

Ver.0.2

Annotation

Project of the realization the world's first blockchain investment financial product (derivative POLYMERIUM (PLM)) combines advanced technology in the field of Finance and industrial production for the engine, transmission and other oils, also autochemistry.

POLYMERIUM's oils have one of the best performance in the world, with price being acceptable to most of clients. POLYMERIUM products quality meets or even surpasses more expensive competitors. The brand successfully exists since 2015.

POLYMERIUM is the developments in the field of production of motor oils, as well as marketing and sales. Additional funding will allow us to expand more than 200 mini-productions on the franchise system around the world in just 3-5 years.

Anyone who fits our requirements, will be able to create his own production of motor oils in their country. Due to this, we get rid of the cost of logistics, customs, etc.

Decentralized direct investments will be made through the purchase of the option POLYMERIUM. (tokens PLM).

The funds raised will go:

1. At the launch of franchising program for the opening of mini-factories around the world for the improvement of our own production.

2. For the development of a system of protection against forgery/counterfeit products on blockchain technology (the ArmPack system has already working for 2 years in a simple form, and protects the POLYMERIUM's products).

3. If the collected investment will exceed that required to accomplish the first two objectives, then we will build the logistics centre in Russia and the factory in China.

POLYMERIUM Tokens will be running on the ETHEREUM platform, ERC20 standard.

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Definitions

Underlying asset (underlying asset) – the asset on which the financial derivative is based(option). In our case it is the Polymerium's products (motor oils). Motor oils and POLYMERIUM (PLM) derivative.

Motor oil is the company's product, engine oil of the highest quality and the other autochemistry. The Derivative is a contract, which the parties entitled and/or undertake to perform certain actions in respect of the underlying asset. This contract is an agreement between two parties by which they undertake or acquire the right to deliver the underlying asset in a fixed period at an agreed price.

Derivative POLYMERIUM (PLM) Derivative is an optional contract for the sale of company's products(Motor oils and ArmPack license) in the form of an intangible asset POLYMERIUM (PLM) includes the option (put-option) to repurchase the POLYMERIUM (PLM) to set period at an agreed price. The crypto-economy is the socio-economic relations in the digital society that focus on interactions using network protocols. The main areas included in the study area cryptoeconomy are: cryptographic token (crypto-currencies), digital assets; decentralized systems of social security and crowdfunding; decentralized management system; self-executing smart contracts; markets; commerce computing resources; online trust and reputation systems;algorithms for consensus; and so on.

A binary option is a type of a derivative; a contract of sale of the underlying asset (in our case is POLYMERIUM (PLM)) at which the option buyer obtains the right to make selling this asset at a predetermined price in a certain contract time in the future.

The Initial Coin Offering or the ICO is a way to attract capital by means of crypto-investment in the project (including cryptocurrency).

Introduction. Brief description of the project

In the global economy, the demand for motor and other oils are very high. Achievements and own technological solutions allow the POLYMERIUM company to produce oils and technical liquids with the quality superior to all analogues in the low to medium price ranges. The quality is comparable with more expensive products and with a lower price it creates a large demand.

Experience and new technological solutions allow the POLYMERIUM company's specialists to start a mini-production anywhere in the world, at a cost of 50-60 times lower than in the construction and organization of similar productions. The only difference is the volumes of production, mini production cannot produce the same volumes as a major production. We intend to build a network of several major own production factories and develop a network of mini-industries around the world. For the construction of the average production need about 500,000-800,000 \$. (output of the finished product-up to 4,000 tons per year). The construction of large-scale production with capacity of up to 40.000 - 50.000 tons of finished products per year about 5.000.000 \$. According to our technology we can create franchised mini-production with investments for the construction and launch of up to 800.000\$, with output up to 4,000 tons of finished products per year(with the possibility of expansion up to 15,000 tons per year). mini-productions with excellent quality products will be able to offer direct deliveries to customers and stores in local markets without intermediaries and to give the best price on the products by reducing costs for logistics and marketing. from Each mini-production by franchise, we will get some percents from sales. In the future, with the development of cryptocurrency, in countries where it is legal, our products can be bought by cryptocurrency and it will be particularly beneficial to buy our products by POLYMERIUM tokens(including wholesale purchases).

All products will be protected with a protection system against forgery ARMPACK based on blockchain technology. Also this technology will be used by other brands in all areas where it is need (pharmacy, food supply, electronics, software). The advanced technology will optimize to perform logistic tasks of the manufacturers, code on the product will helps to track the movement from production to retail outlet.

