

At the General Meeting of Shareholders of
"Indorama Kokand Fertilizers and Chemicals" JSC
on July 05, 2023

"CONFIRMED"

JSC "Indorama Kokand Fertilizers and Chemicals"

BUSINESS PLAN FOR 2023 YEAR

General Director:



Rahul Singh

Chief accountant:



T. Сайдуллаева

Deputy Director of Finance
and Commerce:



Hemant Gupta

Коканд 2023

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1. GENERAL INFORMATION ABOUT "INDORAMA KOKAND FERTILIZERS AND CHEMICALS" JSC

1.1. Community requisites

The full name of the company is "Indorama Kokand Fertilizers and Chemicals" joint stock company. (hereinafter - Society)

Location and postal address of the joint-stock company: 100011, Republic of Uzbekistan, 150700, Fergana region, Kokan city, Davronbek street 87.

The main direction is the production and sale of mineral fertilizers

Official website of the company: www.indoramakokandfertilizer.com

Community email address: ikf@uz.indorama.com

Contact information: 8 373-543-90-00

Tashkent office address: 11/1, Amir Timur Avenue, Mirobod District, Tashkent, Republic of Uzbekistan.

Tel: 99871-202-69-69

1.2. History of the Company

JSC "Indorama Kokand Fertilizers and Chemicals" was launched in 1935 under the name of "Kukon superphosphate plant" OJSC.

In 1956, in connection with the increase in the production of superphosphate mineral fertilizer, the sulfuric acid plant was reconstructed with an increase in production volume.

In 1964, the production technology of ammoniated superphosphate according to a new scheme was introduced. (ammonia - drying - sorting - crushing)

By the order No. 91k-PO dated May 30, 1997 of the State Property Management and Entrepreneurship Support Committee of the Republic of Uzbekistan, "Ko'kan superphosphate plant" OJSC was transformed into "Ko'kankimyo" OJSC through privatization.

"Kokonkimyo" OJSC was changed to "Kokon superphosphate plant" OJSC by the decision of the general meeting of shareholders on May 21, 1999.

According to the Law of the Republic of Uzbekistan dated 05.06.2014 No. 370 "On Amendments and Amendments to the Law on Joint-Stock Companies and the Protection of Shareholders' Rights", the organizational legal form of the company was changed from OJSC to JSC, and on July 9, 2014, the register No. I-1749 was re-registered as a joint-stock company with order no.

In accordance with the requirements of the decision of the President of the Republic of Uzbekistan dated 04.03.2019 No. 4265 "On further reform of the chemical industry and measures to increase its investment attractiveness", a total of 95.54% of the share package of JSC "Kokand Superphosphate Plant" was transferred to Indorama Holdings B.V. was sold as an investment to the company.

By the decision of the EGM of the company's shareholders held on 14.08.2019, the name of the company was changed from "Kokand superphosphate plant" JSC to "Indorama Kokand Fertilizers and Chemicals" JSC and was registered in the state register at the State Services Center on 20.08.2019.

"Indorama Kokand Fertilizers and Chemicals" JSC is the legal successor of "Kokand Superphosphate Plant" JSC, which was previously registered with the state register on 07.06.2014 under number I-1749.

"Indorama Kokand Fertilizers and Chemicals" JSC operates on a commercial basis.

The purpose and type of activity of the company is the production and sale of mineral fertilizers and other types of goods.

1.3. Objectives and tasks of prospective development of Company.

The goals and activities of the society are as follows:

- purchase and processing of Rock Phosphate, sulfuric acid, ammonia and other types of raw materials, semi-finished products on the basis of agreements within the republic and in countries outside the republic;
- production and sale of mineral fertilizers, consumer goods and other types of goods;
- engaging in foreign economic activity;
- Engaging in other activities not limited by law.

Pursuant to the decision of the President of the Republic of Uzbekistan "On measures to further reform the chemical industry and increase investment attractiveness" dated April 3, 2019 PQ-4265, 95.54% of the share package of the society belongs to the state and "Uzkimyosanoat" JSC "Indorama Holding B.V." It was sold to a foreign company (Netherlands) with the condition of investing a total of 70.0 million US dollars in 2019-2024.

In accordance with the investment agreement, in 2019-2021 (stage 1), an investment of 38.7 million US dollars was made for the modernization of superphosphate production. Phase-1 of the Investment project has been successfully completed.

2. TYPES OF PRODUCTS PRODUCED

№	Name of product	unit	Annual production capacity
1.	<u>SSP</u>	Tonna	350,000
2.	<u>ASSP</u>	Tonna	290,000
3.	<u>NPK (granular)</u>	Tonna	90,000
4.	<u>NPK WS</u>	Tonna	2,500

Ammoniated superphosphate (OLTIN ASSP)

Superphosphate is the cheapest and most common phosphorus fertilizer in our country.

OLTIN ASSP fertilizer naturally responds to crop demand to provide phosphate, along with nitrogen and magnesium (N-1%, P-17% with S-10% C-28% M-0.5%), benefitting crops with efficient nutrient control and uptake for higher yield.

