

**Kyiv National University of Trade and Economics**  
**The Department of World Economy**

**FINAL QUALIFYING PAPER (PROJECT)**

on the topic:

**“EXHIBITION ACTIVITY IN INTERNATIONAL ECONOMIC  
INTERACTIONS”**

**(based on the data of LLC “International Exhibition Centre”, Kyiv)**

Student of the 2nd year, group 2am,  
speciality 051 “Economics”,  
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**Kyiv National University of Trade and Economics**

Faculty of International Trade and Law

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Educational Degree «Master»

Specialty 051 «Economics»

Specialization «International Economics»

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« \_\_\_\_\_ » \_\_\_\_\_ 20\_\_\_\_ .

**Task****for a final qualifying paper****OLENA ARTIUKH**

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***1. Topic of a final qualifying paper:*****«Exhibition activity in international economic interactions»**

Approved by the Order of KNUTE of December 12, 2020 № №3396.

***2. Term of submitting by a student his/her terminated paper:*** 19.11.2021.***3. Initial data of the final qualifying paper:***

*Purpose of the paper* is to develop a set of measures of improvement of exhibition activity of LLC “International Exhibition Center”. In order to achieve this purpose the following tasks are set:

- to study features of exhibition activity in the world
- to analyse the impact of environmental factors on international exhibition activity on LLC “IEC”
- to develop a set of measures of international exhibition activity of LLC “IEC”

*The object* is the process of functioning of international exhibition activity.

*The subject* is methodological aspects of international exhibition activity of a domestic

enterprise.

**4. Consultants of the research and titles of sections which were consulted:**

Section	Consultant (last name and initials)	Date and signature	
		The task given	The task received
1	Sai D. V.	14.05.2021	14.05.2021
2	Sai D. V.	25.06.2021	25.06.2021
3	Sai D. V.	08.10.2021	08.10.2021

**5. Contents of a final qualifying paper (list of all the sections and subsections):**

INTRODUCTION

PART 1. CURRENT STATE OF EXHIBITION ACTIVITY IN THE WORLD

1.1. The essence and features of international exhibition activity

1.2. The current state, structure and functioning of the world market of exhibition activity

Conclusions to the part 1

PART 2. EVALUATION OF THE PERFORMANCE OF INTERNATIONAL EXHIBITION ACTIVITY BASED ON THE MATERIALS OF LLC “IEC”

2.1. Analysis of the impact of environmental factors on international exhibition activity on LLC “IEC”

2.2. Assessment of the performance of international exhibition activities of LLC “IEC”

Conclusions to the part 2

PART 3. PRIORITY AREAS OF INTERNATIONAL EXHIBITION ACTIVITY IMPROVEMENT OF LLC “IEC”

3.1. Development of a set of measures of international exhibition activity improvement of LLC “IEC”

3.2. Estimated impact of proposed measures

Conclusions to the part 3

CONCLUSIONS AND RECOMMENDATIONS

REFERENCES

APPENDICES

**6. Time schedule of the paper:**

No.	Stages of the final qualifying paper	Terms of the final qualifying paper	
		de jure	de facto
1.	Choosing and approval of the final qualifying paper topic	01.09.2020- 12.12.2020	
2.	Preparation and approval of task for the final qualifying paper	12.12.2020- 12.01.2021	
3.	Writing and pre defense of the 1 <sup>st</sup> part of the final qualifying paper	12.01.2021 - 30.04.2021	
4.	Writing and preparation of scientific article	till 30.04.2021	
5.	Writing and predefense of the 2 <sup>nd</sup> part of the final qualifying paper	01.05.2021- 10.10.2021	
6.	Writing and predefense of the 3 <sup>rd</sup> part of the final qualifying paper	11.10.2021- 31.10.2021	
7.	Preparation of the final qualifying paper (title, content, introduction, references, appendences), presentation of master diploma paper on the department and predefense in the committee, additional processing, getting a review from a teacher in a related department	01.11.2021- 08.11.2021	
8.	Additional processing, printing, preparation of material to final qualifying paper defense	09.11.2021- 18.11.2021	
9.	Presentation of the final qualifying paper on the department and on the deanery, receiving of referrals for external peer review	till 19.11.2021	
10.	Defense of the final qualifying paper in the Examination Board	According to the schedule	

**7. Date of receiving the task**

**8. Scientific adviser of the research**

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**9. Guarantor of the educational program**

\_\_\_\_\_ Kravets K.P.

**10. The task received by the student**

\_\_\_\_\_ Artiukh O. D.

### ***11. Response of scientific adviser of final qualifying paper***

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***Scientific adviser of final qualifying paper***

Sai D. V.

(signature, date)

Pre-defense check mark

(last name and initials, signature, date)

### ***12. Conclusion on the final qualifying paper***

A final qualifying paper of the student

Artiukh O. D.

(last name and initials)

may be admitted to the Examination Board.

Guarantor of the educational program

Kravets K.P.

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Head of the Department

Duginets G. V.

(last name and initials, signature, date)

« \_\_\_\_\_ » 2021.

## АНОТАЦІЯ

Артиух Олена Дмитрівна. Виставкова діяльність в міжнародних економічних взаємодіях (на матеріалах ТОВ «Міжнародний Виставковий Центр»). Випускна кваліфікаційна робота присвячена актуальній проблемі виставкової діяльності в міжнародних економічних взаємодіях. Дослідження виконано на матеріалах ТОВ «Міжнародний Виставковий Центр».

У роботі проведено комплексний аналіз діяльності ТОВ «Міжнародний Виставковий Центр», що включає аналіз фінансово-економічних результатів діяльності, зовнішньоекономічної та посередницької діяльності підприємства.

На основі аналізу виставкової діяльності розроблено пропозиції щодо її удосконалення, обґрунтовано їх ефективність. В результаті проведеного дослідження запропоновано практичні напрямки для вдосконалення міжнародної економічної діяльності ТОВ «Міжнародний Виставковий Центр» на ринку виставково-ярмаркових послуг. Запропоновано розвиток інтерактивних, віртуальних та гібридних виставок як засіб підвищення ефективності зовнішньоекономічної діяльності ТОВ «Міжнародний Виставковий Центр» в сучасних умовах. Також запропоновано відкриття представницького департаменту компанії в Азійському регіоні, що стрімко розвивається, для розширення міжнародних зв'язків, розширення клієнтської та партнерської бази та виходу на зарубіжний ринок.

Ключові слова: міжнародна виставкова діяльність, міжнародний виставковий центр, міжнародна виставка, віртуальна виставка, інтерактивний простір.

## ANNOTATION

Artiukh Olena. Exhibition activity in international economic interactions (on materials of LLC "International Exhibition Center"). The final qualification paper is devoted to the actual problem of exhibition activity in international economic interactions. The research was performed on the materials of LLC "International Exhibition Center".

A comprehensive analysis of the activities of LLC "International Exhibition Center" was carried out, which includes an analysis of the financial and economic results of activities, foreign economic and intermediary activities of the enterprise.

On the basis of the analysis of exhibition activity, proposals for its improvement were developed and their effectiveness was substantiated. As a result of the research, practical directions of the improvement of international economic performance of LLC "International Exhibition Center" in the market of exhibition and fairs services was proposed. The program of development of interactive, virtual and hybrid exhibitions as a means of increasing the efficiency of foreign economic activity of LLC "International Exhibition Center" in modern conditions was proposed. The opening of the company's representative office in rapidly developing Asian region as a way to expand international relations, expand the customer and partner base and enter the foreign market was proposed.

**Keywords:** international exhibition activities, international exhibition center, international exhibition, virtual exhibition, interactive event.

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## INTRODUCTION

In the conditions of economic transformations in Ukraine, which are connected with the loss of the most industrially developed region of the country - Donbass; rapid decline in the country's GDP and exports; fuel and energy crisis; large-scale reorientation of national production from Russian markets to European ones; decline in tourist activity in connection with the annexation of Crimea, the issue of presenting the image of Ukraine to the world community becomes relevant. One of the effective tools to achieve the goal in this direction are exhibitions and fairs held at the international level. They actively promote the study of the situation, the search for potential consumers, the establishment of business cooperation, the search for potential investors, etc. Participating in exhibitions, a trading company has the opportunity to convey information about its products or services to domestic and foreign consumers, to discuss current issues of further development of production and trade.

**Relevance of research.** International exhibition activity is one of the key and effective tools in international business. In addition, in the world, all international exhibitions are one of the most popular ways for a variety of global manufacturers and leading companies to present their products and their technological innovations to potential consumers, to establish relationships with new partners. And consumers have a unique opportunity not only to theoretically get acquainted with goods and novelties, but also to experience the products with their own hands and see for themselves certain features and uniqueness of certain goods or services. Due to these factors, in my opinion, the exhibition business will be quite relevant and popular today. And this issue will provoke for a long time to the discussion of many scientists and practitioners from around the world.

**Analysis of recent research and publications.** Various theoretical and practical aspects of exhibitions and fairs are reflected in the works of Ukrainian scientists, such as T. Tkachenko, T. P. Duplyak, K. Naumik-Gladka, G. Pyatnytska, L. Lukashova, O. Melnikovych, S. Melnichenko, V. Pekar, and such foreign scientists as S. Miller, C. Moriarty, S. Friedman, Y. G. Kritsotakis, and others. The current state and tendencies of international exhibition activities are relevant and require in-depth research.

**The object of research** is a process of exhibition activity formation within



international economic interactions.

**The subject of research** is a methodological aspects of international exhibition activity improvement of LLC “IEC”.

**The purpose of the study** is to develop a set of measures of international exhibition activity improvement of Ukrainian enterprise.

**The tasks of the study can be formulated as follows:**

- to consider the essence and features of international exhibition activities;
- to assess the current state, structure and functioning of the world market of exhibition activities;
- to analyze the impact of environmental factors on the international exhibition activities of LLC “IEC”;
- to evaluate the effectiveness of the international exhibition activities of LLC “IEC”;
- to develop a set of measures to increase the efficiency of the international exhibition activities of LLC “IEC” and a forecast assessment of the impact of the proposed measures.

**Research methods.** In the course of the research, general scientific and special methods and techniques of scientific knowledge were used, which allowed to systematically solve the problem of research of exhibition and fair activity of enterprises.

**Approbation and utilization of research results:** article “Current state and tendencies of international exhibition activity” in a collection of scientific articles “Modern relationships in the world economy”, KNUTE, Kyiv, 2021.

**Structure and volume of the final qualifying paper.** Paper consists of an introduction, three parts, conclusions and recommendations, references, appendices. The volume of thesis is 50 pages. The list of references includes 52 sources.

## PART 1

### CURRENT STATE OF EXHIBITION ACTIVITY IN THE WORLD

#### 1.1. The essence and features of international exhibition activity

Nowadays, the most common type of exhibition abroad is a thematic specialized fair. Products and groups of goods on display are listed in the nomenclature. Exposure of products other than those specified in the nomenclature is not recommended. The nomenclature classification is based, as a rule, on the technical characteristics of the presented goods or groups of products.

In order to understand the essence of the concept of "exhibition activity", firstly we have to analyze the views of scientists on this topic. Thus, the researcher V. O. Pekar offers the following definition of the category "exhibition activity": these are the activities of enterprises, organizations, institutions and individuals related to the organization of exhibitions and fairs, participation in them, their attendance and provision of various services and performance of work related to exhibitions and fairs. T. I. Tkachenko, T. P. Duplyak, offer a definition of exhibition activity, such as activities aimed at the formation, sale and consumption of exhibition products by organizing exhibition events and participating in them [39]. Table 1.1 represents the approaches of scientists to the definition of the concept of "exhibition activity".

*Table 1.1*

#### Approaches to the definitions of "Exhibition activity" concept

Author	Definition
A group of definitions based on the organization and holding of exhibition and fair events	
V. Pekar	activities of enterprises, organizations, institutions and individuals related to the organization of exhibitions and fairs, participation in them, their visit and provision of various services and performance of works related to exhibitions and fairs
Draft Law of Ukraine "On Exhibition Activities"	an activity on the organization, carrying out, logistical support of carrying out of exhibition event
A group of definitions based on the marketing characteristics of EA	
V. Farberov	a means of marketing communication; a form of industrial integration (along with free economic zones, common markets, customs unions and priority development territories); an important information link between producers and consumers of products that use the principles of marketing
N. Suprun, O. Kudtasevich	a marketing tool, a means of forming partnerships with intermediaries, consumers, other business entities

Author	Definition
A group of definitions in which the purposefulness of EA is rather capaciously reflected	
The concept of development of exhibition and fair activity in Ukraine	activities aimed at creating favorable conditions for increasing exports of competitive products and services, improving the technology of attracting investment and credit, providing scientific, technical and technological renewal of domestic production, strengthening international ties, improving the international image of the state, developing business tourism in the regions of Ukraine, intensification of the innovative process of production cooperation

Source: structured by the author on the basis of [38, 39, 41]

A dualistic interpretation of the meaning of the concept of "exhibition activity" is shown in Figure 1.1.

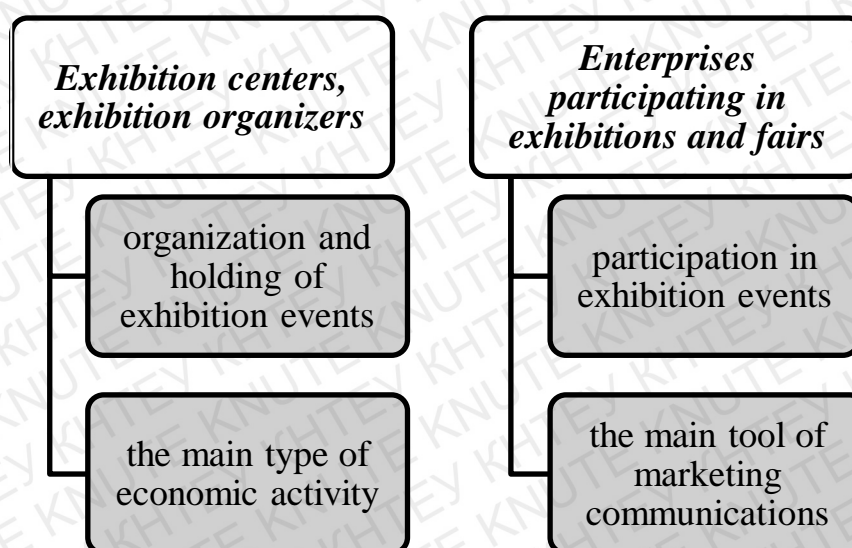


Fig. 1.1. Dualism of an "Exhibition activity" concept [39]

From fig. 1.1. we see that exhibition centers are engaged in the organization and direct holding of exhibition events and this is the main type of their activity. Participation in exhibition events is important for the companies participating in the exhibitions and it is the main tool of marketing communications.

The main objectives of such international events are: to demonstrate to potential clients the possibility of traveling to a particular country; drawing attention to the offered products; expanding the understanding of foreign companies about the country, informing them about policies and measures aimed at ensuring sustainable development in the country; establishing contacts with representatives of foreign specialized administrations and enterprises, concluding agreements on cooperation and sales; establishing contacts

with representatives of the media, expanding with their help the ideas of foreign experts about the potential of the country; study of best practices in business organization and its advertising; analysis of the offer of competing areas that offer products with similar characteristics; obtaining information about the market conditions [10]. Table 1.2. represents such characteristics of the main functions of exhibition activity as informational, communicative, commercial, international, educational, marketing, macroeconomic and social.

*Table 1.2*

**Characteristics of the main functions of exhibition activity**

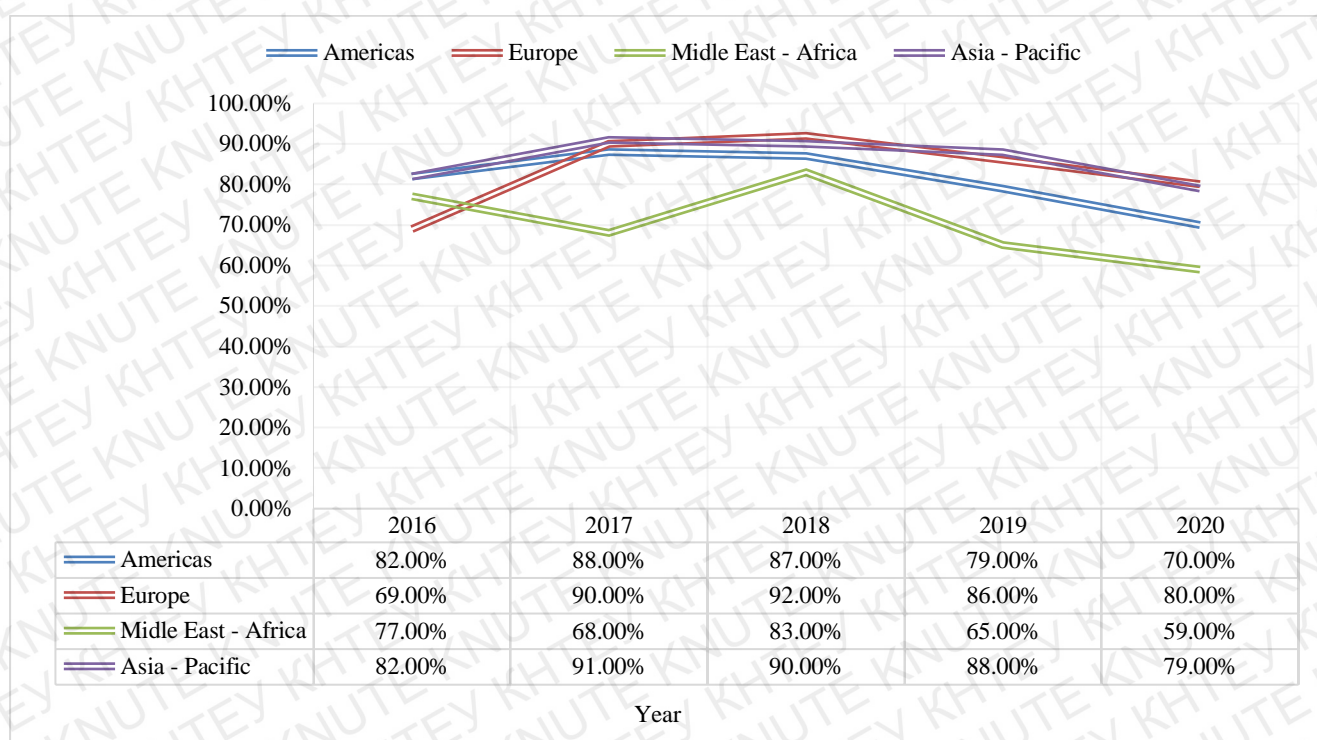
<b>Function</b>	<b>Characteristics of the function</b>
Informational	informing specialists and the public about the state of a certain branch of the national economy and the economy as a whole, about the current level of development of machinery and technology, about the latest achievements in various fields of human activity
Communicative	establishing contacts with potential consumers, media representatives, as well as business partners for further cooperation
Commercial	concluding agreements for the purpose of buying or selling goods and services, as well as performing certain types of work
International	attracting foreign investment into the national economy, creating the country's image in the international arena and other ways of international cooperation
Educational	exchange of experience and acquaintance with new achievements in the field of production, economy, science and technology
Marketing	demonstration of a new product and its introduction to the market, the formation of demand and sales promotion, market research (consumer needs, products of competitors), advertising, PR
Macroeconomic	formation of gross domestic product, national income in the country and export income
Social	Creation of workplaces through direct employment in exhibition organizations and indirect employment in exhibition infrastructure enterprises

Source: structured by the author on the basis of [1, 6]

From the data of tab. 1.1 it can be concluded that the international function of exhibition activity is characterized by attracting foreign investment in the national economy, the formation of the country's image in the international arena, the entry of producers into the international market, as well as other ways of international cooperation. The information function of exhibition activity is characterized by informing specialists and the public about the state of a particular sector of the economy and the economy as a whole, about the current level of development of machinery and technology, about the

latest achievements in various fields of human activity.