Introduction. The market of motor oils and autochemistry. A mini-production.

There is a huge demand for lubricants(engine, transmission, hydraulic oils) and other chemicals in the world today.

There are a huge number of consumers of oils ranging from private cars and commercial auto parks to large factories, where used hydraulic/technical and other oils. Only In Russia , with a population of more than 140.000.000 people is used about 6 million tons of motor oils per year. In a country like China, this figure is 7-10 times more. Global brands such as: Shell, Mobil, Castrol and others is represented on the markets of many countries . They have their downsides, for example - the final price to the buyer and an abundance of fakes.

The cost of production of these brands can not be the lowest because companies have huge expenses of maintaining large number of staff,expenses for marketing and advertising, also an extensive and multi-level network of mediators. Based on this the final price for their products is significantly higher than, for example, for POLYMERIUM products, at the same time, the quality of our products is not worse.

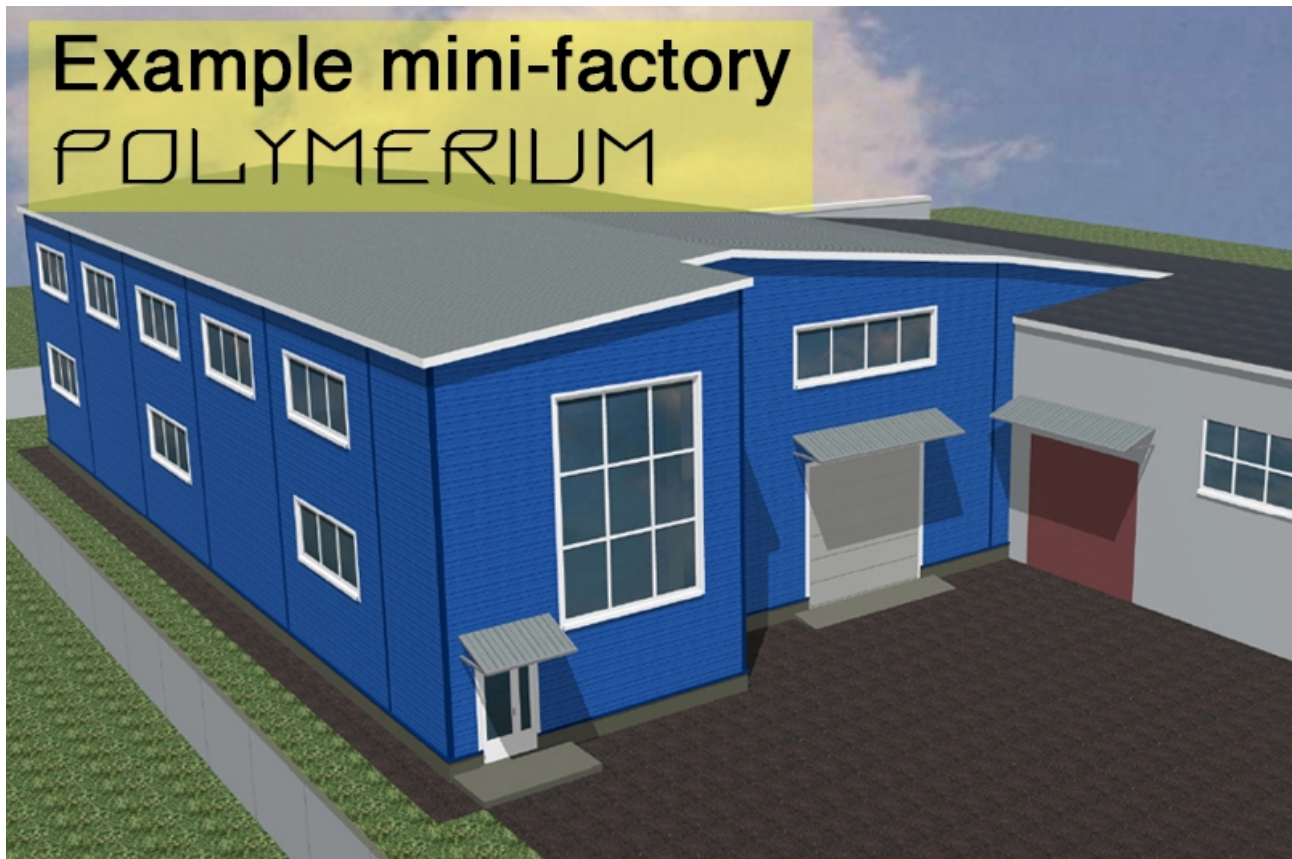
In addition to the big brands on the market there are more local players, but at the expense old technology, poor marketing, low quality products they are far behind and have no opportunities for development and modernisation, their buyer becomes only one small part of the buyers, who do not think about the quality, but relies only on the cheapest price tag.

