



belagroprombank

INVESTMENT MEMORANDUM

OZERITSKY-AGRO
OPEN JOINT-STOCK COMPANY

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INVESTMENT PROPOSAL

THE PURPOSE OF ATTRACTING AN INVESTOR

- Collaborative efforts to develop the enterprise and improve its performance through:
 - enhancement of the business and management mechanisms
 - joint implementation of investment projects

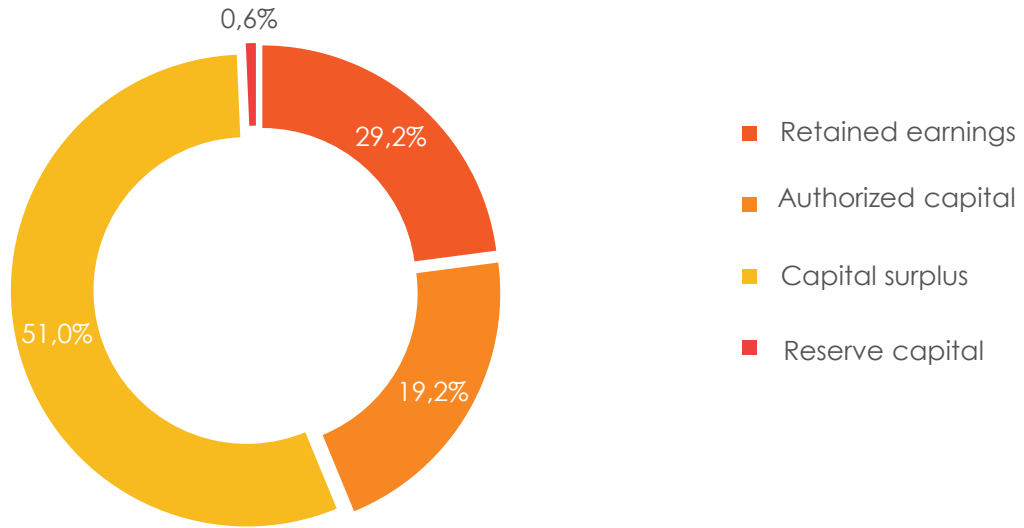
CO-OPERATION FORMS

- Sale of 10% stock to the investor
- Joint development and implementation of investment projects
- Harmonization of the marketing and sales policies
- Adoption of progressive/innovative technologies of agricultural produce manufacturing, processing and sale

| Indicator | Long-term investments |
|--|-----------------------|
| Authorized capital as of 01/01/2022, BYN | 14,392,500 |
| Net assets/equity as of 01/01/2022, BYN | 75,040,000 |
| Total shares | 143,925 |
| Par value, BYN | 100 |
| Shares acquired, each | 14,349 |
| Acquired stock value*, BYN. | 7,481,319.85 |
| Acquired stock of Ozeristky-Agro OJSC, % | 10 |

*calculated on the amount of net assets per share

NET CAPITAL BREAKDOWN AS OF 01/01/2022



BALANCE SHEET BREAKDOWN, BYN '000

| Indicators | 01.01.2021 | 01.01.2022 |
|---------------------|------------|------------|
| Fixed assets | 72,641 | 71,752 |
| Inventory | 21,641 | 24,859 |
| Accounts receivable | 3,206 | 2,623 |
| Equity | 68,997 | 75,040 |
| Credits and loans | 27,379 | 24,677 |
| Accounts payable | 2,796 | 3,071 |

OVERVIEW

OZERITSKY-AGRO OPEN JOINT-STOCK COMPANY

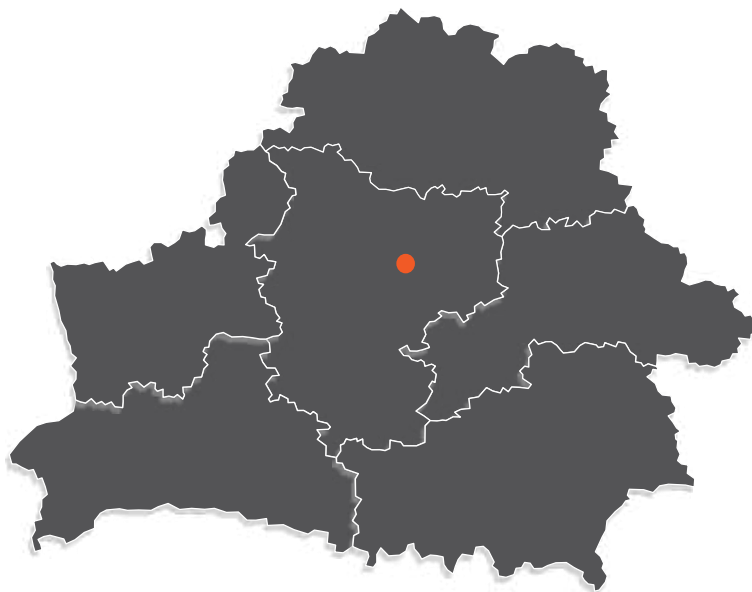
- Ozeritsky-Agro was founded as a private unitary enterprise in Smolevichi District on November 4, 2005, by a resolution of the Minsk Regional Executive Committee via full or partial mergers of six agricultural cooperatives.
- On June 30, 2014, Ozeritsky-Agro PUE changed its name to Ozeritsky-Agro Agricultural Unitary Enterprise
- On December 16, 2016, Ozeritsky-Agro Agricultural Unitary Enterprise changed its name to Ozeritsky-Agro Open Joint-Stock Company (OJSC) by acquiring official Legal Entity Registration Certificate No. 690363881 dated December 16, 2016.

