

LOGISTICS CENTER CONSTRUCTION PROJECT

«MIRAGE» LIMITED LIABILITY COMPANY





Project Initiator:

Mirage LLC

Brief Project Description:

The project involves the construction of a logistics center in the village of Lenin, Suzak district, Jalal-Abad region. The logistics center assumes three areas of activity: storage of its own products for export, fruit processing for the production of fruit bars and their subsequent export, as well as the production of dried fruit.

The full load of the warehouse is expected to hold up to 10,000 tons of products.

Project Initiator Description:

The Project Initiator is Mirage LLC, which is engaged in non-specialized trade. The main activity of the Company is cargo transportation of fuels and lubricants.

Today, the Company owns land with an area of 60 acres. There is a concrete plant on the land plot.

CEO: Tugolbay Seidaliyev

- More than 5 years of experience in construction
- More than 10 years of experience in trading and exporting dried fruit
- Active member of the JIA Business Association

Project cost: \$5,500,000

- Land plot - \$200,000
- Construction - \$800,000
- Equipment - \$2,500,000
- Working capital - \$2,000,000

Investment required: \$5,000,000

Payback period: 1.63 years

PROJECT DESCRIPTION

The project involves the construction of a logistics center in the village of Lenin, Suzak district, Jalal-Abad region. The logistics center is intended for three areas of activity:

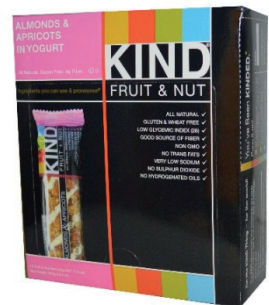
- ✓ Storage of own products for export to the countries of the Persian Gulf: walnuts, pistachios, apples, sweet cherries, persimmons, potatoes
- ✓ Fruit processing for the production of fruit bars and subsequent export to the Gulf countries. For processing, it is planned to purchase low quality fruits that do not have a marketable appearance, but have the same useful properties and taste: apples, apricots, plums, figs
- ✓ Processing of apricots and plums for the production of dried apricots and prunes for further export



The logistics center for the proposed project consists of the following departments:

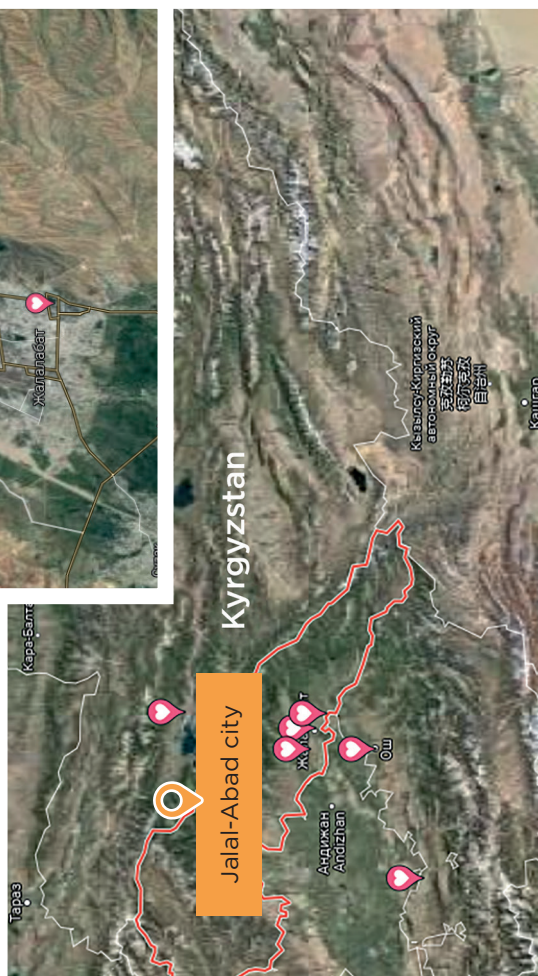
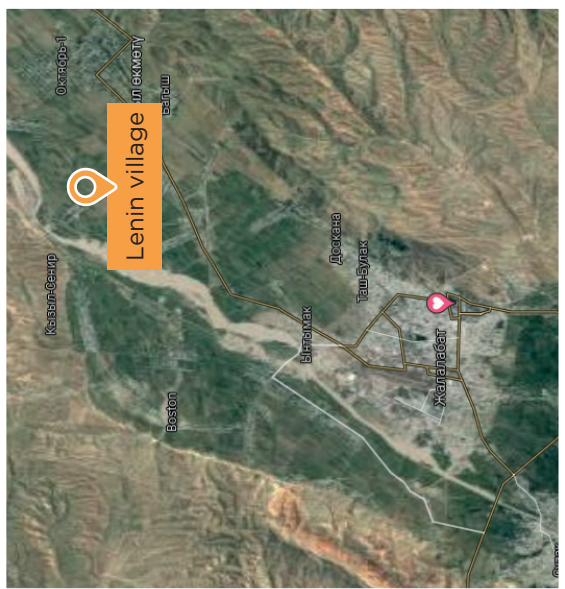
- ✓ Covered warehouses equipped with refrigerators
- ✓ Open warehouses designed for open storage of fresh produce, as well as for natural drying of apricots, plums, figs, apples and walnuts in the warm season
- ✓ Covered warehouses equipped with refrigerators and freezers
- ✓ Fruit processing workshop, where fresh fruit will undergo washing, sizing and drying processes. Besides, the workshop is designed for the processing of walnuts.
- ✓ Covered warehouses for storing dried fruit
- ✓ Administrative office building

The full load of warehouse premises assumes a capacity of up to 10,000 tons of products.