The largest percentage of sales is the middle segment, where quality and price comparable. Buyers in this segment are willing to pay for a set qualities, such as: "good quality, good price, good brand". Producing products we are rely on those qualities that gives us steady growth and new customers, and expansion of geography of sales.

We note the interest in our products among consumers from other countries. Importers from South Korea, the United Arab Emirates, China,Germany and other European countries are interested in our products. The only thing that stops us in our development is the shortage of funds to meet the growing demand. This problem can be solved by creating a franchise of mini-factories and by constructing our own production in the major markets such as China.

The concept of the development of mini-industries is unique, so we will be the first who implements this project. Due to this, we will take a big part local markets all over the world.

"Franchising is" a system of replication of the business model, which allows in a short time to develop business in other countries. The franchisor is the head company who helps to create effective and proven business model at the territory of Franchisee (the buyer of the business model that use it on their territory), and helps to train the staff of the franchisee and to transfer the necessary technology and equipment, to provide marketing and other support.



With the franchising system it is possible to run more than 30-50 local factories around the world throughout the year. The total number of mini-plants may be more 500-600. We are ready to open more than 20 to 50 franchisees Only in Russia and China.

Estimates and projections is based on our real experience, just in a few years we has launched more than 100 franchises of the company mmoyka.ru in several countries and sold the company to investors. After that we have created POLYMERIUM company.

The market of car motors oils is not more than 38% of the total of oil market, there are many other technical oils.

The development of the electric cars is not threatened by the fall of the motor oils sales. The process of displacement of the traditional internal combustion engine will take at least 50 years.

Technical oils will also be in demand in 50 years, their use is not limited to

cars. To change motor oils produced from oil and gas will come fully synthetic oil.

The advantage of the POLYMERIUM's mini-productions would also be the easy optimization for the production of other products of household chemicals, cleaning agents, etc.

Our mini-factories in 2022-2023 years will have a total turnover around the world of more 1.000.000 \$ per year.

The system of protection against forgery based on blockchain technology.

There is a huge problem with counterfeit products in the world. It can be anything from cans of oil to mobile phones, clothes. When we have started the production we knew about this problem. Immediately with the start of production we has developed our system of protection against forgery and called it ARMPACK. It is a simple code or QR-code placed on the back of the canister under a scratch-layer. Buyer can erase this layer and enter the code on the website or into the mobile app. Code checked by the database and the system gives information to the buyer: when the product was produced, have the code been introduced previously, and most importantly —the product is original or not. Each code is one-off and unique. Systems like ours have already exist, but they all have their shortcomings: insecurity, failures and, of course, is a centralized database.

The implementation of this system of protection from forgery into decentralized technologies of blockchain will allow us to create a system that will store individual tokens (codes) for each unit of any product. The buyer will always be able to check the information about product. The system



will automatically record the desired information in corresponding block when the code will be verified, for example: date of validation, IP-address of auditors and any other information you need. The buyer will see the information originally recorded in the block, for example - the batch number, the country/region from which the product was shipped, etc.

The system itself can be used as a lottery for buyers as a marketing tool to increase sales. In a particular block will be written the winning token. The guarantee of immutability will be supported by the all members of the ARMPACK system.

Also ARMPAC can be applied in other areas, for example in logistics.

With the help of an advertising campaign to attract potential franchisees, we can run about 30-50 mini-industries around the world. The basic costs for real estate, equipment, stocks of raw materials to production is on our franchisees. In turn, we provide the experience, full support at construction and organization of production, commissioning of the equipment and of course successful launch of sales in the local market. Throughout the work we teach our franchisees at sales and manufacturing technologies, introduce new products and improve the old.

Also franchisees will get low prices for raw materials and direct supplies. When self-organization of mini-production of motor oils it is impossible to lucrative contracts for the supply of the necessary raw materials and have to work through intermediaries rather than directly with factories for the production of additives, base oils and other components. We also help to exclude any mistakes in the start of production, in fact, we impart all the necessary expertise and assistance of our experts.

