

Construction of a commercial dairy farm in Kostanai Oblast

Annual production capacity :

- raw milk production – 108,609 tonnes/year;
- meat for sales (cow) – 2,395 tonnes/year;
- meat for sales (heifer) – 108 tonnes/year;
- meat for sales (bull) – 825 tonnes/year;
- Sales of heifer – 2 704 tonnes/year.

Project investment attractiveness :

Investment – 96,668 thousand USD
 Project NPV – 72,370 thousand USD
 IRR – 22.5%
 Payback period – 7.1 years

Project

The Project involves the construction of 8 commercial dairy farms to produce 106 thousand tonnes of raw cow's milk in Kostanai Oblast per year.

Company

Olzha Agro LLP is one of the most modern agriculture sector holding companies in Kazakhstan. It manages 10 agricultural enterprises, 8 grain elevators, 2 commercial dairy farms, a milk processing plant, and service enterprises (logistics, trading and agricultural machinery repairs).

Market

- In 2016–2020, average annual growth in global milk production was 1.8%. The OECD predicts that in 2021-2029, milk production growth will remain steady at 1.6%.
- 2016–2020 saw positive changes in the consumption of liquid cow's milk with average annual growth of 7.3%. According to Fitch Solutions, the growth in milk consumption in Kazakhstan will average 3%, which is in line with global trends.

What is the project's attractiveness?

- **Available fodder base.** The Company owns major crop areas (530 thousand ha) in Kostanai Oblast, of which 60 thousand ha will be allocated to ensure the required virus-neutralising antibodies in its own fodder base. Fodder accounts for a large part of material costs, which is why virus-neutralising antibodies in its own fodder base will help reduce milk production costs.
- **Geographic location.** The Project will be realised in the Kostanai Oblast agglomeration (population of 0.9 million) with an extensive road and logistics infrastructure. The region is home to major processing companies such as DEP LLP and MILK LLP, as well as 15 smaller milk processors. The location of production is an advantage, given the efficiency with which deliveries are made throughout Kazakhstan, the proximity and ability to enter the Russian market.

Investment proposal

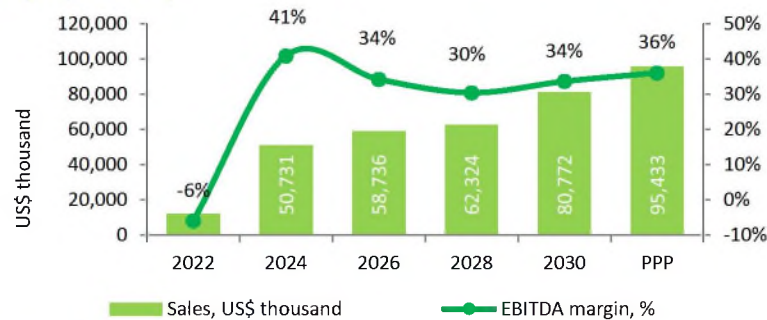
The Project requires investment of 96,668 thousand USD, of which:

- 10% (9,667 thousand USD) – debt financing subject to collateral);
- 80% (77,335 thousand USD) – private equity fund participation (KIDF, KCM and SKI);
- from 10% (9,667 thousand USD) – investor participation.

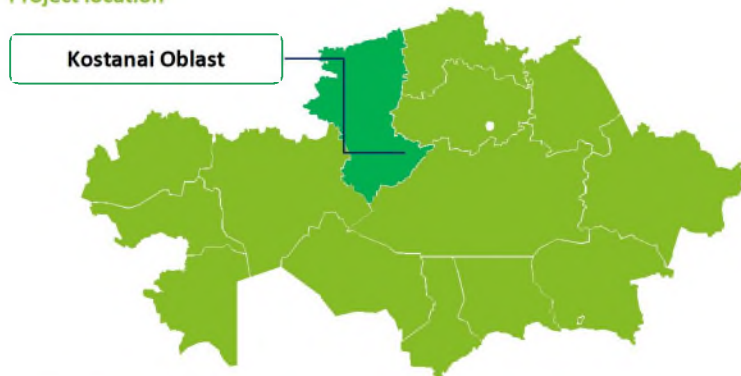
The proposed financing structure and state support measures are indicative. The final financing structure and Project interests will be determined based on the results of negotiations with the investor.



Project profitability



Project location





Poultry farm construction in East Kazakhstan Oblast

Product

Production capacity: 35.5 thousand tons of meat annually, including carcasses (whole) – 21,414 tons; brisket – 3,624 tons; thigh – 1,647 tons; soup set – 2,965 tons; wings – 1,318 tons; drumstick – 1,318 tons; others (liver, neck, stomach, chicken legs, heart) – 3,624 tons.

Domestic demand: 246.2 thousand tons of meat

Investment attractiveness of the project:

Capital expenditures: US\$ 100,257 thousand

NPV – US\$ 81,211 thousand

IRR – 18.2%

Payback – 7.0 years

Project

The Project envisages the construction of a poultry farm with a capacity of 35 thousand tons of meat annually in Urzhar district of East Kazakhstan Oblast. The construction is planned on a land plot of 300 ha in East Kazakhstan Oblast, Urzhar district, Zhanai village. A full production cycle will be organized on the production site.

Company

The Project initiator is the East Kazakhstan Oblast Akimat represented by Ertis Social and Entrepreneurial Corporation established by the Presidential Decree in 2007 (“Initiator”, “Corporation”, “SEC”). The main objective of the SEC is to promote the social and economic development of the East Kazakhstan Oblast based on the principles of partnership between the state and business. Currently, SEC has 12 subsidiaries and related entities.

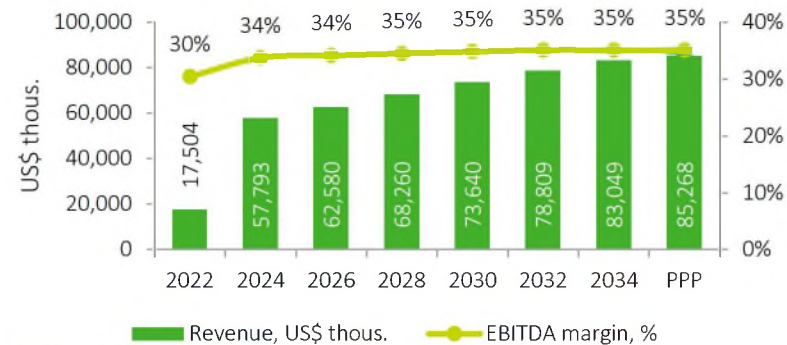
Market

- In 2020, the global production amounted to 125 million tons of poultry. According to the OECD and FAO UN forecasts, there will be an increase in overall poultry consumption in the world. The CAGR in 2021-2024 will be 1.8%.
- The CAGR of poultry consumption in Kazakhstan in the period from 2021 to 2024 will amount to 1.3%, reaching the level of 263.9 thousand tons. The growth in the poultry consumption is explained by the population growth and a gradual change in the food culture of the population, which in recent years has become healthier and more dietary. Per capita poultry consumption in Kazakhstan was 12.4 kg per person in 2020. Per capita poultry consumption will also rise to 12.9 kg per person by 2024.

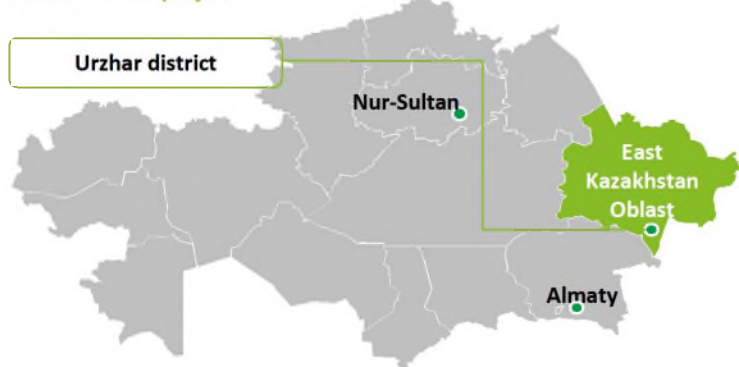
What is the attractiveness of the project?

- **Proximity to capacious markets.** Urzhar district is located in geographical proximity to capacious consumer markets of Almaty and Almaty Oblast (with a population of 4.0 million people). Urzhar district is located 100 km from highway Almaty-Ust-Kamenogorsk A-3.
- **State support.** The project is included in the list of priority sectors for state support. The state programmes provide for a number of benefits and preferences.
- **Fodder base.** The Initiator plans to grow fodder crops (wheat, barley, corn and soybeans) on a land plot of 36,000 ha to reduce the fodder base cost and the final product cost. It will also reduce dependence on feed suppliers.

Project profitability



Location of the project





Expansion of poultry production

Annual capacity:

- commercial egg – 4 803 thous. units/year;
- poultry meat – 91 967 tonnes/year;

Domestic demand:

- poultry meat consumption – 246 thousand tonnes/year.

Project investment attractiveness :

- Investment – 102,633 thousand USD
- Project NPV – 91,609 thousand USD
- IRR – 19.9%
- Payback period – 6.3 years

Project

This investment project (Project) envisages the expansion of the existing business of Alel Agro JSC by launching six broiler farms with an annual capacity of 47.9 million tonnes of poultry in Zhambyl Oblast. At the moment, the construction of two poultry farms has been completed, but the facilities have not yet been commissioned.

Company

Alel Agro JSC is the largest poultry producer in Kazakhstan. The sales volume in 2020 reached 51.4 million tonnes. The Company's assets include 6 operating poultry farms in Almaty Oblast, a feed mill, a slaughterhouse, a sorting terminal and an incubator. As part of expanding its own distribution network in 2020, the Company opened 4 regional distribution centres and 10 branded stores.

Market

- In 2020, the global production amounted to 125 million tonnes of poultry. According to the OECD and FAO UN forecasts, there will be an increase in overall poultry consumption in the world. The CAGR in 2021-2024 will be 1.8%.
- In 2020, the poultry production and consumption amounted to 96.5 and 246.2 thousand tonnes, respectively. On average, 84% of poultry consumption is covered by domestic production, the rest is covered by imported meat.

What is the project's attractiveness?

- **Well-established trade and logistics chain.** To sell products under its own brands Alel, Ameral fresh and Tasty Chick, the Company launched a chain of branded stores in Almaty and 4 regional distribution centres.
- **State support.** The project is included in the list of priority sectors for state support. The state programmes provide for a number of benefits and preferences.
- **Proximity to capacious markets.** Zhambyl Oblast is located in geographical proximity to the capacious sales markets of Almaty and Almaty Oblast (4.0 million people), as well as to the border with China.

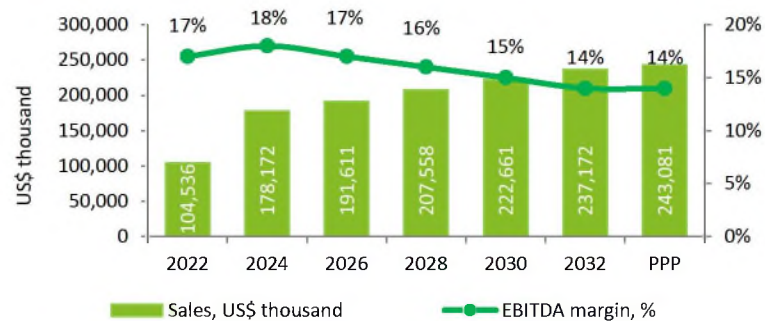
Investment proposal

The Project requires investment of US\$ 102,633 thousand of which:

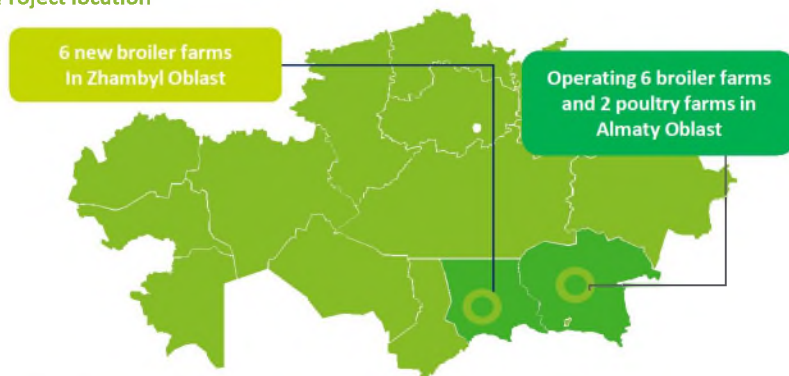
- 10% (US\$ 10,266 thousand) – debt financing subject to collateral;
- 80% (US\$ 82,130 thousand) – private equity fund participation (KIDF, KCM and SKI);
- from 10% (US\$ 10,266 thousand) – investor participation.