EQUITY DISTRIBUTION

| | |
|---------------------------------------|----------|
| Net assets, BYN '000(01.01.2022) | 75,040 |
| Net assets per share, BYN(01.01.2022) | 521.38 |
| Authorized capital, BYN '000 | 14,392.5 |
| Share value, BYN | 100 |
| Common/ordinary shares, each | 143,925 |
| Belagroprombank OJSC, each | 143,493 |
| Other legal entities, each | 432 |
| Preferred shares | none |



OVERVIEW



LOCATION



7 Tsentralnaya Street, Agrotown of Sloboda, Ozeritskaya Sloboda Rural Council, Smolevichi District, Minsk Region 222215, Republic of Belarus.



The central estate of Ozeritsky-Agro OJSC is 1 km off the railway station of Sloboda, 10 km off M1 Brest-Moscow National Route and 20 km off Minsk-2 National Airport,



The climate is warm/temperate with unstable winters (average temperature in July: 18.4°C, in January: 5.9°C), average annual precipitation: 573 mm, growing season: 197-200 days, natural fertility of agricultural land: 34.4, arable land: 35.2.

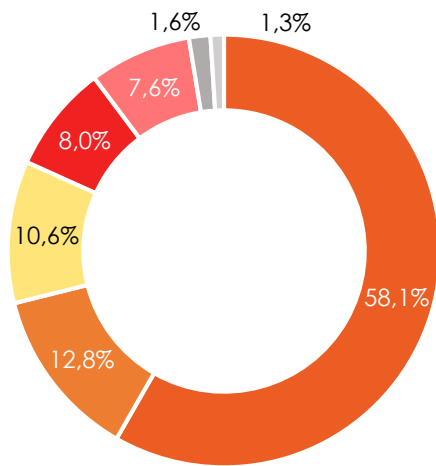


The enterprise area encompasses 26 settlements administered by two rural councils, Ozeritskaya Sloboda and Zabolotye.



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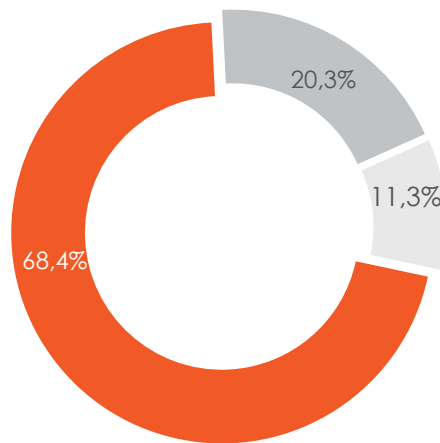
KEY SPECIALIZATION DATA



- Milk
- Greenhouse vegetables
- Cattle
- Cereals and legumes
- Potato
- Other crop products
- Services and other activities

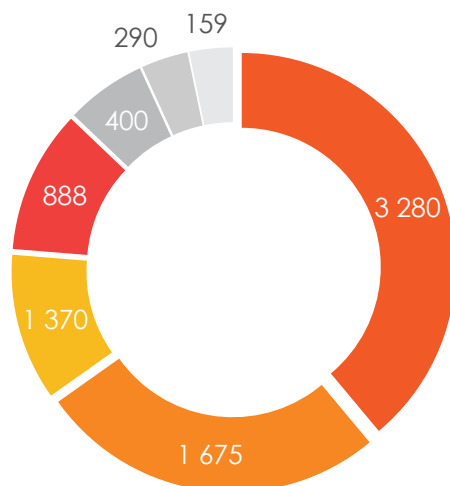
BREAKDOWN OF FIXED ASSETS

- Buildings and structures
- Machinery and equipment
- Other fixed assets



AGRICULTURAL LAND, ha

- Rapeseed
- Vegetables and potatoes
- Natural hay and pasture land



- Cereals including maize
- Forage crops
- Silage maize
- Cultivated hay and pasture land

*here and elsewhere the data are presented at the end of 2021

CORE BUSINESS

Ozeritsky-Agro OJSC is a large multi-profile agro-industrial enterprise.

Ozeritsky-Agro OJSC an agribusiness with an area of **8,622 ha**.

1. Crop farming: growing cereals, legumes, forage and industrial crops
 - agricultural land area: 8,062 ha including 7,015 ha of arable land.
 - meadows: 1,047 ha including 888 ha of ameliorated meadows.
2. Livestock farming: commercial dairy/cattle farming
 - total livestock: 6,248 head including 2,330 milking cows.





TOURIST ACTIVITIES

SOSNOVAYA HEALTH CENTER –

guest house accommodations:

- arrangements for events:
wedding/anniversary parties and banquets
- a sauna with a pool
- gazebos for outdoor activities

PARK DUBROVA ECOTOURIST COMPLEX –

beach recreation and fishing. The park occupies an area of 83 ha. An investor is sought to co-develop the project concept, co-finance the construction and subsequent operation. At present, the Park has the following facilities:

- parking lots for 233 and 86 cars, two security posts, perimeter fencing
- grading/leveling, revetments
- area zoning; prepared construction sites
- offsite utilities and amenities (sidewalks, stairs, sewerage, area lighting).





