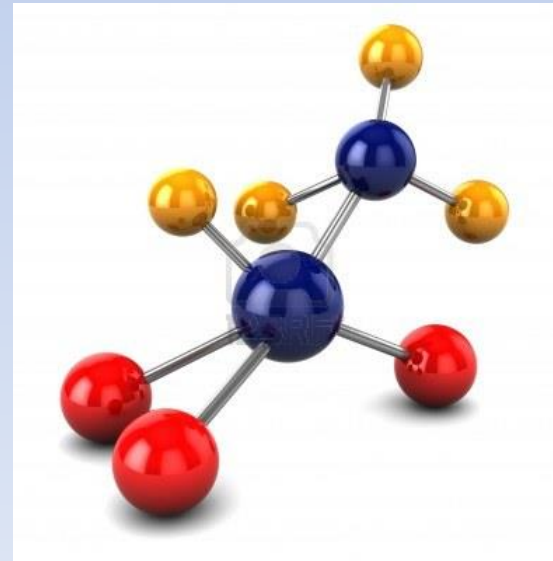


PSE – Analytics GmbH

***Your quality partner for
polymers***



Background

- Steady growth of the plastics industry
- Increasingly demands on plastic components with the target to replace metal parts and reduce weight
- Frequent material failure due to defective manufacturing and inappropriate selection of plastics
- An independent analysis of such damage leads to improvement in the quality of your products and creates trust with your customers
- We are available as experts to clarify your compensation claims
- In addition, continuous quality assurance is possible through our laboratory

Business concept

- Rent a lab in the start-up and technology center at Gummersbach. (good conditions off price and support -Gründer-Technologie-Zentrum)
- Build up the lab and the office (need of an functional laboratory to analyze polymer sampels, sufficent equipment e.g. GC-MS, FT-IR, etc. and rooms for official meetings)
- Establish contact with companies to continuously increase notoriety and order volume.

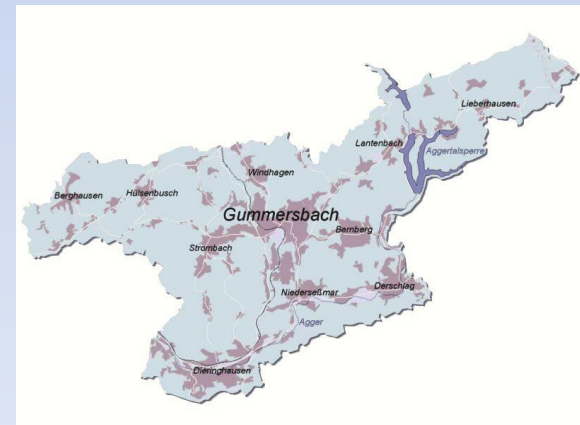
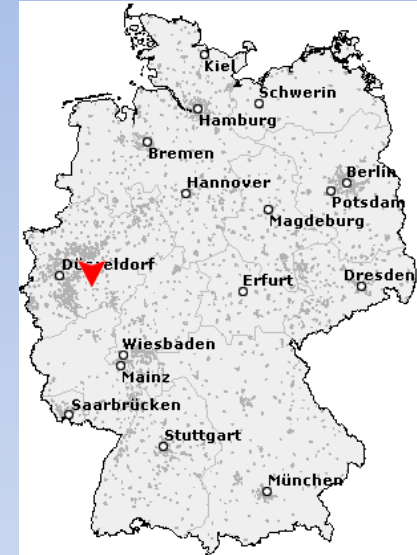


Market Analysis

Location: Gummersbach
(North West Germany)

Availability of a start-up
and technology center
to rent a location.