Ammoniated superphosphate fertilizer is produced by ammoniating ordinary superphosphate.

Purpose of ammonia:

- 1) If the storage period is long, to prevent rotting of the covered product and to maintain the quality of the product;
- 2) Significant reduction of product crushing period;
- 3) Improving the form and quality of granules;
- 4) Nitrogen (N) is added as additional nutrients, albeit in small amounts;

Phosphorous fertilizer is considered the most preferred by farmers due to the specific characteristics of the soil in Uzbekistan and its cost-effectiveness.

Offered under the "OLTIN" brand and the nutritional content and other properties are personally verified by Indorama:

Nutritional composition:

- | | |
|--|------|
| 1) The amount of nitrogen is at least, percent: | 1.0 |
| 2) Amount of phosphorus R2O5, minimum percentage: | 17.0 |
| 3) Amount of sulfur SO4, minimum percentage: | 11.0 |
| 4) The minimum amount of calcium in the form of CaO: | 18.0 |
| 5) Mass density, Square meter: | 961 |
| 6) Critical relative humidity, at 30C, percent: | 93.7 |

OLTIN ASSP manufactured by "Indorama Kokand Fertilizers and Chemicals" JSC is produced in granule form in 50 kg high density polyethylene bags. In addition, large quantities are delivered to large farms and clusters of Uzbekistan in unpackaged form.

NPK (granular)

NPK complex mineral fertilizer is in granular form, its nutritional composition consists of nitrogen (N), phosphorus (P2O5), potassium (K).

Useful features:

- 1) Suitable for all types of soil and plants;
- 2) Nitrogen and phosphorus are in a balanced state;
- 3) It helps the seeds to germinate.
- 4) Rich in water-soluble phosphorus.
- 5) Improves soil health through balanced application of nutrients.



NPK WS

NPK WS mineral fertilizer is in powder form, and its nutritional composition consists of nitrogen (N), phosphorus (P₂O₅), potassium (K).

NPK WS fertilizers are water-soluble fertilizers for irrigation.

The plant's nutrient requirements vary during the growth phase. Usually, the necessary analyzes are carried out to assess the nutrient availability of certain crops during their growth period.

To prepare a mixture consisting of a combination of nutrients, water-soluble fertilizers (WS) are established in the required ratio.

These fertilizers are water-soluble fertilizers suitable for crops fed by drip and foliar irrigation.

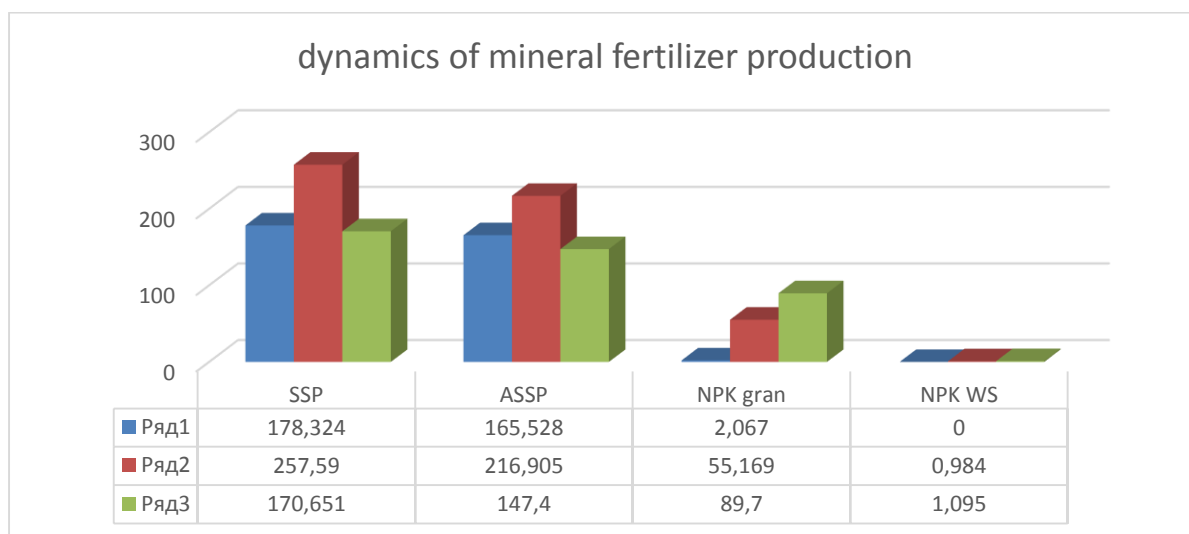
At "Indorama Kokand Fertilizers and Chemicals" JSC, water-soluble compounds suitable for cotton and vegetables are available under the "OLTIN" brand.