FACILITIES AND RESOURCES

OZERITSKY-AGRO OJSC

Buildings and structures:

commercial dairy farms: 3 each
cattle fattening and rearing farms: 4 each
grain cleaning and drying facilities: 7 each
vegetable storage facility for 10,000 tons: 1 each
vegetable storage facility for 2,000 tons: 1 each
greenhouse of 8,000 ha: 1 each

Transportation department:

tractors + loaders: 68 each
trucks: 34 each
combines: 13 each
foragers: 6 each
potato harvesters: 6 each

SOSNOVAYA HEALTH CENTER

Café/bar: 120 seats
VIP lounge: 12 seats
8-room guest house: 1 building
12-room guest house: 2 buildings
2-room guest house: 1 building
Sauna (with a billiard room, a swimming pool and a steam room): 10 seats
10-person gazebo: 1 each
Summertime café: 300 seats
Conference hall: 20 seats

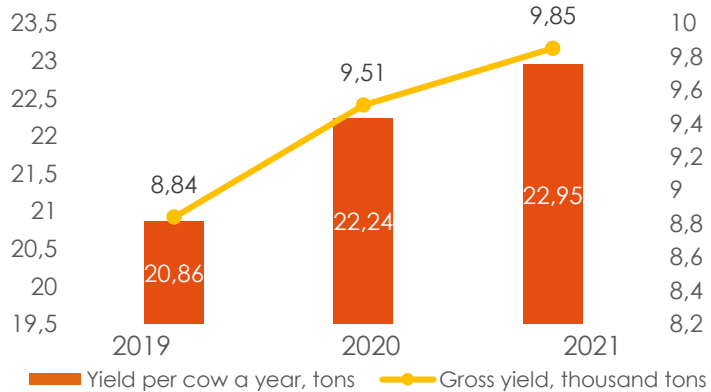
DUBROVA AGRO/ECOTOURIST PARK

8-person gazebo: 14 each
10-person gazebo: 7 each
12-person floating gazebo: 1 each
24-person gazebo: 1 each
Open 50-person gazebo: 1 each
Fishing bridges: 18 each
Sand beach: 1,500 m²
Children's beach: 700 m²

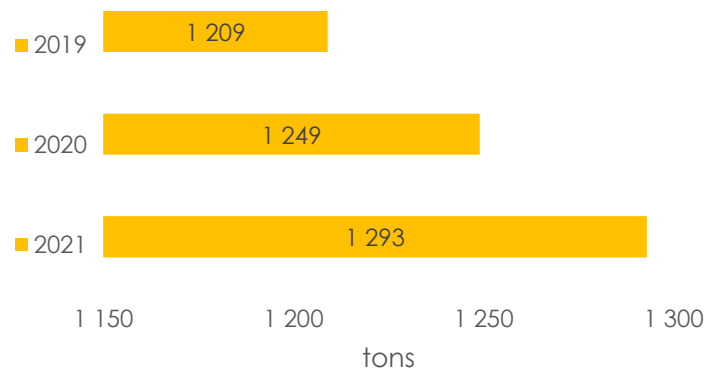
Children's playground (swings, slides): 1 each
Standard soccer field: 1 each
Minifootball field: 1 each
Volleyball court: 1 each
Lifesaving station: 1 each
Changing rooms: 8 each
Park benches: 32 each