The exhibition industry, as a kind of economic activity contributes to the successful formation of sustainable development of trade and economic, international, scientific, cultural and other cooperation not only between enterprises but also between states. Figure 1.2 represents the amount of operating profits gained from an exhibition activity, by the regions of the world, compared to the previous year, %.



*Fig. 1.2. Dynamic of gained operating profits from an exhibition activity, by regions of the world [3, 4]*

Analyzing the data from Fig. 1.2 we can see that in each of the four regions, most companies maintained a good level of performance in 2018. Still, since 2019 their efficiency has been decreasing and the amount of gained operating profit dropped mostly in Americas (from 79 to 70%) and in Asia – Pacific region (from 88 to 79%).

Analyzing the historical aspect, it should be noted that the history of exhibitions dates back to London in 1851, at the "Great Exhibition of Industrial Works of All Nations", which is held to this day [30].

Criteria for classification of exhibition activity [9]:

- by geographical composition of exhibits: global, international, national, interregional, local;

– by target: exhibitions that support the existing image of the company (aimed at regular customers and partners of the company, so the main attention is paid to the corporate identity of the company); trial exhibitions (aimed at potential consumers when the company's image is in the process of formation; the exhibition helps to consolidate it and present it to the public).

The main stages of the organization and holding of exhibition and fair events include the following actions [7]:

1. Planning stage, that includes the following actions: determination of the theme, time and place of the event; planning of exhibition space, the number of participants; development of the budget of the event and the program of its holding.

2. Preparatory stage, that includes the following actions: informing potential participants and visitors about the exhibition through the media and direct mailing; registration of applications for participation and signing of agreements with participants; collection of information for placement in the catalog; coordination with the participants of the exhibition plan of the exhibition stand and the inscription on the frieze panel; issuing invoices for participation in the exhibition; order of printing and advertising products; receipt of payment for participation in the exhibition and for other additional services; installation of exhibition stands and arrival of exhibitors.

3. Implementation stage, that includes the following actions: official opening of the exhibition, conduction of a cultural program and press conference on this occasion; organization of reception of honored guests and VIP-persons at the exhibition; accompanying events (seminars, round tables, presentations, conferences, competitions); registration of visitors and provision of reference and information services; - organization of the administration of the exhibition; providing additional services to participants and visitors of the exhibition; issuance of a certificate of work performed and other documentation to exhibitors, payment for participation; solving current issues that arise during the exhibition; conducting a survey (questionnaire) of both participants and visitors; official closing of the exhibition.

4. Finalizing stage, that includes the following actions: departure of exhibitors and dismantling of exhibition stands; analysis and processing of survey results of participants

and visitors; summarizing the results of the exhibition: the number of participants, visitors, the volume of exhibition space.

Table 1.3 represents the main stages of the organization of exhibition events and the list of the corresponding actions.

*Table 1.3*

**The main stages of the organization of exhibition events**

The main stages	Components
Preparatory stage	<ul style="list-style-type: none"> <li>- Decision making about participation in an exhibition or fair</li> <li>- Defining the goals of the exhibition</li> <li>- Defining the target audience</li> <li>- Analysis and selection of the exhibition for the company</li> <li>- Coordination of preparatory work</li> </ul>
Exhibition	<ul style="list-style-type: none"> <li>- Budget planning</li> <li>- Selection of exhibits, preparation and design of the exhibition</li> <li>- Communication planning, development of advertising and information materials</li> <li>- Identification of staff to participate in the exhibition and its preparation</li> <li>- Planning of work with visitors</li> </ul>
Post-exhibition activity	<ul style="list-style-type: none"> <li>- Control of results, i. e. comparative analysis of goals and actual achievements</li> <li>- Compiling a report with constructive criticism of mistakes and shortcomings, as well as business proposals for the future</li> <li>- Defining actions to be taken after the exhibition (fair): stand-final meeting, paying bills</li> <li>- Thorough analysis of contacts that took place during the stand work</li> <li>- Acquaintance with the first results of participation in the exhibition (fair)</li> </ul>

Source: structured by the author on the basis of [1, 17]

Analyzing the preparatory stage of the organization of exhibition events from table 1.3, it should be noted that important elements are the decision to participate in the exhibition or fair, defining the objectives of the exhibition and defining the target audience and coordinating the preparatory work.

And at the stage after the exhibition activities, important elements are the control of results, i. e. comparative analysis of goals and actual achievements, compiling a report with constructive criticism of mistakes and shortcomings, as well as business proposals for the future.

Classification of participants of exhibition events can be carried out on the following grounds: country of origin, form of participation in the exhibition, significance in the case of collective participation. The classification of types of participants of exhibition events is presented in table 1.4, according to classification features.

Table 1.4

### Classification of participants of exhibition events

Classification feature	Type of participants of exhibition events
By the country of origin	<ul style="list-style-type: none"> <li>- A national participant is a participant whose legal address specified in the agreement with the organizer is located within the host country.</li> <li>- A foreign participant is a participant whose legal address specified in the agreement with the organizer is outside the host country.</li> </ul>
By form of participation in the exhibition	<ul style="list-style-type: none"> <li>- Full-time participant - direct participation of the company in the exhibition, which provides for the rental of a stand to work on its own or involved staff</li> <li>- Part-time participant - involves only the publication of information about the company, its products and services in the exhibition catalog</li> </ul>
By significance in the case of collective participation	<ul style="list-style-type: none"> <li>- Direct (main) participant - an enterprise that enters into an agreement directly with the organizer of the exhibition to rent a stand for the presentation of its own goods and for the work of staff on it</li> <li>- Indirect participant (additionally represented company) - an enterprise that presents goods at the stand of the main participant without the presence of its own staff</li> </ul>

Source: structured by the author on the basis of [1, 40]

Analyzing the approach to the classification of participants in exhibition events by country of origin from table 1.4, among the classification features there can be distinguished national and foreign participants. Among the classification features of exhibition events by the form of participation, the main place belongs to the full-time and part-time participants.

An exhibition visitor is a person who attends an exhibition event in order to gather information, make purchases or establish contacts with exhibitors. The variety of the exhibition visitors requires their classification on several grounds: country of origin, type of behavior and temperament. Table 1.5 represents a generalized classification of visitors of exhibition events.

Table 1.5

### Classification of visitors of exhibition events

Classification feature	Type of visitors of exhibition events
By country of origin	National visitors, foreign visitors
By behavioral personality types	Dominant, direct, dependent, skeptics
According to J.G. Kritsotakis	Insecure, powerful, nervous, innovators, casual, tourists, bookworms, shy, rude, spies, dreamers, rationalists, flanners
According to G.P. Zakharenko	Interested, waste paper lovers, onlookers, round eyes, players, hawks, indifferent spectators, job seekers, misers, annoying flies, quiet and inconspicuous, real buyers

Source: structured by the author on the basis of [1, 40]



Table 1.5 shows that the main visitors for the classification of exhibition events by country of origin are national and foreign representatives. When analyzing visitors by behavioral personality types, most scholars identify dominant, direct and dependent participants.

It is worth noting that recently, instead of universal, multisectoral exhibitions are more practiced, where a range with a detailed and well-thought-out classification of many products of a particular industry is presented. The choice of industries is determined by the interests of consumers (for example, clothing: fashion and style). The most famous organization involved in attracting and integrating new participants into the exhibition industry is «EXPO». International Forum of Exhibition Industry is the first comprehensive event that informs consumers of exhibition services about all aspects of exhibition centers' performance.

According to the industry feature, according to the international classification of exhibitions UFI (The Global Association of the Exhibition Industry), there are two main classes:

- Class A – universal and multidisciplinary exhibitions: A–1. Universal exhibitions and fairs of technical means and consumer goods. A–2. Universal exhibitions and fairs of technical means. A–3. Universal fairs and exhibitions of consumer goods.
- Class B - specialized exhibitions: B–1. Agriculture, forestry, fishing, viticulture, horticulture, garden and park planning. B–2. Food, beverages, tobacco, catering and related equipment for their production. B–3. Textiles, footwear, leather, jewelry and related equipment for their production. B–4. Construction, equipment and related equipment. B–5. Sports, entertainment, leisure and related equipment. Of course, the organization of such events has its advantages and disadvantages.

However, despite certain shortcomings that clearly occur in the organization of exhibitions, the benefits of such events, in my opinion, are much greater. And world statistics only confirm this opinion. During many years, the area of exhibitions that meet international standards increased 3, 6 times and the number of participants - 2, 2 times. The number of foreign participants has increased from 248 to 1, 112 (4, 5 times) over the last 10 years.

The advantages of attending international exhibitions and conferences are [1]:

1. Participation in an international exhibition allows the supplier to promote its products and services in international markets, inform the audience about its achievements, find new customers and partners, conduct effective negotiations, and sign profitable contracts.
2. Visiting international exhibitions provides an opportunity to get acquainted with the latest market trends; gain new knowledge and recommendations of international experts, expand the network of business contacts and discuss current issues with colleagues from leading international companies. Visiting exhibitions also allows you to get acquainted with the latest developments and solutions for business, get inspiration and new ideas for business development.

Traveling to international conferences, forums and seminars allows managers and professionals to improve their skills, gain new knowledge and improve professional skills, expand their horizons and network of business contacts for business success.

Currently, the spread of the coronavirus has led to the transfer and cancellation of numerous exhibitions in Europe and around the world. m+a Expodatabase analyzed how the organizers are coping with the current changes. At the beginning of 2020, the database of exhibitions included 1551 events that were to take place during the year. 1003 events (64% of the total) were planned for the first half of the year. In total, in the first half of 2020, 809 events took place in accordance with the plan.

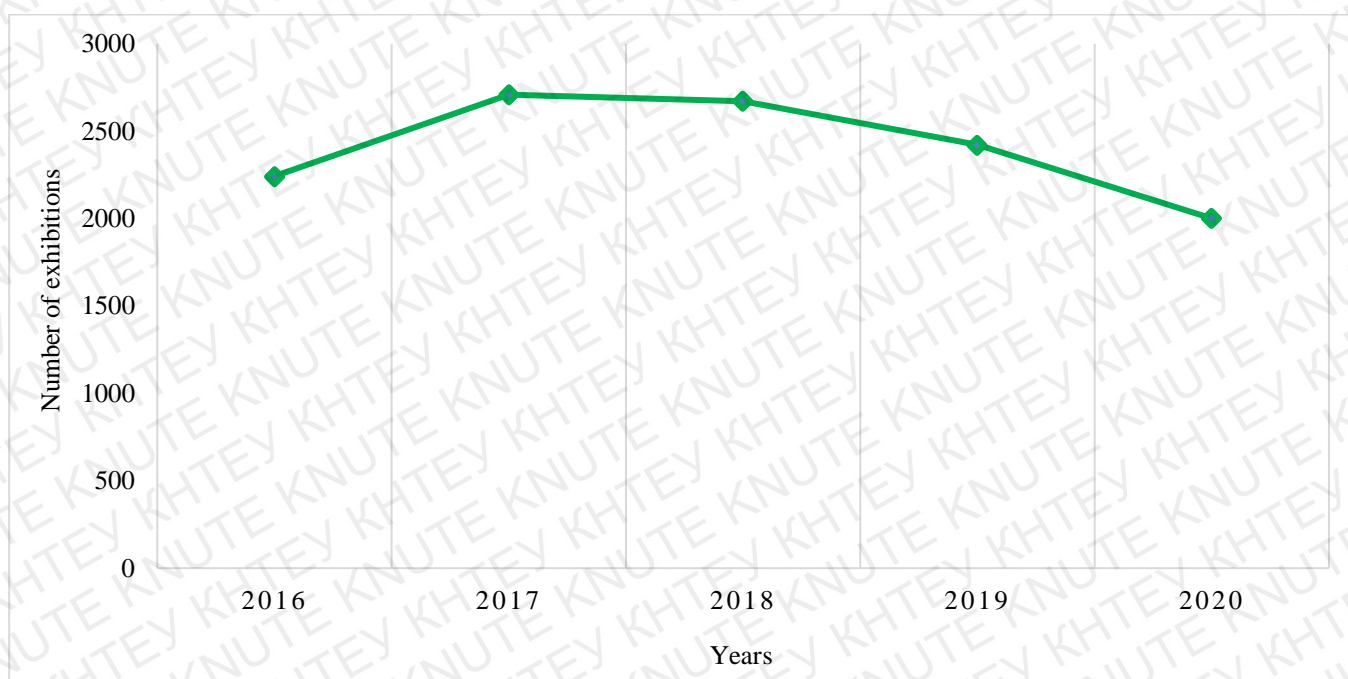
As a result, income losses in the exhibition industry amounted to 33% in the first quarter of 2020 and 100% in the second quarter. If the exhibition industry does not resume its full-scale activities, most small and medium-sized businesses serving industry associations, corporate and institutional clients of various formats, such as B2B, B2C or B2E (business to employees) will be forced to cease their activities [3].

### **1.2. The current state, structure and functioning of the world market of exhibition activity**

The modern world is developing rapidly, digital technologies offer new innovative developments every minute, new marketing tools appear. At the same time, exhibition

activity continues to be a relevant and effective tool for the development of various forms of business, which expands the customer base, increases sales, offers options for optimizing production processes, and as a result, strengthens the company's competitiveness, developing positive brand perception in general. An exhibition is a platform where almost all subjects of a particular market segment come together periodically and simultaneously - both highly professional players and those who are just about to express themselves [5].

The European market for exhibition services is one of the largest. In 2020, Europe hosted the greatest number of World's Fairs. Figure 1.3 represents the number of exhibitions held in Europe in a period from 2016 to 2020.



*Fig. 1.3. Number of exhibitions held in Europe, 2016-2020 [51]*

Therefore, Figure 1.3 shows that the largest number of exhibition events in European region was held in 2017 (2709 events).

The smallest number of exhibitions was held in 2020, which can be explained by the current situation in the world and difficulties that businesses and exhibition organizers meet due to economic and political instability and worldwide pandemic, caused by the coronavirus.

The analysis of about 240 cities showed that against the background of the largest exhibition centers in Europe, the audited exhibition area exceeds 1 million m<sup>2</sup>, – Paris (1,

736 thousand m<sup>2</sup>), Milan (1, 745 thousand m<sup>2</sup>), Madrid (1, 245 thousand m<sup>2</sup>) – Kyiv is noticeably behind (129 thousand m<sup>2</sup>).

The territorial distribution of large exhibition areas among cities is explained by the significant development of transport routes and the number of people who are interested in holding a specialized exhibition (Fig. 1.4).

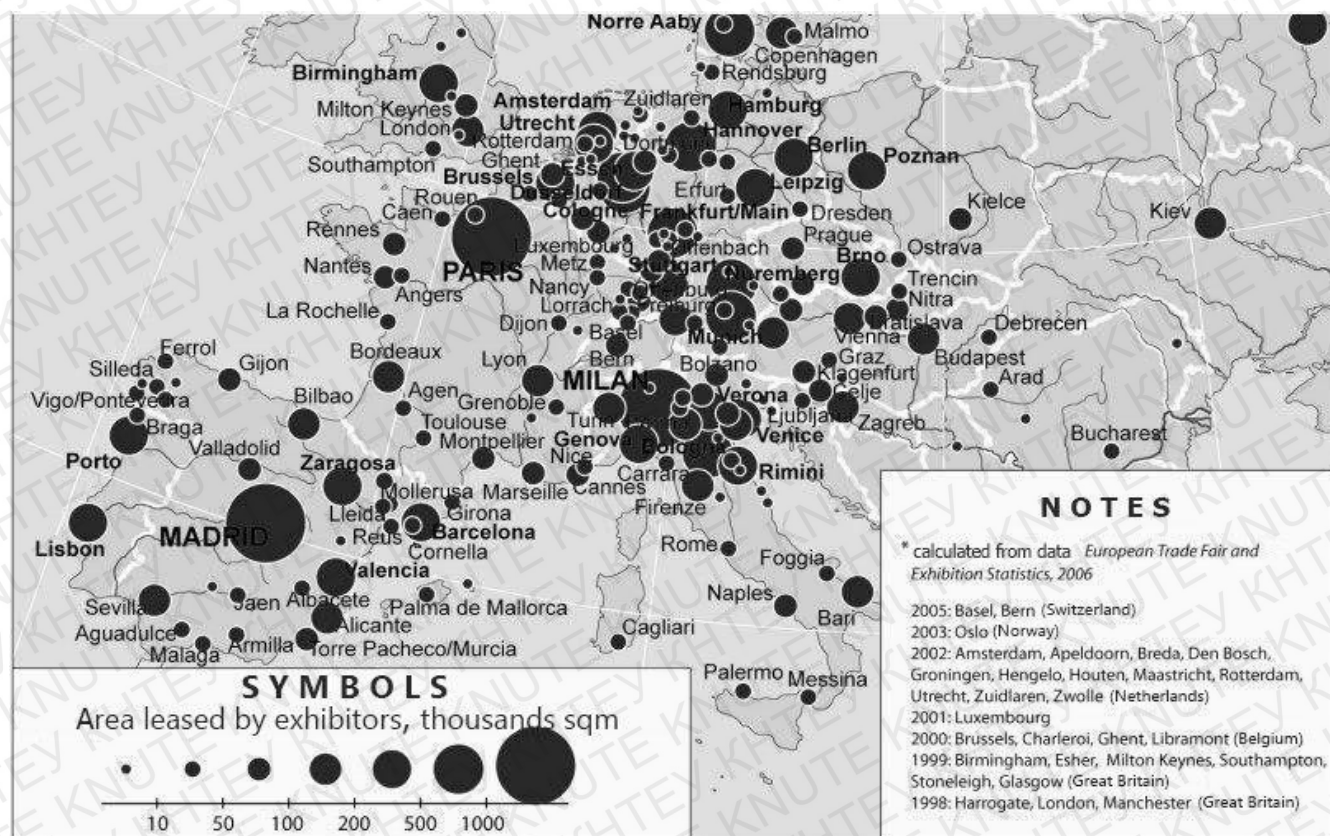


Fig. 1.4. Visualization of exhibition areas and locations in Europe [3]

The size of the symbols on the EU map from fig. 1.4. shows that the number of exhibition areas coincides with the developed European centers, among which are Germany [49], Paris, Madrid, Milan, Geneva.

However, these centers and other major European cities do not have the strong dynamism that is inherent in Kyiv today. For many European cities, the exhibition industry is a specialized type of economic activity. Among the highly specialized exhibition centers in Europe are Hanover, Frankfurt am Main, Dusseldorf, Milan, Porto, Brno, Paris and others.

