



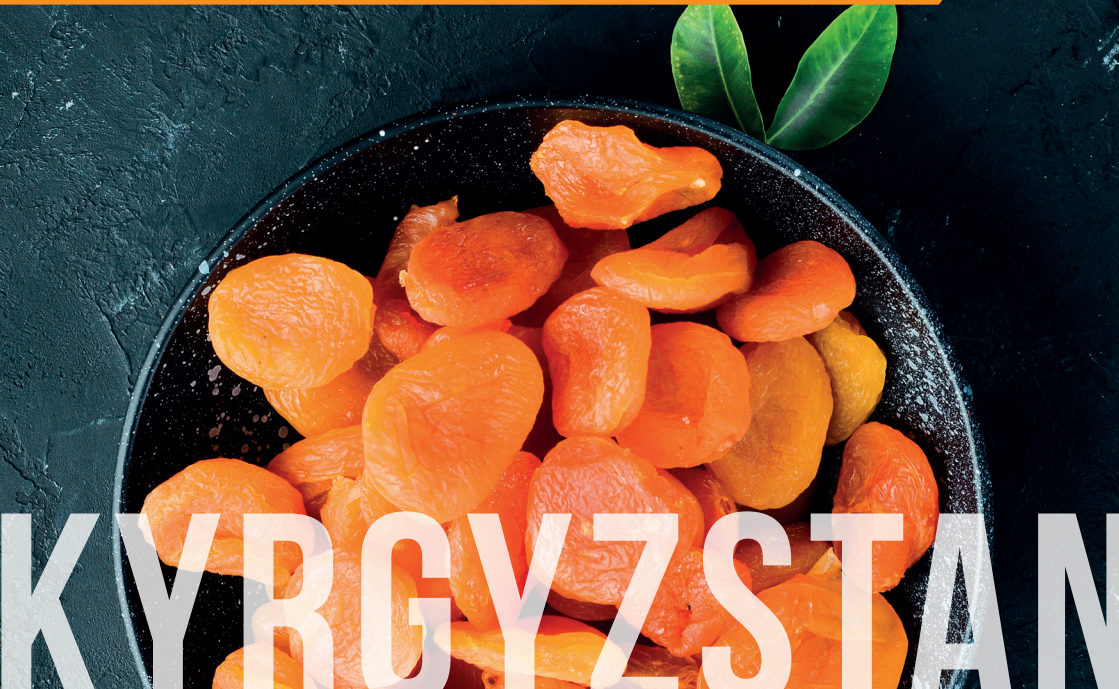
NATIONAL INVESTMENTS AUTHORITY
UNDER THE PRESIDENT
OF THE KYRGYZ REPUBLIC



Organization for Security and
Co-operation in Europe
Programme Office in Bishkek

APRICOT PROCESSING PROJECT

«ECO-GOLDEN GARDEN» LIMITED LIABILITY
COMPANY





Project Initiator:

Eco-Golden Garden (Eco-Zolotoy Sad) LLC

Brief Project Description:

The project involves the development of the existing Eco-Golden Garden LLC facility that is processing dried fruits (processed and unprocessed dried apricots with and without stones, raisins, prunes, dried apples, walnuts), and exporting them to CIS countries.

The project plans to develop the company's export through:

- Seasonal apricots procurement. To date, the company has 3 tons of products in stock ready for export
- Refrigeration equipment procurement to store 200 tons of dried fruits
- HACCP standards implementation to export dried fruits to Mongolia

Project Initiator Description:

The Project initiator is Eco-Golden Garden LLC. In 2019, the Company built a 200 square meters production facility at its own expense. The total land area is 40 hectares.

In 2020, the Company took a long-term loan from a state commercial bank. The credit funds were used to purchase dried apricots' washing and sizing line.

CEO, Eco-Golden Garden LLC: Nurgazy Akmoldoev

- 3 hectares of own apricot gardens
- More than 10 years' experience in trade and export
- More than 3 years of management experience

Project Cost: USD \$250,000

- Refrigeration equipment - USD \$200,000
- Raw materials - USD \$50,000

Investment Required: USD \$250,000

Payback Period: 2.59 years

PROJECT DESCRIPTION

The project implies the development of the operating enterprise “Eco-Golden Garden” Limited Liability Company (OOO “Eco-Zolotoi Sad”). The main activity of the enterprise is the processing of dried apricots and further export to the CIS countries. Due to the COVID-19 pandemic, all borders were closed in 2020, and the enterprise stopped working in late spring. For 4 months of 2020, the Company exported 40 tons of dried fruits to Russia. In addition, in 2021, severe unexpected frosts caused bad harvest in Batken region. Some apricot orchards located in the mountainous area gave a small harvest. As a result, all apricot processing plants stood idle.