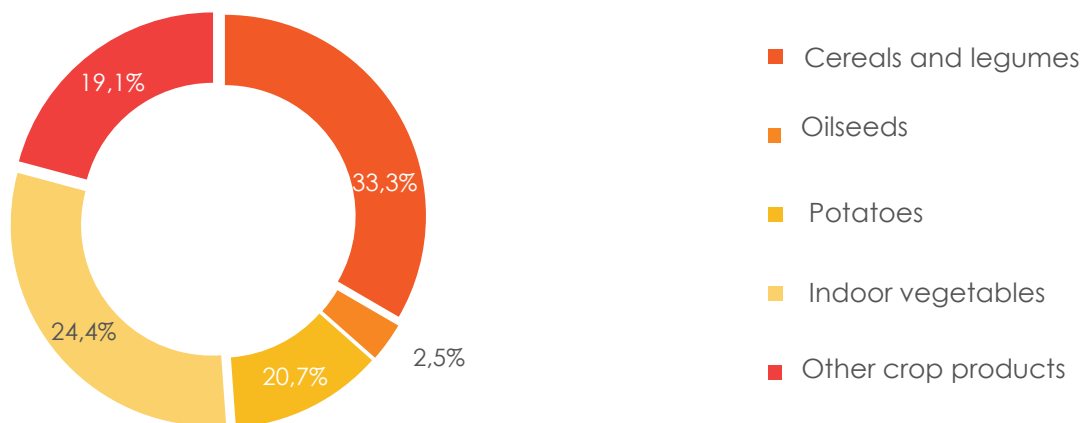
MILK YIELD



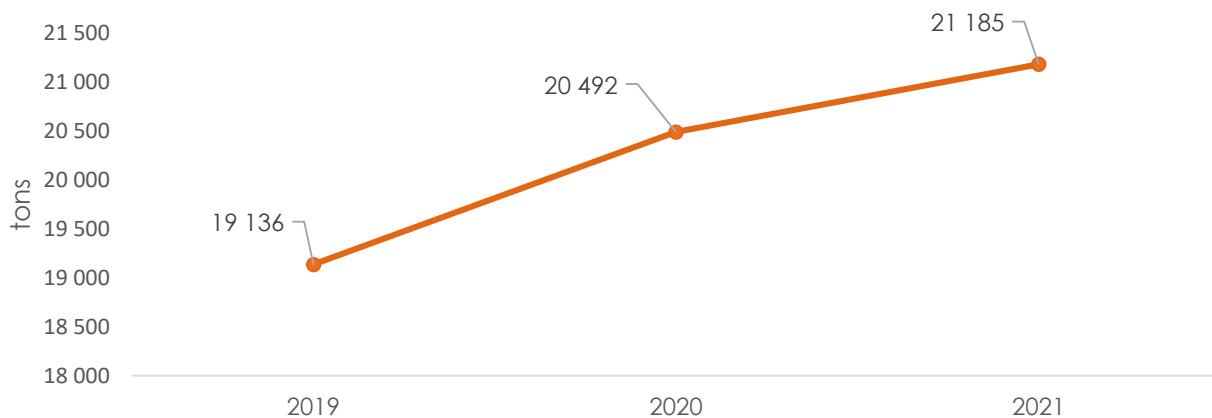
GROWN PRODUCE



STRUCTURE OF CROP FARMING OUTPUT



MILK SALES TRENDS



2021 GROSS FIGURES

LIVESTOCK PRODUCTS

Dairy products

| | |
|-----------------------------|--------|
| Gross yield, tons | 22,953 |
| Yield per cow, tons | 9.851 |
| Milk sold, tons | 21.185 |
| Milk marketability, % | 92,3 |
| Standard weight sales, tons | 21,947 |
| Standard fat content, % | 3.69 |

Cattle farming

| | |
|----------------------------------|-------|
| Total cattle stock, head | 6,248 |
| Calves, head | 2,525 |
| Grown produce, tons | 1,293 |
| Average daily weight gain, grams | 877 |
| Gross cattle weight gain, tons | 1,217 |
| Live weight sales, tons | 1,151 |

CROP FARMING PRODUCE

Commercial production

| | |
|-------------------------|--------|
| Cereals and legumes, ha | 3,060 |
| Processed weight, tons | 14,614 |
| Outdoor vegetables, ha | - |
| Output, tons | - |
| Potatoes, ha | 280 |
| Output, tons | 12,440 |
| Indoor vegetables, ha | 8 |
| Output, tons | 2,304 |

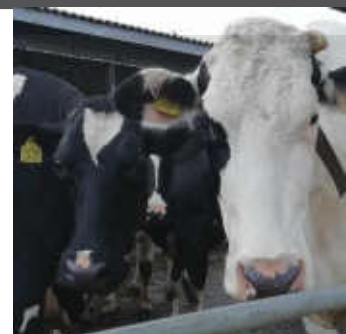
TOURIST AND RECREATION SERVICES

Sosnovaya Health Center

| | |
|--------------------------|-------|
| Guests accepted, persons | 2,952 |
| Total revenue, BYN '000 | 234,1 |

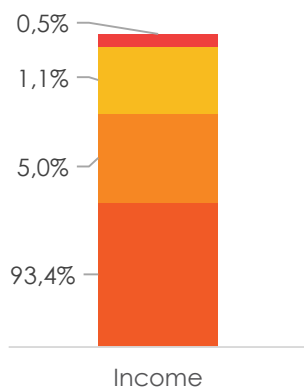
Park Dubrova Ecotourist Complex

| | |
|-----------------------------------|---------|
| Recreation area visitors, persons | 15,445+ |
| Total revenue, BYN '000 | 65.5 |

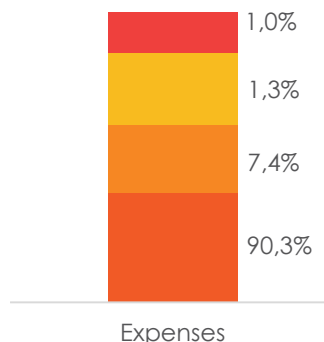


INCOME AND EXPENSE BREAKDOWN

- Income from financial activities
- Income from investment activities
- Income from current operations
- Income from sales of products, goods, work and services

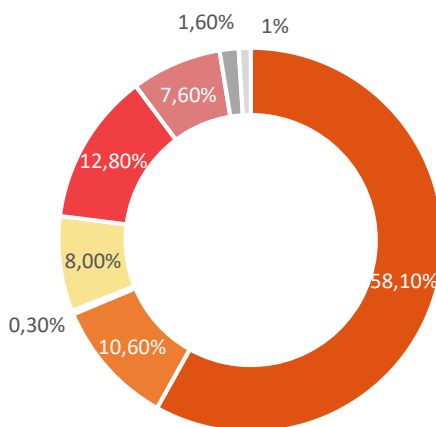


- Expenses on financial and investment activities
- Management expenses
- Expenses on current operations
- Prime cost of products sold



BREAKDOWN OF INCOME

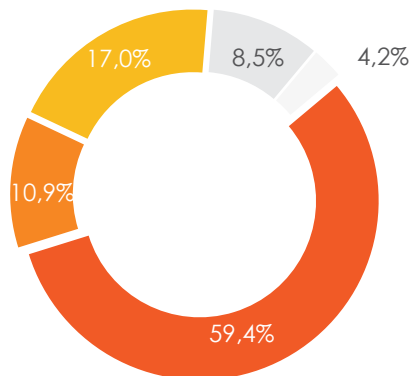
- Potatoes
- Other corn products
- Services and other activities
- Other livestock products