The proposed financing structure and state support measures are indicative. The final financing structure and Project interests will be determined based on the results of negotiations with the investor.

Project profitability



Project location





Development of intensive fruit orchards

Commercial products

The annual volume of production in 2022 - 10,136 tonnes.
Products assortment: apples, cherries, peaches, plums, pears, apple juice.

Investment attractiveness of the project:

Investment – US\$ 19,127 thousand
Project NPV – US\$ 29,483 thousand
IRR – 27.8%
Payback period – 6.9 years

Project description

This investment project envisages the modernization of an existing fruit farm in Almaty region. The effective area of the intensive orchard is 1,004 hectares.

Company

Zharkent Fruit LLP is one of the largest private horticultural enterprises in Kazakhstan and Central Asia. The main shareholder of the Company is Ordabasy Group (51% ownership interest), one of the largest investment holdings in Kazakhstan. The company produces fruits under the Qazaq Fruit brand, selling them through retail chains in Kazakhstan and Russia.

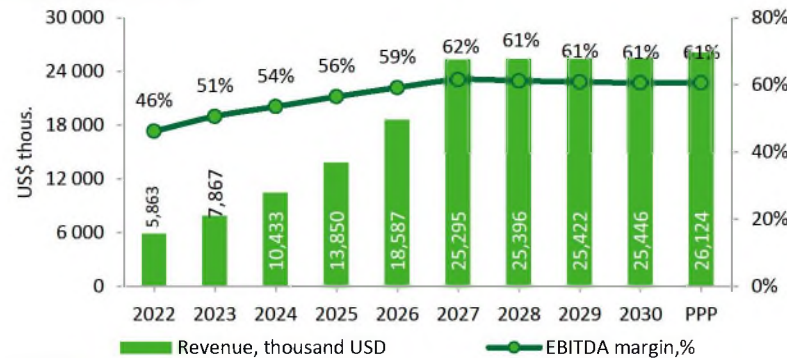
Market

- In 2020, the global juice market was valued at 44.4 billion litres. According to Report linker forecasts, this figure will reach 50.6 billion litres by 2024, with CAGR at 2%.
- In 2020, the production of apple juices in Kazakhstan amounted to 14.6 million litres. Fitch Solutions expects an increase in fruit juices consumption in Kazakhstan due to the transition to a healthy lifestyle of the population after the pandemic (CAGR of 8.59% in the sales of fruit and vegetable juices in the period from 2021 to 2024).

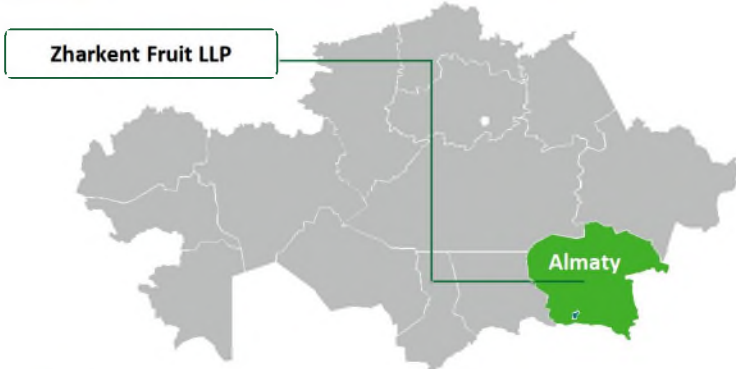
What is the attractiveness of the project?

- **Climate of Almaty region:** The orchards are located in Almaty region, where the combination of a warm climate, fertile soil and proximity to a mountain river contributes to the effective gardening and, accordingly, high yields.
- **Well-established sales strategy and own brand.** Over the years, the Company has established the supply of products under the Qazaq Fruit brand and sells its products through wholesale suppliers in Almaty, Karaganda and Nur-Sultan. There are valid sales contracts with Russian companies OOO Siberian Tradition and OOO Flagman.
- **Proximity to sales markets:** The orchards are located close to the largest sales markets, namely: Almaty (1.8 million people, 284 km from Aydarly), Taldykorgan (0.72 million people, 112 km from Aydarly), the rest of Almaty region (more than 2 million people), XUAR (China) (21 million people in 80 km).

Project profitability



Location





Development of intensive apple and stone fruit orchards and production of natural juices

Commercial products

12 varieties of apples (Golden & Red Delicious, Fuji, Gala, Granny), 2 varieties of peaches, nectarines, cherries and apple juice. The annual production: 6,665 tons and 277.2 thous. packages of apple juice.

Investment attractiveness of the project:

Investment – US\$ 50,898 thousand
 Project NPV – US\$ 41,224 thousand
 IRR – 30.1%
 Payback period– 7.1 years

Project description

This investment project envisages the expansion of an existing berries and fruits growing enterprise in Almaty region by establishing additional 200 hectares of orchards, as well as building a fruit storage with a capacity of 6,000 tonnes and a workshop for the production of directly squeezed apple juice.

What is the attractiveness of the project?

- **Favourable climate.** The orchards are located in the foothills of the Zaili Alatau in Almaty region, where the combination of a warm climate, fertile soil and a special irrigation system contributes to the effective gardening and, accordingly, high yields.
- **Well-established sales strategy and own brand.** For 9 years of operation, the Company has established the supply of products under the Amal Bio brand to Kazakhstan (42.4%) and Russia (57.6%). There are direct apple sales contracts with retail chains, schools and preschool institutions, as well as with a chain of dealers and distributors. Halal certification will allow exports to the UAE.
- **High degree of processing.** Ripe apples, which do not meet the standard for fresh sale, are used as raw materials for the production of natural juices. Juice production expands the range of products and minimises production waste.

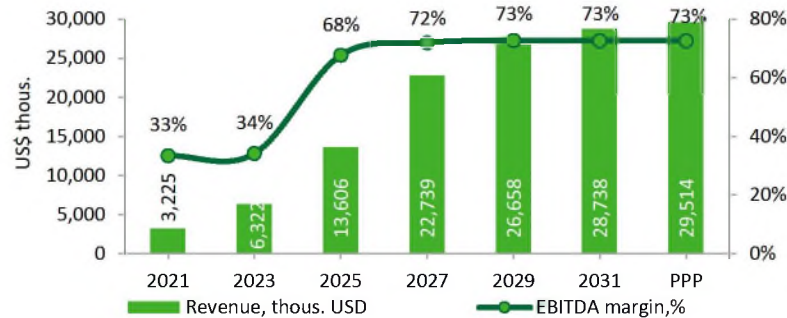
Company

Since 2012, AmalBio LLP has owned land plots with an area of 223.3 hectares in the Talgar and Enbekshikazakh districts of Almaty region, where apple and stone fruit orchards and infrastructure for storing fruits and producing apple juices are located. Products are manufactured under the Amal Bio brand and are sold through a retail chain in Kazakhstan and Russia.

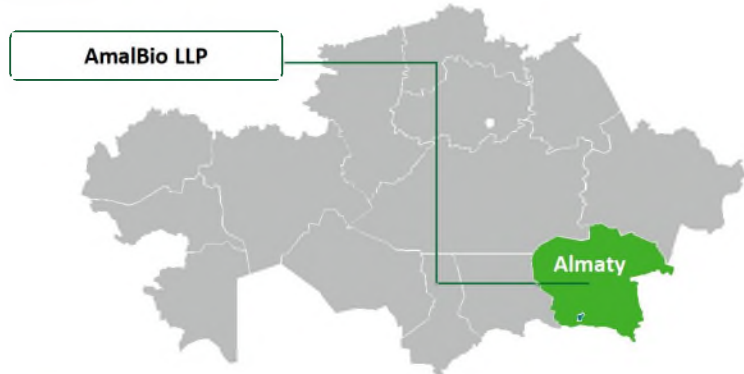
Market

- In 2020, the global juice market was valued at 44.4 billion litres. According to Report linker forecasts, this figure will reach 50.6 billion litres by 2024, with CAGR at 2%.
- In 2020, the production of apple juices in Kazakhstan amounted to 14.6 million litres. Fitch Solutions expects an increase in fruit juices consumption in Kazakhstan due to the transition to a healthy lifestyle of the population after the pandemic (CAGR of 8.59% in the sales of fruit and vegetable juices in the period from 2021 to 2024).

Project profitability



Location





Construction of a dairy farm in East Kazakhstan region

Product

Annual capacity:

- meat production – 47,858 tons / year;
- milk sales - 10, 957,193 liters / year.

Investment attractiveness of the project:

Capital expenditures: US\$ 14,097 thousand

NPV – US\$ 4,784 thousand

IRR – 18.0%

Payback period – 8.4 years

Project

The Project involves the construction of a commercial dairy farm capacity of 1,400 forage-fed cows in East Kazakhstan region per year.

Raw milk will be sold to local long-life milk producers and dairy product processors.

To provide the dairy farm with fodder base (hay, straw, haylage and silage), the Initiator will grow fodder on 3.7 thousand ha plots allocated for sowing work.

What is the attractiveness of the project?

- **Geographic location.** The Project will be realised in the East Kazakhstan region agglomeration (population of 1.4 million) with an extensive road and logistics infrastructure. The region is home to 25 milk processors (Emil LLP, Vostok-Milk LLP, Kamyshinskoe LLP), the capacities of which are currently underutilised (about 80%). The location of production is an advantage, given the efficiency with which deliveries are made throughout Kazakhstan, the proximity and ability to enter the Russian and Chinese markets. The location of dairy farms near the Irtysh River also contributes to a stable crop of forage crops.
- **Available fodder base.** The Company has major crop areas (3.7 thousand ha) under long-term lease to ensure the dairy farm with its own fodder base. It should be noted that fodder accounts for a large part of material costs, which is why own fodder base will help reduce milk production costs.

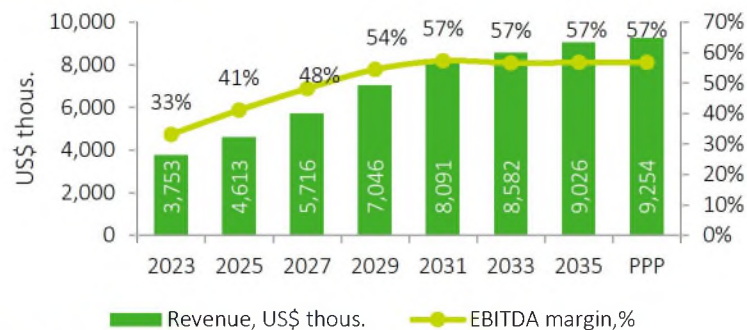
Company

Beskaragay-Agro LLP. The company was established in 2016 with the aim of covering domestic demand for raw milk in East Kazakhstan region.

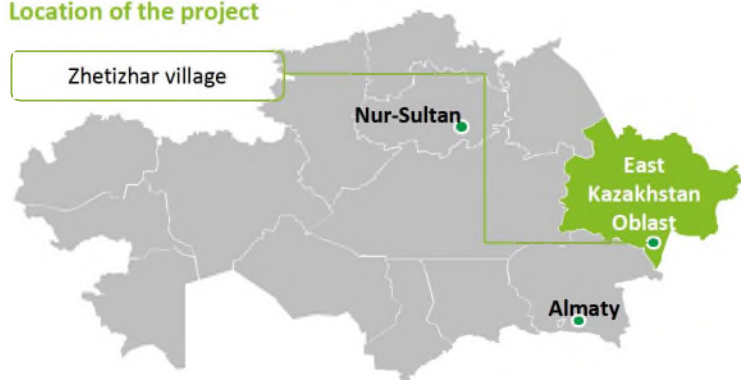
Market

- In 2016–2020, average annual growth in global milk production was 1.8%. The OECD predicts that in 2021-2029, milk production growth will remain steady at 1.6%.
- 2016–2020 saw positive changes in the consumption of liquid cow's milk with average annual growth of Fitch Solutions, the growth in milk consumption in Kazakhstan will average 3%, which is in line with global trends.