USA has the "United States Participation in International Exhibitions" Act, which regulates the US government's involvement in international exhibitions held in the United States. The law establishes the procedure for government support for exhibitions and fair

events. The Trade Fairs Act has also been in force since 1959, establishing a regime for the import of exhibits, equipment, and building materials for exhibitions and fairs in the United States. Annual appropriations provide funding for individual exhibitions and fairs for certain federal agencies and other US organizations. The United States also leads in the number of exhibition spaces (50 million square meters). The country annually hosts more than 12 thousand regional, national and international exhibitions, which are attended by about 50 thousand exhibitors and almost 60 million visitors. More than 40% of exhibitions in the United States are considered large - each of them attracts about 27 thousand visitors on average. But American exhibition activity is characterized by a focus on congressional specialization. The American exhibition elite realized the need for interpenetration of the exhibition and congress business before the European one did [13].

Today, international exhibitions are a special form of international trade and economic activity, which demonstrates product samples, achievements of STP; business conferences, master classes are held; there are business acquaintances and communication of potential participants of purchase and sale operations; commercial positions are discussed; foreign trade agreements, contracts are signed. In general, at the microeconomic level, exhibition activities provide: acquaintance with enterprises (products) and their advertising; search for potential sales of goods and services; management of relations between producers and consumers; market feedback, etc. [33].

Thus, a study by the World Association of the Exhibition Industry in 2018 showed that, despite the fact that Europe has the largest exhibition centers in the world, only 23% of all visitors account for European centers, and 45% for Asian exhibition clusters [2].

At the present stage, the Ukrainian exhibition sphere is characterized by a slight increase in the share of international exhibitions (in 2015 - 12%; and in the period from 2016 to 2019 - 14%) in the overall structure of events. However, almost 60% of national exhibitions are attended by representatives of foreign companies [10]. International exhibition activities also mostly take place in Kyiv, although there are exhibition centers in Lviv, Uzhhorod, Odesa, Dnipropetrovsk, Chernihiv.

To regulate issues related to the organization and holding of exhibition and fair events on the territory of Ukraine, as well as the participation of Ukrainian organizations

in exhibitions and fairs abroad, the Government in 2007 developed and approved the Concept for the development of exhibition and fair activities in Ukraine, approved by the Resolution of the Cabinet of Ministers of Ukraine of August 22, 2007, № 1065.

Today the leaders among Ukrainian operators are the following largest exhibition operators: Kyiv International Contract Fair (Kyiv), KyivExpoPlaza (Kyiv), COMINFO (Dnipropetrovsk), International Exhibition Center (Kyiv), National Complex Expocenter of Ukraine (VDNG) (Kyiv), ODESSA HOM (Odesa), Premier EXPO (Kyiv).

*Table 1.5*

### **State regulation in the field of exhibition activity in Ukraine**

<b>Public authority</b>	<b>Measures to regulate exhibition activities</b>
Cabinet of Ministers of Ukraine	At the request of the Ministry of Economic Development, it approves the annual lists of international exhibition and fair events in which domestic business entities abroad will take part.
Ministry of Economic Development of Ukraine	<ul style="list-style-type: none"> <li>- Processes proposals of central and local executive bodies, business entities to improve exhibition performance and submits them to the Cabinet of Ministers of Ukraine.</li> <li>- Summarizes the proposals of central and local executive bodies on the allocation of budget funds to finance the organization and holding of exhibition events.</li> <li>- Summarizes the proposals of business entities to the annual plans for exhibition events, which are held at their own expense.</li> <li>- Summarizes the reports of the central executive authorities on the results of the exhibition events and submits them to the Cabinet of Ministers of Ukraine on a quarterly basis.</li> <li>- Conducts expert assessment of written appeals of organizers on granting exhibitions and fairs the status of international and national, prepares draft acts in the prescribed manner and submits them to the Cabinet of Ministers of Ukraine.</li> </ul>
Ministry of Foreign Affairs of Ukraine	Provides outspread of information on exhibition events held in Ukraine in foreign countries, and brings to the central and local executive authorities information on major exhibitions and fairs held abroad.
Other central and local executive authorities	<ul style="list-style-type: none"> <li>- Ensure the organization of national expositions at international exhibitions, held with partial funding from the state budget.</li> <li>- Assist business entities in holding exhibition events held at their own expense.</li> <li>- Submit to the Ministry of Economic Development reports on the results of exhibition events with partial financing of expenditures at the expense of funds from the state and local budgets.</li> </ul>

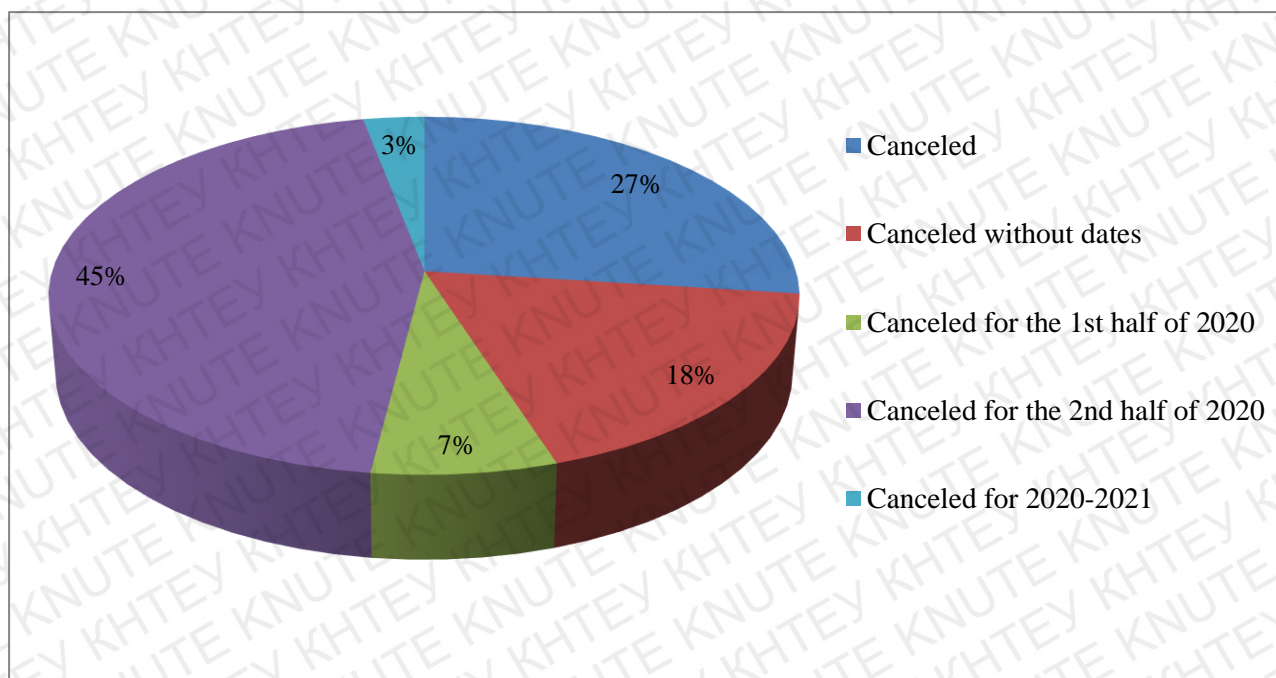
Source: structured by the author on the basis of [28, 37, 38, 41]

The structure of exhibition and fair performance in Ukraine by thematic areas reflects the current state of the Ukrainian economy.

Exhibitions related to construction, automotive, light industry, consumer goods and

agriculture are the largest.

The number of postponed exhibitions and fair events in 2020 is given in Figure 1.5.



*Fig. 1.5. Percentage of postponed exhibition and fair events in the world 2020 [33]*

Analyzing the current state of the exhibition industry, we have to take into account the fact that in 2020 the world was swept by the coronavirus pandemic and a series of lockdowns in different countries all around the world. That has led to the postponement and cancellation of many international exhibitions worldwide.

The sharp drop in revenues that occurred in 2020 has led to losses for 39% of companies, and only 7% of companies in 2021 expect stable or increased profits. There is also a tendency to significantly reduce investment in the exhibition industry. In particular, 44% of the companies that participated in the study stopped all their investments. At the same time, 50% of companies are increasing their investment in digital programs. It is worth noting that 87% of companies have reduced their costs - 17% of them cut costs in half. Even in such difficult conditions, most companies (56%) did not receive any government financial support. At the same time, 44% still received it, although for most of them it is less than 10% of their expenses.

We can conclude, that all actions taken by representatives of exhibition centers around the world, connected to postponing exhibitions are due to the pandemic situation.

Table 1.6 represents a list of the largest international exhibitions in 2021,

recommended by the Ministry of Economy of Ukraine.

Table 1.6

**Exhibitions abroad in 2021, recommended by the Ministry of Economy of Ukraine**

Turkey	<ul style="list-style-type: none"> <li>➤ INTERNATIONAL TRADE EXHIBITION FOR FOOD AND BEVERAGE</li> <li>➤ MODEST FASHION EXHIBITION</li> <li>➤ ISTANBUL STATIONERY-OFFICE FAIR</li> <li>➤ COSMETICS HOME CARE INGREDIENTS</li> </ul>
Denmark	<ul style="list-style-type: none"> <li>➤ COPENHAGEN INTERNATIONAL FASHION FAIR (CIFF)</li> <li>➤ BOLIG &amp; LIVSSTILSMESSE HOLSTEBRO</li> <li>➤ FOODEXPO</li> <li>➤ SHOPPING BAZAR</li> </ul>
Spain	<ul style="list-style-type: none"> <li>➤ INTERSICOP</li> <li>➤ SALON GOURMETS</li> <li>➤ ALIMENTARIA</li> <li>➤ MOMAD</li> <li>➤ HABITAT VALENCIA</li> </ul>
France	<ul style="list-style-type: none"> <li>➤ GLOBAL INDUSTRIE</li> <li>➤ MAISON &amp; OBJETS</li> <li>➤ VILLAGE INTERNATIONAL DE LA GASTRONOMIE</li> <li>➤ TEXWORLD</li> </ul>
Greece	<ul style="list-style-type: none"> <li>➤ FOGLOBAL IOENOTELA</li> <li>➤ ARTOZ</li> <li>➤ FOODTECH</li> <li>➤ OENOTELIA</li> </ul>

Source: structured by the author on the basis of [3, 12, 41]

The Ministry of Economy of Ukraine [41] considers exhibition activities as a way to support exports. As these measures help to increase the volume of exports of competitive products, attract foreign investment, strengthen international relations, and increase the international image of the state and so on. We analyzed the exhibitions offered by the Ministry and chose the most promising, in our opinion, in the following areas: Turkey, Denmark, Spain, France and Greece.

Today, exhibitions serve as a catalyst for the development of the national economy, a platform for concluding long-term contracts in both national and international markets, which promotes investment and the release of goods and brands under the label "made in Ukraine".

The Ministry of Economic Development also recommends a number of international exhibitions held in Ukraine. Therefore, those companies that are just beginning to actively



conduct their exhibition activities can first try to participate in these exhibitions and gain the necessary experience.

International exhibitions held on the territory of Ukraine in 2021, which are listed on the website of the Ministry of Economy of Ukraine:

- International Forum Of Food Industry And Packaging (IFFIP) 2021
- Furniture Of Ukraine Business Expo 2021
- Ukrainian Food Expo 2021
- PlastExpoUA 2021
- Public Health 2021

After analyzing the recommendations of the Ministry of Economy, a number of missing countries were identified, which are sufficiently developed worldwide in terms of exhibition performance, so I offer manufacturing companies to consider international exhibitions in countries such as the Netherlands, Germany, Poland, Bulgaria and China.

In order to attract investment for the further effective development of exhibition performance, it is necessary to involve the state media, to conduct PR campaigns to advertise domestic exhibitions abroad.

A timely solution to existing problems hindering the development of the industry in Ukraine will strengthen the state's position in the world market and create a national brand of Ukraine as one of the greatest centers of the exhibition industry, business tourism, and international trade [19].

### **Conclusions to the Part 1**

This section reveals the essence and features of international exhibition activities. The current state and tendencies of exhibition activity have confirmed the importance of taking into account the dynamic world and by its own example demonstrate changes in the form of presentation of goods or organizations for further promotion in the international market.

The interpretation of the concept of "exhibition" and "exhibition activity" by such scientists as T. Tkachenko, T. P. Duplyak [39], K. Naumik-Gladka [23], G. Pyatnytska [32], L. Lukashova, O. Melnikovych [19], S. Melnichenko, V. Pekar, and such foreign

scientists as S. Miller, C. Moriarty, S. Friedman, Y. G. Kritsotakis, is given. It is obvious that exhibitions have already become a mirror of material and technical development, a standardized price indicator, an economic and political platform for probable changes in supply and demand in the market, as well as a specific phenomenon.

The main goals of international events are listed, among which are: demonstrating the possibility of traveling to a particular country to potential clients; drawing attention to the offered products; expanding the understanding of foreign companies about the country, informing them about policies and measures aimed at ensuring sustainable development in the country; establishing contacts with representatives of foreign specialized administrations and enterprises, concluding agreements on cooperation and sales.

The current state, structure and features of the world market of exhibition activity are considered. For many European cities, the exhibition industry is a specialized type of economic activity. Among the highly specialized exhibition centers in Europe are Hanover, Frankfurt am Main, Dusseldorf, Milan, Porto, Brno, Paris and others.

At the present stage, the Ukrainian exhibition sphere is characterized by a slight increase in the share of international exhibitions (in 2015 - 12%; and in the period from 2016 to 2019 - 14%) in the overall structure of events. However, almost 60% of national exhibitions are attended by representatives of foreign companies.

## PART 2

### EVALUATION OF THE PERFORMANCE OF INTERNATIONAL EXHIBITION ACTIVITY BASED ON THE MATERIALS OF LLC “IEC”

#### 2.1. Analysis of the impact of environmental factors on international exhibition activity on LLC “IEC”

The International Exhibition Centre (IEC) is the biggest expo building in Ukraine combining four premium-class pavilions into unified architectural ensemble with 73228,00 square meters of total area, including 38681,50 square meters of exhibition area, which engineering capability allows realizing of the most daring exhibition projects and holding of events of different scale and levels of complexity. Today we are the only one specialized complex in Ukraine, who can host massive events from 5 thousand to 18 thousand participants indoor.

In October 2005, at the 72nd Congress of UFI (The Global Association of the Exhibition Industry) the LLC “IEC” entered this authoritative organization in two categories at once: “Expocentre”, and “Trade Fair Organizer”. This approves high recognition level of International Exhibition Centre and proficiency level of its employees.

In the field of foreign economic activity LLC “IEC” provides: services to foreign economic entities in all types of activities; joint activities with foreign partners, other types of foreign economic activity in accordance with the Law of Ukraine “On Foreign Economic Activity” and the Commercial Code of Ukraine.

Under current conditions, the instability of the enterprise environment has grown substantially owing to a shortage of productive resources, increased competition between organizations, internationalization of financial capital, frequent changes and reorganization of local and state authorities, unpredictable actions of monopolists, inadequate banking system and incomplete credit policies. Due to these circumstances, it is extremely important to study the interconnection and interaction of the external environment and the efficiency of the operation of the enterprise [40].

For today, there are several exhibition centers in Ukraine that perform international economic activity. Among them are International Exhibition Center, KyivExpoPlaza,

Expocenter of Ukraine, Exhibition Chamber of Commerce and Industry Chamber of Ukraine (Chamber Plaza), “ACCO International”, “Kyiv International Contract Fair”, which are located in Kyiv, “Ukrrosmetal” in Sumy and “Radmir-Center” in Kharkiv.

Characteristics of the built exhibition area for exhibitions in 2020 by regions are presented in the table 2.1.

*Table 2.1*

**Characteristics of the built exposition area by 2020, by region [48]**

<b>Regions in which exhibitors are registered</b>	<b>Total built-up area, total</b>	<b>Total</b>	<b>Indoor</b>	<b>Open-air</b>	<b>Special demonstration</b>
Ukraine	678 014,00	530 046,00	481 618,00	59 348,00	21 991,00
Regions					
Vinnitsia	3 600,00	3 600,00	3 600,00	-	-
Volyn	-	-	-	-	-
Dnipro	8 982,00	8 554,00	8 554,00	428,00	-
Lviv	19 788,00	11 006,00	8 407,00	2 599,00	459,00
Zakarpattia	100,00	100,00	100,00	-	-
Zaporizhia	34 926,00	8 920,00	8 920,00	2 000,00	3 827,00
Ivano-Frankivsk	-	-	-	-	-
Kyiv	-	-	-	-	-
Kirovograd	40 000,00	4 000,00	4 000,00	36 000,00	-
Mykolayiv	2700,00	2 700,00	2 700,00	-	-
Odesa	25 148,00	21 298,00	20 186,00	1 112,00	3 850,00
Zhytomyr	5 400,00	5 400,00	400,00	5 000,00	-
Poltava	6 385,00	6 385,00	5 665,00	720,00	-
Rivne	-	-	-	-	-
Sumy	5 120,00	4 560,00	4 560,00	-	-
Ternopil	-	-	-	-	-
Kharkiv	32 063,00	24 337,00	22 447,00	1 890,00	200,00
Kherson	1 260,00	1 260,00	1260,00	-	-
Khmelnytsk	-	-	-	-	-
Cherkasy	-	-	-	-	-
Chernivtsi	545,00	545,00	446,00	99,00	-
Chernihiv	141,00	121,00	121,00	20,00	-
Cities					
Kyiv	491 856,00	399 732,00	390 252,00	9 480,00	13 655,00

Thus, Kyiv is the leader among Ukrainian regions by the exhibition area (72, 54%), which is logical, because most specialized events with a participation of foreign exhibitors are held in the capital.

To assess the competitiveness of LLC “IEC” among its main competitors, we can compare the major indicators of exposition activity, presented in table 2.2.

Table 2.2

**Comparison of main indicators of exposition activity of LLC “IEC”  
and competitors, 2020 [49]**

	Indicator	Exposition organizer			
		International Exhibition Center	Kyiv International Contract Fair	ACCO International	Expocenter of Ukraine
1.	Exposition area, sq. m	38 681,50	58 000,00	4 600,00	21 000,00
2.	Number of expositions	22,00	10,00	11,00	90,00
3.	Number of visitors	49 000,00	80 000,00	8 000,00	928 000,00

Analyzing the table above, we can conclude that LLC “IEC” ranks second among others in such indicators as exposition area and number of expositions: 22 expositions were held in 2020, with the total number of visitors of 49 000 people. It is less than “Kyiv International Contract Fair” and “Expocenter of Ukraine” had, though we have to take into account the fact that a lot of visitors of “Expocenter of Ukraine” are individuals, while other exhibition centers are visited mostly by entrepreneurs and representatives of companies. That puts LLC “IEC” on the second place among exhibition centers in Kyiv that are holding specialized exhibitions in B2B format.

Let's analyze the impact of external factors on the international exhibition performance of LLC “IEC” in Ukraine.

System analysis of the macroeconomic factors, the state of each factor, development trends, their nature, and degree of impact are summarized in PEST-analysis in the table 2.3.

The rating scale is set in the range from 1 to 5: the higher point is a sign of a more positive environment [45].

