



## BLUEBERRY PRODUCTION ON 1 HECTAR

Investor: PRO B2ME DOO

Project Location: Serbia

Currency: EUR

Date Activity: 20.03.2022

### Description and Goal of the Investment

With this business plan, the owner of the farm intends to check the profitability of growing blueberries on the land where he now grows cereals, in order to increase the income of the farm. The investment includes land preparation, fencing, anti-hail net, irrigation system and seedlings. The owner of the farm decided to do all the work on growing blueberries with the members of the farm (5). The purchase of blueberries is offered to him by a nearby fruit processing factory. The projections do not include the work of household members, because the owner intends to generate income for the farm from the accumulation of the project, taking into account liquidity according to financial flow (cash flow on the account), because inflows and outflows during the year may be uneven, depending on implementation and collection, the Budget shows that it will be able to withdraw significantly more per year from that hectare for personal consumption. than from current cereal revenues. The high value of NPV (net present value) shows that from the accumulation of the project, if it does not spend everything for personal consumption, it will be able to expand its plantations and business even before the return on investment. He grows cereals on 15 hectares of his own land.

The life of the project

Tax of profit

Discount Rate

Realization of Investment in 1st  
year

Realization of Investment in  
2nd year

Estimation of Future Annual  
Inflation

15

10

3

2

0

3

Investment value and investment dynamics

| ! Items                        | Invested |                                |              | Year 1 |            |              | Year 2 |            |              |
|--------------------------------|----------|--------------------------------|--------------|--------|------------|--------------|--------|------------|--------------|
|                                | Price    | Durability                     | Amortization | Price  | Durability | Amortization | Price  | Durability | Amortization |
|                                | EUR      | (Years)                        | Depreciation | EUR    | (Years)    | Depreciation | EUR    | (Years)    | Depreciation |
| Projects, permits, supervision | 0        | 0                              | 0            | 300    | 0          | 0            | 0      | 0          | 0            |
| Land 1 hectares                | 2.000    | 0                              | 0            | 0      | 0          | 0            | 0      | 0          | 0            |
| Fence                          | 0        | 0                              | 0            | 1.000  | 15         | 67           | 0      | 0          | 0            |
| Soil preparation               | 0        | 0                              | 0            | 2.000  | 0          | 0            | 0      | 0          | 0            |
| Anti-hail nets                 | 0        | 0                              | 0            | 5.000  | 15         | 333          | 0      | 0          | 0            |
| Irrigation system              | 0        | 0                              | 0            | 1.500  | 15         | 100          | 0      | 0          | 0            |
| Seedlings 2,300x5.5 eur / pc   | 0        | 0                              | 0            | 12.000 | 15         | 800          | 0      | 0          | 0            |
| Other                          | 0        | 0                              | 0            | 300    | 5          | 60           | 0      | 0          | 0            |
|                                | 0        | 0                              | 0            | 0      | 0          | 0            | 0      | 0          | 0            |
|                                | 0        | 0                              | 0            | 0      | 0          | 0            | 0      | 0          | 0            |
|                                | 0        | 0                              | 0            | 0      | 0          | 0            | 0      | 0          | 0            |
| Credit processing              | 0        | 0                              | 0            | 0      | 0          | 0            | 0      | 0          | 0            |
| Working capital                | 0        | 0                              | 0            | 0      | 0          | 0            | 650    | 0          | 0            |
| Total                          | 2.000    | 0                              | 0            | 22.100 | 0          | 1.360        | 650    | 0          | 0            |
|                                |          |                                |              |        |            |              |        |            |              |
| Total Investment               | 24.750   | Working capital turnover ratio |              | 6      |            |              |        |            |              |

Sources of financing for new investments

|      | Sources      | Year 1 | Year 2 | Total  |
|------|--------------|--------|--------|--------|
| Loan | Own capital  | 22.100 | 650    | 22.750 |
|      | Amount       | 0      | 0      | 0      |
|      | Repayment    | 0      | 0      | 0      |
|      | Grace period | 0      | 0      | 0      |
|      | Interest     | 0      | 0      | 0      |
|      | Shareholders | 0      | 0      | 0      |
|      | Donations    | 0      | 0      | 0      |
|      | Total        | 22.100 | 650    | 22.750 |