PROJECT GEOGRAPHICAL LOCATION

The project involves the construction of a logistics center in the village of Lenin in Suzak district of Jalal-Abad region, which is located 13 km from the city of Jalal-Abad.



PROJECT INITIATOR DESCRIPTION

The Project Initiator is Mirage LLC, which is engaged in non-specialized trade. The main activity of the Company is cargo transportation of fuels and lubricants.

In 2016-2017, the Company began cooperation with Kyrgyzneftegaz in the field of oil refining. Since 2018, the Company has begun cooperation with such companies as: Kyrgyzyluenergo, Junda LLC, and KPC CJSC in the field of transportation of fuels and lubricants.

Today, the Company owns land with an area of 60 ares. There is a concrete plant on the land plot. MIRAGE LLC provides services for the preparation, transportation and pouring of concrete for such companies as «Amanat Road», «Amanat Construction», «Amanat Kurulush» for the construction of multi-storey residential buildings, as well as for individual clients.



SUSTAINABLE COMPETITIVE ADVANTAGES OF THE PROJECT

- ✓ **Available raw material resource base.** In Jalal-Abad region, all types of products are grown that are planned to be harvested for storage. In Jalal-Abad region, both wild apples are gathered in, which will be used for the production of bars, and domestic apples for storage. The world's largest relict forest, Arslanbob, is located in Jalal-Abad region, which is rich in wild walnuts. Besides, in the region, large areas are occupied by forests of wild pistachios. Only in Ala-Buka district plums are grown on 1200 hectares of orchards. Up to 120,000 tons of apples, 150,000 tons of plums, 80,000 tons of apricots, 80,000 tons of peaches and 60,000 tons of sweet cherries are harvested annually in Ala Buka district.
- ✓ **Organic products.** All fruit and vegetable products are organic and are not fertilized with any chemical fertilizers. Almost all plum-trees grow in the wild without any maintenance. Plums have been cultivated in Aksy district of Jalal-Abad region for a long time, and in the last 4 years, farmers have switched to organic production. The largest wild walnut reserve in the world is also located in Jalal-Abad region, where the local population gathers the walnuts in and then sells it to procurement agencies. The total area of wild walnut forests is 700,000 hectares, wild apple-trees - 15,000 hectares, pistachio-trees - 29,000 hectares, almond-trees - 45,000 hectares. Accordingly, all of the above crops are organically pure, as they grow in the wild. More than 85% of apricots are grown in the south of Kyrgyzstan - in Batken region. The total area of apricot orchards is 5,600 hectares.
- ✓ **High demand potential for products from foreign partners.** Sweet cherries, prunes and dried apricots are in great demand in China and Russia. The culture of consumption of dried fruits in Europe refers to a healthy diet and products from this category are high-margin ones. In addition, it is planned to export the manufactured goods to Dubai, which is a city for the re-export of goods to other Arab countries.
- ✓ **Full production cycle.** The project envisages gathering of fresh fruit and their further processing for the production of dried fruit, after which fruit bars will be produced. The logistics center plans to procure the necessary raw materials in the form of fresh fruit during the harvest season - the period of the lowest prices. In addition, the project will cover all stages of the fruit processing value chain to reduce the cost of fruit bars.

MANAGEMENT TEAM



TUGOLBAY SEIDALIYEV

Founder / CEO

- ✓ More than 5 years of experience in construction
- ✓ More than 10 years of experience in trading and exporting dried fruit
- ✓ Active member of the JIA Business Association
- ✓ Higher education, JASU Faculty of State and Municipal Administration
- ✓ Founder of the construction company «Dost-Kurulush» LLC, «Amanat-Road» LLC

MANAGEMENT TEAM



JYLDYZKHAN AKHMATOVA
CFO

- ✓ CFO since 2018
- ✓ 6 years of experience in the NBKR
- ✓ Over 25 years of experience in the banking sector
- ✓ 10 years of experience in management positions

COMPANY HISTORICAL FINANCIAL PERFORMANCE

Key performance indicators	2017	2018	2019	2020	9 months, 2021
Volume of transported fuels and lubricants, m ³	63 082	58 119	44 939	20 613	2 607
Volume of concrete produced, tons	0	0	10 760	9 315	11 050
Refined oil volume, tons	0	0	0	0	3 000