Table 2.3

**PEST-analysis of factors influencing an exhibition activity in Ukraine**

Group of factors	Factor	Weighted average ratio	Score	Weighted score
<b>1. Political</b>	1. The level of political stability of society.	0,08	3	0,24
	2. Changes in the legislation.	0,08	4	0,32
	3. The level of corruption.	0,06	2	0,12
	4. Threat of military conflict in the country.	0,06	2	0,12
	5. Pandemic and threat of lockdown.	0,06	2	0,12

Continuation of the table 2.3

<b>2. Economical</b>	1. The level of economic development of the state (GDP per capita).	0,10	3	0,30
	2. Inflation rate.	0,09	2	0,18
	3. Unemployment rate.	0,05	2	0,10
	4. Taxation rate.	0,05	3	0,15
	5. Risks due to economic crises.	0,08	2	0,16
	6. Ease of doing business.	0,09	3	0,27
	7. Global index of economic freedom.	0,07	3	0,21
<b>3. Scientific, technical and technological</b>	1. STP in the field of exhibition activity.	0,04	2	0,08
	2. Development and implementation of new technologies.	0,04	2	0,08
<b>4. Socio-cultural</b>	1. Educational level.	0,05	4	0,20
	2. Social security (average pension / subsistence level).	0,06	3	0,18
	3. Demographic changes.	0,02	4	0,08
The level of market attractiveness		1,00	46	2,91

Source: structured by the author on the basis of [3, 10, 44]

Based on the results of the PEST-analysis, we can conclude that the level of attractiveness of Ukrainian market is lower than preferable, which is caused mostly by the impact of economic factors.

With an aim to elaborate rational proposition in the third chapter of this study and taking into account the perspectives of development of exposition activity industry and the attractiveness of the world markets we do present the analysis of the Chinese market (table 2.4).

Table 2.4

### Analysis of the attractiveness level of the Chinese market

Factor	Weighted average ratio	Score	Weighted score
1. GDP, billion dollars USA.	0,16	5	0,80
2. R&D expenditure.	0,06	2	0,12
3. GDP per capita, thousand dollars USA.	0,05	2	0,10
4. Average life expectancy.	0,06	2	0,12
5. Export quota.	0,06	2	0,12
6. Inflation rate.	0,06	3	0,18
7. Human development index	0,16	5	0,80
8. Index of economic freedom.	0,16	5	0,80
9. Global innovation index.	0,10	3	0,30
10. Ease of doing business.	0,13	4	0,51
The level of market attractiveness	1,00	33	3,68

Source: structured by the author on the basis of [28, 30]

Thus, we can see that the level of attractiveness of the Chinese market from an economic point of view is high (3, 85 points), relatively higher than the Ukrainian one. As a result, the Chinese market is quite attractive for a domestic company to enter, still marketing and economic activities in China must take into account local regulations to succeed.

Summarizing all the data above, taking into account the results of PEST-analysis and assessment of competitors, we can conduct a SWOT-analysis of LLC “IEC” as exposition organizer, presented in table 2.5.

*Table 2.5*

### SWOT-analysis of LLC “IEC” as exposition organizer

STRENGTHES	WEAKNESSES
<ul style="list-style-type: none"> <li>- Exhibition is the main marketing tool for promoting products in such formats as "from person to person", that influences all five senses of a person.</li> <li>- Exhibition center provides a great opportunity for most small and medium-sized businesses to participate in serious events.</li> <li>- The LLC “IEC” is a member of UFI, which approves high recognition level of the company, proficiency level of its employees and competence of the head of the company.</li> <li>- Large own exposition area.</li> <li>- Significant client base, presented by both foreign and Ukrainian entrepreneurs.</li> <li>- Significant number of loyal media-partners.</li> <li>- Incentives for highly qualified specialists.</li> <li>- High level of financial independence from external investors.</li> </ul>	<ul style="list-style-type: none"> <li>- Decline in profitability of the company, generated by foreign participants, due to pandemic and crisis.</li> <li>- Exhibitions are viewed by businesses as somewhat expensive marketing tools - at least that's how they perceive them.</li> <li>- Direct dependence of gaining profit on companies participating in exhibitions</li> <li>- There are not enough permanent and widespread programs promoting exhibition industry.</li> <li>- There is a lack of laws regulating exhibition industry performance.</li> <li>- Low level of diversification of provided services.</li> <li>- Low rate of renewal of technical staff, high employee turnover.</li> <li>- Absence of an export department.</li> </ul>
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> <li>- To expand the sales network and try to maintain a strong position in the international market by entering a new foreign promising "exhibition" regions market: Central and Eastern Europe, the Middle East, in North Africa and Asia.</li> <li>- To expand the range of services by the implementation of innovations.</li> <li>- Investing in young entrants to get highly qualified personnel in the future.</li> <li>- Encouraging the participation in politics of persons representing the interests of enterprise.</li> </ul>	<ul style="list-style-type: none"> <li>- Continuing economic crisis in the world, the absence of economic growth in Ukraine.</li> <li>- Worldwide pandemic.</li> <li>- Military conflict and unstable political situation.</li> <li>- Reduction of supply chains of products (fewer intermediate links between the producer and the final seller of the goods).</li> <li>- The development of competitive corporate exhibitions, which are organized by large companies implementing the policy of only one company (rather than the entire industry).</li> <li>- Large number of competitors in the region.</li> </ul>

Source: structured by the author on the basis of the table 2.3

These are the general parameters of the SWOT analysis that both managers of exhibition centers and exhibitors have to take into account in their work.

## 2.2. Assessment of the performance of international exhibition activities of LLC “IEC”

To evaluate the performance of the enterprise it is necessary to provide a number of economic indicators. The initial data for the calculations are the main forms of financial reports of economic entities in Ukraine: Balance sheet - form № 1, Financial statement - form № 2, approved by the Order of the Ministry of Finance from 07.02.2013 № 73. These documents of the LLC “IEC” are presented in Appendix C to this work.

Let's analyze the effectiveness of financial and economic activities of the enterprise using the method of vertical and horizontal analysis. An aggregate balance sheet of LLC “IEC” for the period 2016-2020 is presented in Appendix D to this paper.

The positive point is the repayment of long-term liabilities of the company, the value of which decreases throughout the analyzed period. However, short-term liabilities are growing, which indicates that the company lacks its own funds for normal business performance.

A vertical analysis of the company's balance sheet is shown in Fig. 2.1.

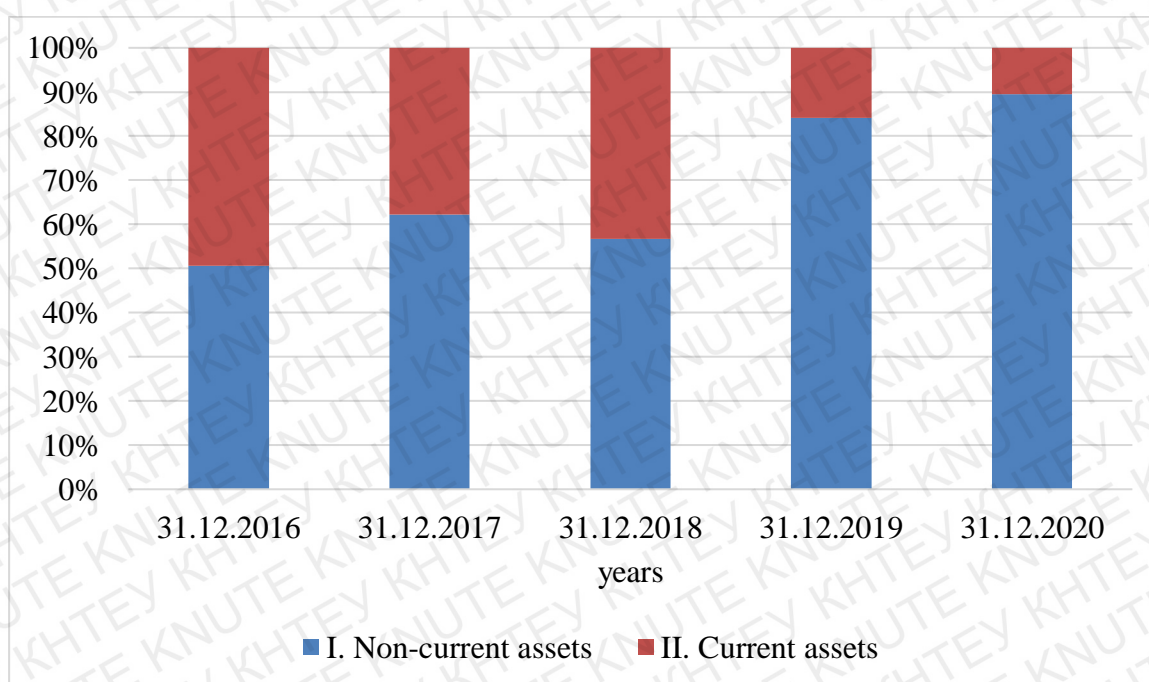


Fig. 2.1. Dynamics of the asset structure of LLC “IEC” [52]



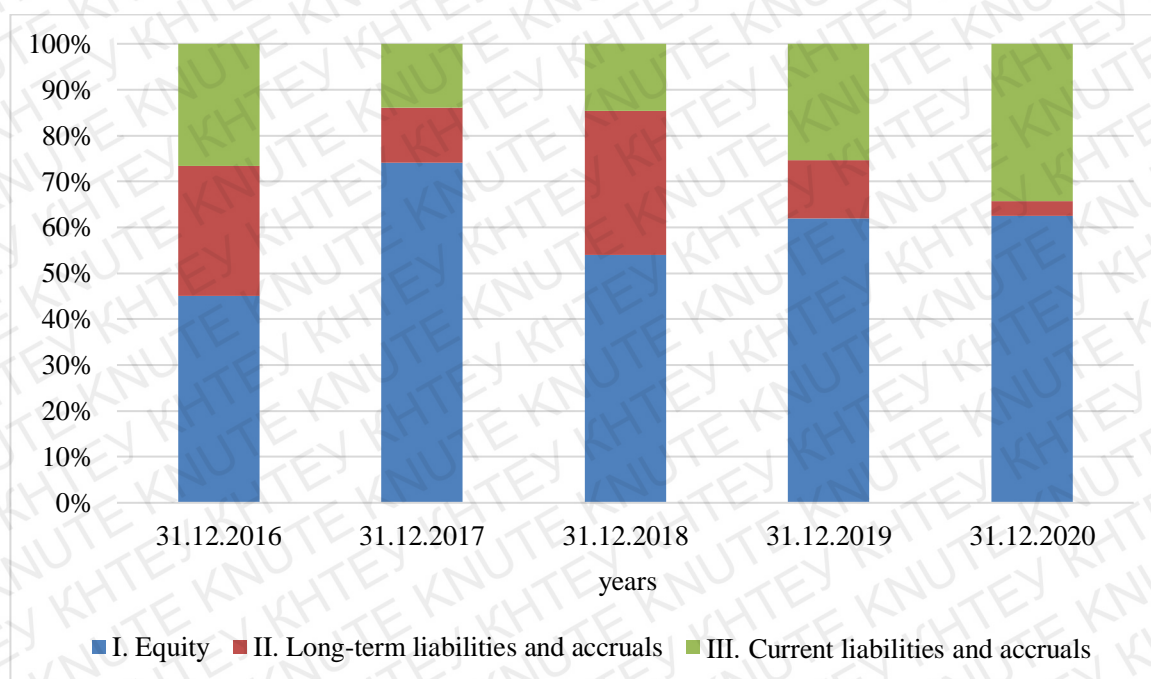
As we can see from Fig. 2.1 the structure of the company's assets in the dynamics changed rapidly during the analyzed period - a share of non-current assets significantly increased from 59% in the total balance to 89% due to current assets, the share of which is 11%.

Analysis of the dynamics of the company's assets is presented in Appendix E.

There we can note that the company is increasing the amount of unfinished capital investments, the size of which in total assets is growing.

In addition, the number of receivables on advances issued changes - it has decreased significantly. Similarly, the amount of cash and cash equivalents decreased.

Fig. 2.2 demonstrates how the structure of the company's liabilities has changed.



*Fig. 2.2. Dynamics of the structure of liabilities of LLC "IEC" [52]*

In 2016, the balance of own and borrowed funds was maintained: equity was 45%. In the following years, equity was increased to 62%, and the share of long-term liabilities was reduced to 2% by the end of 2020, as opposed to 30% in 2016.

Analysis of the dynamics of the company's liabilities is presented in Appendix E.

As can be seen from the presented data, such indicators as long-term bank loans have changed significantly by decreasing over the analyzed period from 95645,00 thousand UAH in 2018 to 12455,00 thousand UAH in 2020.

The second changeable indicator was the accounts payable on long-term liabilities,

which was completely absent in 2018, but increased to 42429,00 thousand UAH in 2020.

The third significant indicator can be considered the current accounts payable on advances received, which increased from 25313,00 thousand UAH in 2018 to 62047,00 thousand UAH in 2020.

In addition, accounts payable for goods, works and services increased significantly from UAH 3937,00 thousand in 2018 to UAH 22203,00 thousand in 2020.

Thus, it can be noted that there is a significant change in the structure of the company's liabilities.

The level of efficiency of the company's performance can be determined based on its profitability. The company's aggregate financial statement is presented in Appendix F of this paper. Its graphical representation can be seen in Fig. 2.3.

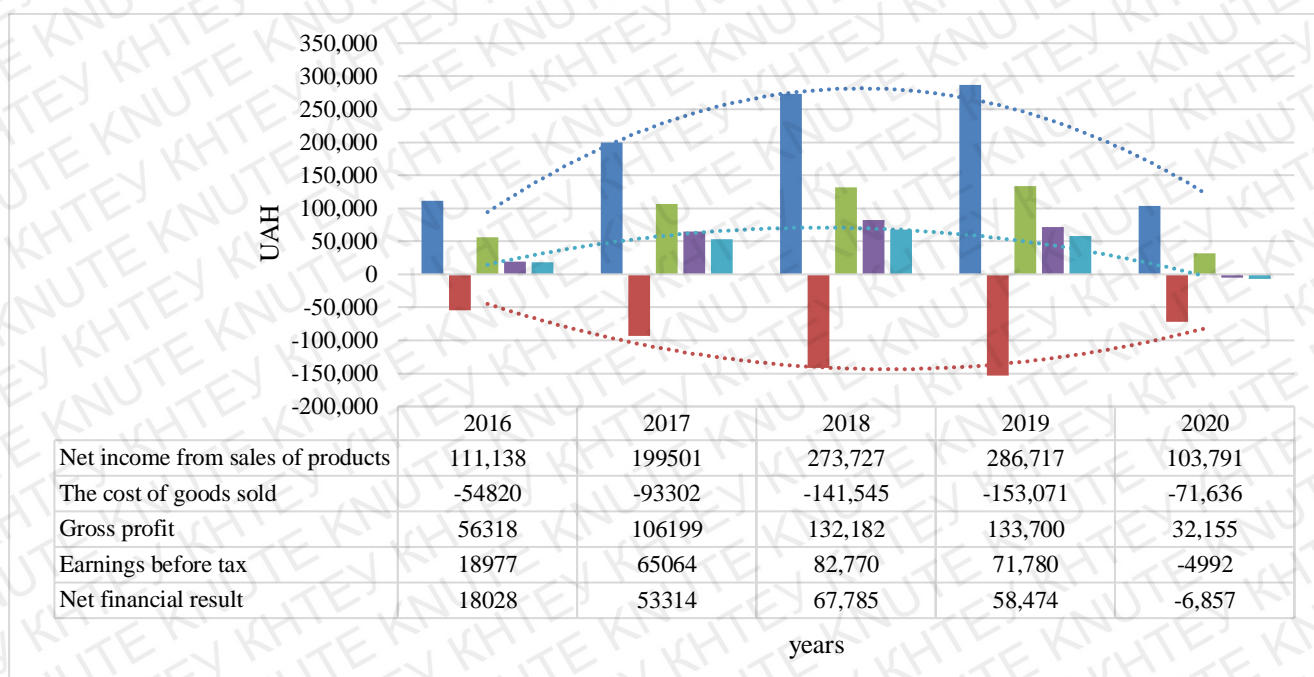


Fig. 2.3. Dynamics of profitability indicators of LLC "IEC" [52]

The company's net income decreases in 2020, but in 2019 it had a positive trend, according to which the indicators of cost and gross profit changed. However, PBT and net profit indicators already differ significantly in their trends from the main former indicators, which indicates that the company is changing the dynamics of secondary indicators, which have a significant impact on the formation of the final financial result.

In order to determine the real dynamics of profitability of the company it is advisable to apply the relative ratios of profitability, which are given in table 2.6. The calculation of

these indicators is based on the Balance Sheet of the enterprise and the Statement of financial performance.

Table 2.6

### Analysis of profitability of LLC "IEC"

№	Ratio	Calculation methodology	31.12.2016	31.12.2017	31.12.2018	31.12.2019	31.12.2020
1.	Return on assets	Return on assets = NET profit ÷ total assets	0,09	0,27	0,18	0,15	-0,17
2.	Gross profit margin	Gross Profit Margin = Gross Profit ÷ Net Sales	0,50	0,53	0,48	0,46	0,31
3.	Operating income margin	Operating Income Margin = (Net Sales – Costs of Goods Sold – Operating Expenses) ÷ Net Sales	1,03	1,14	0,93	0,87	0,45
4.	Return on equity	Return on Equity (ROE) = Net Income ÷ Total Equity	0	0	-	0,26	0,03

Source: structured by the author on the basis of LLC "IEC" financial statement

Therefore, as we can see from table 2.6 the company's profitability is decreasing. The return on assets, which reflects the amount of profit per unit of investment tends to decrease from 0, 15 in 2019 to -0, 17 in 2020. A company's gross profit margin, which reflects how much net (gross) profit contained in the currency of sold products decreased from 0, 46 to 0, 31.

The profitability ratio of the main activity decreased from 0, 93 in 2018 to 0, 45 in 2020. The return on equity, which characterizes the efficiency of equity use, decreased from 0, 26 to 0, 03. Still, the profitability of the enterprise does not fully characterize its solvency and financial stability. Thus, we will use liquidity and solvency ratios, table 2.7.

Table 2.7

### Liquidity ratio analysis of LLC "IEC"

№	Ratio	Calculation methodology	31.12.2016	31.12.2017	31.12.2018	31.12.2019	31.12.2020
1.	Working capital	Working capital = current assets - current liabilities	44 592,00	49 7370,00	107 725,00	-38 956,00	-94 716,00
2.	Cash ratio	Cash ratio = cash equivalents ÷ current liabilities	1,46	2,02	1,53	0,34	0,08
3.	Acid test ratio	Quick ratio = (current assets-inventory) ÷ current liabilities	1,65	2,46	2,78	0,41	0,19
4.	Current ratio	Current ratio = current assets ÷ current liabilities	1,80	2,7	3,03	0,63	0,30

Source: structured by the author on the basis of LLC "IEC" balance sheet

All available indicators do not meet the conditions of the normative values given in the table 2.7. The working capital ratio characterizes the part of the equity that is a source of coverage of the current assets of the enterprise. In this case, the analysis indicates a lack of equity to cover the current assets of the enterprise.

