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PARTNERSHIP PROJECT SHEETS

Export production

PARTNERSHIP PROJECT IN THE FIELD OF VALORIZATION AND MARKETING OF FRUITS AND VEGETABLES

Within the framework of strengthening trade relations and seizing investment opportunities in the field of food security, we ask you to see the possibility of investments in the field of export-oriented agriculture.



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1. PRESENTATION OF THE PROJECT PARTNER

Company name: Mediterranean Cold Storage Company "FRIGOMEDIT"

Legal status: Joint-stock company

Share capital: 500 Million Algerian Dinars is wholly owned by the AGROLOG group

Partener exclusive : GLOBAL AFFAIRE ET CONSULTING

Address: Cité les castors, rue des frères Feradj & Zabana Rouiba Alger

2. PURPOSE OF THE PROJECT

The project aims to create a joint company in the field of processing, valorization and processing of fruits and vegetables intended for the national market and export in accordance with the Algerian regulatory and legislative framework.

This partnership will focus on the operation and management of the Oran refrigeration logistics platform and the farms (pilot farms) adjacent to the platform.



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3. PROJECT OPERATION

The project aims to promote and enhance the value of fruits and vegetables in the country by first facilitating their processing, conservation, then distribution channels in the country and finally by creating export opportunities.

4. TECHNICAL SHEET OF THE ORAN LOGISTICS PLATFORM

4.1. Identification

- Denomination: Oran Refrigerated Logistics Platform
- Headquarters: El Karma wilaya d'Oran business area
- Managing company: EURL CFCE
- Commissioning date: 2021

4.3. Production capacity

The Oran refrigerated logistics platform with a storage capacity of 30,000 m³ (including 20,000 m³ in positive cold and 10,000 m³ in negative cold) has a fruit and vegetable processing and recovery chain with a nominal capacity of 5,000 tons, including 3,500 tons of vegetables and 1,500 tons of fruit.

4.4. Land and real estate assets

The land assets of the Oran refrigeration logistics platform consist of a plot of land with a total area of 50,000 m² with a total built area of 10,000 m².



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4.5. Equipment

Industrial building in metal frame with a centralized refrigeration system based on modern technology meeting the international standards in force (HACCP, Iso 22000, Algerianization of pressure vessels).

The equipment installed is specific to the activity of Oran's refrigerated logistics platform. They are subdivided according to the functions and they include all the organs necessary for the functioning of the activities.

All equipment is in new condition.

4.6. Utilities

- ✓ Water supply,
- ✓ Power supply,
- ✓ City gas supply,
- ✓ Existence of air conditioning,
- ✓ Existence of public sewerage networks,
- ✓ Existence of fire networks,
- ✓ An electrical transformer substation.

4.7. Raw materials and consumables

The raw materials, necessary for the different phases of processing, are available locally. (Seeds, vegetables, fruits, Packaging (Sachets, trays, and cartons) Utility (Water, compressed air, energy))

4.8. Employment



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The number of agents will depend on the activity of Oran's refrigerated logistics platform. In view of the projected evolution of the unit's activity, it is expected that the number of staff will gradually evolve (direct employment), which will stabilize at around 240 staff.



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I- Legal framework of the Partnership – Public-Private

The legal and regulatory framework in force in Algeria encourages investment and promotes the development of the private sector. It allows any natural or legal person, national or foreign, to invest in the economic activities of production of goods and services, particularly in the agricultural sector.

I.1. Legal provisions

The main texts on partnership are:

- The Commercial Code,
- Law No. 22-18 of 24 July 2022 on the development of investment,
- Ordinance No. 01-04 of 20 August 2001 on the organization, management and privatization of public economic enterprises, supplemented
- Ordinance No. 03-03 of 19 July 2003, as amended and supplemented, relating to competition,
- The Finance Laws for 2009, 2010, 2015, 2016 and 2020,
- The measures taken by the CPE to regulate investment and partnership.



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I.2. Forms of partnership

Partnerships are of two types: 2

- Partnership through the creation of a joint venture (THE EPR founds with Third Parties)

I.3. Share of ECE in share capital

- For the Algerian private sector: 66/34%
- For the private abroad: Abolition of the rule of limitation of foreign participations to 49% of the share capital of a company under Algerian law (commonly called: the 51/49 rule). However, this deletion does not apply to companies carrying out (i) activities of purchase resale of products and (ii) activities that would be qualified

I.4. Stakeholders in the partnership process

The partnership process is managed, monitored and controlled by the following bodies and bodies:

- The Council of State Participations (CPE),
- The Ministry in charge of the CPE secretariat,
- The sectoral Ministry in charge of supervision,
- The Group and the company.