- Milk
- Cattle
- Cereals and legumes
- Greenhouse vegetables

BREAKDOWN OF EXPENSES

- Depreciation
- Other expenses



- Raw and other materials
- Fuels and energy
- Payroll with deductions

ECONOMIC EFFICIENCY

ANALYSIS OF THE BALANCE-SHEET ASSETS AS OF JANUARY 1, 2022

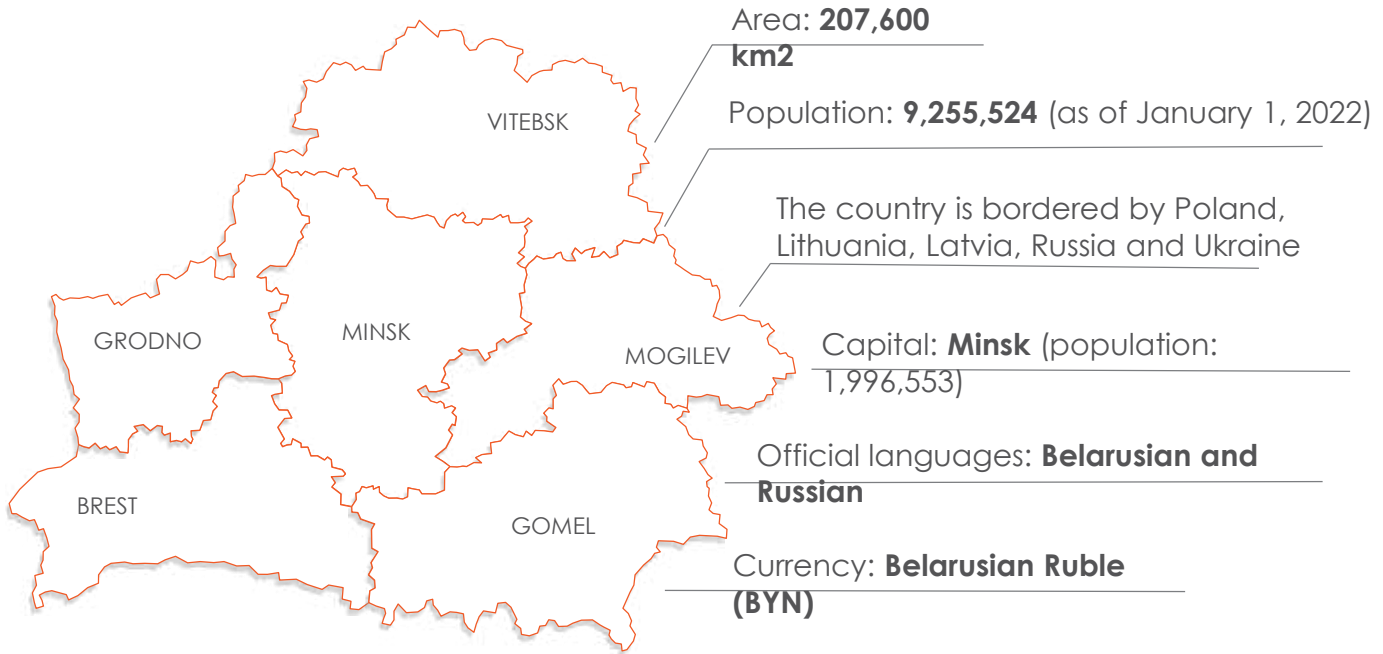
- Long-term assets account for 71.52% of the balance-sheet assets. The book value of fixed assets is BYN 71,752,000.
- The business entity has no incomplete major investment projects: its investments in long-term assets amount to BYN 90,000; or 0.09%.
- Current assets are highly liquid for the most part: the inventory totals to BYN 24,859,000; or 24.1% (including 6.6% - reared and fattened livestock).
- The share of the entity's balance-sheet receivables is minor: BYN 2,623,000; or 2.55%.

ANALYSIS OF THE BALANCE-SHEET LIABILITIES AS OF JANUARY 1, 2022

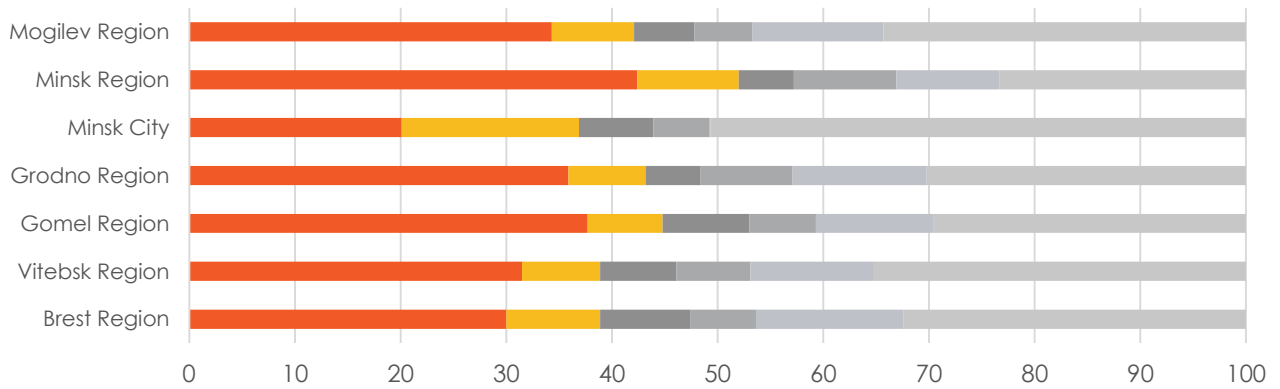
- Equity accounts for the largest part of the balance-sheet liabilities: BYN 75,040,000; or 72.8%.
- The balance-sheet long-term liabilities amount to BYN 19,764,000; or 19.2%. The weighted average annual percentage rate on loans is 1.38%.
- The balance-sheet short-term liabilities amount to BYN 8,217,000; or 8.0%, including short-term payables of BYN 2,351,000; or 2.3%.