Liquidity ratios, which characterize the company's ability to meet its liabilities, gradually deviate from the normative values, depending on the ability to monetize assets in which working capital is expressed. Thus, the cash ratio shows what part of the current debt can be covered by the company at the expense of cash and ceases to meet the regulatory value in 2020, but the acid test ratio, which shows what part of the current debt can be covered by the most liquid current assets and the liquidity coverage ratio, which gives an overall assessment of liquidity, showing the extent to which current liabilities are secured by tangible working capital - do not meet the regulatory values in 2019. The current ratio shows the company's ability to cover its short-term obligations with its current assets, and this index significantly decreased since 2018 to 2020.

The next group of ratios that characterizes the efficiency of the enterprise are indicators of business activity, table 2.8.

*Table 2.8*

**Business activity ratios of LLC "IEC"**

№	Ratio	Calculation methodology	31.12. 2016	31.12. 2017	31.12. 2018	31.12. 2019	31.12. 2020
1.	Total assets turnover	Total asset turnover = net sales ÷ average total assets	0,56	1,04	0,75	0,69	0,26
2.	Account receivables turnover	Accounts receivable turnover (times) = net sales ÷ average net receivables	5,51	8,90	2,40	10,50	2,05
3.	Accounts payables turnover, days	Average accounts payable/365	140,14	79,76	142,78	241,27	354,86
4.	Inventory turnover	Inventory turnover (days inventory outstanding) = cost of goods sold ÷ average inventory	5,19	13,20	10,20	9,09	4,73
5.	Current assets turnover	Current asset turnover = net sales ÷ average current assets	1,14	2,76	1,70	4,40	2,50
6.	Working capital turnover	Sales to working capital = sales ÷ average working capital	2,49	4,00	2,54	5,49	1,09
7.	Equity turnover	Equity turnover = sales ÷ average equity	1,25	1,41	1,34	1,27	0,41
8.	Average age of turnover, days	365/working capital turnover	146,59	91,25	143,70	66,48	334,86

Source: structured by the author on the basis of LLC "IEC" balance sheet

Therefore, the data in table 2.8 indicate a significant decline in the enterprise performance in terms of business activity, which is slowed down by key indicators.

Total assets turnover ratio, which characterizes the efficiency of use of funds of the enterprise decreased from 0, 69 to 0, 26. Account receivables turnover ratio, which shows how many times a year the funds invested in the costs have slowed down from 10, 50 to 2, 05 times a year. Accounts payables turnover ratio, which shows the average number of days that a payable remains unpaid, increased from 241 days in 2019 to 354 days in 2020. Inventory turnover ratio, which shows how often inventories are rotated to ensure current sales, has decreased almost in half.

Current assets turnover ratio, which shows the efficiency of use of current assets of the enterprise has decreased almost in half since 2019 to 2020. The turnover ratio of working capital, which shows the efficiency of working capital of the enterprise decreased from 5, 49 to 1, 09. Equity turnover ratio, which reflects the volume of sales per unit of equity decreased from 1, 27 to 0, 41. As a result, the period required for the full turnover of working capital of the enterprise increased to 334 days in 2020 against 66 in 2019.

The last group of ratios is ratios that characterize the capital structure and financial independence, table 2.9.

*Table 2.9*

**Financial sustainability and debt ratios analysis of LLC “IEC”**

№	Ratio	Calculation methodology	31.12.2016	31.12.2017	31.12.2018	31.12.2019	31.12.2020
1.	The equity-to-asset ratio	Equity to the balance currency	0,45	0,55	0,54	0,62	0,63
2.	Financial sustainability	Shareholders' equity to total liabilities	0,55	0,26	0,44	0,38	0,37
3.	Debt ratio	Total liabilities to total assets	0,55	0,26	0,46	0,38	0,37
4.	The current assets to equity ratio	Current assets to equity	1,09	0,51	0,78	0,26	0,17

Source: structured by the author on the basis of LLC “IEC” balance sheet

Therefore, as shown in table 2.9 the financial stability of LLC "IEC" is mostly satisfactory and does not exceed the established normative indicators.

The coefficient of concentration of equity characterizes the share of owners of the enterprise in the total amount of funds advanced to its activities and has a positive dynamic

of increase and excess. The coefficient of concentration of borrowed capital, which shows the share of working capital in the financing of the enterprise, is insignificant and does not exceed the standard. The financial sustainability ratio shows the share of equity in the loan and in 2020 reaches 0,37, which is lower than in previous years. The debt ratio shows how many monetary units of borrowed funds per unit of own funds of the enterprise - ratios indicate a high level of financial independence. The current assets to equity ratio shows what part of equity is used to finance current activities, and what part is capitalized - indicates a small share in current activities, but a high level of capitalization.

Thus, we can conclude that in general the financial condition of the LLC "IEC" is not stable, as evidenced by profitability, liquidity, and business activity, but the company has a fairly high level of financial independence from external investors, which forms its positive image.

Considering the specifics of the enterprise, market conditions, strategic behavior of competitors, for the LLC "IEC" we can offer strategies of "limited growth", "differentiation" and "improve what you already do" [29, p. 97].

An evaluation of the effectiveness of the economic activity of the enterprise in modern conditions, when economic independence and general independence should certainly lead to increased responsibility and correctness of management decisions, is very important [36, p. 152].

To determine the economic efficiency from participating in exhibition, held by LLC "IEC", we can analyze a certain enterprise, that participate in one of the most popular exposition events in Ukraine in a field of heavy industry – "International Industrial Forum". To perform the analysis, we will use the following formulas:

1. Cost per visitor:

$$C_1 = C_0 / Q \quad (2.1),$$

where  $C_1$  - costs per visitor,  $C_0$  - total costs for participation in the exhibition,  
 $Q$  - number of visitors to the exhibition.

2. Coefficient of efficient audience of the exhibition:

$$K_u = Q_c / Q \quad (2.2),$$

where  $K_u$  is the coefficient of efficient audience of the exhibition,

$Q_c$  - the number of contacts with visitors to the stand,

$Q$  - the number of visitors to the exhibition.

3. To determine the cost per useful contact, we need to combine these formulas:

$$C_u = C_1 / K_u = (C_0 / Q) / (Q_c / Q) = C_0 / Q_c \quad (2.3),$$

where  $C_u$  is the cost per useful contact established at the exhibition.

4. Traffic density, intensity of the exhibition:

$$D = (Q / S) / T \quad (2.4),$$

where  $D$  is the traffic density of visitors to the exhibition,  $Q$  is the number of visitors to the exhibition,

$S$  - total exhibition space,

$T$  - total time of the exhibition (number of days).

5. Exposure intensity:

$$I = D * P_c \quad (2.5),$$

where  $I$  - the intensity of exposure,

$D$  - traffic density of visitors,

$P_c$  - perimeter of the open part of the exposition of the exhibiting company.

All the necessary data needed for analyzing effectiveness of the exposition are presented in table 2.10.

Table 2.10

**Parameters of efficiency of participation in “International Industrial Forum-2020” held by LLC “IEC” [47]**

№	Parameter of the exposition	Units of measure	Quantity
1.	Costs of participation in the exposition, $C_0$	UAH	625 050, 21
2.	Number of visitors, $Q$	peoples	8 000, 00
3.	Number of contacts with visitors of the stand, $Q_c$	-	250, 00
4.	Total exhibition space, $S$	sq.m.	15 000, 00
5.	Total time of the exhibition, $T$	days	4, 00
6.	Perimeter of the exposed part, $P_c$	m	56, 00

Among all exhibitors the stand of LLC “Aramis” was chosen as a leading industrial enterprise in a field of machine-building among Ukrainian and foreign consumers and partners.

1. Cost per visitor:

$$C_1 = \frac{625050,21}{8000} = 78,13 \text{ UAH}$$

2. Coefficient of efficient audience of the exposition:

$$K_u = \frac{250}{15000,00} = 0,02$$

3. Cost per useful contact:

$$C_u = \frac{78,13}{0,017} = 4595,88 \text{ UAH}$$

4. Traffic density, intensity of the exposition:

$$D = \frac{8000}{15000,00 \cdot 4} = 0,13$$

5. Exposure intensity:

$$I = 0,13 \cdot 56,00 = 7,28.$$

To make a conclusion we have to compare results of calculations with normative values, defined in ISO 25639-1:2008 Exhibitions, shows, fairs, conventions (table 2.11).

*Table 2.11*

**Normative values of indicators of effectiveness of exposition activity [47]**

№	Indicator	Normative value	Actual value
1.	Cost per visitor, $C_1$	30 - 250 EUR (910,70 – 7 589,16 UAH *)	78, 13 UAH
2.	Coefficient of efficient audience of the exposition, $K_u$	>0,01	0, 02
3.	Cost per useful contact, $C_u$	500 - 10 000 EUR (15 177,02 – 303 553,97 UAH)	4 595, 88 UAH
4.	Traffic density, intensity of the exposition, $D$	0,01 – 0,25	0, 13
5.	Exposure intensity, $I$	>50	7, 28

Comparing results of the study with normative values we can conclude:

- cost per visitor is far from margin limits of normative value (actual 73,13 UAH, normative starts with 910,70 UAH);
- coefficient of efficient audience of the exposition is within the normative value (0,02 actual, 0,01 normative);
- cost per useful contact is far from normative value (actual 4 595,88 UAH,



normative starts with 15 177,02 UAH);

- traffic density or intensity of the exposition is within the normative limits (0,13 actual, 0,01-0,25 normative);
- exposure intensity is also much lesser than the normative value ( $7,28 < 50$ ).

As we can see, that exposition activity, held by LLC “IEC” is effective, but some indicators such as cost per visitor, cost per useful contact and exposure intensity still must be improved. The proposed system of indicators makes it possible to objectively assess the effectiveness of exhibitions and the participation of enterprises, firms and organizations in them.

### **Conclusions to the Part 2**

Based on the results of the PEST-analysis, we can conclude that the level of attractiveness of Ukrainian market is lower than preferable, which is caused mostly by the impact of economic factors.

Still, an enterprise may consider entering the foreign market in other developing regions, such as Asia or Middle East. As soon as the PEST- analysis of Chinese market proved its attractiveness, LLC “IEC” can from and place an additional department in this country, still marketing and economic activities in China must take into account local regulations to succeed.

Based on the analysis, we can conclude that in general the financial condition of the LLC “IEC” is not stable, but the company has a high level of financial independence from external investors, which forms a positive image.

The calculation of the total consumption price of imported services for the last two years shows the decline in profitability of the company, generated by foreign participants, mostly due to the pandemic and numerous postponing of exhibitions, and reflects the stance of foreign economic activity of LLC “IEC” in this period.

An exposition activity, held by LLC “IEC” is effective in general, but some indicators such as cost per visitor, cost per useful contact and exposure intensity still must be improved.

The calculated ratios of economic efficiency of the services provided for the holding

of international exhibitions of LLC “IEC” for 2019-2020 indicate the trend of general decreasing in the internal region (Kyiv region), still indicators in a period from 2016 to 2018 remained on an appropriate level, showing the effective foreign economic policy of the enterprise in this period.

Such decline could be explained by the external factors influencing the enterprise and exhibition industry in general, such as worldwide pandemic and economic crises.

Considering the specifics of the enterprise, market conditions, strategic behavior of competitors, for the LLC “IEC” we can offer strategies of “limited growth”, “differentiation” and “improve what you already do”.

## PART 3

### PRIORITY AREAS OF INTERNATIONAL EXHIBITION ACTIVITY

#### IMPROVEMENT OF LLC "IEC"

##### **3.1. Development of a set of measures of international exhibition activity improvement of LLC "IEC"**

To increase the level of efficiency of the exhibition activity of LLC "IEC" in the international arena, to increase an inflow of investments in this area, it is necessary to take the following steps:

- to increase the economic efficiency of exhibition events;
- to study and use an international experience in holding exhibitions, to integrate Ukrainian subjects of exhibition activity into the international exhibition movement;
- to strengthen the material and technical base of exhibition activities in order to stimulate the holding of exhibitions of international and world status in Ukraine [31, p. 161];
- to develop an infrastructure in the venues of exhibitions, providing the appropriate level of services for participants and visitors of exhibition events;
- to stimulate the participation of Ukrainian enterprises and organizations in international exhibitions abroad.

It is also necessary to promote the development of fair competition in the field of exhibition activities by:

- prevention of monopoly of certain subjects of exhibition activity;
- protection of the domestic market of exhibition and fair services;
- prevention of balking of exhibition activity by separate executive bodies, if this activity does not contradict the legislation;
- prevention of unfair advertising activities, prosecution in accordance with the legislation of enterprises that resort to unfair competition [44, p. 63].

Exhibition activities for most enterprises, including LLC "IEC", were subject to quarantine restrictions around the world, and each country, depending on how it survived the first wave of the pandemic, decided when to resume exhibition activity.

As most of the exhibitions scheduled for quarantine were postponed, forced global isolation stimulated the development of a new format - virtual or online.

Online exhibitions existed before the quarantine, but were an incomprehensible format for both exhibitors and visitors. The main reason for that is that was a product which is difficult to monetize. Until recently, there were no high-quality platforms for holding virtual exhibitions. Most of the prestigious international exhibitions went online before the quarantine, caused by the coronavirus pandemic started. In "virtual" as well as in "real", visiting and participating in the exhibition brings contacts, contracts, promotion and all the necessary information.

As a set of measures to increase the efficiency of international exhibition performance of LLC "IEC" we recommend an organization and holding of:

1. A virtual exhibition, that looks like a virtual game with an image of stands, where visitors can, as in a virtual game, walk, observe the stands, connect with the manager, who should immediately get in touch via Zoom or other tools. An example of such an exhibition is the first virtual job fair for the aerospace industry in Germany (SkyForward), or Internet World Expo. The selection takes place online, and people arrange to meet offline or online.

2. Exhibition Marketplace is a catalog of exhibitors' products or services. Its difference is in the quality of product classification in the catalog, comparable to an online store. The built-in filters help search for the desired exponent more quickly. An example of such an exhibition is the domestic permanent shoe exhibition ExpoShoes online [44, p. 50].

3. Hybrid Exhibition - a combined platform with both offline and online formats. With the help of "matchmaking" (AI, that selects the seller and buyer through the description of the product and the request to buy the product), the visitor determines online the circle of producers with whom he wants to get in touch and then goes to a real stand to communicate and "feel" the product. In the online format, the meeting takes place in the virtual online room of the exhibition platform or through the messenger within the platform. For example, such an exhibition is the China Import and Export Fair (Canton Fair).

4. Exhibition-webinar - non-stop product presentations are held in accordance with

a pre-established schedule. They can be divided into trends. For example, CosmoProf Bologna.

5. Virtual 3D exhibition of innovative technologies. The most revolutionary scientific developments that have appeared on the market during the last six months are presented in the halls of a unique electronic exposition. The purpose of the VR exhibition is to acquaint clients and partners of the company with new products used in various industries. It is available on the Internet and on disks, being a kind of interactive guide in the latest and most innovative products. For today, there are 39 language versions of the exhibition, including Asian and Northern European.

We also recommend posting summary information about participation in the exhibition on the company's website and other Internet sources, because customers often use information from reports and articles about the company's participation in exhibitions to make final business decisions.

Involvement in problem conferences held during thematic exhibitions, as well as the organization and holding of such events outside the exhibition with the involvement of a wide audience of professionals and all stakeholders will have a significant positive influence both on events and on the industry.

One of the additional ways to increase the efficiency of the foreign economic activity of LLC "IEC" could be the opening of the company's representative office in China. Thus, the company will enter the rapidly developing and promising market of the Asian region, capturing countries that would be happy to participate in the exhibition activities, because they are looking for partners, customers and new sales channels.

In such way, LLC "IEC" will be able to offer its services not only to the European countries, but also to the Asian market. The Chinese business community will be informed about the capabilities and possibilities of the company. LLC "IEC" will be able to attract the attention of the business representatives in the region, including the exporters, importers, manufacturers, dealers, retailers and service providers, which will be interested in the exhibition activities of LLC "IEC".

The functions of the representative department of LLC "IEC" in China will be: market research, search for foreign partners, promotion of the enterprise, PR-activity,

attracting large, medium and small enterprises to participate in specialized exhibitions.

### 3.2. Estimated impact of proposed measures

To evaluate the effectiveness of the implementation of the proposed measures for LLC “IEC”, first of all, we will determine the indexes of investments profitability (PI) and payback period (PP), evaluate the net present value (NPV), which represents the difference between the present value of cash inflows and the present value of cash outflows over a period of time.

We will accept the discount rate for 30%.

Let's evaluate the effectiveness of holding a virtual exhibition of LLC “IEC”, table 3.1.

Table 3.1

#### Calculation of NPV for the project of holding a virtual international exhibition of LLC “IEC”

Year	Income, thousand UAH	Expenses, thousand UAH	Net cash flow, thousand UAH	Discount multiplier	Discounted cash flow, thousand UAH
				$i = 30\%$	
1	2	3	$4 = 2 - 3$	5	$6 = 4 \cdot 5$
2021	0,00	13291,00	-13291,00	1,00	-13291,00
2022	8897,85	-	8897,85	0,77	6842,45
2023	8897,85	-	8897,85	0,58	5187,45
2024	8897,85	-	8897,85	0,45	3959,54
Net present value					2698,44

Source: structured by the author

The project is profitable because  $NPV > 0$ .

The payback period of the innovation invested in such an event as a virtual exhibition for the LLC “IEC”, is calculated as the ratio of initial investment to the annual cash flow:

$$PP = 13291000 / 8897850 = 1,49$$

Thus, the payback period of the project is about 1 year and 6 months.

One of the ways to use the concept of reduced value in the analysis of investment

projects is to determine the profitability index. PI determines what income the investor will receive per one currency item and shows the margin of the financial strength of the project. If  $PI > 1$ , then the project is effective.

The investment project is noteworthy if the profitability index is bigger than 1, so let's will calculate this ratio.

$$PI = 15989437,35 / 13291000 = 1,20$$

According to the obtained results, the profitability index for the project is 1, 20, so the project of using the virtual exhibition as a promising way to increase profits is considered effective.

The results of all calculations are presented in a table, which is given in Appendix G.1 to this paper.

Let's evaluate the effectiveness of holding a marketplace exhibition of LLC "IEC", table 3.2.

*Table 3.2*

**Calculation of NPV for the project of holding a marketplace exhibition of LLC "IEC"**

Year	Income, thousand UAH	Expenses, thousand UAH	Net cash flow, thousand UAH	Discount multiplier	Discounted cash flow, thousand UAH
				$i = 30 \%$	
1	2	3	$4 = 3 - 2$	5	$6 = 4 \cdot 5$
2022	34560,50	4560,50	30000,00	0,68	8540,60
2023	35446,20	5400,20	30046,00	0,55	8642,50
2024	35780,40	4400,50	31380,00	0,48	8410,50
Net present value					6790,60

Source: structured by the author

The project is profitable because  $NPV > 0$ .

The payback period of the innovation invested in such an event as a marketplace exhibition for the LLC "IEC", is calculated as the ratio of initial investment to the annual cash flow:

$$PP = 12695048 / 764530 = 1,25$$

Thus, the payback period of the project is about 1 year and 2 months.