I.5. Call for partnership

The partnership can be done either by:

- Call for expressions of interest,
- Consultation,
- Direct identification of partners, 3 3

I.6. Partnership documents

- The partnership is set up on the basis of:
- **Elaboration and signature of a memorandum of understanding:** The memorandum of understanding is a contractual document that determines the general modalities of negotiations and conduct of the operations of deep maturation of the project for which the partnership is solicited. It defines, in particular, the maturation process of the project, its schedule and the role of each of the parties.
 - **Development of a Business Plan:** The Business Plan is a mandatory document for any partnership operation, allowing to determine the economic and financial feasibility of the project taking into account the objectives sought by each partner. It also reflects the actions to be undertaken and the objectives to be achieved by the envisaged partnership. In the case of a capital opening, it serves as a ☐ **Carrying out due diligence and information exchanges:** The DueDilengence allows you to learn about your potential partner and their past and present situations to better know them and the real or potential risks against which to protect yourself in the context of the project, and this before the conclusion of the partnership.basis for determining the value of the company when using the cash flow valuation method.
 - **Carrying out the evaluation:** Given its stakes, the evaluation, whether in a context of opening up capital or new creation, is of paramount importance and to a large extent conditions the realization of the Partnership



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I.7. Objectives of the partnership

The objectives of the partnership are:

- The development and modernization of companies' activities,
- Profitability, financial profitability and competitiveness of companies,
- Technology transfer, and management know-how,
- Retention, job creation and staff training
- The implementation of a tangible and intangible investment program for the rehabilitation, upgrading and modernization of companies,
- Mastery of technical and technological routes,
- Performance improvement
- Optimization and rationalization of the use of existing potentials,
- Import substitution and export promotion.

I.8. Operation of the joint enterprise

- The management bodies of the Joint Enterprise shall be constituted by mutual agreement in proportion to the participations of the partners.
- The private partner will manage the joint venture.
- The share capital of the joint venture will be defined from the Business Plan.
- Contributions can be in kind or in cash and they will be defined from the business plan.



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- Investments will be defined from the business plan and financed in proportion to the partners' participations.
- The activities of the joint venture will be defined from the business plan.
- Dividends can be transferred in proportion to the partners' holdings

I.9. Setting up partnership operations

Any partnership operation will be based on the following steps:

- Confirmation of the need for partnership;
- Evaluation of the EPR or assets covered by the partnership; Identification of potential partner(s) by:
 - Call for expressions of interest, o Consultation, o Direct identification of partners, o Spontaneous offer of partnership.
- Choice of potential partner(s);
- Negotiation;
 - Setting up the partnership:
- Preparation and initialling of a partnership memorandum of understanding, o Elaboration and initialling of a partnership shareholders' agreement,
- Development and initialling of a partnership implementation business plan,
- Presentation of the file to the Sectoral Ministry of Supervision (MADR)
- Presentation of the file to the Council of State Participations for agreement,

Implementation of the partnership operation: Signature of the memorandum of understanding, the shareholders' agreement and the business plan

- Holding of the Constitutive General Meeting of the new company, Creation of the company before the notary and completion



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II- Partnership Program – Public-Private

II.1. Partnership Programme

Priority projects for public-private partnership stem from a proven interest and need for the EPRs in the portfolio, particularly with regard to the development objectives set out in their development plan.

To this end, it was considered appropriate to use, within the framework of the public-private partnership, the know-how of professionals with technical, technological and managerial capacities.

Thus, the resources generated by the implementation of the publicprivate partnership will allow companies to acquire investments in upgrading and modernization that will stimulate a qualitative leap whose effects must be concretely translated into the preservation of their main vocations and jobs, the sustainability of its activities and the creation of wealth.

II.2. Other partnership opportunities

- Emergence of new needs have been strongly expressed on the ground in terms of:
- Investment upstream of production,
- Investment downstream of production,
- Investment in the packaging, valorization and processing of fruits, vegetables and meat,
- Investment in production

.2.1. Upstream of production

- Services: (studies, advice and other services),
- Agricultural inputs: (Factors of production),
- Genetic material: (production of seedlings, seeds, cattle breeders, sheep, goats),
- The veterinary medicinal product,
- Plant protection products: (pesticides, herbicides, fungicides),
- Mechanization and agricultural equipment: (planter, harvester, small agricultural tools ..)
- The development of irrigation (water saving system): (drip and sprinkler, pivots, auxiliary irrigation),
- The development of fodder crops (alfalfa, but and other ...),
- The development of multi-chapel greenhouses
- The development of fertilization,



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II.2.1. Downstream of production

- The valorization of agricultural products of primeurs for export: potato, tomato, zucchini, pepper, onion, truffles, artichoke, grape, date ... etc
- The promotion and valorization of organic agricultural products

PS: As we own other large areas of land in pilot farms in different regions of Algeria, that we can offer them to you once the expression of interest is made