ANALYSIS OF FINANCIAL SUSTAINABILITY AND SOLVENCY AS OF JANUARY 1, 2022

- Current ratio: 3.57 (standard: ≥ 1.5).
- Working capital to current assets ratio: 0.72 (standard ≥ 0.2). The ratio points at the working capital adequacy.
- Financial liabilities to assets ratio: 0.27 (standard: ≤ 0.85). The ratio describes the enterprise's ability to cover its financial liabilities after sale of its assets.



2021 GRP BREAKDOWN BY ECONOMIC ACTIVITIES



- Manufacturing industry
- Wholesale and retail
- Transportation
- Construction
- Agriculture, forestry and fish farming
- Other economic activities and net taxes on products

PROFILE OF THE REPUBLIC OF BELARUS

GEOGRAPHIC POSITION

- The Republic of Belarus is situated in the center of Europe at the intersection of west-east and north-south trade routes. The country is crossed by the shortest transportation links between EAEU and Western Europe. The Republic of Belarus is bordered by Lithuania and Latvia to the north, Ukraine to the south, the Russian Federation to the east and Poland to the west. The country's geographic position is of a strategic importance in terms of transport connections between the West and the East, as well as between the North and the South. The distance from Minsk to Warsaw is 500 km, to Moscow – 700 km, to Berlin – 1,060 km, and to Vienna – 1,300 km.
- The Republic of Belarus covers a total area of 207,600 square km. Belarus extends 560 km from north to south, 650 km – from west to east. Belarus has a larger area than such countries as Austria, Ireland, Portugal and Greece. The national capital is the city of Minsk, which is located on the same latitude as Hamburg and Dublin. The highest point in Belarus is Dzyerzhinskaya Hara (345 meters above sea level) in Minsk Region. The lowest point in the country is in the Neman valley in Grodno Region (80-90 meters above sea level). Belarus is divided into six regions.

CLIMATE

- A temperate continental climate with mild winters and frequent thaws, rainy and cool summers. Average temperature in January is minus 6°C, in July – plus 18°C. Average annual precipitation in Belarus ranges from 550 to 700 mm.

POPULATION

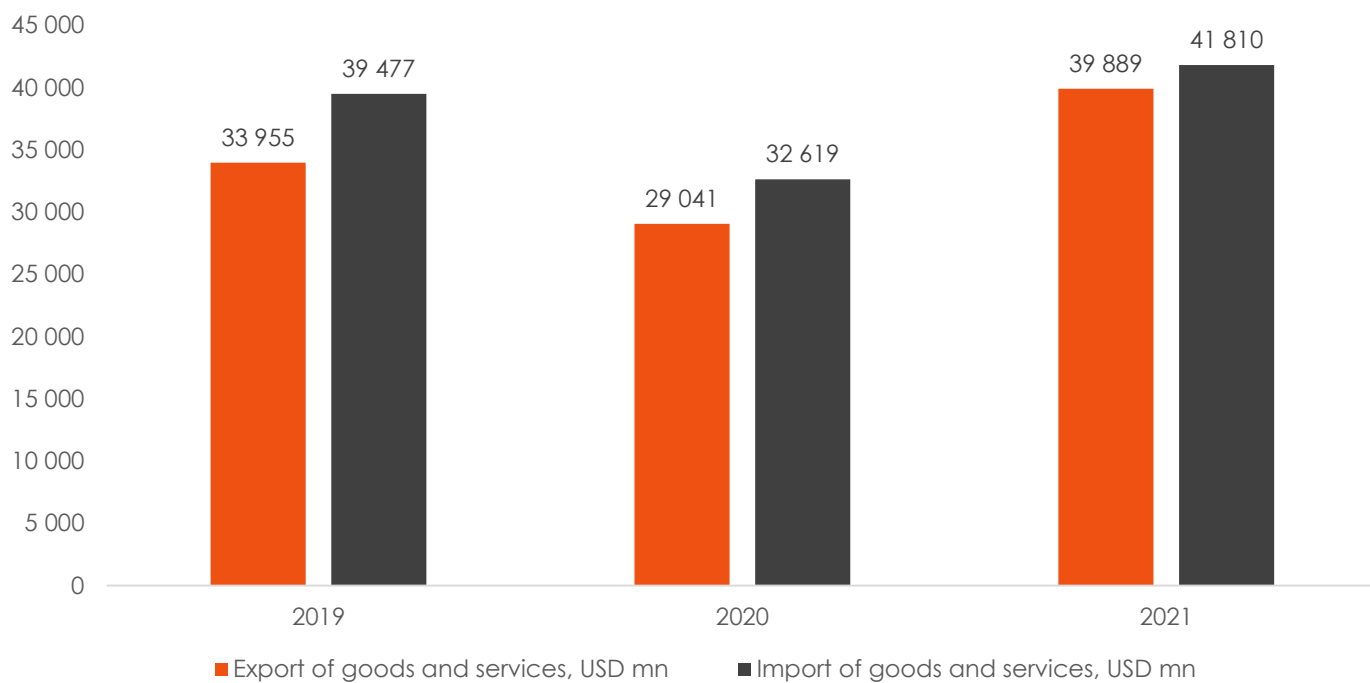
- More than 9.2 mn people live in Belarus. The Republic of Belarus is a multiethnic country; 70% of the population live in cities.

LANGUAGES

- The official languages are Russian and Belarusian.
- Russian, English and German are widely used for business communication.