3. MAIN TASKS FOR 2023.

Mineral fertilizer production:

№	Name of production	unit	2022г. (fact)	2023г. (forecast)	grows %
1	SSP	ton	257,590	170,651	-34
2	ASSP	ton	216,905	147,400	-32
3	NPK (granular)	ton	55,169	89,700	63
4	NPK WS	ton	0,984	1,095	11



Sale of mineral fertilizers:

ton

№	name	2022 (fact)	2023 (forecast)	Grows %
1	ASSP	166,867	185,523	11
	<i>export</i>	74,749	52,343	-30
	<i>local</i>	92,118	133,180	44
2	NPK gran	48,163	89,700	86
	<i>export</i>	20,243	61,829	205
	<i>local</i>	27,920	27,871	-0,1
3	NPK WS	1,000	0,913	-8
	<i>export</i>	0	0	0
	<i>local</i>	1,000	0,913	-8
	Жами	216,030	276,136	28
	<i>export</i>	94,992	114,172	20
	<i>local</i>	121,038	161,964	33

mln.\$

№	name	2022 (fact)	2023 (forecast)	Grows %
1	ASSP	34,532	33,616	-2
	<i>export</i>	13,851	8,921	-35
	<i>local</i>	20,682	24,696	19
2	NPK gran	20,496	43,801	113
	<i>export</i>	9,619	34,018	253
	<i>local</i>	10,877	9,782	-10
3	NPK WS	1,137	0,980	-13
	<i>export</i>	-	-	-
	<i>local</i>	1,137	0,980	-13
	Total	56,165	78,396	39
	<i>export</i>	23,470	42,939	83
	<i>local</i>	32,695	35,457	8

4. MARKET AND MARKETING CONCEPT

The chemical industry is one of the important sectors of the national economy, and substances produced in chemical plants are used in all sectors of the national economy and are found in all areas of everyday life.

Exporting products with high added value ensures that enterprises receive additional profits.

"Indorama Kokand Fertilizers and Chemicals" JSC is the main producer of ammonium superphosphate in Uzbekistan.

The main consumers of community-produced mineral fertilizers (superphosphate and NPK) are agricultural enterprises.

The product is mainly supplied to the domestic market, and the rest is exported.

In 2019, after the modernization of the society, the quality and production capacity of ammonium superphosphate fertilizer increased.

Today, superphosphate fertilizer is supplied to the domestic and foreign markets under the name "OLTIN".

Produced products are sold by the company to the domestic market and for export in unlimited quantities and at contractual prices.

Sales to the domestic market are carried out on the basis of commodity exchange and direct contracts.

The market area of the company's product sales in 2022 was as follows:

ASSP	Export	- 40%
	Local	-60%
NPK total	Export	- 44%
	Local	- 56%



Export of mineral fertilizers is carried out on the basis of contracts through "Uzkimyoimpes" LLC.

Due to the geographical location of the enterprise (the absence of sea transport in Uzbekistan), the export of mineral fertilizers is carried out only by rail transport and road transport.

This leads to increased transportation costs and excessive time spent on delivering mineral fertilizers to distant countries.

5. FORECAST OF FINANCIAL INDICATORS IN 2023

№	Article name	unit	Actual 2022г.	Forecast 2023г.	Quarterly			
					Q I	Q II	Q III	Q IV
1.	Revenue	mln. \$	56,242	77,071	26,038	12,188	20,542	18,302
2.	Cost of sales	mln. \$	28,219	51,204	17,247	7,896	14,003	12,057
3.	Gross profit	mln. \$	28,023	25,867	8,791	4,292	6,539	6,245
4.	Period expenses	mln. \$	8,016	6,962	1,704	1,783	1,750	1,725
5.	Profit from operating activities	mln. \$	20,007	18,905	7,087	2,509	4,789	4,520
6.	Other income	mln. \$	0,193	0,000	0,000	0,000	0,000	0,000
7.	Financing expenses	mln. \$	1,463	2,190	0,580	0,580	0,537	0,515
8.	Depreciation	mln. \$	2,757	4,944	1,236	1,236	1,236	1,236
9.	Profit before taxes	mln. \$	15,980	11,771	5,271	0,715	3,016	2,769
10	income tax	mln. \$	0	0,000	0,000	0,000	0,000	0,000
10	Net profit	mln. \$	15,990	11,771	5,271	0,715	3,016	2,769

6. FUTURE ENTERPRISE DEVELOPMENT PROGRAM.

The Decision of the President of the Republic of Uzbekistan dated December 28, 2022 No. PQ-459 "On measures to implement the investment program of the Republic of Uzbekistan for 2023-2025" was approved.

In accordance with the decision, investment in the amount of 31.3 million US dollars is set for the production of phosphorus fertilizers and the production of new types of products (2nd stage) in the Company.

Planned projects in phase -2	1. Production of sulfuric acid
	2. Production of sulfate potassium
	3. Production of ammonium chloride
Investment	40 mln. \$
Source of investment	International bank loan under the guarantee of the Indorama Corporation and company's own funds
New jobs	102
Product size	24 mln.\$ (per year)
Export	12.5 mln.\$ (per year)

7. PHOTO MATERIALS



entering the “Indorama Kokand Fertilizers and Chemicals” JSC



Main production part



Superphosphate production workshop



Company Environment