Proximity to a lot of
polymer companies



Results of the market study

- Total production: 5940 h per year for analysing
- Capacity: 27 h for analysis per day
- Work time: 5 days/week, one shift of 9 hours
- Place: Gummersbach
- Product: Analysis of polymer samples

The Limited Cie

- The company is created by 3 individuals
 - Lukas Pschyklenk
 - Martin Schleich
 - Alexander Eckert
- Minimum share capital: 30.000€
 - 10000 € per individual

Calculation of the investments and depreciation

Utility - Office

Description	Qty.	Invest per Piece [€]	Investment [€]	Depreciation rate [years]	Depreciation [€/year]
Desk	6	900,00	5400,00	10	540,00
Chair	4	300,00	1200,00	10	120,00
Storage Container	4	200,00	800,00	10	80,00
Wardrobe	1	150,00	150,00	10	15,00
Consumables	1	2000,00	2000,00	10	200,00
Filing System	4	100,00	400,00	10	40,00
Shelf	3	400,00	1200,00	10	120,00
Office Supplies	1	6000,00	6000,00	10	600,00
<i>SUM</i>			<i>17150,00</i>		<i>1715,00</i>

Calculation of the investments and depreciation

Utility – Office IT

Description	Qty.	Invest per Piece [€]	Investment [€]	Depreciation rate [years]	Depreciation [€/year]
Computer-System	5	1200,00	6000,00	4	1500,00
Photocopier	1	1200,00	1200,00	4	300,00
Server	1	4000,00	4000,00	4	1000,00
Maintenance	1	3600,00	3600,00	4	900,00
Licence	5	150,00	750,00	4	187,50
Printers	3	250,00	750,00	4	187,50
Telephone System	1	1000,00	1000,00	4	250,00
Installation	1	1300,00	1300,00	4	325,00
<i>SUM</i>			<i>17850,00</i>		<i>4650,00</i>

Calculation of the investments and depreciation

Utility – Laboratory equipment

Description	Qty.	Invest per Piece [€]	Investment [€]	Depreciation rate [years]	Depreciation [€/year]
Bench	2	1820,00	3640,00	10	364,00
Sink	1	1520,00	1520,00	10	152,00
Exhaust	1	4310,00	4310,00	10	431,00
Hanging Locker	2	220,00	440,00	10	44,00
Balance Table	1	700,00	700,00	10	70,00
Safety Device	1	595,00	595,00	10	59,50
Safety Locker	1	1970,00	1970,00	10	197,00
Chair	1	310,00	310,00	10	31,00
Desk	5	700,00	3500,00	10	350,00
<i>SUM</i>			<i>16985,00</i>		<i>1698,50</i>

Calculation of the investments and depreciation

Utility – Laboratory Devices 1

Description	Qty.	Invest per Piece [€]	Investment [€]	Depreciation rate [years]	Depreciation [€/year]
Analytical Balance	1	1030,00	1030,00	10	103,00
pH meter	1	150,00	150,00	10	15,00
Muffle furnance + equipment	1	1980,00	1980,00	10	198,00
Drying oven	1	1100,00	1100,00	10	110,00
Hardness tester + equipment	1	7210,00	7210,00	10	721,00
Impact tester	1	5000,00	5000,00	10	500,00
Universal testing machine (20kN)	1	38500,00	38500,00	10	3850,00
<i>SUM</i>			<i>54970,00</i>		<i>5497,00</i>

Calculation of the investments and depreciation

Utility – Laboratory Devices 2

Description	Qty.	Invest per Piece [€]	Investment [€]	Depreciation rate [years]	Depreciation [€/year]
Rheometer	1	9900,00	9900,00	10	990,00
Injection molding machine + equip.	1	27500,00	27500,00	10	2750,00
Extruder + equip.	1	60000,00	60000,00	10	6000,00
Surface conductivity (testing device)	1	7000,00	7000,00	10	700,00
Climatic cabinet	1	16000,00	16000,00	10	1600,00
Mohr`s Balance	1	870,00	870,00	10	87,00
DMA	1	32000,00	32000,00	10	3200,00
<i>SUM</i>			<i>153270,00</i>		<i>15327,00</i>

Calculation of the investments and depreciation

Utility – Laboratory Devices 3

Description	Qty.	Invest per Piece [€]	Investment [€]	Depreciation rate [years]	Depreciation [€/year]
REM-EDX	1	130000,00	130000,00	10	13000,00
FT-IR (DSC, TGA)	1	25000,00	25000,00	10	2500,00
Transmitted-light microscope	1	58000,00	58000,00	10	5800,00
Pyrolyse GC-MS	1	80000,00	80000,00	10	8000,00
GPC	1	100000,00	100000,00	10	10000,00
Microton	1	3900,00	3900,00	10	390,00
Sputtering ion source	1	50000,00	50000,00	10	5000,00
<i>SUM</i>			<i>446900,00</i>		<i>446900,00</i>