Each franchisee will pay a percentage of sales, from 2% to 5% depends on the country and conditions of the contract. From our side we will control the quality of all products by sample receipt from production(also from stores) for tests, analyses, and comparisons. In the case of failure from our technology and\or quality the agreement with such franchisee will be terminated. Legal aspects of the contract will not allow franchisees to change the brand and produce products under other names, and it will be impossible to avoid paying royalties (monthly payment for use the franchise).

If we will have 200 small factories around the world the estimated revenue from payments of our franchisees will reach more than 50.000.000 \$ in a year. (Excluding the supply of raw materials for each franchisee).

The stages of the plant construction. Pricing strategy

The Cyprus holding company will provide a loan in the amount of investment in options POLYMERIUM (PLM) to Russian legal entity, that will implement consistently all stages of construction. Next steps for the implementation of the construction of production can be divided into 3 main stages.

In order to comply the principles of openness and transparency during all stages of the project to investors will be webcast the progress of construction with the help of online cameras. They specially will be posted on the construction, in the future on production.

The main product is motor oil. We use our own knowledge and technological equipment, which allows to obtain a cheaper product, the quality is not inferior to more expensive counterparts.

In the Russia's or China's domestic market products will be sold at cost at 10-30% lower than the counterparts. This will give the interest from potential consumers, which are private retail customers, small, medium and large

companies with a large fleet and special equipment. Low cost is also achieved by the absence of large number of intermediaries between production and consumer.

Franchised mini-productions will be a serious competition to brands at their local markets, the benefits of the product will be: quality, low price, proximity to customers and transparency of the company, brand. Franchised mini-productions will have access to the raw materials at the lowest cost at the expense of deliveries from the Central warehouse of the company. Mini-productions can't provide for themselves of raw materials and will depend on the Central company that provides economic security for franchisor.

Summary of the project. The economic component.

This project involves crowdfunding investments in derivative POLYMERIUM (PLM), which is implemented in the form of a financial instrument on the blockchain-ETHEREUM platform and provided by goods production of motor and other oils, also by the ARMPACK system.

The basic four phases of the project are: "raising funds (ICO)", "Production", "startup the system of protection against forgery and franchising campaign and "repurchase" and start of distribution of 30% of the company's profits each month to the holders of tokens.

Time-line of the project (Fig. 1) stages:

1 stage "raising funds (ICO)" December 2017. Holding the ICO for the acquisition of options POLYMERIUM (PLM) using the United States dollar (USD), bitcoin (BTC) and other cryptocurrencies. In the early days of the ICO stock options will be sold with a discount of 20% from the current (base) value of POLYMERIUM (PLM) token. Then, the option's price will be to grow uniformly.

All issued PLM tokens will be divided into 10 parts and each part will be sold in 15 days (the beginning of next part will be after the current tokens will be ending or when reaching the time limit of 15 days). All unsold tokens will be automatically destroyed.

From December 1 will be started 5 stages. The next 5 stages will be launched on 25 June 2018, when the company will complete the construction of the plant, and the development of ARMPACK system.

1. First stage -20% discount
2. Second stage -10% discount
3. Third stage-6% discount
4. Fourth stage- 4%discount
5. Fifth stage -2% discount
6. 6-7-8-9-10 stages-no discount, the price will be comparable with stocks.

The cost of 1 PLM token is \$ 10. 1.500.000 tokens has been released.

At the expense of the raised funds the ICO will be the formation of the investment budget for the plant expansion and construction of new plants for the franchise system in the world, as well as to start the system of protection from forgery ARMPACK.

Stage 2 "Production". March 2018. Acquisition of land in Moscow region, Russia.

March - June 2018. The Construction of buildings and manufacturing of industrial equipment for the plant.

June - July 2018. Commissioning of equipment and start of new production.

A July 2018. Launch of the first sales and shipments of finished products from the new production.

Step 3 "The system of protection against forgery and running a franchising company," March - June 2018. Will be launched the first version of the system of protection against forgery and applied to products of POYMERIUM company and to other products of various companies which have shown interest in the development. Starting a franchise company to attract franchisees from around the world to open a mini-productions on the territory of other countries.

