**InvestmentOffer**

1. **General information about the project**
2. **Project name:** Organization of new semi-finished meat products processing
3. **Project branch**: Ministry of Agriculture and Food of the Republic of Belarus
4. **Project location:** K. Marks str. 333, Bobruisk, Mogilev region, Republic of Belarus

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| 1. **Project description** (the essence of the investment project, prerequisites, goals, what is expected from investor, why can the project be of interest to investor)

Organization and introduction of new technologies for the processing of semi-finished meat products that are produced and packaged using modern automated production lines on the existing areas of JSC “Bobruisk meat processing plant”. |
|  | The prerequisites for the development of this project is a steady consumer demand for the ready to cook products, a shift in priorities in home cooking towards using products that do not require much time for pre-treatment and are subjected to heat treatment in a convenient package forsome minutes as well as giving the opportunity for both children and the elderly peopleto cook without any effort and skill using modern household appliances at home.The objective of this project is to increase the production volume of the enterprise through production of new (innovative) products of high quality and obtain a guaranteed stable income as well as forcing the image of the company that implements significant investment projects on the territory of the Republic of Belarus.From the investor's side it is expected to have experience in the development of the meat industry in developed countries and accordingly experience in the joint implementation of the project of semi-finished meat products processing beginning from the equipment, technology ending with its implementation. It is possible to co-operation in various forms: from the creation of a joint venture, or introduction of new technologies or production under the brand name of existing companies or certain companies. JSC “Bobruisk meat processing plant” may be of interest to investors because it has an established approach to implementation of investment projects with foreign companies as key partners in the development of new technology projects, their  |  |

1. **Degree of the project readiness** (availability of business plan, feasibility study, marketing research or other preparatory work/studies carried out (or in progress) and the date, when they were prepared)

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| --- |
| 1. Marketingresearch: 01.01.2021 |
| 2. Feasibility study:01.01.20203. Business plan under development |

1. **Information about the project initiator**
2. **Organization full name:**Joint Stock Company “Bobruisk meat processing plant”. **Registration date:**30.01.2002
3. **Authorized fund structure, %:**

|  |  |
| --- | --- |
| Legal entities: | Share |
| - stateownershipform | 99,02 |
| - privateownershipform |  |
| Individuals | 0,98 |

1. **Description of the market of the product intended for manufacture**
2. **Description of the product intended for manufacture**:
3. product name and description: packed large-sized and small-sized natural semi-finished meat productsand semi-finished meat products**(**meat for roasting, kebabs, meatballs, fresh sausages, minced meat, etc.).
4. main consumers: large tradeenterprises, hypermarkets, educational institutions (kindergartens, schools, colleges, universities), fast food chains, the population on the territory of the Republic of Belarus, the Russian Federation.
5. main competitors (producers of similar product performance goods): OJSC "Brest Meat Packing Plant ", OJSC" BerezaMeat Packing Plant ", OJSC "Volkovysk Meat Packing Plant", OJSC "Grodno Meat Packing Plant", OJSC "Vitebsk Meat Packing Plant."
6. **Domestic market description**
7. current market capacity (over the latest reporting period) (over 2020-2,0%)
8. prospective domestic market share: fivefoldsales increase
9. strategy for operating in the domestic market:

**[x]** lowerprices

**[x]** better product quality

**[x]** better service

[ ] state support (protection from import, guaranteed state

public purchases and other support)

[ ] other(specify)

1. state regulation (price regulation, licensing of the activities etc.): absent
2. return on sales (%): in 2020 – 6,9.
3. market concentration degree (approximate total market share of five largest market players, %):54,7% for 2020
4. other (specify)::
5. **External market description**

|  |
| --- |
| **1.**Estimated sales volume distribution by core regions, %: |
|

|  |  |  |  |
| --- | --- | --- | --- |
| EEU countries (Eurasian economic union) | Incl. Belarus market | EU countries | Other countries |
| 40% | 60% | \* | \*\* |

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| \*Whenselectingaforeigninvestor itispossibleto deliver semi-finished meat productsin EU countries. При выборе иностранного инвестора возможен вариант поставки полуфабрикатов в страны ЕС.\*\*It is possible to launch production of semi-finished meat productsfrom raw materials of JSC “Bobruiskmeatprocessingplant” inothercountries |