Project profitability



Location of the project





Poultry farm construction in Atyrau region

Commercial products

Annual capacity: 5,300 tonnes of meat

Investment attractiveness of the project:

Investment – US\$ 10,998 thousand

Project NPV – US\$ 10,135 thousand

IRR – 28.7%

Payback period – 5.03 years

Project description

This investment project envisages the construction of a poultry farm with a capacity of 5,300 tonnes of meat in Makhambet district of ATYRAU region. The company has own land plots of 81 ha and 42 ha. In addition, by a decree of the Makhambet district Mayor's Office, the Initiator received a land plot of 100 ha for a period of 10 years, where it is planned to build a zone for corn filtering and growing.

Company

The project initiators are Atyrau region Mayor's Office represented by Atyrau Social and Entrepreneurial Corporation JSC (49%) and Meken Farm, established in 2009. Atyrau SEC and Meken Farm signed a memorandum on joint implementation of the project, as a result of which the project company Meken Chicken LLP was created.

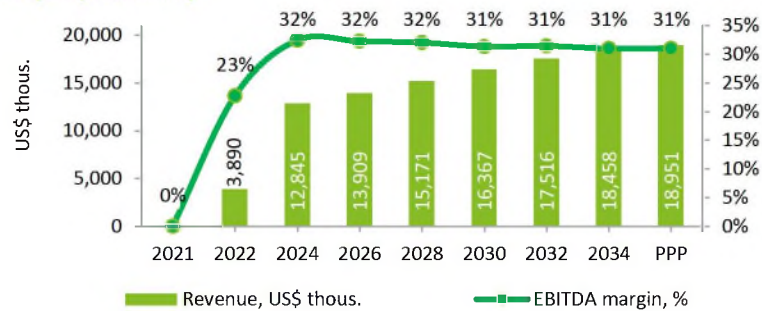
Market

- According to the OECD and FAO UN forecasts, there will be an increase in overall poultry consumption in the world. The CAGR in 2021-2024 will be 1.8%.
- In 2020, the poultry production and consumption amounted to 96.5 and 246.2 thousand tonnes, respectively. On average, 84% of poultry consumption is covered by domestic production, the rest is covered by imported meat. The CAGR of poultry consumption in Kazakhstan in the period from 2021 to 2024 will amount to 1.3%, reaching the level of 263.9 thousand tonnes. Per capita poultry consumption in Kazakhstan was 12.4 kg per person in 2020. Per capita poultry consumption will also rise to 12.9 kg per person by 2024.

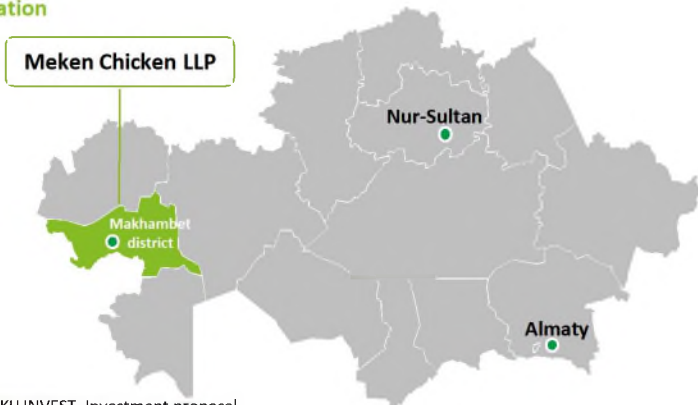
What is the attractiveness of the project?

- **Closed production cycle.** Meken Chicken poultry farm has a closed production cycle, which reduces the risk of dependence on suppliers of basic raw materials for the production process.
- **Availability of a material and technical base and a land plot.** The initiator owns land plots with total area of 123 hectares, where 18 industrial facilities will be built
- **Fodder base.** The Initiator plans to grow fodder crops and certain types of grain, which will reduce the cost of the final product, as well as dependence on suppliers.
- **State support.** The project is included in the list of priority sectors for state support. The state programmes provide for a number of benefits and preferences. The project is included in the industrialisation map of Atyrau region.

Project profitability



Location





Construction of an oil extraction plant in Pavlodar region

Commercial products

Annual capacity: 6.8 thousand tonnes of vegetable oils

Investment attractiveness of the project:

Investment – US\$ 5,116 thousand
 Project NPV – US\$ 10,827 thousand
 IRR – 41.3%
 Payback period – 3.6 years

Project description

The Project provides for the construction of an oil extraction plant for the production of vegetable oils with a capacity of 6.8 thousand tonnes per year in Kalkaman village of Pavlodar region.

Company

Initiator of the project is agricultural production cooperative Ertis Agro. The Company's main activity is related to the production, processing and sale of oilseeds and grain crops, storage and logistics. The Initiator has a land plot of 9.881 hectares, an elevator for storage, processing and drying of raw materials. The Company has more than 100 thousand hectares of agricultural land (about 25% of total sown areas of Pavlodar region), more than 400 units of special-purpose equipment, of which 150 are tractors, over 100 combines and over 100 seeders.

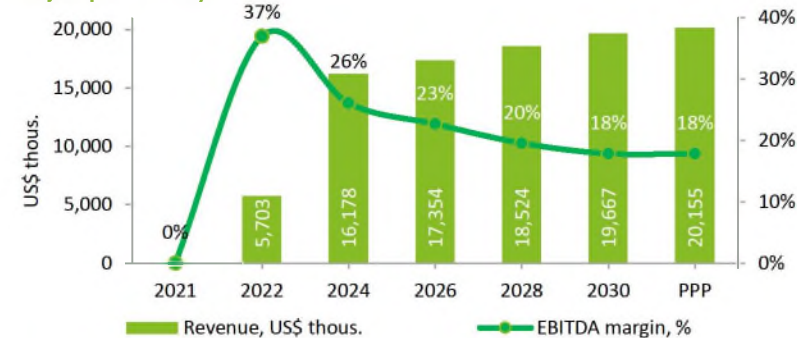
Market

- According to Fitch Solutions forecasts, sunflower oil market will grow increasing at CAGR of 5.3% for the period of 2021-2026.
- Over the last five years, the CAGR of sunflower oil production was 8.9%. In 2020, the production capacity of unrefined oil reached 434 thousand tonnes per year. Share of unrefined sunflower oil production in total sunflower oil production over the last five years reached 53%. In 2020, the production of unrefined oil increased by 1.9% compared to 2019, and CAGR of production during 2015-2019 was 17.1%.

What is the attractiveness of the project?

- **Proximity to capacious markets.** Considering the geographical proximity of the country to capacious sales markets of Russia and China, the short transport leverage makes it possible to establish exports to take a significant share in those consumption markets.
- **Reliable suppliers of raw materials.** The initiator entered into a forward purchase agreement for the supply of seeds with agricultural producers included in Ertis-Agro SEC. Cooperation with SEC members will ensure uninterrupted supply of raw materials for production.
- **Reliable equipment supplier.** As part of the preparation of a technical proposal for the equipment supply, an agreement was concluded with one of the leading manufacturers of equipment for agricultural food products processing.

Project profitability



Location





Creation of pork production complex

Annual capacity:

- pork – 2,268 thousand tons
 - by-products – 425 thousand tons
- Import of pork in China in 2020 – 4, 304 thousand tons

Project investment attractiveness :

Investment – 27,723 thousand USD
 Project NPV – 8,023 thousand USD
 IRR – 18.5%
 Payback period – 6.8 years

Project

The investment project plans for the construction of a pig farm with a capacity of 40 thousands pigs and a feed mill with a capacity of 10 tons / hour.

A contract was signed for the lease of 40 hectares of land for pig farm construction and 10 hectares for feed mill construction. The project is focused on the development and increase of the country's export potential in the markets of China and Russia.

Company

Petropavlagro LLP was established for the implementation of the project. The company's management has professional knowledge in engineering construction and law.

Market

- According to the OECD and UN FAO forecasts, the global consumption of this type of meat will increase as the market recovers from the African swine fever from 2021. The CAGR in 2021-2029 will be 1.75%. Pork consumption is projected to increase by 9.2% by 2023.
- At the same time, these forecasts indicate an increase in per capita pork consumption. In 2020, this figure was 10.7 kg per person, and by 2029 it is forecasted to grow by 11.8 kg per person.
- The largest consumer of pork in the world is China, with 39% of global consumption. The Southeast Asian Countries, the EU countries, the USA and Russia are also major pork consumers.

What is the project's attractiveness?

- **Favorable location.** The location of the complex was chosen optimally, taking into account the distance from large settlements, which corresponds to the Company's strategy to ensure maximum biosecurity of facilities, but at the same time, it allows the Company to significantly reduce logistics costs when delivering products to end consumers in Russia and China. The climatic conditions of the selected region are favorable for pig breeding. On the territory of the site and nearby there are ground communications: railway, high-voltage power line, as well as underground cable communication lines (telephone and Internet), sewerage, water supply.
- **Independence from feed supplies and feed quality control.** Under the Project, it is planned to build a feed, which meets the advanced global quality and biosafety standards. This will reduce feed costs, including shipping costs, as well as ensure feed quality and reduce the risk of supply chain disruption.

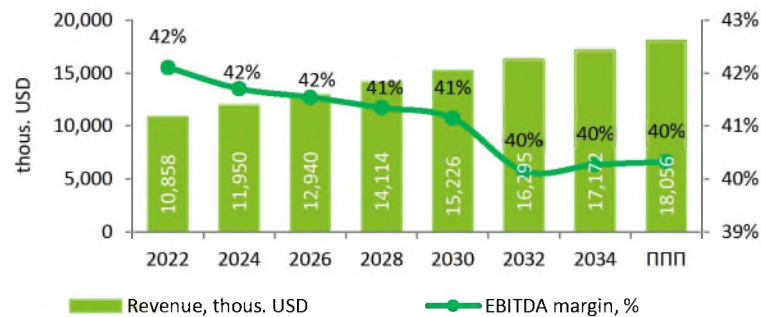
Investment proposal

The Project requires investment of US\$ 27,723 thousand, of which:

- 70% (19,406 US\$ thousand) – debt financing subject to collateral;
- From 30% (8,317 US\$ thousand) – participation of Investor.

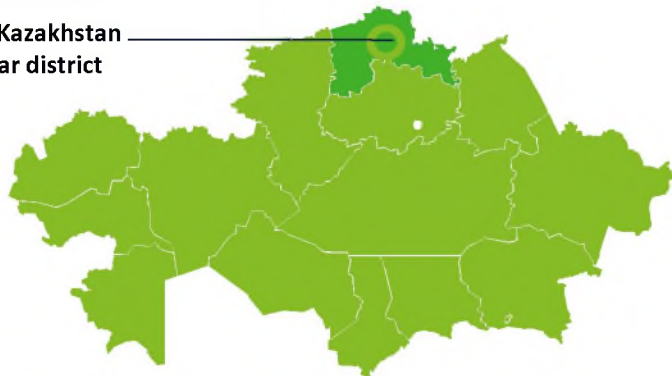
The proposed financing structure and state support measures are indicative. The final financing structure and Project interests will be determined based on the results of negotiations with the investor.

Project profitability



Project location

North Kazakhstan
Akzhar district





Creation of a pork production complex

Commercial products

Annual capacity: 184,000 tonnes of feed mill; 20,000 breeding pigs (F1); 39,000 tonnes of meat products

Investment attractiveness of the project:

Investment – US\$ 235,564 thousand
 Project NPV – US\$ 151,178 thousand
 IRR – 19.3%
 Payback period – 7.2 years

Project description

The Project provides for the construction of a vertically integrated pork production and processing enterprise on the territory of Ulan district of the East Kazakhstan Region

Company

Initiator of the project is Eco Meat Vostok Ltd. The Company's project team includes doctors of sciences in animal husbandry (pig breeding) and candidates of sciences in veterinary and animal husbandry. Most of the leading experts have experience of working in the EU countries. Leading specialists have an average work experience in pig breeding of 15 years.

Market

- In 2020, the volume of global pork consumption was 106.3 million tonnes. According to the OECD and UN FAO forecasts, the global consumption of this type of meat will increase. The CAGR in 2021-2029 will be 1.75%. Pork consumption is projected to increase by 9.2% by 2023.
- A decrease in the level pork consumption is observed within the period of 2016-2020. The average per capita consumption of pork reached 5.4 kg in 2015-2016, while in 2019-2020 the mentioned indicator stabilised at the level of 4.7 kg. According to the forecast of OECD, pork consumption in the country will stabilize at 4.5 kg by 2029. Generally, it should be noted that domestic demand is fully satisfied by domestic production. Therefore, production of pork in Kazakhstan has a high export potential.

What is the attractiveness of the project?