Stage 4. "Buyback". August 2018. The Buyback of POLYMERIUM(PLM) options at the equivalent of not less than 30% of the company's monthly profit. Investors will also receive the right to exchange POLYMERIUM (PLM) for the corresponding amount of product. Additionally, investors will be offered exchange POLYMERIUM (PLM) options for shares of the company in the case of the IPO in 2019-21 year.

30% of the company's monthly profit will be distributed between the PLM tokens holders. The remaining funds will be directed to the development of the company.

The main goals of crowd-investments in POLYMERIUM option: for investors is to purchase of option with a yield of 8-15%; POLYMERIUM (PLM) options are provided by real goods, and in case of currency fluctuations PLM will be "protected" by the cost of the products; for the community – is the formation of a new production with using the blockchain technology to protect products from forgery, the development and using of a new financial instrument and decentralized financing of real production (for the first time in the world). The network of worldwide mini-productions will relieve consumers from the margins of intermediaries. Key performance indicators of the POLYMERIUM project is presented in table.1:

Investment costs for the construction of production in Russia	5.000.000 \$
Investment costs for the construction of production in China	5.500.000 \$
Investment costs for the development of a counterfeit protection system for block chain technology	350.000 \$
Investment costs for a franchise company	500.000 \$
General marketing expenses	500.000 \$
Total investment	11.850.000 \$
Net discounted income for the year since the construction of production from the sale of manufactory in Russia yearly *	17.600.000 \$
Net discounted income per year from the date of construction of manufactory from the sale of production in China per year **	17.600.000 \$

Net discounted revenue from the anti-counterfeiting system on block chain technology per year ***	1.800.000 \$
Net discounted income from franchised productions for the first year (30 franchisees)	5.000.000 \$
Total income per year ****	42.000.000 \$
Payback period from the starting date of construction	9-12 month

The main income of the production will be received from the sale of motor oils, gear oils, hydraulic oils and other autochemical products in the future also products for car care, cleaning, etc. Annual profitability for all products in aggregate is more than 300%. (before tax).

The main income from the ARMPACK system will be received from the client's connecting to the ability to create protective unique tokens for their products. The cost of one token will be from 1 to 5 cents (approximately). Also there are other monetization options, such as monthly/annual subscription. The profitability of the system depends on the number of companies who will use

the service.

The profitability of the franchise company depends on the success of the brand and main production. If we will show excellent growth dynamic as it is now, if we will develop around the world, if we will attract investments and integrate technologies such as the blockchain to this sector — the interest from potential franchise buyers we will be high enough.

With the help of an advertising campaign we can prepare about 30-50 mini-industries around the world. Major expenditures for property, equipment, stocks of raw materials for production is borne by our franchisees. In turn we provide our experience, full support and assistance in the construction and organization of production, installation of equipment, and of course the successful launch of products in the local market. Throughout the work we train our franchisees in sales and manufacturing technologies, implement new technologies and improve the old ones. Also franchisees will get the lower prices for raw materials and direct supplies. We also exclude any mistakes in the start of production, we transfer all our necessary experience.

Each franchisee will pay a percentage of sales, from 2% to 5% depends on the country and conditions of the contract. From our side we will control the quality of all products by sample receipt from production(also from stores) for tests, analyses, and comparisons. In the case of failure from our technology and\or quality the agreement with such franchisee will be terminated. Legal aspects of the contract will not allow franchisees to change the brand and produce products under other names, and it will be impossible to avoid paying royalties (monthly payment for use the franchise).

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Stages of the plant construction

Pricing strategy

The Cyprus holdings company will provide a loan in the amount of investment in POLYMERIUM(PLM) options to the Russian legal entity that will implement all the sequence of the stages of construction. Next steps for the implementation the construction of production can be divided into 3 main stages.

In order to comply with the principles of openness and transparency for investors during all stages the implementation of the project will be provided stream the progress of construction of plant with the help of online cameras. They specifically will be posted on the construction and on the production in the future.

The main product is motor oils.

We use own innovations and technological equipment to get the better product with the quality is not inferior to more expensive counterparts.

In the domestic market of Russia or in China products will be sold at cost at 10-30% lower than the counterparts. This will give the interest from potential consumers, who are private retail's customers or small, medium and large companies with a large fleet of automotive and special equipment.

Low cost is also achieved due to the absence of large number of intermediaries between production and consumer.

Franchise mini-productions will be a serious competition to brands at their local areas, the benefits of the Polymerium's franchises will be: quality, low price, proximity to customers and transparency of the company, global brand. Franchise will receive access to raw materials at the lowest cost, due the supply with the Central warehouse of the company. A mini-production can't provide for themselves by raw materials and would depend on the parent company that provides economic security for the franchisor.