The calculation of PI shows that the investment project is worth noting, if the profitability index is greater than 1, so let's calculate this ratio.

$$PI = 14367903 / 14593207 = 1,13$$

According to the obtained results, the profitability index for the project is 1, 13, so the project of using the marketplace exhibition as a promising way to increase profits is considered effective.

The results of all calculations are presented in a table, which is given in Appendix G.2 to this paper.

Let's evaluate the effectiveness of holding a hybrid exhibition of LLC "IEC", table 3.3.

*Table 3.3*

**Calculation of NPV for the project of holding a hybrid international exhibition of LLC "IEC"**

Year	Income, thousand UAH	Expenses, thousand UAH	Net cash flow, thousand UAH	Discount multiplier	Discounted cash flow, thousand UAH
				i = 30 %	
1	2	3	4 = 3–2	5	6 = 4 · 5
2022	45590,10	5300,50	40290,00	0,75	8750,20
2023	46780,20	5100,10	41680,00	0,63	8894,70
2024	46590,40	4800,50	40790,00	0,56	8960,50
Net present value					8865,60

Source: structured by the author

The project is profitable because  $NPV > 0$ .

The payback period of the innovation invested in such an event as a hybrid exhibition for the LLC "IEC", is calculated as the ratio of initial investment to the annual cash flow:

$$PP = 1546704 / 1543993 = 0,95$$

Thus, the payback period of the project is about 9 months.

The calculation of PI shows that the investment project is worth noting, if the profitability index is greater than 1, so let's calculate this ratio.

$$PI = 1547833 / 895407 = 1,89$$

According to the obtained results, the profitability index for the project is 1, 89, so



the project of using the hybrid exhibition as a promising way to increase profits is considered effective.

Considering that the payback period of this particular event is the lowest, comparable to other kinds of virtual exhibition, we can say that holding the hybrid exhibition may be the most efficient way for LLC “IEC” to improve its innovative performance.

The results of all calculations are presented in a table, which is given in Appendix G.3 to this paper.

Let's evaluate the effectiveness of holding an international virtual 3D exhibition of innovative technologies of LLC “IEC”, table 3.4.

*Table 3.4*

**Calculation of NPV for the project of holding an international virtual 3D exhibition of innovative technologies of LLC “IEC”**

Year	Income, thousand UAH	Expenses, thousand UAH	Net cash flow, thousand UAH	Discount multiplier	Discounted cash flow, thousand UAH
				$i = 30\%$	
1	2	3	$4 = 3 - 2$	5	$6 = 4 \cdot 5$
2022	27890,50	7400,50	20490,00	0,68	3490,30
2023	29856,40	8100,80	21756,00	0,69	3365,20
2024	29120,50	7800,20	21320,00	0,70	3289,90
Net present value					3325,60

Source: structured by the author

The project is profitable because  $NPV > 0$ .

The payback period of the innovation invested in such an event as an international virtual 3D exhibition of innovative technologies for the LLC “IEC”, is calculated as the ratio of initial investment to the annual cash flow:

$$PP = 142388 / 86490 = 2,25$$

Thus, the payback period of the project is about 2 years and 3 months.

The calculation of PI shows that the investment project is worth noting, if the profitability index is greater than 1, so let's calculate this ratio.

$$PI = 1432765 / 885672 = 1,54$$

According to the obtained results, the profitability index for the project is 1,54, so the project of using an international virtual 3D exhibition of innovative technologies as a

promising way to increase profits is considered effective. The results of all calculations are presented in a table, which is given in Appendix G.4 to this paper.

Since all the analyzed innovative measures that we recommend for implementation in the activities of LLC “IEC” are profitable, as the index of return on investment exceeds 1, and the payback period is less than 5 years, the projects are suitable for implementation.

The most profitable is the implementation of a hybrid exhibition, as all the calculated ratios (NPV, PP, PI) are the largest, and the payback period is the lowest.

Therefore, we will calculate the impact on the resource provision of innovative development of LLC “IEC” for the virtual exhibition, to show the deviation of ratios after the implementation of the proposed measure. The table of forecasted financial results is presented in table 3.5.

*Table 3.5*

**Statement of net income of LLC “IEC”, thousands UAH**

<b>Indicator</b>	<b>31.12.2022</b>	<b>31.12.2023</b>	<b>31.12.2024</b>
Net income from sales of services	1264139	1280705	1297488
The cost of services sold	-776984	-777304	-777624
Gross profit	487155	503402	520191
Other operating income	14468	14468	14468
Administrative expenses	-81919	-81919	-81919
The cost of innovation	-82599	-82599	-82599
Other operating expenses	-42354	-42354	-42354
Financial result from operating activities: profit	294751	310998	328141
Other income	31040	31040	31040
Financial expenses	-1106	-1106	-1106
Financial result before taxes: profit	324685	340932	357992
Expenses (income) from income tax	-59065	-61368	-63761
Net financial result: profit	265620	279564	294240
Material costs	194846	175631	158311
Labor costs	133784	138624	143639
Expenses for social events	26625	27496	28395
Depreciation	87489	89836	92246
Other operating expenses	166590	196590	231992
Total	609334	628178	647605

Source: structured by the author

On the basis of the forecasted financial results, the calculation of forecasted values of resource maintenance of innovative development of the enterprise is carried out. Funds for project implementation are the company's own funds from the net profit.

The results of the calculation of the forecasted efficiency ratios of LLC “IEC” are given in table 3.6. The calculations took into account the increase in staff engaged in innovation, the cost of new innovative equipment for exhibitions, the cost of providing a new type of service.

*Table 3.6*

**Calculation of forecast values of innovative activity of the enterprise LLC  
“IEC”**

Ratio	Value		Forecast / Base	
	Base year	Forecast year	AD	RD, %
1. Intellectual property security ratio	0,04	0,10	0,06	150,00
2. Qualification of employees working in the innovation sphere ratio	0,07	0,11	0,04	57,14
3. Ratio of security of the equipment for the innovation sphere	0,23	0,35	0,12	52,17
4. New technology growth ratio	0,20	0,25	0,05	25,00
5. New products growth ratio	0,15	0,25	0,10	66,67
6. Innovation growth rate,	0,42	0,50	0,08	19,05

Source: structured by the author

According to the obtained data, we can conclude that there is an increase in all ratios from 20% to 150%, which indicates the sustainable innovative development of LLC “IEC” due to the implementation of the proposed measures.

### Conclusions to the Part 3

This part of the project considers measures to increase the efficiency of the international exhibition activities of LLC “IEC”. Holding exhibition events occupies a major place in the marketing activities of LLC “IEC”, and the main feature is the opportunity to present products directly to customers.

Personal contacts between representatives of LLC “IEC” and potential buyers allow forming future business relations.

The current state and tendencies of exhibition activity have confirmed the importance of taking into account the dynamic world and by its own example demonstrates changes in the form of presentation of goods or organizations for further promotion in the international market.

In order to increase the efficiency of exhibition events for LLC “IEC”, it is necessary to identify the main business processes of exhibition activities, to form their models and transfer them to the Internet, creating a virtual analogue consisting of functional blocks, each of which is a virtual analogue of the exhibition business process, providing the possibility of organizing Internet support of exhibitions by arranging the created blocks into separate Internet resources.

The use of virtual exhibitions allows to solve a number of problems, in particular: ensuring the safety of goods; efficiency of the organization of the exhibition and the possibility of its constant replenishment; presentation of goods in the required number of names; unlimited exposure period of goods; the ability to view the content of individual products; disclosure of the content of the presented goods by means of a press release; presentation of goods that are not in stock, but have a certain value for the disclosure of a given topic; possibility to remotely view the exhibition without visiting it at any time (24 hours a day, 7 days a week).

One of the additional ways to increase the efficiency of the foreign economic activity of LLC “IEC” could be the opening of the company's representative office in China. Thus, the company will enter the rapidly developing and promising market of the Asian region, capturing countries that would be happy to participate in the exhibition activities, because they are looking for partners, customers and new sales channels.

In such way, LLC “IEC” will be able to offer its services not only to the European countries, but also to the Asian market.

## CONCLUSIONS AND RECOMMENDATIONS

The current state and tendencies of exhibition activity have confirmed the importance of taking into account the dynamic world and by its own example demonstrate changes in the form of presentation of goods or organizations for further promotion in the international market.

For many European cities, the exhibition industry is a specialized type of economic activity. Among the highly specialized exhibition centers in Europe are Hanover, Frankfurt am Main, Dusseldorf, Milan, Porto, Brno, Paris. At the present stage, the Ukrainian exhibition sphere is characterized by a slight increase in the share of international exhibitions (in 2015 - 12%; and in the period from 2016 to 2019 - 14%) in the overall structure of events. However, almost 60% of national exhibitions are attended by representatives of foreign companies.

Based on the results of the PEST-analysis, we can conclude that the level of attractiveness of Ukrainian market is lower than preferable, which is caused mostly by the impact of economic factors. Still, an enterprise may consider entering the foreign market in other developing regions, such as Asia or Middle East.

The calculation of the total consumption price of imported services of the LLC "IEC" for the last two years shows the decline in profitability of the company, generated by foreign participants, mostly due to the pandemic and numerous postponing of exhibitions, and reflects the stance of foreign economic activity of LLC "IEC" in this period.

Based on the analysis of internal stance, we can conclude that in general the financial condition of the LLC "IEC" is not stable, but the company has a high level of financial independence from external investors, which forms a positive image.

An exposition activity, held by LLC "IEC" is effective in general, but some indicators such as cost per visitor, cost per useful contact and exposure intensity still must be improved.

The calculated ratios of economic efficiency of the services provided for the holding of international exhibitions of LLC "IEC" for 2019-2020 indicate the trend of general decreasing in the internal region (Kyiv region), still indicators in a period from 2016 to

2018 remained on an appropriate level, showing the effective foreign economic policy of the enterprise in this period.

Such decline could be explained by the external factors influencing the enterprise and exhibition industry in general, such as worldwide pandemic and economic crises.

Considering the specifics of the enterprise, market conditions, strategic behavior of competitors, for the LLC “IEC” we can offer strategies of “limited growth”, “differentiation” and “improve what you already do”.

In order to increase the efficiency of exhibition events for LLC “IEC”, it is necessary to identify the main business processes of exhibition activities, to form their models and transfer them to the Internet, creating a virtual analogue consisting of functional blocks, each of which is a virtual analogue of the exhibition business process, providing the possibility of organizing Internet support of exhibitions by arranging the created blocks into separate Internet resources.

The use of virtual exhibitions allows to solve a number of problems, in particular: ensuring the safety of goods; efficiency of the organization of the exhibition and the possibility of its constant replenishment; presentation of goods in the required number of names; unlimited exposure period of goods; the ability to view the content of individual products; disclosure of the content of the presented goods by means of a press release; presentation of goods that are not in stock, but have a certain value for the disclosure of a given topic; possibility to remotely view the exhibition without visiting it at any time (24 hours a day, 7 days a week).

It is advisable to use a comprehensive approach that combines the traditional organization of such events, 3-D – shooting of the exhibition location, online broadcast of the event via the Internet.

One of the additional ways to increase the efficiency of the foreign economic activity of LLC “IEC” could be the opening of the company's representative office in China. Thus, the company will enter the rapidly developing and promising market of the Asian region, capturing countries that would be happy to participate in the exhibition activities, because they are looking for partners, customers and new sales channels.

In such way, LLC “IEC” will be able to offer its services not only to the European

countries, but also to the Asian market. LLC “IEC” will be able to attract the attention of the business representatives in the region, including the exporters, importers, manufacturers, dealers, retailers and service providers, which will be interested in the exhibition activities of LLC “IEC”.

The functions of the representative department of LLC “IEC” in China will be: market research, search for foreign partners, promotion of the enterprise, PR-activity, attracting large, medium and small enterprises to participate in specialized exhibitions.

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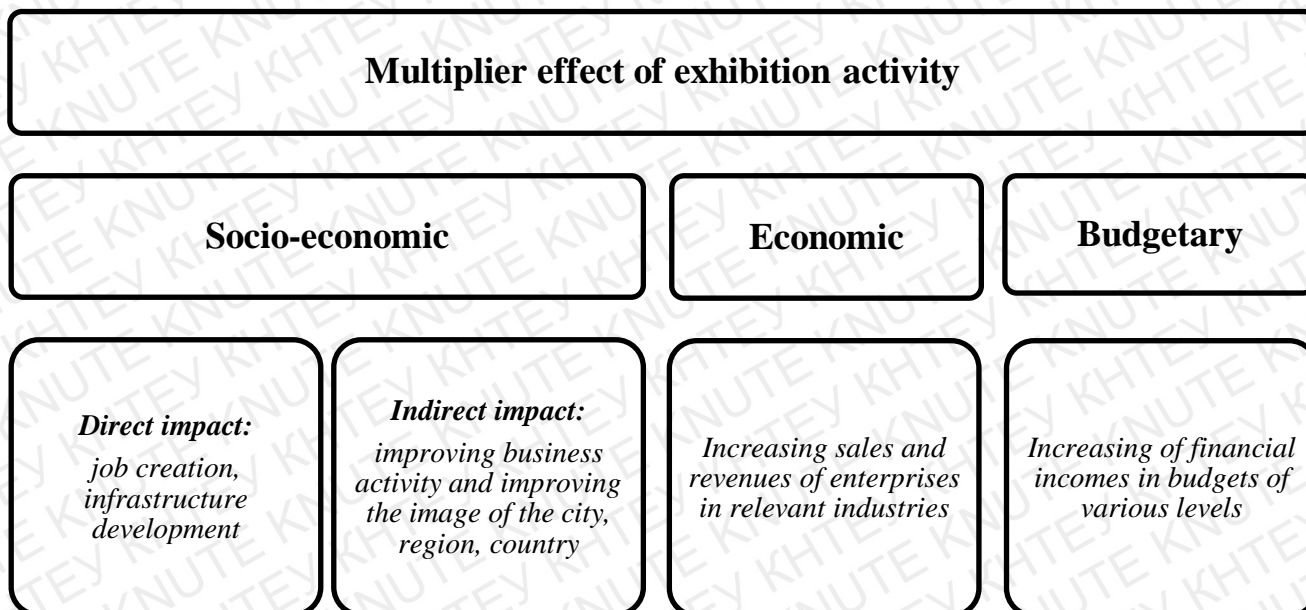
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## APPENDICES

## Appendix A

## Multiplier effect of exhibition activity in the direction of influence



## Advantages and disadvantages of organizing exhibition events

### Advantages

- possibility to see samples of goods
- the ability to demonstrate the working process of products
- easy establishment of business contacts
- direct contact with the press and the consumer
- easy comparison of competitors' products

### Disadvantages

- high cost of participation and holding
- the frequency of events is low
- insufficiently wide regional coverage of representatives of target groups

## Financial statements of the LLC "IEC"

Додаток 1  
до Наказів Держкомстату України (стандарту)  
бухгалтерського обліку 1 "Заявлені витрати до фінансової звітності"

Підприємство **ТОВАРИСТВО З ОБМЕЖЕНОЮ ВІДПОВІДАЛЬНІСТЮ "МІЖНАРОДНИЙ ВІСТАВКОВИЙ ЦЕНТР"** Дата (рік, місяць, число) **2019, грудень, 31** КОДИ

Територія **м. Київ, Дніпровський район** за КОАТУУ **8036600000**

Організаційно-правова форма господарювання **Товариство з обмеженою відповідальністю** за КОІФЧ **240**

Вид економічної діяльності **Надання в оренду й експлуатацію власного чи орендованого нерухомого майна** за КВЕД **68.20**

Середня кількість працівників **250**

Адреса, телефон **проспект Броварський, буд. 15, м. Київ 02002** **2011133**

Одиниця виміру: тис. грн. без десятичного знака (окрім розділу IV Звіту про фінансові результати (Звіту про сукупний дохід) (форма №2), грошові показники якого наводяться в гривнях з копійками)

Складено (роботи позначку "v" у відповідній клітинці)  
за положеннями (стандартами) бухгалтерського обліку  V  
за міжнародними стандартами фінансової звітності

Баланс (Звіт про фінансовий стан)  
на 31 грудня 2019 р.

Форма №1 Код за ДКУД 1801001

А К Т И В	Код рядка	На початок звітного періоду	На кінець звітного періоду
1	2	3	4
<b>I. Необоротні активи</b>			
Нематеріальні активи	1000	1 243	2 398
первісна вартість	1001	2 385	3 794
накопичена амортизація	1002	1 142	1 396
Незавершені капітальні інвестиції	1005	109 619	242 746
Основні засоби	1010	99 572	98 841
первісна вартість	1011	211 097	222 627
знос	1012	111 525	123 786
Інвестиційна нерухомість	1015	-	-
Первісна вартість інвестиційної нерухомості	1016	-	-
Знос інвестиційної нерухомості	1017	-	-
Довгострокові біологічні активи	1020	-	-
Первісна вартість довгострокових біологічних активів	1021	-	-
Накопичена амортизація довгострокових біологічних активів	1022	-	-
Довгострокові фінансові інвестиції як об'єктується за методом участі в капіталі інших підприємств	1030	-	-
інші фінансові інвестиції	1035	43	43
Довгострокова дебіторська заборгованість	1040	-	-
Відстрочені податкові активи	1045	2 082	1 865
Гудвіл	1050	-	-
Відстрочені аквізиційні витрати	1060	-	-
Залишок копій у централізованих страхових резервних фондах	1065	-	-
Інші необоротні активи	1090	-	-
<b>Усього за розділом I</b>	<b>1095</b>	<b>212 559</b>	<b>345 893</b>
<b>II. Оборотні активи</b>			
Запаси	1100	6 049	6 435
Виробничі запаси	1101	5 998	6 423
Незавершене виробництво	1102	51	12
Готова продукція	1103	-	-
Товари	1104	-	-
Поточні біологічні активи	1110	-	-
Депозити перестрахованих	1115	-	-
Векселі одержані	1120	-	-
Дебіторська заборгованість за продукцію, товари, роботи, послуги	1125	3 470	3 009
Дебіторська заборгованість за розрахунками:			
за виданими авансами	1130	52 901	7 599
з бюджетом	1135	342	20
у тому числі з податку на прибуток	1136	-	-
Дебіторська заборгованість за розрахунками з нарахованих доходів	1140	-	-
Дебіторська заборгованість за розрахунками із внутрішніх розрахунків	1145	-	-
Інші поточна дебіторська заборгованість	1155	1 265	2 082
Поточні фінансові інвестиції	1160	-	-
Гроші та їх еквіваленти	1165	80 690	35 629
Готівка	1166	-	-
Рахунки в банках	1167	80 690	35 629
Витрати майбутніх періодів	1170	327	606
Частка перестраховника у страхових резервах	1180	-	-
у тому числі в резервах довгострокових зобов'язань	1181	-	-
резервах збитків або резервах належних вицвіт	1182	-	-

резервах незароблених премій	1183	-	-
інших страхових резервах	1184	-	-
Інші оборотні активи	1190	3 922	9 782
<b>Усього за розділом II</b>	<b>1195</b>	<b>148 966</b>	<b>65 162</b>
<b>III. Необоротні активи, утримувані для продажу, та групи вибуття</b>	<b>1200</b>	-	-
<b>Баланс</b>	<b>1300</b>	<b>361 525</b>	<b>411 055</b>