- Favorable location.** The availability of large vacant lands, as well as water and specialized labor resources makes the northern part of the East Kazakhstan Oblast attractive for pig breeding. Moreover, the location of the complex was chosen optimally, it allows the Company to significantly reduce logistics costs when delivering products to end consumers in China.
- Independence from feed supplies and feed quality control.** Under the Project, it is planned to build a feed mill with a capacity of 184,000 tonnes per year, which meets the advanced global quality and biosafety standards. This will reduce feed costs, including shipping costs, as well as ensure feed quality and reduce the risk of supply chain disruption.
- Process automation.** Using the concept of digital production under "Industry 4.0" allows a complete "digitalisation" of the production process, exercising control and management over all business processes and ensures the most efficient organisation of the production cycle.

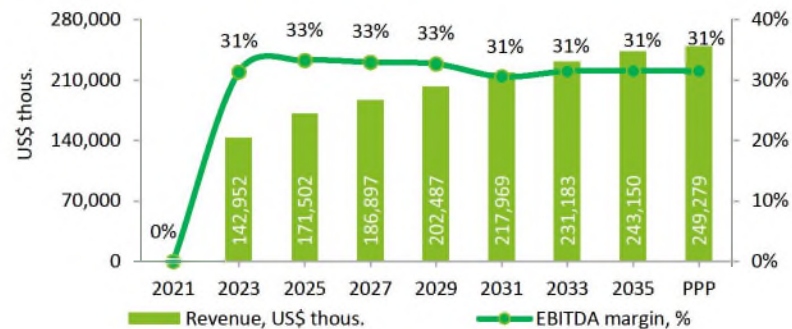
Investment proposal

The Project requires investment of US\$ 235,564 thousand, of which:

- 70% (US\$ thousand) – debt financing subject to collateral;
- from 30% (US\$ thousand) – investor participation.

The proposed financing structure and state support measures are indicative. The final financing structure and Project interests will be determined based on the results of negotiations with the investor.

Project profitability



Location





Construction of a vertically integrated pig-breeding complex for meat processing

Annual capacity:

- frozen pork meat – 95,017 tonnes,
- Raw casings of categories 1 – 4,353 tonnes,
- Raw casings of categories 2 – 14,227 tonnes,
- replacement gilts – 24,660 units.

Project investment attractiveness :

Investment – 136,396 thousand USD
 Project NPV – 150,480 thousand USD
 IRR – 21.9%
 Payback period – 8.8 years

Project

the construction of a vertically integrated complex for the production and processing of pork in the North Kazakhstan region. There is a preliminary franchise agreement with Genesus Genetics (Canada), the world's largest producer of registered purebred pigs. The enterprise will be built in 4 stages:

- At the first stage, it is planned to build a pig farm, a selective hybrid centre, an elevator, a railway branch, a slaughterhouse, a meat processing plant and a feed mill;
- Further, construction of two pig farms at each stage.

Company

Agro Tech Innovation LLP was established for the implementation of the project.

Market

- In 2020, the volume of global pork consumption was 106.3 million tonnes, which is 11.5% lower than in 2018. A downward trend in pork consumption since 2018 is associated with a decrease in pork production because of the African swine fever and a corresponding increase in prices.
- A decrease in the level pork consumption is observed within the period of 2016-2020. The average per capita consumption of pork reached 5.4 kg in 2015-2016, while in 2019-2020 the mentioned indicator stabilised at the level of 4.7 kg. According to the forecast of OECD, pork consumption in the country will stabilize at 4.5 kg by 2029.

What is the project's attractiveness?

- **Favorable location.** The chosen location of the complex is convenient in terms of the accessible distance from large settlements, which corresponds to the Company's strategy to ensure maximum biosecurity of facilities, but at the same time, it allows for significant reduction of logistics costs when delivering products to end consumers in Russia and China. The site has access to overhead utilities (railway, high voltage power line), underground utilities - cable line (telephone and Internet), sewerage and water supply.
- **Independence from feed supplies:** Availability of high-quality and inexpensive feed base is one of the key conditions for a competitive advantage in pig breeding. The project provides for the construction of a feed mill with a capacity of 100 tonnes per hour and an elevator for storing grain with a capacity of 90,000 tonnes, which meets world quality and biosafety standards. This will reduce feed costs and logistics costs and eliminate supplier risks.

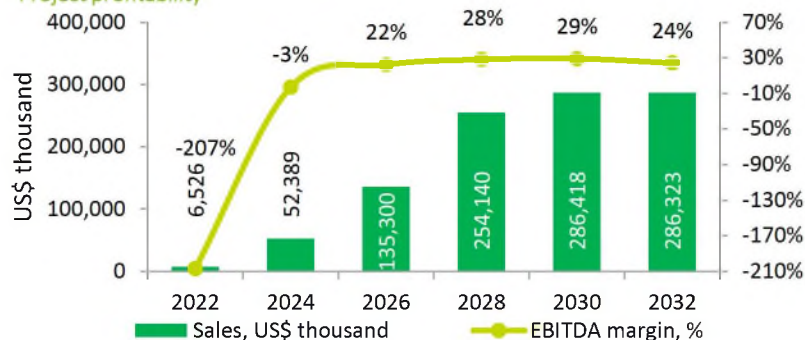
Investment proposal

The Project requires investment of US\$ 136,396 thousand, of which:

- 70% (US\$ 95,477 thousand) – debt financing subject to collateral;
- 30% (US\$ 40,919 thousand) – Investor participation.

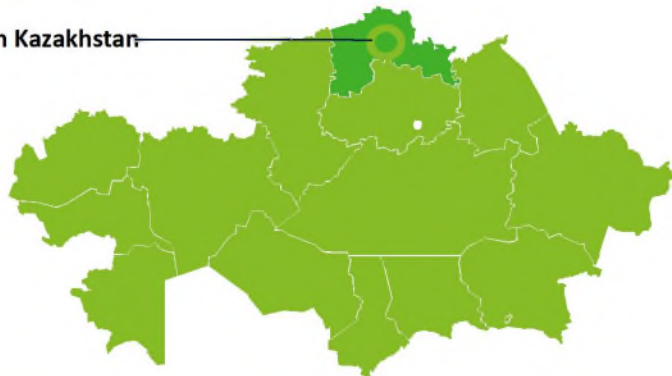
The proposed financing structure and state support measures are indicative. The final financing structure and Project interests will be determined based on the results of negotiations with the investor.

Project profitability



Project location

North Kazakhstan





Construction of a starch factory

Annual capacity:

- potato starch (packaging 40 kg) – 597,816 packages/year;
- potato starch (packaging 25 kg) – 50,342 packages/year;
- fodder protein – 1,311 tonnes/year;
- fibre (cellulose) – 23,184 tonnes/year.

Project investment attractiveness :

Investment – 57,524 thousand USD
 Project NPV – 31,463 thousand USD
 IRR – 23.4%
 Payback period – 5.9 years

Project

The Project envisages the construction of a 60.3 thousand tonne/year factory to produce potato starch and other derivative products. The Project is due to be realised in Pavlodar Oblast's Zheleznik District, due to its proximity to raw material sources, such as 5 industrial enterprises and over 300 farms growing industrial potatoes. The proposed area of the Project site is 40 ha.

Company

JSC SPK Pavlodar. Main activities: realisation of investment projects with state participation.

Market

- According to Mordor Intelligence, due to its practical functionality, the potato starch market is expected to continue to grow gradually between 2021 and 2026 at an average annual rate of 4.5%.
- The period between 2016 and 2020 saw significant growth in starch production in Kazakhstan with CAGR at 41%. This was partially explained by the relaunch in 2018 of starch and gluten production in North-Kazakhstan Oblast.

What is the project's attractiveness?

- **Advantageous location.** The region's proximity to the Russian border and its transportation corridors such as the Zheleznik-Omsk highway and the Karasuk-Omsk railway will help speed up and increase sales both domestically and overseas.
- **Favourable climate.** Pavlodar Oblast had the highest potato yield in Kazakhstan between 2016 and 2020 thanks to irrigation from the Irtys river, rising in the same period from 25.6 tonnes/ha to 29 tonnes/ha, which is 41% higher than the national average.

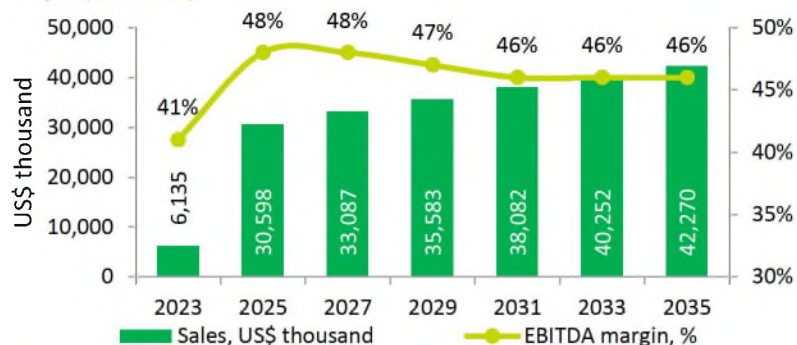
Investment proposal

The Project requires investment of 57,524 thousand USD, of which:

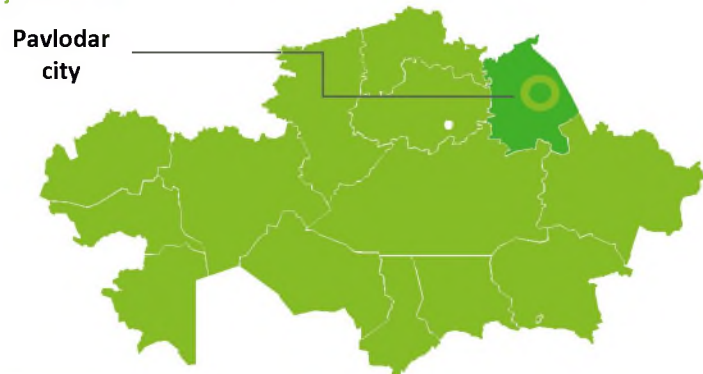
- 30% (17,257 thousand USD) – Investor participation;
- 70% (40,267 thousand USD) - debt financing subject to collateral.

The proposed financing structure and state support measures are indicative. The final financing structure and Project interests will be determined based on the results of negotiations with the investor.

Project profitability



Project location





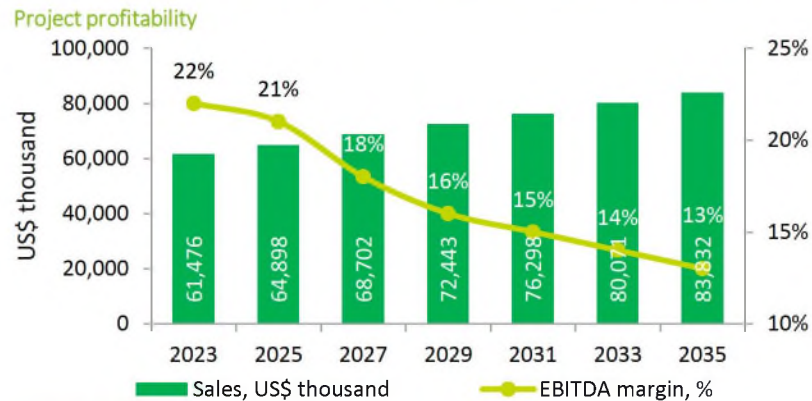
Multifunctional grain complex for receiving, storing, processing and shipping agricultural and food products

Annual capacity:

- Production capacity – 150,869 tonnes, particularly: all-purpose feed – 76,313 tonnes, corn flour – 21,925 tonnes, short cut pasta – 10,977 tonnes, long cut pasta – 6,534 tonnes, coarse-grained flour – 14,352 tonnes, fine-grained flour – 9,864 tonnes, corn oil – 1,756 tonnes, soybean oil – 1,147 tonnes, cornmeal – 3,081 tonnes, full fat soybeans – 4,511 tonnes, grain waste – 390 tonnes.

Project investment attractiveness :

- Investment – 51,013 thousand USD
- Project NPV – 24,668 thousand USD
- IRR – 30.1%
- Payback period – 4.2 years



Project

construction of a multifunctional grain complex for receiving, storing, processing and shipping agricultural and food products in the Uygur district of Almaty region.

Company

Ramadan Foods LLP. Company management has 10 years of experience in agriculture and grain trading and processing. The majority of the raw material suppliers are affiliated companies with 43 hectares of farmland, which covers over 70% of the need for raw materials.