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Summary of the project. The team of the project.

The project team consists primarily of successful entrepreneurs and of product developers,

chemists-technologists, programmers. Experience and skills obtained in previously launched projects, allow investors to be confident in the success of the POLYMERIUM project and that the price of tokens PLM will continue to grow.

Now the project exists not only on paper, as most of the ICO projects , but also it is a real operating business with steady growth.

The POLYMERIUM project has already received offers from private investors amounting to more than 5.000.000 \$, but we are not satisfied with the dependence from the investors and the investor's part in company more than 50%. Line of credit banks do not allow to obtain the necessary loans without security deposit that should exceed the loan amount by almost 2 times. Based on this we decided to do the ICO.

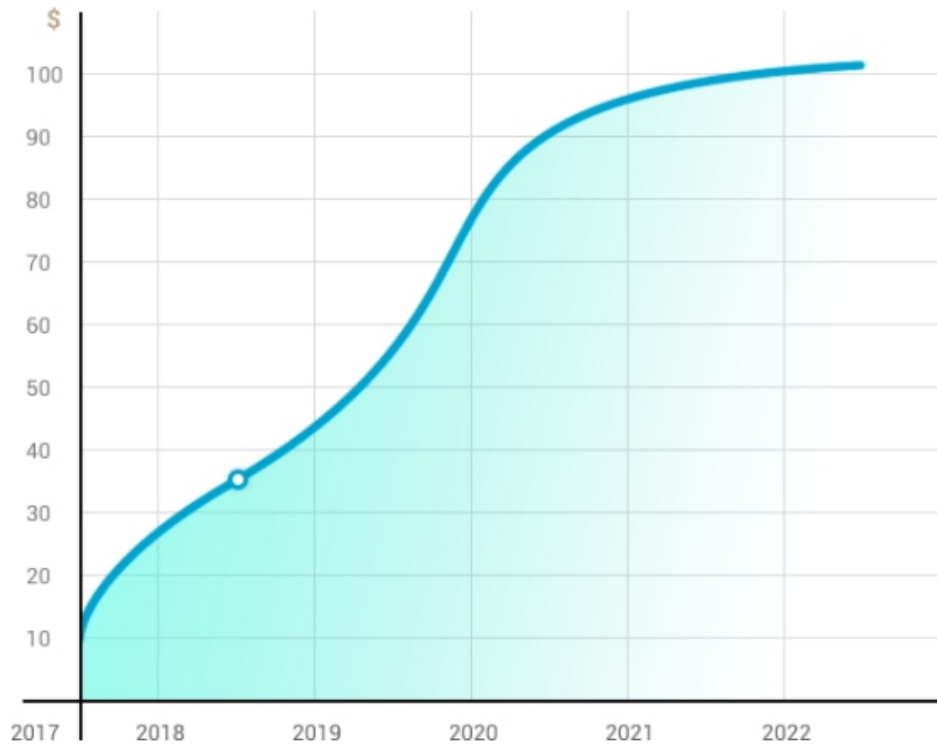
Investors will receive a number of significant advantages and financial security of their investments with investing to existing production facilities with strong and experienced team. Also the security of the ICO provided by the using the investments of all sizes: if in the results of the ICO will be collected the amount for example, 3.000.000 \$, then we can supplement the budget of the project due to the private investor with small share and by own funds.. In sum, these funds will be enough for the implementation of the project.

The minimum amount of fees is 500.000 \$. This will be enough for the construction of the first mini-production (working factory for demonstration to potential franchisees) and the development of a system for ARMPACK based on blockchain technology.

By all accounts the project is very reliable.

Investor participation in the project involves the purchase of POLYMERIUM (PLM) derivatives, which is implemented as a financial instrument on the blockchain - ETHEREUM platform.

In turn POLYMERIUM (PLM) provided by the production – motor oils and other oils and chemical products. The POLYMERIUM (PLM) options sell will take place in the framework of the ICO (on the 1st stage of the project in December 2017).



The expected growth rates of the PLM tokens

The acquisition of the POLYMERIUM (PLM) options can be carried out using the United States dollars, bitcoin and other cryptocurrencies. A more detailed description of the terms of the investment in POLYMERIUM (PLM) options is presented in the personal account on the website of the project plmico.com.