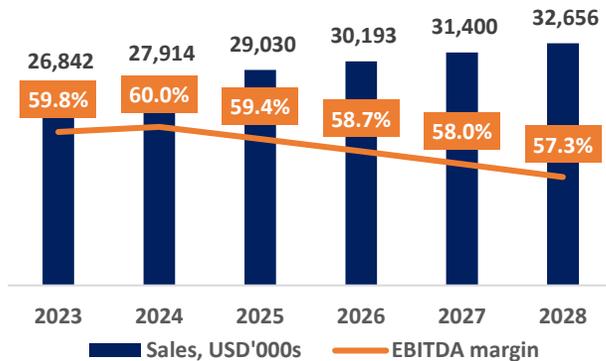




Wool processing and production of wool products



Project Profitability



Location



Key products output

Sheep wool, fine and semi-fine	1 thousand tonnes
Camel fluff	18 tonnes
Felt	700 tonnes

Valuation Metrics

Required Investment	US\$25.7 million
Project NPV	US\$12.33 million
Project IRR	22%
Payback Period	4 years



The Project

- The business is planning to purchase and breed the broodstock, followed by waste-free production of washed wool, as well as obtain a by-product in the form of biofertilizers and wool wax (lanolin); create a feed base, organize a feeding complex for 5 thousand sheep
- The product mix of the business includes sheep wool (fine and semi-fine), camel fluff, felt insoles, felt, felt shoes, lanolin, biofertilizers, alfalfa granular feed, hydroponic greed feed, lamb meat, electricity (the business possesses its own hydroelectric power plant with capacity of 6 MWt)
- Required investment is to be allocated to the purchase of equipment and biomaterial, agricultural machinery, construction of buildings and structures and replenishment of working capital
- The initiator of the Project participates with land plot with an area of 13,000 ha and buildings and structures for industrial purposes, which correspond to total market value of USD\$2.5 million
- The Project is subject to government support measures in amount of US\$3.5 million representing reimbursement by the state up to 20% of the investment costs (US\$2.7 million) and state subsidies up to 25% of the cost of purchasing agricultural machinery (US\$0.8 million)**



Key financials

USD'000s	2023	2024	2025	2026	2027	2028
Sales	26,842	27,914	29,030	30,193	31,400	32,656
Gross profit	16,070	16,791	17,274	17,765	18,260	18,763
<i>Gross profit margin</i>	59.9%	60.2%	59.5%	58.8%	58.2%	57.5%
EBITDA	16,042	16,760	17,242	17,730	18,223	18,723
<i>EBITDA margin</i>	59.8%	60.0%	59.4%	58.7%	58.0%	57.3%
Net profit	9,481	11,680	12,401	13,129	13,859	14,596
<i>Net profit margin</i>	35.3%	41.8%	42.7%	43.5%	44.1%	44.7%



Investment Opportunity

- The company is looking for potential strategic or financial partner. The amount of share in a project is subject to negotiations