Market

- The current outlook for global grain crops production indicates a moderate growth for the third consecutive year. Total production in 2020 was 2,295 million tonnes and is forecasted by the UN FAO to reach 2,438 million tonnes by 2026, with CAGR of 0.81% in the period from 2021 to 2026.
- In 2020, Kazakhstan produced 3,555 tonnes of fine flour, which is 3% more than a year earlier (3,272 million tonnes). Compound annual decline rate from 2016 to 2020 was -3%. The lowering was caused by a downward trend in imports from a number of Central Asian countries due to the launch of their own flour mills.

What is the project's attractiveness?

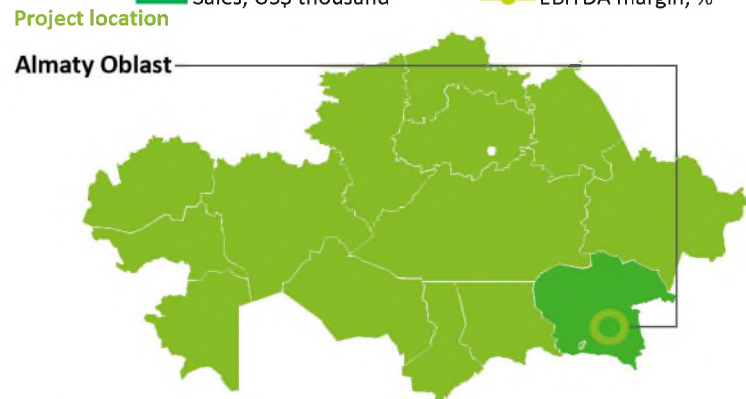
- **Ultra-processing.** Raw materials are used to produce primary processing products (flour), secondary processing products (butter, pasta and bakery products) and the waste is used as raw material for the production of compound feed for animals and birds.
- **Geographic location.** The advantages of location in Almaty region are the developed transport infrastructure (access to the Silk Road, One Belt - One Way railway and the Western Europe - Western China highway), proximity to the capacious consumer markets of Almaty and Almaty region, availability of own raw materials and low transportation costs for their delivery.
- **Year-round production.** There are elevators and other storages in place with a total volume of more than 50 thousand tonnes, which will keep the raw materials in proper quality to ensure year-round continuous production, which generally mitigates the risk of seasonal production variability.

Investment proposal

The Project requires investment of US\$ 51,013 thousand, of which:

- 70% (US\$ 35,709 thousand) – debt financing subject to collateral;
- 30% (US\$ 15,304 thousand) – Investor participation.

The proposed financing structure and state support measures are indicative. The final financing structure and Project interests will be determined based on the results of negotiations with the investor.





Poultry farm construction

Annual capacity:

- broiler meat - 19,500 tonnes;
- by-products - 7 million;
- compound feed - 3,000 tonnes.

Investment attractiveness of the project:

Investment – US\$ 64,006 thousand
 Project NPV – US\$ 26,078 thousand
 IRR – 20.5%
 Payback period – 7.39 years

Project description

This project envisages the construction of a poultry farm for broiler meat and chicken egg production in Atyrau region. The production capacity will be 19,500 tons of poultry meat and 7 million eggs. The Project launch will provide the region with high-quality products and create additional 200 jobs.

Company

The project initiators are Atyrau region Mayor's Office represented by Atyrau Social and Entrepreneurial Corporation JSC (49%) and Meken Farm, established in 2009. Atyrau SEC and Meken Farm signed a memorandum on joint implementation of the project, as a result of which the project company Meken Chicken LLP was created.

Market

- According to the OECD and FAO UN forecast, there will be an increase in overall poultry consumption in the world. The CAGR in 2021-2024 will be 1.8%.
- In 2020, the poultry production and consumption amounted to 96.5 and 246.2 thousand tons, respectively. On average, 84% of poultry consumption is covered by domestic production, the rest is covered by imported meat. The CAGR of poultry consumption in Kazakhstan in the period from 2021 to 2024 will amount to 1.3%, reaching the level of 263.9 thousand tonnes. Per capita poultry consumption in Kazakhstan was 12.4 kg per person in 2020. Per capita poultry consumption will also rise to 12.9 kg per person by 2024.

What is the attractiveness of the project?

- **Competitive advantage factors.** There is one poultry farm that produces broiler meat in Atyrau region.
- **State support.** The project is included in the list of priority sectors for state support. The state programs provide for a number of benefits and preferences.
- **Modern equipment.** The use of the advanced technology in combination with professional vertical integration process management allows the optimal use of equipment and compliance with biological safety.

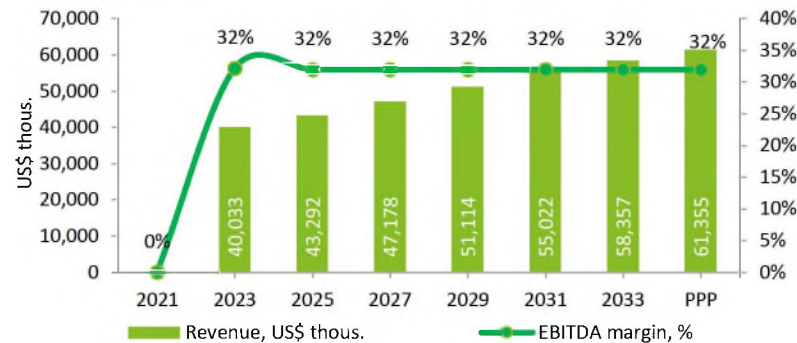
Investment proposal

The Project requires investment of US\$ 64,006 thousand, of which:

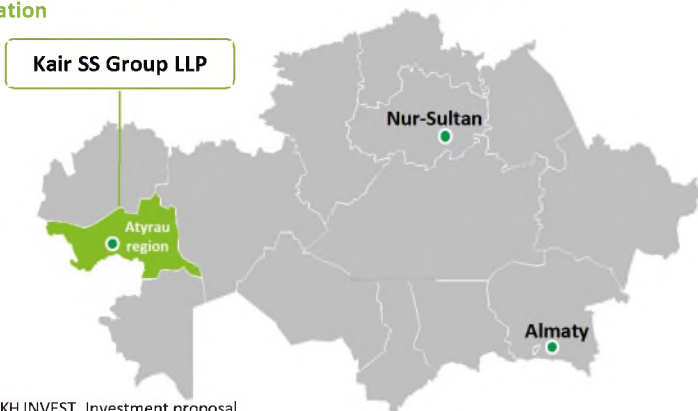
- 70% (US\$ 44,804 thousand) – debt financing subject to collateral;
- from 30% (US\$ 19,202 thousand) – investor participation.

The proposed financing structure and state support measures are indicative. The final financing structure and Project interests will be determined based on the results of negotiations with the investor.

Project profitability



Location





Construction of an oil extraction plant in Ust-Kamenogorsk

Commercial products

Annual capacity:
 unrefined sunflower oil – 45,174 tonnes, refined sunflower oil – 10,039 tonnes, unrefined rapeseed oil – 12,381 tonnes, sunflower meal – 47,307 tonnes, rapeseed meal – 20,613 tonnes.

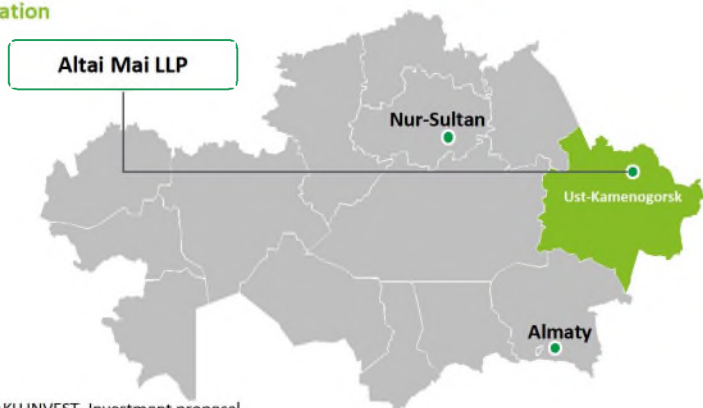
Investment attractiveness of the project:

Investment – US\$ 30,336 thousand
 Project NPV – US\$ 12,656 thousand
 IRR – 31.9%
 Payback period – 4.4 years

Project profitability



Location



Project description

The Project envisages the construction of a vegetable oil plant with a capacity of 67.6 thousand tonnes per year on a land plot of 9.5 ha in Ust-Kamenogorsk, East Kazakhstan region.

Company

Initiator of the project is Altai Mai Limited Liability Partnership. The Company's main activity is related to the production of refined oils and fats. The Initiator has a land plot of 10.5 ha for the construction of an oil extraction plant.

Market

- According to Fitch Solutions forecasts, sunflower oil market will grow increasing at CAGR of 5.3% for the period of 2021-2026.
- Over the last five years, the CAGR of sunflower oil production was 8.9%. In 2020, the production capacity of unrefined oil reached 434 thousand tonnes per year. Share of unrefined sunflower oil production in total sunflower oil production over the last five years reached 53%.
- Production of rapeseed oil has more than tripled over the last five years, reaching 59 thousand tonnes in 2020. CAGR of rapeseed oil production during 2016-2020 was 31%. In 2020, the production capacity of unrefined rapeseed oil was 161 thousand tonnes per year.
- Rapeseed oilcake production also increased in 2019, reaching 108 thousand tonnes of finished goods, exceeding last year's figure by 27%.

What is the attractiveness of the project?

- **Proximity to capacious markets.** Considering the geographical proximity of the country to capacious sales market of China, the short transport leverage makes it possible to establish exports to take a significant share in those consumption markets.
- **Reliable suppliers of raw materials.** The initiator entered into a forward purchase agreement for seed supply with agricultural producers of Kazakhstan and Russia. Cooperation with the producers will imply that the Initiator covers the cost of seed purchase and agricultural activities, including harvesting.
- **Experience in implementing similar projects.** The Initiator has a successful experience in implementing complex capital-intensive projects. In early 2021, the Initiator launched an industrial greenhouse complex Eurasian Green Product LLP for growing tomatoes and cucumbers with an area of 5.1 hectares in Almaty region.

Investment proposal

The Project requires investment of US\$ 30,336 thousand, of which:

- 70% (US\$ 21,235 thousand) – debt financing subject to collateral;
- 30% (US\$ 9,101 thousand) – Investor participation.

The proposed financing structure and state support measures are indicative. The final financing structure and Project interests will be determined based on the results of negotiations with the investor.



Construction of a greenhouse complex

Commercial products

The annual production capacity when reaching full capacity in 2025 will be:

- Tomatoes – 1,642 tonnes;
- Cucumbers – 2,309 tonnes.

Investment attractiveness of the project:

Investment – US\$ 15,550 thousand
 Project NPV – US\$ 17,813 thousand
 IRR – 25.4%
 Payback period – 6.1 years

Project description

The project envisages the construction of a greenhouse-type agro-industrial complex for the production of tomatoes and cucumbers in Aktobe. The complex will be built on own land plot with an area of 5.6 hectares. Aktobe agglomeration is a densely populated region, where about 0.9 million people live, and have an extensive road transport and logistics infrastructure. Thus, the location of the greenhouse complex in Aktobe region will allow covering the neighbour regions of Kazakhstan (Uralsk, Atyrau and Nur-Sultan), as well as border regions of Russia (Orsk, Samara, Orenburg, etc.).

What is the attractiveness of the project?

- **Environmentally friendly products and year-round harvest.** Compliance with standards of environmentally friendly growing of tomatoes and cucumbers, without the use of genetically modified material is an advantage in comparison with imported tomatoes and will allow occupying a certain niche in the consumer basket. Heating and artificial lighting systems ensure year-round harvesting.
- **State support.** The project is included in the list of priority sectors for state support. The state programmes provide for a number of benefits, preferences and grants. The availability of resources and state support instruments and the use of innovative production technology allow increasing production capacity, taking into account export opportunities, and diversifying the range of products.

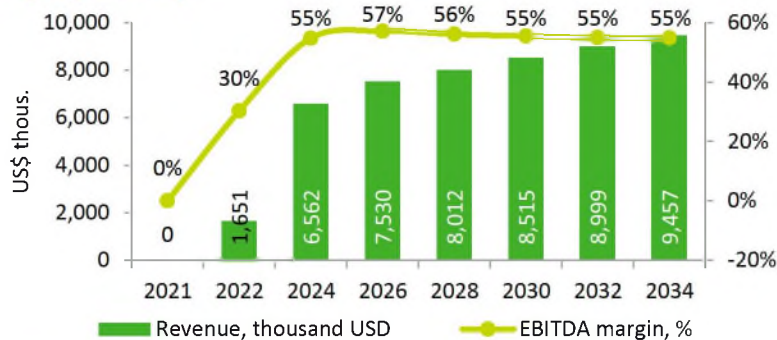
Company

Eco product Company LLP owns a land plot with a total area of 14 ha.