Calculation of the investments and depreciation

Off-Sites

Description	Investment [€]	Depreciation rate [years]	Depreciation [€/year]
Tools	5000,00	10	500,00
Licences	20000,00	10	2000,00
2 personal cars	60000,00	5	12000,00
<i>SUM</i>	<i>85000,000</i>		<i>14500,00</i>

Calculation of the total investment

Investment goods	Investment expenditures	Depreciation in %	depreciation costs
Utilities – Office	17150,00 €	10	1715,00 €
Utilities – IT	17850,00 €	25	4462,50 €
Laboratory devices	655140,00 €	10	65514,00 €
Laboratory equipment	16985,00 €	10	1698,50 €
Off-sites	25000,00 €	10	2500,00 €
Unexpected	65000,00 €	0	0,00 €
Vehicles	60000,00 €	20	12000,00 €
Total investment	857125,00 €	Total depreciation costs	87890,00 €

Consumption costs

Expenditure	Specific consumption per analysis-hour	Specific price [€]	Costs per analysis-hour [€]
Chemical consumables [qty]	2	1,00	2,00
Energy [kWh]	3,4	0,196	0,67
Water [m ³]	0,02	4,50	0,09
Gasoline [m ³]	10,3	0,045	0,46
Office consumables incl. Postage Rent	1	7,30 (Consumables: 1,70€ Postage: 3,90€ Rent: 1,70€)	7,30
<i>SUM per analysis</i>			10,52

Labour Costs

Description	Number	Personnel direct costs [€]
Master of Science	3	216000,00
Office Administrator	1	32400,00
Tax Adviser	1	12000,00
<i>SUM</i>		260400,00

Total investment and financing

Total investment	857125,00 €
40% own capital funds (shareholder equity)	342850,00 €
60% outside financing (bank loan)	514275,00 €

5,5% interest

10 years running time

Interest paid of debt

Year	Balance of debt	Interest rate [%]	Interest costs paid p.a.	Repayment
1	514275,00 €	5,5	28285,13 €	51427,50 €
2	462847,50 €	5,5	25456,61 €	51427,50 €
3	411420,00 €	5,5	22628,10 €	51427,50 €
4	359992,50 €	5,5	19799,59 €	51427,50 €
5	308565,00 €	5,5	16971,08 €	51427,50 €
6	257137,50 €	5,5	14142,56 €	51427,50 €
7	205710,00 €	5,5	11314,05 €	51427,50 €
8	154282,50 €	5,5	8485,54 €	51427,50 €
9	102855,00 €	5,5	5657,03 €	51427,50 €
10	51427,50 €	5,5	2828,51 €	51427,50 €
Total interest paid			155568,20 €	
Total Repayment				514275,00 €

Self costs per analysis: Period 10 years

	1. Year per analysis-hour	1. Year	2. Year	3. Year	4. Year	5. Year	6. Year	7. Year	8. Year	9. Year	10. Year
Capacity	60%	80%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Quantity [h]	3564	3564	4752	5940	5940	5940	5940	5940	5940	5940	5940
Costs	Per analysis-hour	Per year	Per year	Per year	Per year	Per year	Per year	Per year	Per year	Per year	Per year
Depreciation Costs [€]	24,66	87890,00	87890,00	87890,00	87890,00	87890,00	87890,00	87890,00	87890,00	87890,00	87890,00
Financing costs [€]	0,79	28285,13	25456,61	22628,10	19799,59	16971,08	14142,56	11314,05	8485,54	5657,03	2828,51
Labour costs [€]	73,06	260400,00	260400,00	260400,00	260400,00	260400,00	260400,00	260400,00	260400,00	260400,00	260400,00
Consumption costs [€]	10,52	37493,28	49991,04	62488,80	62488,80	62488,80	62488,80	62488,80	62488,80	62488,80	62488,80
Sum of costs [€]	116,18	414068,41	423737,65	433406,90	430578,39	427749,88	424921,36	422092,85	419264,34	416435,83	413607,31
Costs per analysis-hour [€]	116,18	116,18	89,17	72,96	72,49	72,01	71,54	71,06	70,58	70,11	69,63