The project involves preparing the enterprise for export by:

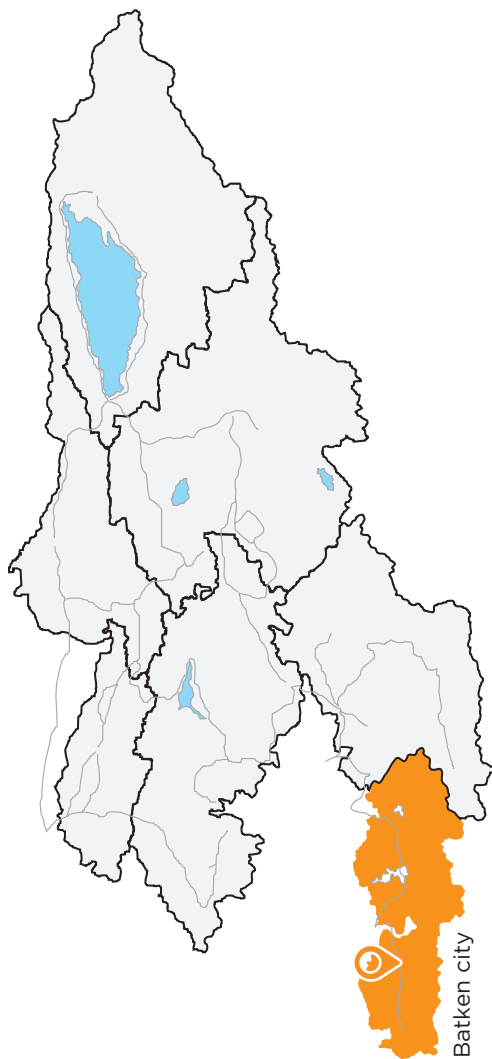
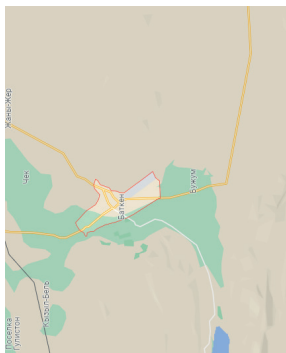
- ✓ Purchase of raw materials during the apricot harvest season. At the moment, the company has 3 tons of ready-to-export products (dried apricots unpitted and pitted, raisins) in stocks.
- ✓ Purchase of refrigeration equipment for storing 200 tons of dried fruits (processed dried apricots unpitted and pitted, raisins, prunes).
- ✓ Implementation of HACCP standards for the export of dried fruits to Mongolia.

The enterprise can process 3-5 tons of dried fruits per day.



GEOGRAPHICAL LOCATION OF THE PROJECT

The production workshop of Eco-Golden Garden LLC is located in Batken city, Batken region. On the basis of the existing workshop, it is planned to install refrigeration equipment and introduce HACCP standards.



PROJECT INITIATOR DESCRIPTION

The initiator of the Project, Eco-Golden Garden LLC, is engaged in the processing and export of dried fruits (processed and unprocessed, pitted and unpitted dried apricots, raisins, prunes, dried apples, walnuts) to the CIS countries. The main volume of export falls on Russia, Krasnoyarsk.

The founder of the Company started Eco-Golden Garden in 2014. In 2019 the Company was officially registered as a legal entity.

In 2019, a production facility was built at its own expense with a total area of 200 m². The total area of the land plot is 40 acres.

In 2020, the Company took out a long-term loan from a state commercial bank. The loan funds were used to purchase a line for washing and sizing dried apricots.

The current production capacity of the Company is 3-5 tons of dried fruits per day.

The assortment of the Company includes the following products:

- ✓ Dried apricots pitted, processed and unprocessed
- ✓ Dried apricots unpitted, processed and unprocessed
- ✓ Dried apples
- ✓ Prunes
- ✓ Raisins



SUSTAINABLE COMPETITIVE ADVANTAGES OF THE ENTERPRISE AND PROJECT



Well-established distribution channels.

Within 4 months of 2019, the Company exported 40 tons of dried fruits. The activity was suspended due to the COVID-19 pandemic, closed borders and cancelled flights.

Well-established cooperation with farmers in the southern regions of Kyrgyzstan. The company actively works with farmers of Batken, Jalal-Abad and Osh regions.

This means the work with a wider range of products:

- ✓ Dried apricots pitted, processed and unprocessed
- ✓ Dried apricots unpitted, processed and unprocessed
- ✓ Dried apples
- ✓ Prunes
- ✓ Raisins

Interest from Mongolia. The Company sent samples to Mongolia, where a potential customer is interested and ready to order products. At the moment, the implementation of HACCP standards is needed for export to Mongolia.