Market

- Imports of tomatoes and cucumbers into Kazakhstan in 2020 amounted to 60 thousand tonnes and 8 thousand tonnes, respectively. The construction of the greenhouse complex will reduce the volume of imports and provide the domestic market with high-quality domestic products.
- In 2020, the gross harvest of greenhouse tomatoes and cucumbers in Kazakhstan amounted 145 and 101 thousand tonnes, with an increase of 18.0% and 14.8% compared to the previous year, respectively. In 2020, the area of greenhouses for growing tomatoes and cucumbers in the country amounted to 744.4 ha and 623.9 ha respectively.

Project profitability



Location





Expansion of the confectionery production

Commercial products

Production volume will be as follows:

- biscuits – 2,371 tonnes;
- candies – 402 tonnes;
- marshmallow – 1,099 tonnes;
- chak-chak – 298 tonnes;
- jams, preserves, fillers – 265 tonnes.

Investment attractiveness of the project:

Investment – US\$ 10,779 thousand
 Project NPV – US\$ 6,045 thousand
 MIRR – 17.6%
 Payback period – 10.1 years

Project description

This investment project (hereinafter - the "Project") envisages the expansion of the confectionery production in Shymkent in order to meet domestic demand for high-quality confectionery products, increase export potential of the country, as well as create up to 160 new jobs in Shymkent.

Company

SWEET Ideas-KZ LLP is an operating confectionery enterprise. Main activity: Production of bread; production of fresh flour confectionery, cakes and pastries. Company has distributors in Kazakhstan and Kyrgyzstan.

Market

- In 2020, the production of flour confectionery, as well as cocoa, chocolate and sugar products in the world amounted to USD 412 billion and USD 163 billion, respectively. In 2020, there was a slight decrease in production indicators by 2%.
- Consumption of long-life confectionery increased by 12% in 2020 compared to 2016, while CAGR of consumption of breadcrumbs and biscuits for the period 2016-2020 was 3%, which indicates a stable demand for products in the low-price segment. Consumption of chocolate and sugar products has increased by 5% over the past five years, reaching 163,000 tonnes in 2020.

What is the attractiveness of the project?

- **Advantageous location.** The initiator is one of the producers of confectionery products in Shymkent agglomeration. The plant is located in close proximity to the target group of consumers numbering 1.1 mln people. Availability of developed transport junction in Shymkent will allow prompt delivery of products to the regions of Kazakhstan and further to the market of Kyrgyzstan and Uzbekistan.
- **Year-round production.** The company has a storage area of 2,500 sq.m , which will allow it to keep raw materials in proper quality to ensure year-round uninterrupted production, which in general mitigates the risk of seasonal production.

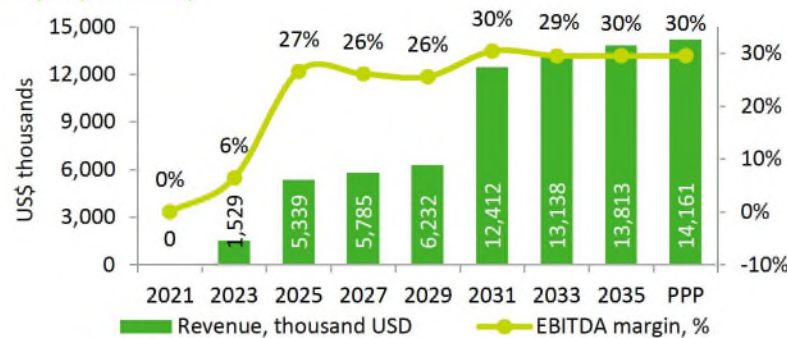
Investment proposal

The Project requires investment of US\$ 10,779 thousand, of which:

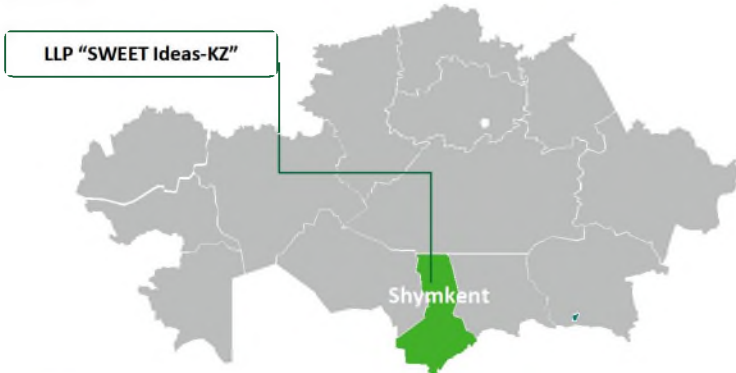
- 70 % (US\$ 7,545.3 thousand) – debt financing subject to collateral;
- 30 % (US\$ 3,233.7 thousand) – Investor participation.

The proposed financing structure and state support measures are indicative. The final financing structure and Project interests will be determined based on the results of negotiations with the Investor.

Project profitability



Location





Construction of a fruit and vegetable processing plant

Commercial products

The total volume of production in the assortment will be:

- tomato paste (per 1 kg) – 3,000 tonnes per year;
- juices and fruit drinks (per 1 litre) – 10 mln packages per year;
- jam (per 0.45 kg) – 2 mln jars per year.

Investment attractiveness of the project:

Investment – US\$ 10,000 thousand
 Project NPV – US\$ 25,869 thousand
 IRR – 34.1%
 Payback period – 5.2 years

Project description

This investment project ("Project") envisages the construction of a fruit and vegetable processing plant. Planned product range: tomato concentrate, juices and fruit drinks and jam. The place of implementation is the industrial zone Zhuldyz in Shymkent.

Company

Gold Leader 2020 LLP was established for the implementation of the project.

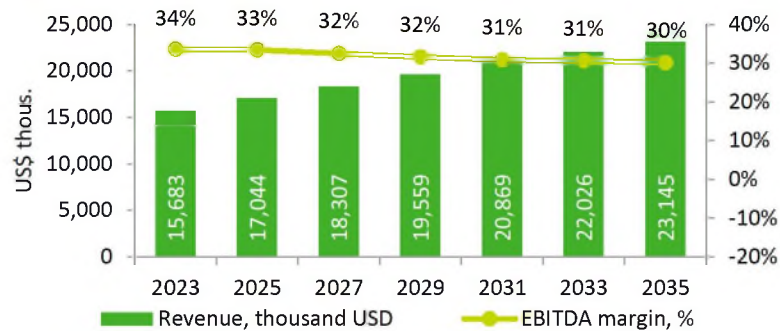
Market

- In 2020, the global juice market was valued at 44.4 billion litres. According to Report linker forecasts, this figure will reach 50.6 billion litres by 2024, with CAGR at 2%.
- In 2020, the production of apple juices in Kazakhstan amounted to 14.6 million litres. Fitch Solutions expects an increase in fruit juices consumption in Kazakhstan due to the transition to a healthy lifestyle of the population after the pandemic (CAGR of 8.59% in the sales of fruit and vegetable juices in the period from 2021 to 2024).

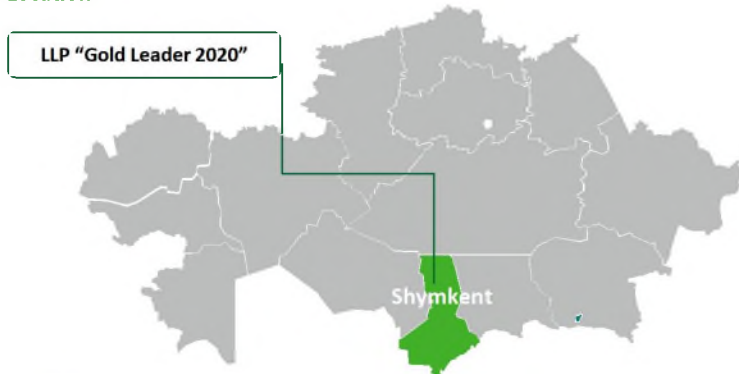
What is the attractiveness of the project?

- **Favourable climate.** South Kazakhstan is traditionally Kazakhstan's fruit and vegetable growing area, where the combination of a warm climate, fertile soil and special irrigation system aid effective plant growing development and, correspondingly, high yield.
- **Proximity to major markets.** Shymkent is geographically close to the major sales markets of Almaty and Almaty region (4 million people). The enterprise has an advantageous economic location from a production possibility perspective and access to transportation to ensure product supplies to the various regions of Kazakhstan, with subsequent export to Russia.

Project profitability



Location





Modernization and expansion of the existing pig-breeding complex for a selection-hybrid center with further processing of its own raw materials

Commercial products

Annual capacity: 30,000 pigs; 2,300 tonnes of meat products, 474 tonnes of offal

Investment attractiveness of the project:

Investment – US\$ 7,282 thousand
 Project NPV – US\$ 15,836 thousand
 IRR – 33.4%
 Payback period – 5.1 years

Project description

The Project envisages a pig-breeding complex upgrade and expansion to achieve a production capacity of 30,000 per year with the creation of a genetic selection centre ("GSC").

Company

Initiator of the project is ZhK Leninsky LLP. The Company's main activity is the production of pigs in live weight for slaughterhouses in Kostanay and other regions of Kazakhstan. The total area of the Company's buildings and structures is 7,563.9 sq. m. The staff includes specialists who have degrees in veterinary sciences and animal science with the 15-year average work experience in pig breeding.

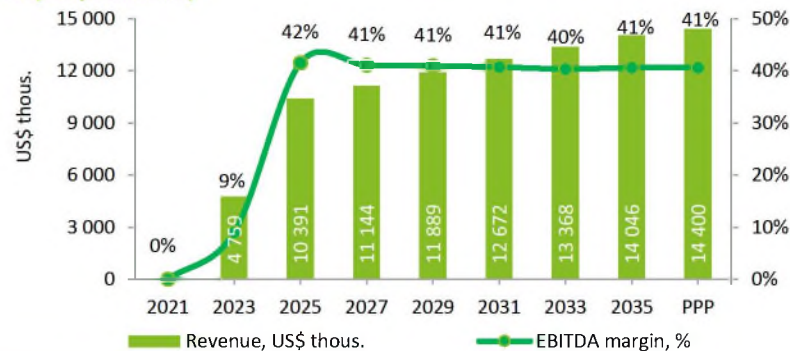
Market

- In 2020, the volume of global pork consumption was 106.3 million tonnes. According to the OECD and UN FAO forecasts, the global consumption of this type of meat will increase. The CAGR in 2021-2029 will be 1.75%. Pork consumption is projected to increase by 9.2% by 2023.
- A decrease in the level pork consumption is observed within the period of 2016-2020. The average per capita consumption of pork reached 5.4 kg in 2015-2016, while in 2019-2020 the mentioned indicator stabilised at the level of 4.7 kg. According to the forecast of OECD, pork consumption in the country will stabilize at 4.5 kg by 2029. Generally, it should be noted that domestic demand is fully satisfied by domestic production. Therefore, production of pork in Kazakhstan has a high export potential.

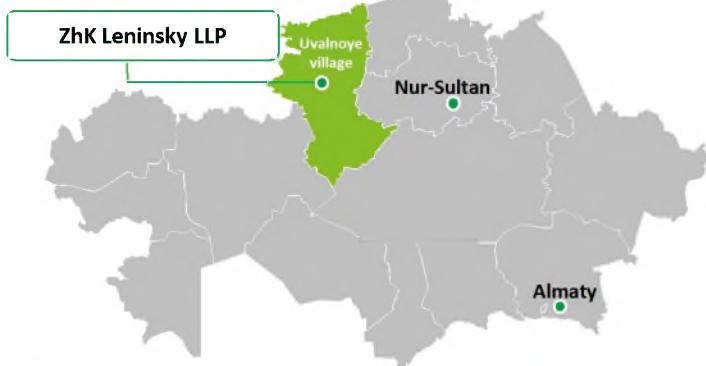
What is the attractiveness of the project?