FOREIGN TRADE OF THE REPUBLIC OF BELARUS



PROFILE OF THE REPUBLIC OF BELARUS

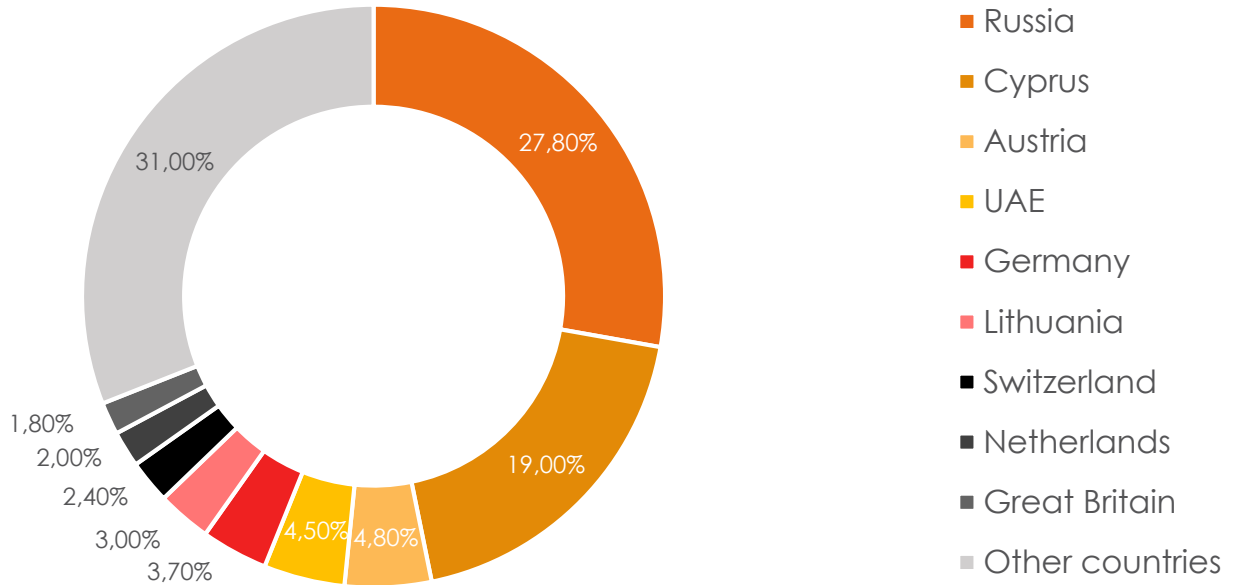
TIME ZONE

- The Republic of Belarus is situated in FET (UTC +3) time zone. Seasonal time changes are cancelled in Belarus.