MANAGEMENT TEAM



NURGAZY AKMOLDOEV
Executive Director

- ✓ Higher education. Degree in Law
- ✓ Owner of three hectares of apricot orchards
- ✓ More than 10 years of experience in trade and export
- ✓ More than 3 years of experience in management

FORECAST FINANCIAL PERFORMANCE INDICATORS

Processing volume, tons	2022	2023	2024	2025	2026
Dried apricots pitted, processed	15	25	35	45	30
Dried apricots unpitted, processed	15	25	35	45	30
Dried apricots pitted, unprocessed	20	30	40	50	55
Dried apricots unpitted, unprocessed	20	30	40	50	55
Dried apples	15	25	35	45	30
Prunes	10	20	30	40	45
Total:	95	155	215	275	245

Financial indicators, USD	2022	2023	2024	2025	2026
Sales	200 000	331 250	462 500	593 750	559 375
EBITDA	40 000	69 563	101 750	136 563	134 250

- ✓ IRR 21.52%
- ✓ Project payback period 2.59 years. Discounted payback period 3.38 years

FUNDING SOURCES AND USE OF FUNDS

Funding sources	Amount, USD
Financial investor	250 000
Total:	250 000

Use of funds	Amount, USD
Refrigeration equipment	200 000
Raw materials	50 000
Total:	250 000

BRIEF OVERVIEW OF THE APRICOT MARKET IN KYRGYZSTAN

Apricot production makes up a significant part of the Kyrgyz horticulture. According to various estimates, Kyrgyzstan has more than 15 thousand hectares of apricot plantations. More than 10 thousand hectares are located in southern Kyrgyzstan, including more than 5 thousand hectares in Batken region. Early apricot is mainly grown in Batken district, Batken region. The gross harvest of early apricot makes up approximately 2,000 tons.

There are different apricot ripening zones, so fresh apricots is present on the domestic market for three months. The first apricot ripens in Batken region in the first half of June, the last apricot comes to markets in early August from Issyk-Kul region.

Apricot key indicators, Batken region	2018	2019	2020
Total area of apricot orchards, ha	4 641,0	5 011,0	5 675,0
new orchards, 1-5 years	462,0	764,0	868,0
middle-aged orchards, 5-15 years	785,0	2 065,0	2 303,0
old orchards, 15 years and more	3 394,0	2 182,0	2 504,0
Total harvest of apricot, tons	49 828,6	54 381,9	53 572,5
Total harvest of dried apricot, tons	13 898,9	14 601,5	14 782,5
unpitted	6 055,8	5 651,2	5 664,8
pitted	7 843,1	8 950,3	9 117,7
Total export of apricot, tons	5 886,6	6 468,5	5 478,0
unpitted (dried)	1 222,8	1 390,0	1 514,4
pitted (dried)	1 639,8	1 869,0	2 211,6
fresh	3 024,0	3 209,5	1 752,0
Types of apricot processing			
jam	13,3	13,9	15,0
juice	7,0	7,5	8,1

APRICOT EXPORT POTENTIAL

Historically, Kyrgyzstan has always been a net exporter of fresh apricots, which were supplied mainly to the Russian Federation and Kazakhstan. However, the economic crisis that began in these countries in 2014 led to a significant reduction in the export of Kyrgyz apricots. As a result, in 2017, the volume of export supplies amounted to only 2 thousand tons, compared with 14 thousand tons in 2013. The apricot market is estimated at 60 thousand tons

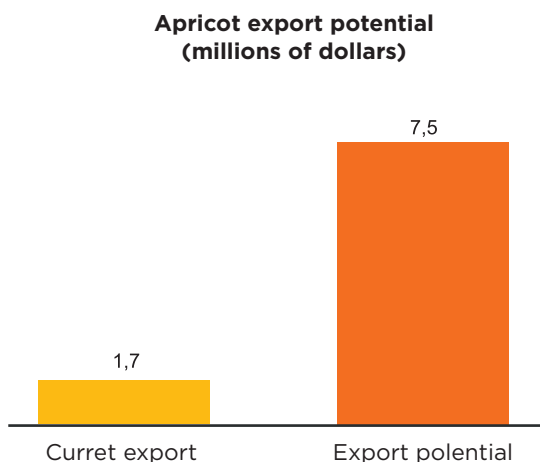
International Trade Center (ITC) estimates also show that fresh apricots have the highest export potential among fresh fruits grown in Kyrgyzstan.

Their export potential is estimated at USD 17.1 million per year, but as of 2018, only 21 percent of it has been realized.

Implementation of the export potential of dried apricots is only 13.5 percent, however, according to ITC's estimates, it is already small - USD 2.6 million.

The main potential sales markets for the export of fresh and dried apricots are the EAEU countries. In addition, there is demand from Europe and Japan, where dried fruit are popular.

In addition, the Company plans export to Mongolia.



INVESTMENT PROPOSAL

LEGAL MECHANISM	✓ Limited Liability Company
FUNDING TYPE	✓ Direct investment in capital
AMOUNT	✓ USD 250,000
TERM	✓ 5-7 years
NUMBER OF TRANCHES	✓ Tranche No.1 - purchase of refrigeration equipment ✓ Tranche No.2 - purchase of raw material
COLLATERAL	✓ 100% of the Company's share