Historical financial performance, USD	2017	2018	2019	2020	9 mec, 2021
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Sales	2 106 846	1 941 726	2 342 366	1 338 648	1 844 885
Profit	91 602	84 423	218 568	147 054	216 030

The Company has the following long-term assets on its balance sheet:

Item	Description	Quantity
Concrete plant ZZBO skip-30	Concrete preparation	1
HOWO mixer	Concrete transportation	3
ISUZU auto pump	Pouring concrete	1
FORD dump truck	Delivery of materials for concrete	2
Loader	Excavation and loading	1

FORECAST FINANCIAL PERFORMANCE OF THE PROJECT

Sales plan in kind	Year 1	Year 2	Year 3	Year 4	Year 5
Fruit bars, pcs	950 400	2 851 200	3 801 600	4 435 200	5 068 800
Fresh fruit and vegetables, tons	3 118	5 809	7 376	14 743	20 118

Key financial indicators, USD	Year 1	Year 2	Year 3	Year 4	Year 5
Sales	9 293 270	19 625 435	26 778 705	47 018 510	62 207 190
EBITDA	821 147	2 578 577	3 642 868	4 743 680	5 971 791

- ✓ IRR: 38.27%
- ✓ Payback period: 1.63 years: Discounted payback period: 2.16 years

FINANCING SOURCES AND USE OF FUNDS

Financing Source	Amount, USD
Project Initiator	500 000
Finance investor	5 000 000
Total:	5 500 000

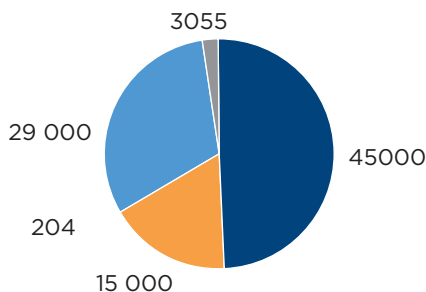
Use of funds	Amount, USD
Land plot	200 000
Construction	800 000
Equipment	2 500 000
Working capital	2 000 000
Total:	5 500 000

BRIEF OVERVIEW OF THE FRUIT AND NUTS MARKET IN KYRGYZSTAN

Fruit and nuts in Kyrgyzstan can be divided into two types:

- ✓ Wild plantings. These primarily include wild walnut, wild apple, wild pistachio and wild almond orchards. These products grow in their natural habitat without any human impact. Therefore, wild fruit and nuts are organically pure. These products have no marketable appearance and are inferior to non-organic competitors. At the same time, the main advantage is the high useful properties and taste of wild fruit and nuts.

Forest vegetation of the main types of fruit and nuts in Kyrgyzstan, ha



■ Walnut trees ■ Apple ■ Plum ■ Pistachio ■ Wild almond

- ✓ Farmed orchards/gardens are orchards/gardens maintained by farmers. The main fruits, which are grown in the largest amount in Kyrgyzstan, are fruit and nuts below:

Name	Area, ha	Yield, ton/ha	Volume, ton
Apples	29 058	5,42	142 583
Apricots	12 898	5,3	69 263
Plums	2 371	4,7	9 879
Walnuts	830	2,5	2 071
Pistachios	3	3	9

POTENTIAL FOR EXPORT OF FRESH AND DRY FRUIT

According to the Food and Agriculture Organization of the United Nations, the export of dried fruit and nuts has a positive trend in almost all items:

Export of dried fruit and nuts from Kyrgyzstan, tons	2015	2016	2017	2018	2019
Prunes	216	111	144	620	544
Dried apricots	317	269	3290	4124	8602
Other dried fruit	1642	4300	5823	7344	6261
Walnut in shell	190	393	640	425	836
Shelled walnuts	3597	809	2234	1305	4434
Almonds in shell	0	14	39	15	37
Shelled almonds	10	289	334	72	109
Pistachios	364	174	107	871	570

It is important to note that items such as walnut, pistachio and almond are mostly wild. In other words, the volumes depend on the climatic characteristics of each year.

As can be seen from the table, the export volumes of dried apricots are growing significantly, while the dynamics of the export of prunes has a positive trend, but with lower growth rates.

Also, the impressive growth of exports shows the walnut, which is known all over the world.

The largest part of exports goes to Russia, since, being a party to the EAEU, it is easiest for Kyrgyzstan to export its products to the countries of the Union.

At the same time, dried fruits are also in great demand in the EU countries. Nuts (walnuts, almonds, pistachios) are in great demand in the Gulf countries.

INVESTMENT PROPOSAL

LEGAL MECHANISM	✓ Limited Liability Company
FUNDING TYPE	✓ Direct investment in capital
AMOUNT	✓ USD 5,500,000
TERM	✓ 5-7 years
NUMBER OF TRANCHES	✓ Tranche No. 1 - construction ✓ Tranche No. 2 - purchase of equipment ✓ Tranche No. 3 - purchase of raw materials
COLLATERAL	✓ 100% of the Company's share