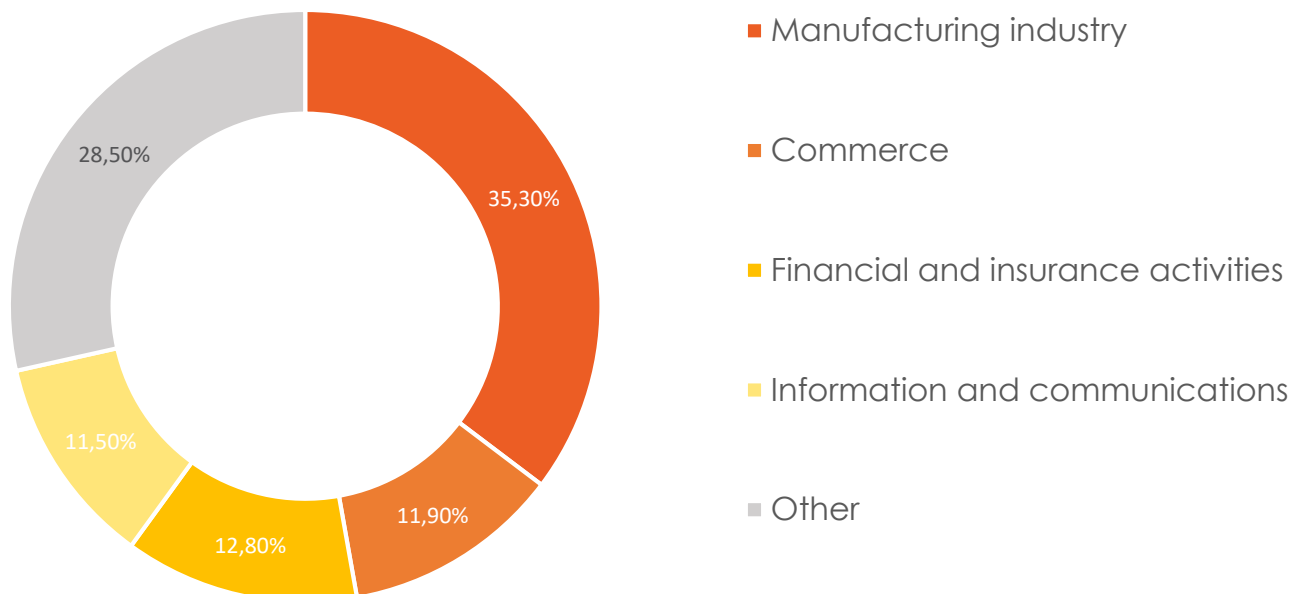
ECONOMY

- The Republic of Belarus is an export-oriented country with a well-developed manufacturing industry, services sector and agriculture. The Republic of Belarus adheres to the concept of a socially-oriented market economy.
- The Republic of Belarus maintains trade relations with more than 190 countries of the world. The main trading partners of the Republic of Belarus in the service sector are: EU countries (31% of foreign trade turnover), the Russian Federation (30%), the USA (11%), and China (4.5%). Russia accounts for 49.0% of Belarus' total trade turnover, including 41.1% of exports (45.1% in 2020) and 57% of imports (50.4% in 2020). The foreign trade balance between the Republic of Belarus and the Russian Federation is negative and amounts to 1,140 million US dollars. A significant share of the foreign economic trade of the Republic of Belarus accounts for Great Britain and the countries of the European Union. The main exporting countries are the United Kingdom of Great Britain and Northern Ireland, Germany, the Netherlands, Poland, and the Baltic States.
- In 2021, the foreign trade turnover of the Republic of Belarus amounted to USD 81,699.7 mn including export - USD 39,889.5 mn, import – USD 41,810.7 mn.
- Belarus exports the following main commodity groups:
 - products of the petrochemical complex (oil products, chemical fibers, tires)
 - potassium and nitrogen fertilizers
 - metal products
 - agricultural machinery and trucks
 - meat and dairy products; sugar and other produce of the agricultural complex.
- Raw materials: oil, gas and minerals, as well as mechanical engineering components account for the main volume of the country's import.

2021 NET FDI INFLOW BY COUNTRIES



2021 NET FDI INFLOW BY SECTORS



INVESTMENT CLIMATE

INVESTMENT REGULATIONS

- The main documents governing investment activities in the Republic of Belarus are the Law of the Republic of Belarus “On Investments” (No. 53-Z, dated July 12, 2013); and the Law of the Republic of Belarus “On Concessions” (No. 63-Z, dated July 12, 2013, the Decree of the President of the Republic of Belarus “On Creating Additional Conditions for Making Investments in the Republic of Belarus” (No. 10, dated August 6, 2009).

DOUBLE TAXATION AGREEMENTS

- The Republic of Belarus has concluded double taxation agreements with the following countries: Austria, Belgium, Bulgaria, Germany, Hong Kong, Italy, Kazakhstan, Qatar, Cyprus, China, Kuwait, Latvia, Lithuania, the United Arab Emirates, the Russian Federation, Saudi Arabia, Turkey.

AGREEMENT ON THE PROMOTION AND MUTUAL PROTECTION OF INVESTMENTS HAS BEEN CONCLUDED WITH A NUMBER OF COUNTRIES

- The Republic of Belarus has concluded agreements on the promotion and mutual protection of investments with more than 60 countries including: Austria, Belgium, Bulgaria, The United Kingdom, Germany, Italy, Qatar, Cyprus, China, Kuwait, Latvia, Lithuania, the United Arab Emirates, The United States, Saudi Arabia, Turkey, Ukraine, etc.

THE REPUBLIC OF BELARUS HAS A NUMBER OF PREFERENTIAL REGIMES THAT ARE USEFUL TO INVESTORS

- The special regime in accordance with the Decree of the President of the Republic of Belarus (No. 6, dated May 7, 2012) applies to commercial organizations of the Republic of Belarus, individual entrepreneurs registered in the republic with their location (residence) on the territory of medium-sized, small urban settlements, rural areas and carrying out activities in these territories for the production of goods (performance of works, provision of services). Features of taxation and benefits – exemption for 7 years from:
 - income tax, income tax in terms of the sale of products of own production;
 - payment of the state fee for the issuance of licenses;
 - other taxes and fees (except VAT, excise taxes, stamp and offshore fees, state duty, patent duty, customs duties and fees, land payments, tax for the use of natural resources (environmental tax), taxes deducted with held and transferred in the performance of the duties of a tax agent) deductions to innovation funds.



PROJECT OWNER

THIS INVESTMENT MEMORANDUM WAS INITIATED BY BELAGROPROMBANK OPEN JOINT-STOCK COMPANY

- Universal commercial bank with 94.29% shares owned by the State
- Registered on September 3, 1991 (by Letter of the National Bank of the Republic of Belarus No. 03005/184 dated September 3, 1991).
- Parent organization of the bank holding company
- Bank authorized by the Government of Belarus to provide services for national programs.
- More than 33,000 corporate and 1,500,000 retail clients.

BELAGROPROMBANK OJSC HOLDS LEADING POSITIONS IN THE BANKING SECTOR OF THE REPUBLIC OF BELARUS

- No. 2 in size of the authorized capital, client assets and deposits
- Ranks 18th among 25 largest banks of Central and Eastern Europe (Top 25: Central & Eastern Europe).
- Regional network: The Customer Services Centre of the Central Office, 7 regional directorates, 290 banking services centres and supplementary offices, a representative office in the Italian Republic (Milan)
- Has ratings by assessment of such international agencies, as Standart & Poor's:
long-term rating of the counterparty on obligations in the national currency on the CCC, forecast: Negative;
short-term rating of the counterparty on obligations in national currency C, forecast NM.

BELAGROPROMBANK IS AN ACTIVE PLAYER ON THE GLOBAL FINANCIAL MARKET

- The bank cooperates with over 100 foreign financial institutions across the world.
- The bank is accepted by 18 national export credit agencies.
- The bank is one of the leading credit/financial institutions of the Republic of Belarus in terms of the amounts of credit facilities raised on the global capital markets.

| Key financial indicators | As of 01/01/2022 BYN mn | As of 01/01/2022 USD mn |
|---------------------------------|------------------------------------|------------------------------------|
| Assets | 14,368.9 | 5,639.1 |
| Capital | 1,849.7 | 725.9 |
| Credits to clients | 8,736.1 | 3,428.5 |
| Clients' funds | 8,313.3 | 3,262.5 |

CONTACT INFORMATION

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Board Chair: Anatoly Anatolyevich Lysiuk

EXECUTIVE IN CHARGE:

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