimental design works, etc.).

**Stage 14****August — November 2017**

Transfer of 1,500,000,000 shares at a discount ranging from 1:25 to 1:50.

Performance of works:

**14.1.** Continuation of work with customers and suppliers of equipment, components, units and assemblies for completion of creating the experimental-industrial and production bases with three test sections of SW-system (cargo, urban and high-speed, including pilot and commercial production, elevated track structures, rolling stock and infrastructure of the "second level" – stations, terminals, cargo terminals, turn-out switches, automated systems of safety, control, power supply and communications, etc.).

**14.2.** Continuation of works on completion of creating the experimental-industrial (EcoTechnoPark) and production bases of the holding company and execution of relevant construction and assembly works. Continuation of construction and assembly works on creation of the last unfinished test complex – high-speed SW-system.

**14.3.** Continuation of works on creating scientific, testing, technological, industrial and maintenance equipment required for experimental-industrial testing, certification, construction and operation of cargo, urban and high-speed SW-systems, including rail-string overpasses, rolling stock and infrastructure of the "second level".

**14.4.** Continuation of work with customers from all over the world on targeted projects of cargo, urban and high-speed international SW-systems with the purpose of concluding preliminary contracts and receipt of pre-orders and advance payments for these orders.

Expenses for Stage 14 — USD 25,000,000 (rent of premises, acquisition of additional working places for project engineers, designers, etc. with the licensed software, salaries for designers, servicing personnel and Companies' management, placement of pre-orders for transport overpasses, rolling stock and infrastructure, advance payments, marketing, project design, assembly and construction works on the experimental-industrial and production bases and test complexes of SW-systems, scientific research and experimental design works, etc.).

**Stage 15****October — December 2017**

Transfer of 1,500,000,000 shares at a discount ranging from 1:20 to 1:40.

Performance of works:

**15.1.** Completion of the construction, testing and certification of the test complex of high-speed intercity and international SW-system — creation of a sale showroom of SW technology for high-speed (up to 500 km/h) passengers and cargo transportation of between cities, regions, countries and continents.

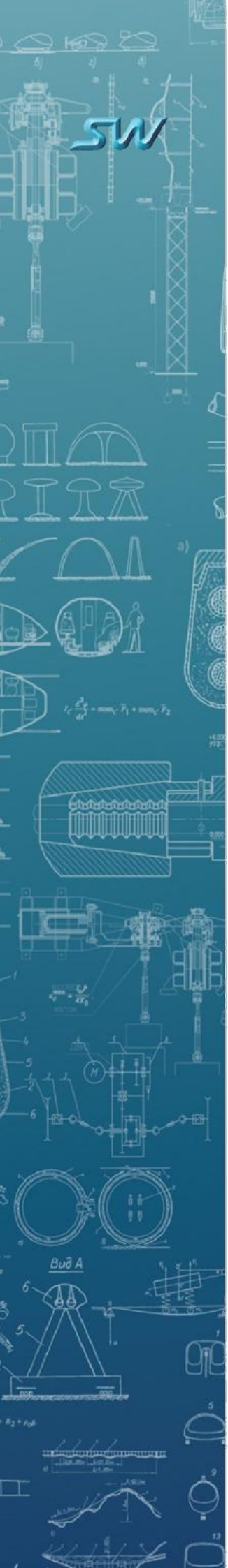
SkyWay high-speed complex will be created on the principle "Seven-in-one":

- 1) passengers transportation on the principles – "Articulated train", "Minibus", "Family unibus", "Personal unibus";
- 2) break-bulk cargo transportation on the principle "Container";
- 3) line maintenance of the complex on the principle "Special transport";
- 4) liquid cargo transportation on the principle "Tank";
- 5) liquid cargo transportation on the principle "Product pipeline";
- 6) electric power transmission via power lines, wired into the track structure;
- 7) information transmission via communication lines, wired into the track structure.

Features of the high-speed complex: length of the test section – 16 km; estimated speed – up to 450 km/h; design capacity — up to 250,000 passengers per 24 hours; automated system of safety, control, energy supply and communications; maximum estimated gradient of the track – up to 15%.

**15.2.** Demonstration of the functioning innovative high-speed intercity transport complex to dozens of potential customers from the "warmed-up" world market. Signing contracts on targeted projects of high-speed intercity and international routes with customers from all continents of the planet for a total amount of not less than USD 10 billion. Receipt of advance payments (5%) totaling of at least USD 500 million in 3 subsequent months — that means the high-speed test SkyWay complex worth of about USD 100 million will be paid off during the first month of its demonstration and will bring 500% of income.

**15.3.** Creation and launch of a specialized design company of the holding company for designing targeted projects of urban and high-speed intercity and international routes to be built by SW technologies on all continents of the planet. The project design company works on a self-financing principle through advance payments received from the customers of targeted projects.



**15.4.** The entry of SkyWay holding company into stock markets and IPO in 2018. The holding company attains profitability and self-financing for development without involvement of equity share capital. Shareholders begin to receive dividends on shares. Possibility for shareholders to sell shares at the market price close to the nominal value of shares.

Further on, equity share capital is not involved from the market and SkyWay holding company proceeds to self-financing through receipt of orders on targeted projects of cargo, urban and intercity high-speed SW-systems, as well as development and infrastructure projects on all continents and in all countries, in which the holding company will have its representative offices and subsidiaries by that time.

Expenses for Stage 15 — USD 25,000,000 (rent of premises, acquisition of additional working places for project engineers, designers, etc. with the licensed software, salaries for designers, servicing personnel and Companies' management, placement of pre-orders for transport overpasses, rolling stock and infrastructure, advance payments, marketing, project design, assembly and construction works on the experimental-industrial and production bases and test complexes of SW-systems on their perfection and improvement, scientific research and experimental design works, etc.).