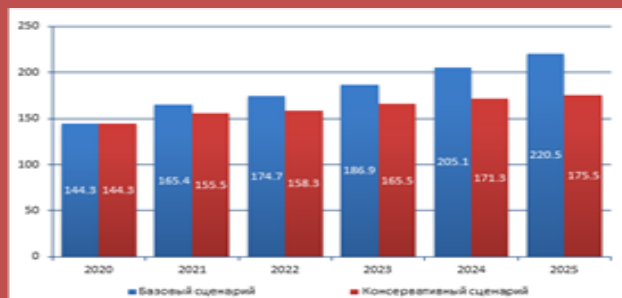


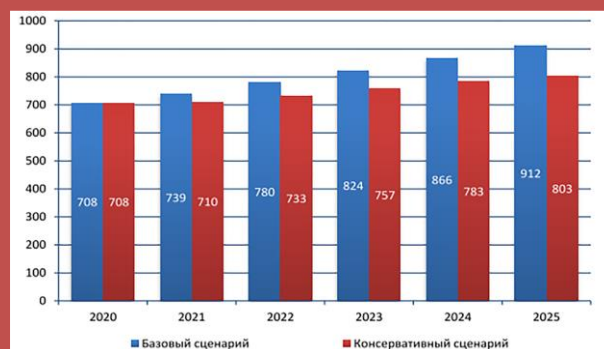
Forecast of consumption growth of 52.7% of mixed feed for fish 2020-2025 in Russia, thousand tons (according to MA ROIF Expert)



In Russia in the period 2016 - 2020 amounted to 42.8% (from 0.84 to 1. Growth in retail sales of all types of pet food 19 mln tons, according to BusinesStat)



Forecast of consumption growth of 28.8% of only dry pet food 2020-2025 in Russia, thousand tons (according to MA ROIF Expert)



NEW WORKSHOP FOR DRY PET FOOD AND VALUABLE FISH SPECIES OF PRODUCTION COMPLEX "BELKORM" (expansion of existing production)

OBJECTIVE OF THE PROJECT:

Filling market niches that have become free after the introduction of EU sanctions and the disruption of logistics supply chains.

BACKGROUND AND DESCRIPTION:

Production Complex "Belkorm" (PC "Belkorm", formerly OJSC "Zhabinka Feed Mill") has been producing pet food since 2006, mixed feed for valuable fish breeds since 2011 and has been repeatedly awarded for achievements in the field of quality. The annual growth in sales volumes required the expansion of production. The company has developed several modernization projects, but the growth in demand for products due to the imposed sanctions required increased efforts.

The implementation of the project of the new workshop will allow in a short time to increase the volume of products and expand its range within the framework of the existing production, by including in the production process the second line for the production of dry pet food and valuable fish species.

The capacity of the new line will be at least 1500 kg/hour, which will allow additional sales of at least 900 tons of finished products per month. There is a possibility of placing a line with a total capacity of 3-5 tons/hour.

SALES MARKETS:

Part of the manufactured products in the amount of about 500 tons will be sold in the Republic of Belarus. The demand for Belkorm products in Russia is several times higher than the remaining 400 tons. At the same time, the new line will allow the production of veterinary feed with medicinal additives, which have even higher demand and profitability.



INVESTMENT ATTRACTIVENESS:

Amount of investment - \$8.0 mln

Profitability of sales - 15%

Payback period, PP - 57 months

Dynamic payback period, DPP - 60 months

Profitability index, PI - 1.357

Internal rate of return, IRR - 18.17%

Net present value, NPV - \$2.4 mln.

The terms of participation of the parties are being discussed. Cooperation with the PC "Belkorm" guarantees high dividends for a long time. In addition, we are ready to grant exclusive rights to the distribution of manufactured products in Russia.

TECHNICAL PARAMETERS OF THE PROJECT:

For the successful implementation of the project, PC "Belkorm" guarantees the provision of:

- necessary engineering infrastructure;
- high solvent demand;
- manufacturer's competencies.

The project is being implemented in stages:

- approval of design estimates - \$117.0 thousand;
- performance of construction and installation works - \$2.7 mln;
- equipping - \$3.2 mln.

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