Definition of price

- The self costs for the analysis-hour of polymer samples is:
 - 116,18 € in the first year
 - 89,17 € in the second year
 - 69,63 € in the last year
- We decide to sell the analysis-hour at 100,00 €

Coputation of cashflow for 10 years

	1. Year	2. Year	3. Year	4. Year	5. Year	6. Year	7. Year	8. Year	9. Year	10. Year
Turnover	356400,00	475200,00	594000,00	594000,00	594000,00	594000,00	594000,00	594000,00	594000,00	594000,00
Depreciation Costs	87890,00	87890,00	87890,00	87890,00	87890,00	87890,00	87890,00	87890,00	87890,00	87890,00
Labour costs	260400,00	260400,00	260400,00	260400,00	260400,00	260400,00	260400,00	260400,00	260400,00	260400,00
Consumption costs	37493,28	49991,04	62488,80	62488,80	62488,80	62488,80	62488,80	62488,80	62488,80	62488,80
Financing costs	28285,13	25456,61	22628,10	19799,59	16971,08	14142,56	11314,05	8485,54	5657,03	2828,51
Loss carried forward		-57668,38								
Profit before tax	-57668,38	-6206,03	160593,10	163421,61	166250,12	169078,64	171907,15	174735,66	177564,17	180392,69
Taxes [40%]	0,00	0,00	64237,24	65368,64	66500,05	67631,46	68762,86	69894,26	71025,67	72157,08
Profit after taxes	-57668,38	-6206,03	96355,86	98052,97	99750,07	101447,18	103144,29	104841,40	106538,50	108235,61
Cash-Flow	30221,62	81683,97	184245,86	185942,97	187640,07	189337,18	191034,29	192731,40	194428,50	196125,61
Repayment credit	51427,50	51427,50	51427,50	51427,50	51427,50	51427,50	51427,50	51427,50	51427,50	51427,50
Divident	-21205,88	30256,47	132818,36	134515,47	136212,57	137909,68	139606,79	141303,90	143001,00	144698,11

Final settlement

- Total dividend cumulated over ten years:

1.119.116,47 €

- For a small company with minimal risks this is a very good result
- Options for increasing the company are given

Conclusion

- *A carefully planed business plan leads us to following conclusions:*
- We believe in an attractive market position
- Financing a well build up laboratory comes cheaper than expected
- There is a realistic chance to achieve planed goals – market is in need of independent and qualified expert analysis
- Repayment of credit is likely
- Divident is growing every year

Articles of Association

§ 1 Name, Location

- (1) The name of the company is PSE-Analytics GmbH
- (2) The company is located in Gummersbach, Germany

§ 2 Purpose

- (1) The purpose of the company is to act as analytical laboratory for the polymer industry. This includes quality assurance as well as damage analysis.
- (2) The company can take part in other companies and establish local and foreign Branches.

§ 3 Share capital

- (1) The share capital of the company amounts to EUR 30.000
- (2) This capital is divided as follows:
 - a. Shareholder Mr. Martin Schleich with an investment of EUR 10.000 in cash.
 - b. Shareholder Mr. Alexander Eckert with an investment of EUR 10.000 in cash.
 - c. Shareholder Mr. Lukas Pschyklenk with an investment of EUR 10.000 in cash.

Articles of Association

§ 4 Duration of the company

The company is established for an indefinite period.

§ 4 Management

- (1) The company has three managing directors, all shareholders.
- (2) If more than one managing director is appointed, the company shall be represented by two directors or one director together with a Prokurist (person with power under German law to represent company). The partners' meeting may decide to approve sole power of representation. If there is only one managing director in existence, this director shall represent the company alone. The partners' meeting may release the director from the limiting provisions of Section 181 German Civil Code.

§ 5 Financial year

- (1) The financial year starts on 1st October of one year and ends on 30th September of the following year.
- (2) The first financial year is 2014

Articles of Association

§ 6 Announcement/Cost of formation

- (1) All company announcements will be made solely via the electronic Federal Gazette.
- (2) All costs incurred in the formation of the company shall be borne by PSE-Analytics GmbH with registered address in Gummersbach.