1. Does the company have experience in exporting to these countries**: [x]**  yes; no[ ]
2. Do other Belarusian producers export these products to the main target markets: **[x]**  yes; no[ ]
3. **Description of available infrastructure**

**Railways and motor drive ways:**

[ ] company’s own branch railway

[x] Belarusian Railway line (distance from the site, km): 2,0

[x] State motor roads (distance, km): 10

[x] other roads with improved surface (distance, km): 0

**Communications:**

**[x]** electricity network (voltage: 10000/400, distance, km: 0,8)

[x] water pipeline

[x] gas pipeline

**Land plot and manufacturing facilities:**

[x] land plot availability (area: 11,921ga,purpose of use: for the maintenance and servicing of industrial buildings and facilities)

[x] presence of constructions (area: 34283m2, purpose of use: specialized engineering buildings; specialized buildings for repairs and maintenance of foodstuffs, beverages and tobacco production facilities; warehouses, supply depots, material supplies storage areas, storage sites; multi-purpose buildings)

**Other infrastructure:**

[x] warehouses, logistics terminals (area: 4865m2, description: refrigerator)

[x] possibility of production expansion and installation of additional production capacities

[ ] possibility of construction of the necessary infrastructure via state budgetary financing (description:)

[ ] Other (specify):

1. **Key advantages of the project**

Short description of each is expected:

**[x]** Quaranteedsupplyvolumes, project payback, increase in sales volumes, expansion of sales markets

**[x]** profiled staff: The company is sufficiently staffed with highly qualified personnel, who have higher education (29.4%), specialized secondary education (15.6%) and vocational education (23,0%).

**[x]** supply chain of raw materials and components: signed contracts for the supply of cattle in 2021 in the amount of 18339 tons at a distance of no more than 300 km in Mogilev region

**[x]** (commodity) distribution network: TUP TD “Tsimus” (10 shops, 1 kiosk)

**[x]** guaranteed volume of orders:at least 6000 tons per year.

[ ] presence of valid patents, licenses, permits:

[ ] provision of benefits within the project implementation:

**[x]** core partners: hypermarkets, retail chains, Communities of Consumer Cooperatives, trade commissioners in all regions of the Republic of Belarus, delivery of products for export

[ ] other (specify):

1. **Project financing**

**A. Total investment amount:**12750 thousand euro.

**B. Investment sources:12750** thousand euro.:

|  |  |  |
| --- | --- | --- |
|  | Source | Amount, thousandeuro. |
| **[x]**  | Own resources |  |
| **[x]**  | Investor’s resources | 12000 |
| [ ]  | State financing |  |
| [ ]  | Grants |  |
| **[x]**  | Long-term loans | 750 |
| [ ]  | Short-term loans |  |
| [ ]  | Other (specify): |
| text entryspace |  |
| text entryspace |  |
| text entryspace |  |
| Total: | 12750 |

**С. Investmentresourcesallocation:**

[ ] research and development

**[x]** infrastructure development

[ ] construction

[ ] purchase of real estate

**[x]** purchase of equipment, technologies, licenses

**[x]** preparation of production

[ ] working capital financing

[ ] other (specify):

**D. Form of investor participation in the project:**

|  |  |
| --- | --- |
| Forms of investor participation | Investor’s share in authorized fund under the intended participation form, % |
| **[x]**  | Contribution to the authorized fund of a newly established enterprise | 95 |
| [ ]  | Purchase of shares (share in the authorized fund) of the existent enterprise |  |
| [ ]  | Purchase of the enterprise as an asset complex |  |
| [ ]  | Additional issue of shares for selling to investor |  |
| [ ]  | Other (specify): |

**E. Preliminary indicators of the project efficiency**

|  |  |
| --- | --- |
| Indicator | Value |
| Annual revenue (select, excl. of VAT, after reaching the project capacity) | 17880 thousandeuros |
| Period for reaching the project capacity, years | 2year |
| Pay-back period, years | 7year 10months |
| Dynamic pay-back period, years | 8year 6months |
| NPV\*,select | 6965thousandeuros |
| IRR\*, % | 13,97% |
| Discount rate, % | 2,69% |

\* IRR and NPV are indicated as of year 2022.

1. **Contact information**

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The present document is translated from Russian into English. I certify that the translation is identical to the text of the document.