

Investment Offer

1. General information about the project

- 1. Project name:** Construction of an energy-saving greenhouse of 6 hectares.
- 2. Project branch:** agriculture.
- 3. Project location:** Uritskoye village, Gomel region, Belarus.

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

Construction of energy-saving greenhouse will increase production of goods that are in demand among the citizens of Belarus and Russia almost all year round. Construction of energy-saving greenhouse will allow the company to increase the output by growth of productivity and reduction of energy consumption; will allow increasing exports and gaining additional profit.

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

feasibility report is ready

2. Information about the project initiator

- 1. Organization full name:** JSC "Processing plant " Vostok "
- 2. Registration date:** 29.01.2014
- 3. Authorized fund structure, %:**

Legal entities:	Share
- state ownership form	100
- private ownership form	
Individuals	

3. Description of the market of the product intended for manufacture

A. Description of the product intended for manufacture:

- 1. product name and description:** Fresh cucumbers and gherkins, tomatoes, eggplant, peppers.
- 2. main consumers:** individuals and companies in Belarus and Russia.
- 3. main competitors** (producers of similar product performance goods): Communal agricultural unitary enterprise «Teplichnoe», Communal agricultural unitary enterprise «Brilevo».

B. Domestic market description

- 1. current market capacity** (over the latest reporting period) 5.3 million USD
- 2. prospective domestic market share:** 30%
- 3. strategy for operating in the domestic market:**
 - lower prices
 - better product quality
 - better service
 - state support (protection from import, guaranteed state public purchases and other support)
 - other (specify) usage of highly productive elite seeds
- 4. state regulation** (price regulation, licensing of the activities etc.):
- 5. return on sales (%)**: 10.5 (in 2018 year);

6. market concentration degree (approximate total market share of five largest market players, %): 100.

7. other (specify): External market description

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

EEU countries (Eurasian economic union)	Incl. Belarus market	EU countries	Other countries
100	50		

2. Does the company have experience in exporting to these countries: yes; no

3. Do other Belarusian producers export these products to the main target markets?
 yes; no

4. Description of available infrastructure

Railways and motor drive ways:

- company's own branch railway
- Belarusian Railway line (distance from the site, km): 2
- state motor roads (distance, km): 2.5
- other roads with improved surface (distance, km): 0.5

Communications:

- electricity network (voltage: , distance, km:)
- water pipeline
- gas pipeline

Land plot and manufacturing facilities:

- land plot availability (area: 6209 hectares, purpose of use: agricultural land, land for maintenance of industrial buildings and constructions)
- presence of constructions (area: , purpose of use: buildings and facilities for production purposes)

Other infrastructure:

- warehouses, logistics terminals (area: , description:)
- possibility of production expansion and installation of additional production capacities
- possibility of construction of the necessary infrastructure via state budgetary financing (description:)
- Other (specify):

5. Key advantages of the project

Short description of each is expected:

- developed brand: "Gryadki Vostochniye".
- profiled staff:
- supply chain of raw materials and components:
- (commodity) distribution network: established links with potential customers
- guaranteed volume of orders:
- presence of valid patents, licenses, permits:
- provision of benefits within the project implementation:
- core partners:
- other (specify):

6. Project financing

A. Total investment amount:

B. Investment sources:

Source	Amount
<input checked="" type="checkbox"/> Own resources	0.1
<input checked="" type="checkbox"/> Investor's resources	12.9
<input type="checkbox"/> State financing	
<input type="checkbox"/> Grants	
<input type="checkbox"/> Long-term loans	
<input type="checkbox"/> Short-term loans	
<input type="checkbox"/> Other (specify):	
Total:	

C. Investment resources allocation:

- research and development
 infrastructure development
 construction
 purchase of real estate
 purchase of equipment, technologies, licenses
 preparation of production
 working capital financing
 other (specify):

C. Form of investor participation in the project:

Forms of investor participation	Investor's share in authorized fund under the intended participation form, %
<input type="checkbox"/> Contribution to the authorized fund of a newly established enterprise	
<input type="checkbox"/> Purchase of shares (share in the authorized fund) of the existent enterprise	
<input type="checkbox"/> Purchase of the enterprise as an asset complex	
<input type="checkbox"/> Additional issue of shares for selling to investor	
<input type="checkbox"/> Other (specify):	

D. Preliminary indicators of the project efficiency

Indicator	Value
Annual revenue (excl. of VAT, after reaching the project capacity)	1,7
Period for reaching the project capacity, years	2 / 2018
Pay-back period, years	6.8
Dynamic pay-back period, years	8.2
NPV*	
IRR*, %	29
Discount rate, %	25

* IRR and NPV are indicated as of year 2018 of the project implementation.

7. Contact information

Contact information about executing officer (name, position): Andrew Nazarevich, deputy chief accountant

Phone: +375 232 98 14 89 mob.: +375293878028;

Fax: +375232986713

E-mail: finbuh@vostoc.by

Website: vostoc.by

Date of the investment offer preparation: 26.01.2016.