- **Favourable location.** The availability of a developed transport infrastructure and large vacant lands, as well as water and specialised labour resources make Kostanay region attractive for pig breeding.
- **Availability of infrastructure.** The company has land a plot of over 11 hectares, with connected electricity and water supply systems, as well as production facilities.
- **Independence from feed supply and quality control.** The availability of equipment for the compound feed production with a capacity of 10 t/h allows the company to reduce feed costs and to ensure the proper quality of feed.

Project profitability



Location





Alfalfa cultivation on 10 thous. ha with sprinkler irrigation

Commercial products

Dry alfalfa hay – 147.1 thousand tonnes

Investment attractiveness of the project:

Investment – US\$ 66,507 thousand
 Project NPV – US\$ 21,893 thousand
 IRR – 20.3%
 Payback period – 7.24 years

Project description

The Project envisages the production of quality alfalfa-based fodder on a 10,000 ha site in the Shiyeli District of Kyzylorda Oblast, and involves the gradual cultivation of high-yield seeds using regular irrigation technology and modern machinery and equipment.

What is the attractiveness of the project?

- **Advantageous location.** Kyzylorda Oblast is situated to the east of the Aral Sea in the Syrdariya River downstream area. The region's severe continental climate is favourable for sowing alfalfa, which thrives in warm and light conditions, and is also frost resistant. The oblast is marked by a lengthy vegetation period (temperature of over +5°C) of 191-200 days, and an active vegetation period (temperature in excess of +10°C) of 164-173 days. Average annual precipitation is 130 mm.
- **Irrigation system use.** Dependence on meteorological conditions and natural disasters increases the risk of shortages in or low-quality raw materials for production purposes. Irrigation minimizes typical negative meteorological factors of agricultural crops' cultivation.

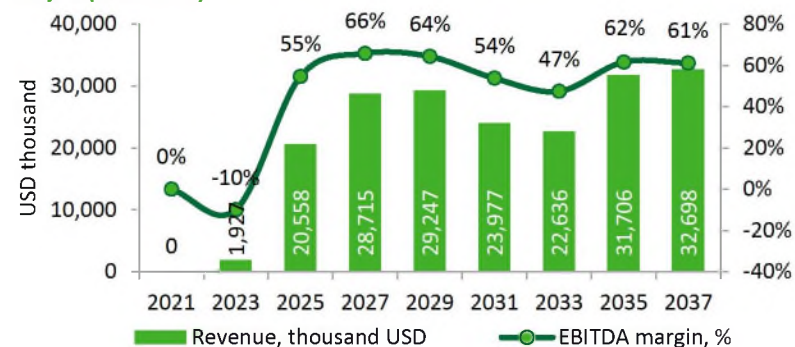
Company

Tin Oris LLP was established for the implementation of the project.

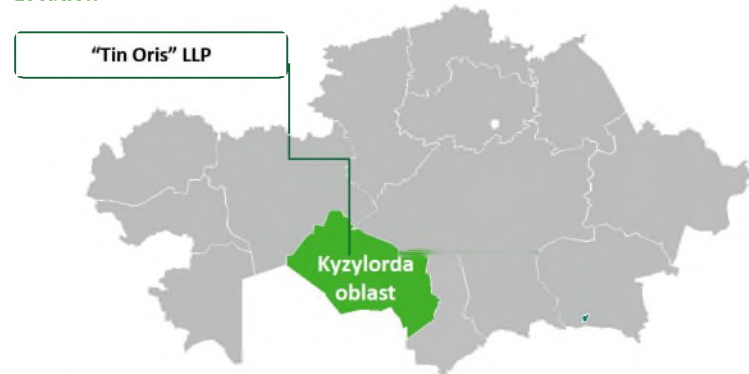
Market

- In 2020, global demand for alfalfa hay amounted to 3,670 million USD, with average annual growth in 2016-2020 of -3.3%. According to Global Research & Data Services, demand for alfalfa hay will grow 2.8% per year between 2021 and 2025 to 4,182 million USD by 2025.
- In 2020, China imported 1,694 thousand tonnes of alfalfa hay, or 6% more than in 2019. On the whole, the last three years have seen positive changes.
- As at 2019, meat cattle generated the greatest demand for alfalfa hay (81.4%). Alfalfa hay is also used as horse (110%) and poultry (3.2%) fodder.

Project profitability



Location





Fresh fruit processing plant for juice production

Commercial products

Apples – 3,900 tonnes;
Apple juice of direct extraction - 437 thousand litres.

Investment attractiveness of the project:

Investment – US\$ 9,365 thousand
Project NPV – US\$ 5,860 thousand
IRR – 20.6%
Payback period – 7.77 years

Project description

This investment project ("Project") envisages to expand the production of an existing fruit growing enterprise in the Almaty region. The expansion plan provides for the laying of an additional 80 ha of orchards, the construction of a 2,000 tonnes fruit storage facility equipped with a standard CAS (controlled atmosphere storage) and a workshop for the production of direct-pressed apple juice.

What is the attractiveness of the project?

- **Favorable climate and advantageous location.** The gardens are located in the foothills of the Zailiyskiy Alatau in the Almaty region, where the combination of a warm climate, fertile soil and a special irrigation system contributes to effective gardening and, accordingly, high yields.
- **The use of advanced technologies.** Storing apples in a controlled atmosphere (CAS) slows down the processes of post-harvest ripening in the fruit, which prolongs the period of their storage without reducing the commercial quality. Ripe apples that do not meet the standard for sale fresh serve as raw material for the production of natural juices. Juice production expands the range of products produced and minimizes production waste.
- **Drip irrigation system.** Uniform and balanced supply of water and fertilizers allows to optimize growing conditions and increase crop yields, improving the quality of the product.

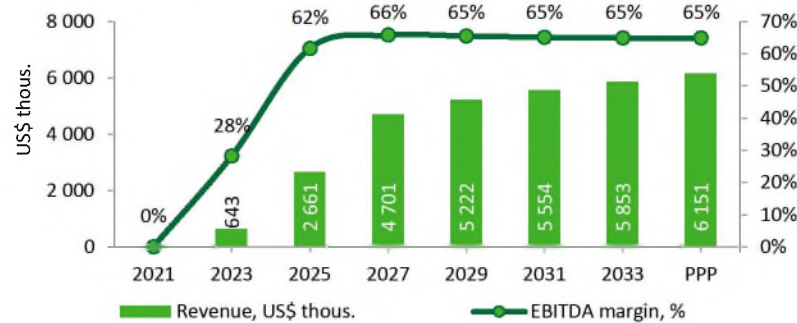
Company

ARNAU AGRO LLP owns land plots with a total area of 348.9 ha in the Enbekshikazakh district of Almaty region, where apple orchards and infrastructure for special machinery and fruit storage are located.

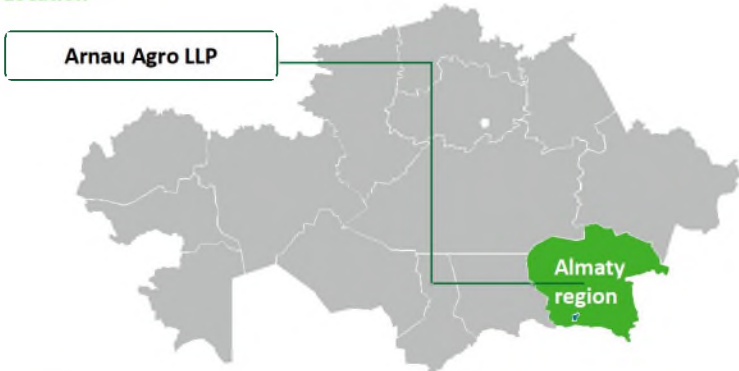
Market

- In 2020, the global juice market was valued at 44.4 billion litres. According to Report linker forecasts, this figure will reach 50.6 billion litres by 2024, with CAGR at 2%.
- In 2020, the production of apple juices in Kazakhstan amounted to 14.6 million litres. Fitch Solutions expects an increase in fruit juices consumption in Kazakhstan due to the transition to a healthy lifestyle of the population after the pandemic (CAGR of 8.59% in the sales of fruit and vegetable juices in the period from 2021 to 2024).

Project profitability



Location





Construction of a poultry farm for meat and egg production

Commercial products

Annual project capacity:

- poultry meat - 260 tonnes;
- commercial egg - 122 mln units.

Investment attractiveness of the project:

Investment – US\$ 11,212 thousand
 Project NPV – US\$ 10,728 thousand
 IRR – 26.5%
 Payback period – 6.05 years

Project description

This investment project envisages the construction of a poultry farm for meat and egg production in Aktobe region. The design production capacity is 122 million eggs and 260 tonnes of chicken meat per annum. A lease contract for a land plot of 30 ha for the period of up to 10 years has been concluded with the Mayor's Office of Alga district, Aktobe region. In addition, 6.3 ha were allocated under the Project for connecting external gas supply and electricity networks.

Company

Ulan Poultry Farm LLP is an agricultural enterprise specially created for the implementation of this project.

Market

- According to the OECD and FAO UN forecasts, there will be an increase in overall poultry consumption in the world. The CAGR in 2021-2024 will be 1.8%.
- In 2020, the poultry production and consumption amounted to 96.5 and 246.2 thousand tonnes, respectively. On average, 84% of poultry consumption is covered by domestic production, the rest is covered by imported meat. The CAGR of poultry consumption in Kazakhstan in the period from 2021 to 2024 will amount to 1.3%, reaching the level of 263.9 thousand tonnes. The growth in the poultry consumption is explained by the population growth and a gradual change in the food culture of the population, which in recent years has become healthier and more dietary.
- Per capita poultry consumption in Kazakhstan was 12.4 kg per person in 2020. Per capita poultry consumption will also rise to 12.9 kg per person by 2024.

What is the attractiveness of the project?

- **Project location.** Aktobe region has an extensive road transport and logistics infrastructure: the region has highways of republican and regional significance with access to the regions of Russia and the cities of Kazakhstan.
- **State support.** The project is included in the list of priority sectors for state support. The state programmes provide for a number of benefits and preferences.
- **Own fodder base.** The initiator plans to produce its own feed, which will reduce the cost of the final product, as well as dependence on suppliers.
- **Final stage of the Project.** An administrative block, a veterinary block and a utility building have been already built on the territory of the planned poultry farm, the foundations for the construction of two poultry houses and a feed mill have been prepared.

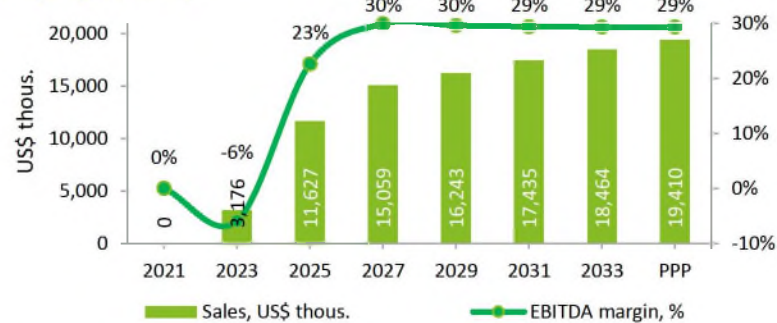
Investment proposal

The Project requires investment of US\$ 11,212 thousand, of which:

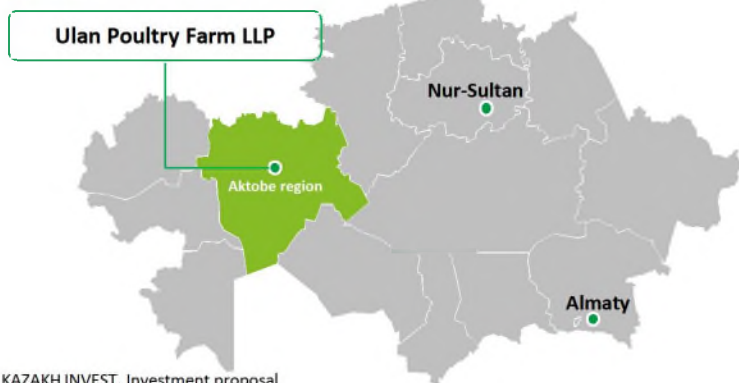
- 70% (7,848.4 thousand USD) – debt financing subject to collateral;
- from 30% (3,363.6 thousand USD) – Investor participation.

The proposed financing structure and state support measures are indicative. The final financing structure and Project interests will be determined based on the results of negotiations with the investor.

