

GREENOX_ Business plan update

Relevant announcement is attached

Attachment:

1. **Greenox_ Business Plan update_29.12.2017**

Non Regulated

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28 December 2017

Cyprus Stock Exchange
71-73 Lordou Vyronos Avenue 1096 Nicosia

ANNOUNCEMENT

Business plan update

Greenox Limited (the "Company") was incorporated in Cyprus on 19 November 2012 as a private limited liability company under the Cyprus Companies Law, Cap. 113. Its registered office is at 165 Spyrou Araouzou, Lordos Waterfront, 2nd Floor, Flat/Office 201, 3035 Limassol, Cyprus.

The principal activity of the Company is the holding of investments. Along with the Company's subsidiary, constituting the Group, its principal activity is intended to be the development and management of a road bitumen production facility in Russia. The Group did not commence its principal activity yet.

The Company has listed Non-Convertible Debentures in higher of 3,997,000 with nominal value RUB 1,000.00 for funding the construction of bitumen factory.

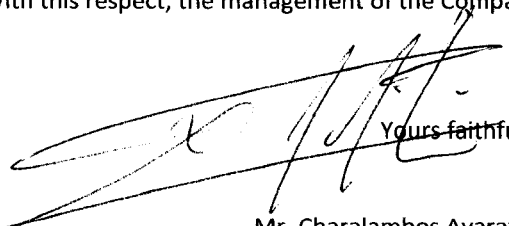
Since the presentation of its business plan, the Company did not manage to start the construction due to drastic changes in the economic environment. The adverse fluctuation in the exchange rate of the Russian Ruble (RUB) to the Euro has led to significant increase of the investment capital required for the project. For the implementation of the project, the Company estimated investment needs amounting to RUB 4.8 billion assuming an expected exchange rate of RUB 40.00 for €1.00.

Currently, taking into consideration the existing economic environment and exchange rates, the Company requires additional RUB 2.00 billion for the implementation of the project. In this respect, the Shareholder of the Company is in negotiations with other investors in order to secure the additional funding for the project.

Alternatively, the project may be implemented if there are changes in the economic environment which lead to a decrease of the exchange rate. The current market tendency in rising in oil prices may reduce the exchange rate of Russian Ruble to Euro. If the exchange rate by the end of February 2018 and if none of the other alternatives being consider cannot materialize, then the Company may consider redemption of debentures.

The third option, being considered by the Shareholder of the Company, is funding the project through additional own equity capital injections. In the past, during the concept stages of the project, the shareholder of the Company provided financial support, without which there would be significant doubt as to the Company's ability to continue as a going concern, as well as its ability to realize its assets and discharge its liabilities in the ordinary course of business. This provides strong evidence that the Company's shareholder has the ability to and wiliness to provide the Group with the necessary financial support, if needed, or alternative financial arrangements will be made to enable it to operate as a going concern and to pay its liabilities as they fall due.

The Shareholder of the Company keeps on seeking to finalize this project due to the constantly growing demand on road construction in Russia. Most competitors use Russian equipment for production, and the quality of the product remains unsatisfactory. Our target is to launch EU equipment, which allows improvements in the quality of the produced bitumen. Investing RUB 6.00 billion (under the worst case scenario that the exchange rate remains stable within next year), the Company expects to get first net profit from the project within 3 first years of operation, but not during the first year, as indicated in the original business plan. The management continues negotiating with potential clients, and with an increased list of potential consumers due to some bitumen producers having gone out of business by failing to satisfy the required quality standards of the goods they produced. With this respect, the management of the Company will seek to realize the project the soonest.


Yours faithfully

Mr. Charalambos Avaratzis
On behalf of the Board of Directors of the Company