Пасив	Код рядка	На початок звітного періоду	На кінець звітного періоду
1	2	3	4
<b>I. Власний капітал</b>			
Зареєстрований (пайовий) капітал	1400	18 022	18 022
Внески до незареєстрованого статутного капіталу	1401	-	-
Капітал у дооцінках	1405	-	-
Додатковий капітал	1410	1 025	-
Емісійний дохід	1411	-	-
Накопичені курсові різниці	1412	-	-
Резервний капітал	1415	4 505	4 505
Нерозподілений прибуток (непокритий збиток)	1420	171 561	232 267
Неоплачений капітал	1425	-	-
Вигулячий капітал	1430	-	-
Інші резерви	1435	-	-
<b>Усього за розділом I</b>	<b>1495</b>	<b>195 113</b>	<b>254 794</b>
<b>II. Довгострокові зобов'язання і забезпечення</b>			
Виділений податковий зобов'язання	1500	-	-
Пенсійні зобов'язання	1505	-	-
Довгострокові кредити банків	1510	95 645	36 645
Інші довгострокові зобов'язання	1515	17 875	15 498
Довгострокові забезпечення	1520	-	-
Довгострокові забезпечення витрат персоналу	1521	-	-
Цільове фінансування	1525	-	-
Благодійна допомога	1526	-	-
Страхові резерви	1530	-	-
у тому числі:	1531	-	-
резерви довгострокових зобов'язань			
резерв збитків або резерв належних виплат	1532	-	-
резерв незароблених премій	1533	-	-
інші страхові резерви	1534	-	-
Інвестиційні контракти	1535	-	-
Приватний фонд	1540	-	-
Резерв на виплату джек-поту	1545	-	-
<b>Усього за розділом II</b>	<b>1595</b>	<b>113 520</b>	<b>52 143</b>
<b>III. Поточні зобов'язання і забезпечення</b>			
Короткострокові кредити банків	1600	-	-
Векселі видані	1605	-	-
Поточна кредиторська заборгованість за довгостроковими зобов'язаннями:			
товари, роботи, послуги	1610	-	21 100
розрахунками з бюджетом	1615	3 937	11 080
у тому числі з податку на прибуток	1620	11 570	12 608
розрахунками з податку на прибуток	1621	9 807	9 132
розрахунками з страхування	1625	-	-
розрахунками з оплати праці	1630	1 486	58
Поточна кредиторська заборгованість за одержаними авансами	1635	25 313	55 185
Поточна кредиторська заборгованість за розрахунками з учасниками	1640	-	-
Поточна кредиторська заборгованість за внутрішнім розрахункам	1645	-	-
Поточна кредиторська заборгованість за страховою діяльністю	1650	-	-
Поточні забезпечення	1660	2 240	3 513
Доходи майбутніх періодів	1665	-	-
Виділений комісійні доходи від перестраховиків	1670	-	-
Інші поточні зобов'язання	1690	8 346	574
<b>Усього за розділом III</b>	<b>1695</b>	<b>52 892</b>	<b>104 118</b>
<b>IV. Зобов'язання, пов'язані з необоротними активами, утримуваними для продажу, та групами вибуття</b>	<b>1700</b>	-	-
<b>V. Частка вартість активів недержавного пенсійного фонду</b>	<b>1800</b>	-	-
<b>Баланс</b>	<b>1900</b>	<b>361 525</b>	<b>411 055</b>



Керівник

Головний бухгалтер

Анатолій  
Вікторович  
Роменська  
Наталія  
Олександрівна

Ткаченко Анатолій Вікторович

Роменська Наталія Олександрівна

Випущено в порядку виконання центральним органом виконавчої влади, що реалізує державну політику у сфері статистики.

ПЕРЕВІРЕНО АУДИТОРОМ  
ТОВ АК «Кроу Україна»

20.05.2010 год. [Підпис]



Підприємство **ТОВАРИСТВО З ОБМЕЖЕНОЮ ВІДПОВІДАЛЬНІСТЮ  
"МІЖНАРОДНИЙ ВИСТАВКОВИЙ ЦЕНТР"**

Дата (рік, місяць, число)  
за ЄДРПОУ

КОДИ  
2020 01 01  
30212731

ДОКУМЕНТ ПРИЙНЯТО

Звіт про фінансові результати (Звіт про сукупний дохід)  
за Рік 2019 р.

Форма №2 Код за ДКУД **1801003**

**I. ФІНАНСОВІ РЕЗУЛЬТАТИ**

Стаття	Код рядка	За звітний період	За аналогічний період попереднього року
1	2	3	4
Чистий дохід від реалізації продукції (товарів, робіт, послуг)	2000	286 717	273 727
Чисті зароблені страхові премії	2010	-	-
<i>премії підписані, валова сума</i>	2011	-	-
<i>премії, передані у перестрахування</i>	2012	-	-
<i>зміна резерву незароблених премій, валова сума</i>	2013	-	-
<i>зміна частки перестраховиків у резерві незароблених премій</i>	2014	-	-
Собівартість реалізованої продукції (товарів, робіт, послуг)	2050	( 153 017 )	( 141 545 )
Чисті понесені збитки за страховими виплатами	2070	-	-
<b>Валовий:</b>			
прибуток	2090	133 700	132 182
збиток	2095	( - )	( - )
Дохід (витрати) від зміни у резервах довгострокових зобов'язань	2105	-	-
Дохід (витрати) від зміни інших страхових резервів	2110	-	-
<i>зміна інших страхових резервів, валова сума</i>	2111	-	-
<i>зміна частки перестраховиків в інших страхових резервах</i>	2112	-	-
Інші операційні доходи	2120	968	3 962
у тому числі:	2121	-	-
<i>дохід від зміни вартості активів, які оцінюються за справедливою вартістю</i>			
<i>дохід від первісного визнання біологічних активів і сільськогосподарської продукції</i>	2122	-	-
<i>дохід від використання коштів, звільнених від оподаткування</i>	2123	-	-
Адміністративні витрати	2130	( 48 209 )	( 43 454 )
Витрати на збут	2150	( 7 462 )	( 3 784 )
Інші операційні витрати	2180	( 10 662 )	( 6 897 )
у тому числі:	2181	-	-
<i>витрати від зміни вартості активів, які оцінюються за справедливою вартістю</i>			
<i>витрати від первісного визнання біологічних активів і сільськогосподарської продукції</i>	2182	-	-
<b>Фінансовий результат від операційної діяльності:</b>			
прибуток	2190	68 335	82 009
збиток	2195	( - )	( - )
Доход від участі в капіталі	2200	-	-
Інші фінансові доходи	2220	3 939	729
Інші доходи	2240	159	32
у тому числі:	2241	-	-
<i>дохід від безоплатної допомоги</i>			
Фінансові витрати	2250	( - )	( - )
Втрати від участі в капіталі	2255	( - )	( - )
Інші витрати	2270	( 653 )	( - )
Прибуток (збиток) від впливу інфляції на монетарні статті	2275	-	-



Продовження додатка 2

<b>Фінансовий результат до оподаткування:</b>			
прибуток	2290	71 780	82 770
збиток	2295	( - )	( - )
Витрати (дохід) з податку на прибуток	2300	(13 306)	(14 985)
Прибуток (збиток) від припиненої діяльності після оподаткування	2305	-	-
<b>Чистий фінансовий результат:</b>			
прибуток	2350	58 474	67 785
збиток	2355	( - )	( - )

**II. СУКУПНИЙ ДОХІД**

Стаття	Код рядка	За звітний період	За аналогічний період попереднього року
1	2	3	4
Дооцінка (уцінка) необоротних активів	2400	-	-
Дооцінка (уцінка) фінансових інструментів	2405	-	-
Накопичені курсові різниці	2410	-	-
Частка іншого сукупного доходу асоційованих та спільних підприємств	2415	-	-
Інший сукупний дохід	2445	-	-
<b>Інший сукупний дохід до оподаткування</b>	<b>2450</b>	<b>-</b>	<b>-</b>
Податок на прибуток, пов'язаний з іншим сукупним доходом	2455	-	-
<b>Інший сукупний дохід після оподаткування</b>	<b>2460</b>	<b>-</b>	<b>-</b>
<b>Сукупний дохід (сума рядків 2350, 2355 та 2460)</b>	<b>2465</b>	<b>58 474</b>	<b>67 785</b>

Додаток 1  
до Національного положення (стандарту)  
бухгалтерського обліку 1 "Залішки пов'язані до фінансової звітності"

Підприємство	<b>ТОВАРИСТВО З ОБМЕЖЕНОЮ ВІДПОВІДАЛЬНІСТЮ "МІЖНАРОДНИЙ ВИСЛАВКОВИЙ ЦЕНТР"</b>	Дата (рік, місяць, число)	КОД ДІ
Територія	м.Київ, Дніпровський район	за ЄДРПОУ	2021 01 01 30212731
Організаційно-правова форма господарювання	Товариство з обмеженою відповідальністю	за КОАТУУ	8036600000
Вид економічної діяльності	Надання в оренду й експлуатацію власного чи орендованого нерухомого майна	за КОТІФГ	240
Середня кількість працівників	252	за ЄВРД	6820
Адреса, телефон	проспект Броварський, буд. 15, м. Київ, 02002	2011139	
Одиниця виміру: тис. грн. без десятичного знака (окрім розділу IV Звіту про фінансові результати (Звіту про сукупний дохід) (форма №2), грошові показники якого наводяться в гривнях з копійками)			
Складено (зробити позначку "X" у відповідній клітинці):			
за подвійними (стандартами) бухгалтерського обліку			V
за міжнародними стандартами фінансової звітності			

**Баланс (Звіт про фінансовий стан)**  
на 31 грудня 2020 р.

Форма №1 Кол за ДКУД 1801001

А К Т И В	Код рядка	На початок звітного періоду	На звітний період
1	2	3	4
<b>I. Необоротні активи</b>			
Нематеріальні активи	1000	2 398	2 822
первісна вартість	1001	3 794	4 658
накопичена амортизація	1002	1 396	1 833
Незвершені капітальні інвестиції	1005	242 746	262 738
Основні засоби	1010	98 841	89 469
первісна вартість	1011	222 627	223 935
знос	1012	123 786	134 466
Інвестиційна нерухомість	1015	-	-
Первісна вартість інвестиційної нерухомості	1016	-	-
Знос інвестиційної нерухомості	1017	-	-
Довгострокові біологічні активи	1020	-	-
Первісна вартість довгострокових біологічних активів	1021	-	-
Накопичена амортизація довгострокових біологічних активів	1022	-	-
Довгострокові фінансові інвестиції: які обліковуються за методом участі в капіталі інших підприємств	1030	-	-
інші фінансові інвестиції	1035	43	43
Довгострокова дебіторська заборгованість	1040	-	-
Відстрочені податкові активи	1045	1 865	-
Угоди	1050	-	-
Відстрочені аквізиційні витрати	1060	-	-
Залишок коштів у нестривожених страхових резервах фондів	1065	-	-
Інші необоротні активи	1090	-	-
<b>Усього за розділом I</b>	<b>1095</b>	<b>345 893</b>	<b>355 078</b>

Додаток 1  
до Національного положення (стандарту)  
Бухгалтерського обліку 1 "Загальні вимоги до фінансової звітності"

Підприємство	<b>ТОВАРИСТВО З ОБМЕЖЕНОЮ ВІДПОВІДАЛЬНІСТЮ "МІЖНАРОДНИЙ ВІСТАВКОВИЙ ЦЕНТР"</b>	Дата (рік, місяць, число) за ЄДРПОУ	КОДІА 2021 01 01 30212731
Територія	м.Київ, Дніпровський район	за КОАТУУ	8036600000
Організаційно-правова форма господарювання	Товариство з обмеженою відповідальністю	за КОІФІГ	240
Вид економічної діяльності	Надання в оренду й експлуатацію власного чи орендованого нерухомого майна	за ЄВБЕД	68.20
Середня кількість працівників	252		
Адреса, телефон	проспект Гриварський, буд. 15, м. Київ, 02002	2011139	
Одиниця виміру: тис. грн. без десятичного знака (окрім розділу IV Звіту про фінансові результати (Звіту про сукупний дохід) (форма №2), грошові показники якого наводяться в гривнях з копійками)			
Складено (зробити позначку "У" у відповідній клітинці): за положеннями (стандартами) бухгалтерського обліку за міжнародними стандартами фінансової звітності			У

**Баланс (Звіт про фінансовий стан)**  
на 31 грудня 2020 р.

Форма М1 Кол за ДКУД 1801001

А К Т И В	Код рядка	На початок звітного періоду	На кінець звітного періоду
1	2	3	4
<b>I. Необоротні активи</b>			
Нематеріальні активи	1000	2 398	2 825
первісна вартість	1001	3 794	4 658
накопичена амортизація	1002	1 396	1 833
Незавершені капітальні інвестиції	1005	242 746	262 738
Основні засоби	1010	98 841	89 469
первісна вартість	1011	222 627	223 935
знос	1012	123 786	134 466
Інвестиційна нерухомість	1015	-	-
Первісна вартість інвестиційної нерухомості	1016	-	-
Знос інвестиційної нерухомості	1017	-	-
Довгострокові біологічні активи	1020	-	-
Первісна вартість довгострокових біологічних активів	1021	-	-
Накопичена амортизація довгострокових біологічних активів	1022	-	-
Довгострокові фінансові інвестиції, які обліковуються за методом участі в капіталі інших підприємств	1030	-	-
інші фінансові інвестиції	1035	43	43
Довгострокова дебіторська заборгованість	1040	-	-
Відстрочені податкові активи	1045	1 865	-
Гудвіл	1050	-	-
Відстрочені аквізиційні витрати	1060	-	-
Залишок коштів у централізованих страхових резервних фондах	1065	-	-
Інші необоротні активи	1090	-	-
<b>Усього за розділом I</b>	<b>1095</b>	<b>345 893</b>	<b>355 075</b>
<b>II. Оборотні активи</b>			
Запаси	1100	6 435	5 543
Виробничі запаси	1101	6 423	5 521
Незавершене виробництво	1102	12	22
Готова продукція	1103	-	-
Товари	1104	-	-
Поточні біологічні активи	1110	-	-
Депозити перестраховування	1115	-	-
Векселі одержані	1120	-	-
Дебіторська заборгованість за продукцією, товари, роботи, послуги	1125	3 009	5 428
Дебіторська заборгованість за розрахунками за виданими авансами	1130	7 599	4 315
з бюджетом	1135	20	1 948
у тому числі з податку на прибуток	1136	-	1 792
Дебіторська заборгованість за розрахунками з шархованих доходів	1140	-	1
Дебіторська заборгованість за розрахунками із внутрішніх розрахунків	1145	-	-
Інша поточна дебіторська заборгованість	1155	2 081	2 191
Поточні фінансові інвестиції	1160	-	-
Гроші та їх еквіваленти	1165	35 629	10 708
Готівка	1166	-	-
Раскуси в банках	1167	35 629	10 708
Витрати майбутніх періодів	1170	606	465
Частка перестраховика у страхових резервах у тому числі в: резервах довгострокових договорів взаєм	1180	-	-
резервах збитків або резервах належних виплат	1181	-	-
	1182	-	-

резерв незароблених премій	1183	-	-
інших страхових резервах	1184	-	-
Інші оборотні активи	1190	9 760	10 876
<b>Усього за розділом II</b>	<b>1195</b>	<b>65 139</b>	<b>41 475</b>
<b>III. Необоротні активи, утримувані для продажу, та групи вибуття</b>	<b>1200</b>	-	-
<b>Баланс</b>	<b>1300</b>	<b>411 032</b>	<b>396 550</b>

Назва	Код радян	На початок звітного періоду	На кінець звітного періоду
1	2	3	4
<b>I. Власний капітал</b>			
Зареєстрований (пайовий) капітал	1400	18 022	18 022
Внески до незареєстрованого статутного капіталу	1401	-	-
Капітал у дооцінках	1405	-	-
Додатковий капітал	1410	-	-
Емісійний дохід	1411	-	-
Накопичен курсових різниць	1412	-	-
Резервний капітал	1415	4 505	4 505
Нерозподілений прибуток (непокритий збиток)	1420	232 244	225 387
Неоплачений капітал	1425	( - )	( - )
Видучений капітал	1430	( - )	( - )
Інші резерви	1435	-	-
<b>Усього за розділом I</b>	<b>1495</b>	<b>254 771</b>	<b>247 914</b>
<b>II. Довгострокові зобов'язання і забезпечення</b>			
Відстрочені податки зобов'язання	1500	-	-
Пенсійні зобов'язання	1505	-	-
Довгострокові кредити банків	1510	36 645	12 445
Інші довгострокові зобов'язання	1515	2 273	-
Довгострокові забезпечення	1520	-	-
Довгострокові забезпечення витрат персоналу	1521	-	-
Цільове фінансування	1525	-	-
Благодійна допомога	1526	-	-
Страхові резерви	1530	-	-
у тому числі:	1531	-	-
резерв довгострокових зобов'язань	-	-	-
резерв збитків або резерв наліжених виплат	1532	-	-
резерв незароблених премій	1533	-	-
інші страхові резерви	1534	-	-
Інвестиційні контракти	1535	-	-
Призовий фонд	1540	-	-
Резерв на виплату джек-поту	1545	-	-
<b>Усього за розділом II</b>	<b>1595</b>	<b>38 918</b>	<b>12 445</b>

<b>III. Поточні зобов'язання і забезпечення</b>			
Короткострокові кредити банків	1600	-	-
Векселі видані	1605	-	-
Поточна кредиторська заборгованість за довгостроковими зобов'язаннями:			
товари, роботи, послуги	1610	21 100	42 429
розрахунками з бюджетом	1615	24 305	22 203
у тому числі з податку на прибуток	1621	9 132	-
розрахунками зі страхування	1625	-	208
розрахунками з оплати праці	1630	58	1 025
Поточна кредиторська заборгованість за одержаними авансами	1635	55 185	62 047
Поточна кредиторська заборгованість за розрахунками з учасниками	1640	-	-
Поточна кредиторська заборгованість із внутрішніх розрахунків	1645	-	-
Поточна кредиторська заборгованість за страхового діяльність	1650	-	-
Поточні забезпечення	1660	3 513	5 469
Доходи майбутніх періодів	1665	-	-
Відстрочені комісійні доходи від перестраховиків	1670	-	-
Інші поточні зобов'язання	1690	574	1 199
<b>Усього за розділом III</b>	<b>1695</b>	<b>117 343</b>	<b>136 191</b>
<b>IV. Зобов'язання, пов'язані з необоротними активами, утримуваними для продажу, та групами вибуття</b>	<b>1700</b>	-	-
<b>V. Чиста вартість активів незаробленого пенсійного фонду</b>	<b>1800</b>	-	-
<b>Баланс</b>	<b>1900</b>	<b>411 032</b>	<b>396 550</b>

Керівник

Головний бухгалтер



Ткаченко Анатолій Вікторович

Роменська Наташа Олександрівна

Визначається в порядку, встановленому центральним органом виконавчої влади, що реалізує державну політику у сфері статистики.