Project profitability



Location





Manufacturing of lift equipment

Annual capacity:

- cargo-passenger elevators – 275 units
- disabled lifts – 98 units
- modernization of elevators - SKD – 123 units.

Project investment attractiveness :

Investment– 3,371 US\$ thousands
 Project NPV – 13,567 US\$ thousands
 MIRR – 29.8%
 Payback period– 1.5 years

Project

This investment project (the “Project”) provides for the manufacturing of lifts and wheelchair lifts at the production sites of Kazlift LLP. Kazlift has been operating since 2018; all the necessary infrastructure and engineering lines have been installed. The total area of the plant is 2,280 sq. m.

Company

Spetsmash Astana LLP is a joint venture between Kazlift (share – 35% and Kazakhstan Engineering National Company JSC (share – 65%).

Main activity: other professional, scientific and technical activities, not included in other categories.

Under the Project, in the distribution of functional responsibilities between the participants, commercial and administrative issues were allocated to the competence of Spetsmash Astana LLP.

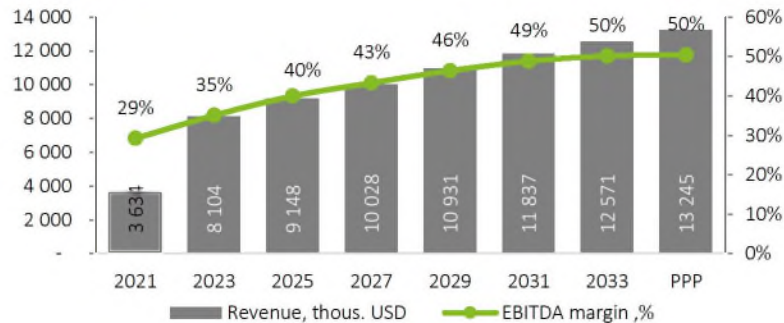
Market

- The global lift market is estimated at US\$ 119 billion in 2019. The lift market is projected to reach US\$ 183 billion by 2027. The main driver is the recovery and growth of the construction sector in the world.
- The main demand for lifts is covered by imported equipment sold through distributors. In 2020, Kazakhstan imported 6,227 lifts and skip lifts.
- The volume of lift manufacturing in Kazakhstan averages 391 units. However, the lift manufacturing cycle in Kazakhstan is incomplete.

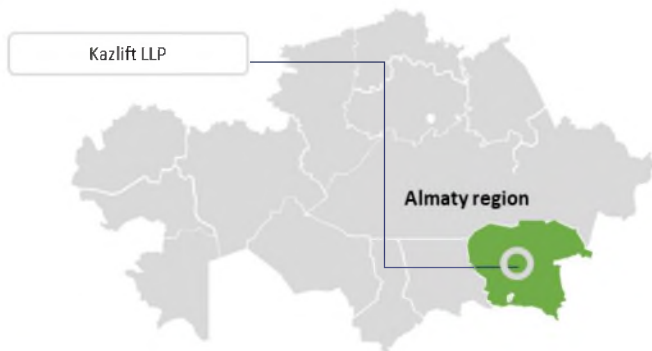
What is the project's attractiveness?

- **Initiator's experience.** The client portfolio of Kazlift includes national companies from NWF Samruk-Kazyna JSC group, Kazakhstan Mortgage Company JSC, as well as construction organizations.
- **Availability of a developed infrastructure.** LGS Kazakhstan Elevator Group, a subsidiary of Kazlift, provides equipment for the lift manufacturing.
- **Branded products and compliance with standards.** The products of Kazlift, included in the register of domestic manufacturers, have been certified for compliance with the National Standard of the Republic of Kazakhstan for installation and operation of lifts, escalators, travelators and wheelchair lifts and has a certificate of origin of goods form CT-KZ.

Project profitability



Project location





Construction of an advanced wool processing plant in East-Kazakhstan Oblast

Product

Processing capacity: 10,000 tons of unwashed wool.
Production volumes: tops – 2 453 tons; cashmere – 2 180 tons.

Investment attractiveness of the project:

Investment – 20,000 thousand USD
NPV – 27,692 thousand USD
IRR – 25.3%
Payback – 6.5 years

Project

The plan for the investment project (“Project”) is to construct a wool primary treatment (“WPT”) plant with advanced wool processing and fibre (cashmere) removal, as well as wool washing and tops production.

In the second stage, the Company is planning to build its own agricultural firm to source raw materials for the WPT plant.

What is the attractiveness of the project?

- **Advantageous location.** East-Kazakhstan Oblast with its favourable climate is traditionally Kazakhstan’s meat and wool sheep breeding region. The region also has a well-developed road and logistics network, which helps minimise both the time and costs needed to deliver finished products to practically any region of the country.
- **Creation of purchasing centres.** The plant will be in close proximity to raw material suppliers, which will ensure an uninterrupted supply of crude wool.
- **Advanced processing.** Modern production equipment makes it possible to produce quality fibre to create cashmere from crude wool. Cashmere is in demand in the EU, China, Turkey and the CIS.

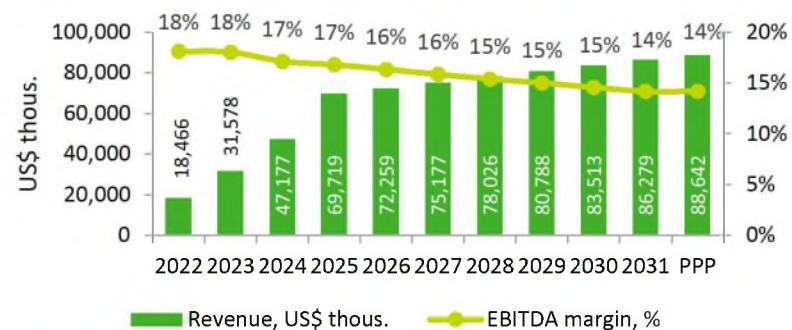
Company

Belsan I K LLP was registered in 2009 to treat wool. After reaching planned capacity, the Company is planning to apply to join the International Wool Textile Organisation (IWTO), which will help establish close links with leading companies (processors and/or sellers).

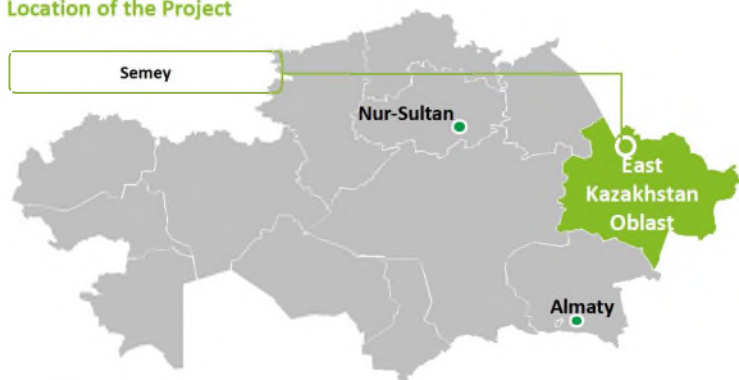
Market

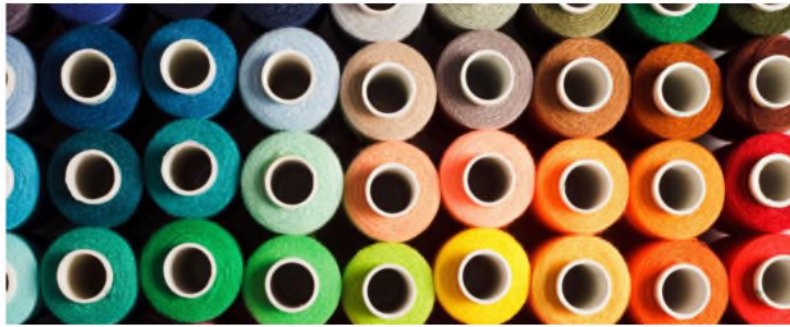
- In the last 5 years, annual wool production in Kazakhstan averaged 39 thousand tonnes. Average wool production growth was 0.9%, while production reached 40.2 thousand tonnes in 2020.
- Sheep wool makes up the greatest share of wool production (97.7%). It is due to the large sheep herds in Kazakhstan. The majority of animals are bred in private businesses, with the share of agricultural enterprises insignificant.

Project profitability



Location of the Project





Construction of a textile plant

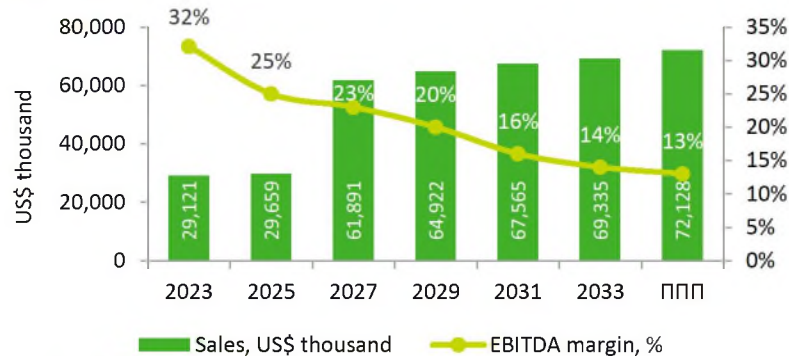
Product

Processing capacity: 20,000 tons of cotton fibre.
Production volumes: yarn – 18,000 tons; cotton fibre waste – 1,300 tons.

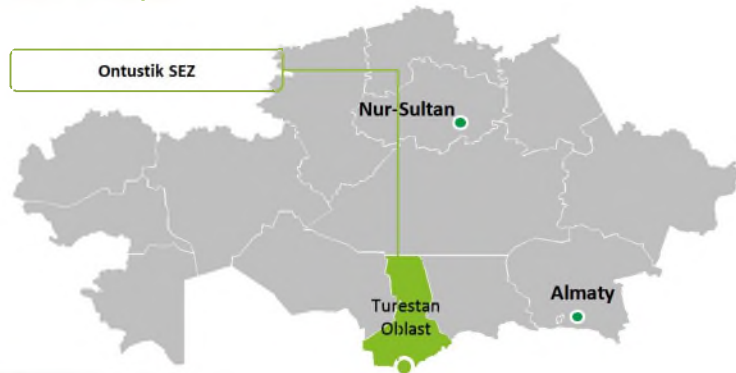
Investment attractiveness of the project:

Investment – 34,053 thousand USD
NPV – 28,486 thousand USD
MIRR – 23.1%
Payback – 5.3 years

Project profitability



Location of the Project



Project

The investment project (“Project”) involves the construction of a textile plant to process cotton fibre into yarn for weaving. The Project is due to be realised in two stages:

- cotton fibre production capacity will be 10 thousand tonnes in stage one;
- capacity is due to be increased to 20 thousand tonnes per year for stage two.

The plant is due to be built in the Ontustik SEZ in Shymkent. Turkestan Oblast is the only region in Kazakhstan producing cotton thanks to its favorable climate.

The Initiator has signed agreements of intent with local producers to supply 20-30 thousand tonnes of cotton fibre per year.

Company

Shymkent Textile Group LLP was created to implement a project to produce cotton yarn from cotton fibre processing for weaving purposes.

Market

- In Kazakhstan, the average gross raw cotton harvest is 326.5 thousand tonnes, while cotton fibre production is 74.5 thousand tonnes. On average, fibre yield from raw cotton in Kazakhstan is 20%, which is lower than industry averages in other Central Asian countries (30-40%), but is growing year on year.

What is the attractiveness of the project?

- **Advantageous location.** Turkestan Oblast is the only region in Kazakhstan producing cotton, and is home to a number of textile enterprises and plants. The region is known for its well-developed transportation and logistics infrastructure, which helps to reduce the time and costs needed to deliver finished products across the country and overseas.
- **SEZ advantages.** As the Company operates in a SEZ, the Project may be eligible for CIT, property tax, land tax and land use charge exemptions, as well as a simplified procedure for hiring foreign specialists, special customs and tax regimes, and access to a “one-stop-shop” in terms of servicing for the entire Project.

Investment proposal

The Project requires investment of 34,053 thousand USD, of which:

- 70% (23,837 thousand USD) – debt financing subject to collateral;
- 30% (10,216 thousand USD) – investor participation.

The proposed financing structure and state support measures are indicative. The final financing structure and Project interests will be determined based on the results of negotiations with the investor.

The investment allocation is as follows:

- 15% (5,000 thousand USD) – buildings and structures;
- 65% (22,040 thousand USD) – equipment purchases;
- 20% (7,013 thousand USD) – working capital.