ВЕРСИЯ АУДИТОРОМ  
ТОВ АІК «Креу Україна»

Підприємство **ТОВАРИСТВО З ОБМЕЖЕНОЮ ВІДПОВІДАЛЬНІСТЮ  
"МІЖНАРОДНИЙ ВИСТАВКОВИЙ ЦЕНТР"**

Дата (рік, місяць, число)

КОДИ

2021 01 /01

за СДРПСУ

ДОКУМЕНТ ПІДПИСАНО

**Звіт про фінансові результати (Звіт про сукупний дохід)**  
за Рік 2020 р.

Форма N2 Код за ДКУД **1801003**

**I. ФІНАНСОВІ РЕЗУЛЬТАТИ**

Стаття	Код рядка	За звітний період	За аналогічний період попереднього року
1	2	3	4
Чистий дохід від реалізації продукції (товарів, робіт, послуг)	2000	103 791	286 717
Чисті зароблені страхові премії	2010	-	-
<i>премії підписані, валова сума</i>	2011	-	-
<i>премії, передані у перестрахування</i>	2012	-	-
<i>зміна резерву незароблених премій, валова сума</i>	2013	-	-
<i>зміна частки перестраховиків у резерві незароблених премій</i>	2014	-	-
Собівартість реалізованої продукції (товарів, робіт, послуг)	2050	( 71 636 )	( 153 017 )
Чисті понесені збитки за страховими виплатами	2070	-	-
<b>Валювний:</b>			
прибуток	2090	32 155	133 700
збиток	2095	( - )	( - )
<i>Дохід (витрати) від зміни у резервах довгострокових зобов'язань</i>	2105	-	-
<i>Дохід (витрати) від зміни інших страхових резервів</i>	2110	-	-
<i>зміна інших страхових резервів, валова сума</i>	2111	-	-
<i>зміна частки перестраховиків в інших страхових резервах</i>	2112	-	-
Інші операційні доходи	2120	8 768	968
у тому числі:	2121	-	-
<i>дохід від зміни вартості активів, які оцінюються за справедливою вартістю</i>			
<i>дохід від первісного визнання біологічних активів і сільськогосподарської продукції</i>	2122	-	-
<i>дохід від використання коштів, вивільнених від оподаткування</i>	2123	-	-
Адміністративні витрати	2130	( 37 191 )	( 48 209 )
Витрати на збут	2150	( 4 468 )	( 7 462 )
Інші операційні витрати	2180	( 4 030 )	( 10 662 )
у тому числі:	2181	-	-
<i>витрати від зміни вартості активів, які оцінюються за справедливою вартістю</i>			
<i>витрати від первісного визнання біологічних активів і сільськогосподарської продукції</i>	2182	-	-
<b>Фінансовий результат від операційної діяльності:</b>			
прибуток	2190	-	68 335
збиток	2195	( 4 766 )	( - )
Доход від участі в капіталі	2200	-	-
Інші фінансові доходи	2220	140	3 939
Інші доходи	2240	90	159
у тому числі:	2241	-	-
<i>дохід від благодійної допомоги</i>			
Фінансові витрати	2250	( 456 )	( - )
Втрати від участі в капіталі	2255	( - )	( - )
Інші витрати	2270	( - )	( 653 )
Прибуток (збиток) від впливу інфляції на монетарні статті	2275	-	-

Продовження додатка 2

<b>Фінансовий результат до оподаткування:</b>			
прибуток	2290	-	71 780
збиток	2295	( 4 992 )	( - )
Витрати (дохід) з податку на прибуток	2300	(1 865)	(13 306)
Прибуток (збиток) від припиненої діяльності після оподаткування	2305	-	-
<b>Чистий фінансовий результат:</b>			
прибуток	2350	-	58 474
збиток	2355	( 6 857 )	( - )

**II. СУКУПНИЙ ДОХІД**

Стаття	Код рядка	За звітний період	За аналогічний період попереднього року
1	2	3	4
Дооцінка (уцінка) необоротних активів	2400	-	-
Дооцінка (уцінка) фінансових інструментів	2405	-	-
Накопичені курсові різниці	2410	-	-
Частка іншого сукупного доходу асоційованих та спільних підприємств	2415	-	-
Інший сукупний дохід	2445	-	-
<b>Інший сукупний дохід до оподаткування</b>	<b>2450</b>	-	-
Податок на прибуток, пов'язаний з іншим сукупним доходом	2455	-	-
<b>Інший сукупний дохід після оподаткування</b>	<b>2460</b>	-	-
<b>Сукупний дохід (сума рядків 2350, 2355 та 2460)</b>	<b>2465</b>	<b>(6 857)</b>	<b>58 474</b>

**III. ЕЛЕМЕНТИ ОПЕРАЦІЙНИХ ВИТРАТ**

Назва статті	Код рядка	За звітний період	За аналогічний період попереднього року
1	2	3	4
Матеріальні затрати	2500	10 566	26 945
Витрати на оплату праці	2505	35 297	65 551
Відрахування на соціальні заходи	2510	7 176	11 093
Амортизація	2515	11 238	12 845
Інші операційні витрати	2520	53 048	94 241
<b>Разом</b>	<b>2550</b>	<b>117 325</b>	<b>210 675</b>

**IV. РОЗРАХУНОК ПОКАЗНИКІВ ПРИБУТКОВОСТІ АКЦІЙ**

Назва статті	Код рядка	За звітний період	За аналогічний період попереднього року
1	2	3	4
Середньорічна кількість простих акцій	2600	-	-
Скоригована середньорічна кількість простих акцій	2605	-	-
Чистий прибуток (збиток) на одну просту акцію	2610	-	-
Скоригований чистий прибуток (збиток) на одну просту акцію	2615	-	-
Дивіденди на одну просту акцію	2650	-	-



Ткаченко Анатолій Вікторович

Роменьська Наталя Олександрівна



**Aggregate balance sheet of LLC “IEC” for the period 2016–2020, thousand  
UAH**

Assets	Line code	Period				
		31.12.2016	31.12.2017	31.12.2018	31.12.2019	31.12.2020
I. Non-current assets						
Intangible assets	1000	400	499	1 243	2 398	2 825
purchase value	1001	1 230	1 460	2 385	3 794	4 658
depreciation	1002	830	961	1 142	1 396	1 833
Incomplete capital investments	1005	6 017	15 206	109 619	242 746	262 738
Fixed assets	1010	93 099	102 787	99 572	98 841	89 469
purchase value	1011	185 741	203 785	211 097	222 627	223 935
depreciation	1012	92 642	100 998	111 525	123 786	134 466
Long-term financial investments:	1030					
other financial investments	1035	43	43	43	43	43
Deferred tax assets	1045	-	-	2 082	1 865	-
Total (Section I)	1095	99 559	118 535	212 559	345 893	355 075
II. Current assets						
Stocks	1100	4 112	5 718	6 049	6 435	5 543
Inventories	1101	3 972	5 136	5 998	6 423	5 521
Unfinished production	1102	140	582	51	12	22
Accounts receivable for products, goods, works, services	1125	1 961	2 475	3 470	3 009	5 428
Accounts receivable by payments:						
on issued advances	1130	6 752	8 968	52 901	7 599	4 315
with a budget	1135	9	41	342	20	1 948
including income tax	1136	-	-	-	-	1 793
Other current receivables	1155	1 453	355	1 265	2 082	2 191
Cash and cash equivalents	1165	76 093	53 213	80 690	35 629	10 708
Bank accounts	1167	76 093	53 213	80 690	35 629	10 708
Future expenses	1170	39	27	327	606	465
Other current assets	1190	6 392	1 345	3 922	9 782	10 876
Total (Section II)	1195	96 811	72 142	148 966	65 162	41 475
Balance	1300	196 370	190 677	361 525	411 055	396 550

## Continuation of Appendix D

Liabilities						
I. Equity						
Registered capital	1400	18 022	18 022	18 022	18 022	18 022
Additional capital	1410	1 025	1 025	1 025	1 025	1 025
Reserve capital	1415	-	4 505	4 505	4 505	4 505
Retained earnings (uncovered loss)	1420	69 533	117 845	171 561	232 267	225 387
Total (Section I)	1495	88 580	141 397	195 113	254 794	247 914
II. Long-term liabilities and collateral	1500					
Long-term debts	1510	-	-	95 645	36 645	12 445
Other long-term liabilities	1515	55 553	22 875	17 875	15 498	-
Total (Section II)	1595	55 571	22 875	113 520	52 143	12 445
III. Current liabilities and accruals	1600					
Current accounts payable for:						
long-term liabilities	1610	-	4 631	-	21 100	42 429
goods, works, services	1615	3 998	5 525	3 937	11 080	22 203
payments to the budget	1620	7 938	7 394	11 570	12 608	1 611
including income tax	1621	795	6 197	9 807	9 132	-
insurance payments	1625	-	-	-	-	208
wage payments	1630	34	43	1 486	58	1 025
Current accounts payable on received advances	1635	38 387	5 322	25 313	55 185	62 047
Current liabilities	1660	789	2 074	2 240	3513	5 469
Other current liabilities	1690	1 073	1 416	8 346	574	1 199
Total (Section III)	1695	52 219	26 405	52 892	104 118	136 191
Balance	1900	196 370	190 677	361 525	411 055	396 550

Source: structured by the author on the basis of LLC "IEC" balance sheet



### Analysis of the dynamics of assets and liabilities of LLC "IEC"

Assets	Line code	Absolute increase/decrease, thousand UAH				Percentage increase/decrease, %			
		2017-2016	2018-2017	2019-2018	2020-2019	2017/2016	2018/2017	2019/2018	2020/2019
<b>I. Non-current assets</b>									
Intangible assets	1000	99	744	1 155	427	1,25	2,49	1,93	1,18
purchase value	1001	230	925	1 409	864	1,19	1,63	1,59	1,23
amortization	1002	131	181	254	437	1,16	1,19	1,22	1,31
Incomplete capital investments	1005	9 189	94 413	133 127	19 992	2,53	7,21	2,21	1,08
Fixed assets	1010	9 688	-3 215	-731	-9 372	1,10	0,97	0,99	0,91
purchase value	1011	18 044	7 312	11 530	1 308	1,10	1,04	1,05	1,01
amortization	1012	8 356	10 527	12 261	10 680	1,09	1,10	1,11	1,09
Long-term financial investments:	1030								
other financial investments	1035	0	0	0	0	1,00	1,00	1,00	1,00
Deferred tax assets	1045	-	2 082	-217	-1 865	-	-	0,90	-
<b>Total (Section I)</b>	<b>1095</b>	<b>18 976</b>	<b>94 024</b>	<b>133 334</b>	<b>9 182</b>	<b>1,19</b>	<b>1,79</b>	<b>1,63</b>	<b>1,03</b>
<b>II. Current assets</b>									
Stocks	1100	1 606	331	386	-892	1,39	1,06	1,06	0,86
Inventories	1101	1 164	862	425	-902	1,29	1,17	1,07	0,86
Unfinished production	1102	442	-531	-39	10	4,16	0,09	0,24	1,83
Accounts receivable for products, goods, works, services	1125	514	995	-461	2 419	1,26	1,40	0,87	1,80
Accounts receivable by payments: on issued advances	1130	2 216	43 933	-45 302	-3 284	1,33	5,90	0,14	0,57
with a budget	1135	32	301	-322	1 928	4,56	8,34	0,06	97,40
including income tax	1136	-	-	-	1 793	-	-	-	-
Other current receivables	1155	-1 098	910	817	109	0,24	3,56	1,65	1,05
Cash and cash equivalents	1165	-22 880	27 477	-45 061	-24 921	0,70	1,52	0,44	0,30
Bank accounts	1167	-22 880	27 477	-45 061	-24 921	0,70	1,52	0,44	0,30
Future expenses	1170	-12	300	279	-141	0,69	12,11	1,85	0,77
Other current assets	1190	-5 047	2 577	5 860	1 094	0,21	2,92	2,49	1,11
<b>Total (Section II)</b>	<b>1195</b>	<b>-24 669</b>	<b>76 824</b>	<b>-83 804</b>	<b>-23 687</b>	<b>0,75</b>	<b>2,06</b>	<b>0,44</b>	<b>0,64</b>
<b>Balance</b>	<b>1300</b>	<b>-5 693</b>	<b>170 848</b>	<b>49 530</b>	<b>-14 505</b>	<b>0,97</b>	<b>1,90</b>	<b>1,14</b>	<b>0,96</b>
<b>Liabilities</b>									
<b>I. Equity</b>									
Registered capital	1400	0	0	0	0	1,00	1,00	1,00	1,00
Additional capital	1410	0	0	0	0	1,00	1,00	1,00	1,00
Reserve capital	1415	4 505	0	0	0	-	1,00	1,00	1,00
Retained earnings (uncovered loss)	1420	48 312	53 716	60 706	-6 880	1,69	1,46	1,35	0,97
<b>Total (Section I)</b>	<b>1495</b>	<b>52 817</b>	<b>53 716</b>	<b>59 681</b>	<b>-6 880</b>	<b>1,60</b>	<b>1,38</b>	<b>1,31</b>	<b>0,97</b>

## Continuation of Appendix E

II. Long-term liabilities and collateral	1500								
Long-term bank credits	1510	-	95 645	-59 000	-24 200	-	-	0,38	0,34
Other long-term liabilities	1515	-32 678	-5 000	-2 377	-15 498	0,41	0,78	0,87	-
Total (Section II)	1595	-32 696	90 645	-61 377	-39 698	0,41	4,96	0,46	0,24
III. Current liabilities and collateral	1600								
Current accounts payable for:									
long-term liabilities	1610	4 631	-4 631	21 100	21 329	-	-	-	-
goods, works, services	1615	1 527	-1 588	7 143	11 123	1,38	0,71	2,81	2,00
payments to the budget	1620	-544	4 176	1 038	-10 997	0,93	1,56	1,09	0,13
including income tax	1621	5 402	3 610	-675	-9 132	7,79	1,58	0,93	-
insurance payments	1625	-	-	-	208	-	-	-	-
wage payments	1630	9	1 443	-1 428	967	1,26	34,56	0,04	17,67
Current accounts payable on received advances	1635	-33 065	19 991	29 872	6 862	0,14	4,76	2,18	1,12
Current liabilities	1660	1 285	166	1 273	1 956	2,63	1,08	1,57	1,56
Other current liabilities	1690	343	6 930	-7 772	625	1,32	5,89	0,07	2,09
Total (Section III)	1695	-25 814	26 487	51 226	32 073	0,51	2,00	1,97	1,31
Balance	1900	-5 693	170 848	49 530	-14 505	0,97	1,90	1,14	0,96

Source: structured by the author on the basis of LLC "IEC" balance sheet

### Aggregate financial statement of LLC “IEC”, UAH

Article	Line code	31.12.2016	31.12.2017	31.12.2018	31.12.2019	31.12.2020
Net income from sales of products (goods, works, services)	2000	111138	199501	273727	286717	103791
Cost of goods sold (goods, works, services)	2050	-54820	-93302	-141545	-153017	-71636
Gross profit	2090	56318	106199	132182	133700	32155
Other operating income	2120	5495	3624	3962	968	8768
Administrative expenses	2130	-30481	-37863	-43454	-48209	-37191
Selling expenses	2150	-1834	-4192	-3784	-7462	-4468
Other operating expenses	2180	-11713	-5155	-6897	-10662	-4030
<b>Financial result from operating activities: profit (loss)</b>	2190	17785	62613	82009	68335	-4766
Other financial income	2220	1508	2561	729	3939	140
Other income	2240	18	76	32	159	90
Financial expenses	2250	-329	-115	0	0	-456
Other expenses	2270	-5	-71	0	-653	0
<b>PBT financial result: profit (loss)</b>	2290	18977	65064	82 770	71780	-4992
Expenses (income) from income tax	2300	-949	-11750	-14 985	-13306	-1865
<b>Net financial result: profit (loss)</b>	2350	18028	53314	67785	58474	-6857
<b>III. ELEMENTS OF OPERATING COSTS</b>						
Material expenses	2500	11452	18173	28 588	26 945	10 566
Salary expenses	2505	22077	37213	47 597	65 551	35 297
Social events expenses	2510	5950	5940	8 020	11 093	7 176
Amortization	2515	6992	9142	11 012	12 845	11 238
Other operating expenses	2520	50670	65576	89 359	94 241	53 048
<b>Total</b>	2550	95141	136044	184 576	210 675	117325

Source: structured by the author on the basis of LLC “IEC” financial statement

**The results of the evaluation of the effectiveness of holding a virtual international exhibition of LLC “IEC”**

Index	Formula	Result	Criterion of efficiency
NPV	$NPV = \sum_{t=1}^n \frac{CF_t}{(1+R)^t}$ where n, t – number of time periods, CF – Cash Flow, R – Rate.	2698, 42 thousand UAH	> 0
PP	$PP = \frac{IC}{CF},$ where PP – payback period; CF – amount of cash flow; IC – initial costs (investment).	1 year, 6 months	< 5 years
PI	$PI = \sum_{k=1}^n \frac{Pk}{(1+i)^k} \div IC,$ where PI – profitability index; Pk – net cash flow; i – discount rate; n – years of realization of the innovation and investment project; IC – Total investment	1, 20	> 1

Source: structured by the author

**The results of the evaluation of the effectiveness of holding a marketplace  
international exhibition of LLC “IEC”**

Index	Formula	Result	Criterion of efficiency
NPV	$NPV = \sum_{t=1}^n \frac{CF_t}{(1+R)^t}$ where n, t – number of time periods, CF – Cash Flow, R – Rate.	6790,60 thousand UAH	> 0
PP	$PP = \frac{IC}{CF},$ where PP – payback period; CF – amount of cash flow; IC – initial costs (investment).	1 year, 2 months	< 5 years
PI	$PI = \sum \frac{Pk}{(1+i)^n} \div IC,$ where PI – profitability index; Pk – net cash flow; i – discount rate; n – years of realization of the innovation and investment project; IC – Total investment	1, 13	> 1

Source: structured by the author

**The results of the evaluation of the effectiveness of holding a hybrid  
international exhibition of LLC “IEC”**

Index	Formula	Result	Criterion of efficiency
NPV	$NPV = \sum_{t=1}^n \frac{CF_t}{(1+R)^t}$ where n, t – number of time periods, CF – Cash Flow, R – Rate.	8865,60 thousand UAH	> 0
PP	$PP = \frac{IC}{CF},$ where PP – payback period; CF – amount of cash flow; IC – initial costs (investment).	9 months	< 5 years
PI	$PI = \sum \frac{Pk}{(1+i)^n} + IC,$ where PI – profitability index; Pk – net cash flow; i – discount rate; n – years of realization of the innovation and investment project; IC – Total investment	1, 89	> 1

Source: structured by the author

**The results of the evaluation of the effectiveness of holding an international virtual 3D exhibition of innovative technologies of LLC “IEC”**

Index	Formula	Result	Criterion of efficiency
NPV	$NPV = \sum_{t=1}^n \frac{CF_t}{(1+R)^t}$ where n, t – number of time periods, CF – Cash Flow, R – Rate.	3325,60 thousand UAH	> 0
PP	$PP = \frac{IC}{CF},$ where PP – payback period; CF – amount of cash flow; IC – initial costs (investment).	2 years 3 months	< 5 years
PI	$PI = \sum_{k=1}^n \frac{Pk}{(1+i)^k} \div IC,$ where PI – profitability index; Pk – net cash flow; i – discount rate; n – years of realization of the innovation and investment project; IC – Total investment	1, 54	> 1

Source: structured by the author