### Loan repayment plan

[illegible]

Loan in Year 1

[illegible]

Loan in Year 2

[illegible]

Total loans

[illegible]

## Operating income and expenses

At current prices (excluding inflation)

| Items                       | Unit of             | Unit  | Annual volume |        |        |           | Annual amount |        |        |           |
|-----------------------------|---------------------|-------|---------------|--------|--------|-----------|---------------|--------|--------|-----------|
|                             | measure             | Price | Year 1        | Year 2 | Year 3 | Next year | Year 1        | Year 2 | Year 3 | Next year |
| INCOMES                     |                     | 0     | 0             | 0      | 0      | 0         | 0             | 3.900  | 9.000  | 12.000    |
| Sale of fresh blueberries   | kg                  | 3     | 0             | 1.300  | 3.000  | 4.000     | 0             | 3.900  | 9.000  | 12.000    |
|                             |                     | 0     | 0             | 0      | 0      | 0         | 0             | 0      | 0      | 0         |
|                             |                     | 0     | 0             | 0      | 0      | 0         | 0             | 0      | 0      | 0         |
|                             |                     | 0     | 0             | 0      | 0      | 0         | 0             | 0      | 0      | 0         |
|                             |                     | 0     | 0             | 0      | 0      | 0         | 0             | 0      | 0      | 0         |
|                             |                     | 0     | 0             | 0      | 0      | 0         | 0             | 0      | 0      | 0         |
| EXPENSES                    |                     | 0     | 0             | 0      | 0      | 0         | 1.400         | 2.410  | 3.550  | 4.240     |
| Manure                      | kg                  | 3     | 200           | 220    | 250    | 280       | 600           | 660    | 750    | 840       |
| Protective equipment        | kg                  | 5     | 60            | 60     | 60     | 60        | 300           | 300    | 300    | 300       |
| Packaging                   | kom                 | 5     | 0             | 130    | 300    | 400       | 0             | 650    | 1.500  | 2.000     |
| Expert supervision services | eur                 | 1     | 0             | 200    | 300    | 300       | 0             | 200    | 300    | 300       |
|                             |                     | 0     | 0             | 0      | 0      | 0         | 0             | 0      | 0      | 0         |
|                             |                     | 0     | 0             | 0      | 0      | 0         | 0             | 0      | 0      | 0         |
|                             |                     | 0     | 0             | 0      | 0      | 0         | 0             | 0      | 0      | 0         |
|                             |                     | 0     | 0             | 0      | 0      | 0         | 0             | 0      | 0      | 0         |
| Gross wages of workers      | Number of employees | 0     | 0             | 0      | 0      | 0         | 0             | 0      | 0      | 0         |
| Average per month           | Gross wages         | 0     | 0             | 0      | 0      | 0         | 0             | 0      | 0      | 0         |
| Gross management salaries   |                     | 0     | 0             | 0      | 0      | 0         | 0             | 0      | 0      | 0         |
| Maintenance                 |                     | 0     | 0             | 0      | 0      | 0         | 200           | 300    | 300    | 300       |
| Insurance                   |                     | 0     | 0             | 0      | 0      | 0         | 100           | 100    | 100    | 100       |
| Marketing                   |                     | 0     | 0             | 0      | 0      | 0         | 100           | 100    | 200    | 300       |
| Other                       |                     | 0     | 0             | 0      | 0      | 0         | 100           | 100    | 100    | 100       |
| OPERATIONAL RESULT          |                     | 0     | 0             | 0      | 0      | 0         | -1.400        | 1.490  | 5.450  | 7.760     |

Income statement

| Year               | 1      | 2     | 3     | 4      | 5      | 6      | 7      | 8      | 9      | 10     | 11     | 12     | 13     | 14     | 15     |
|--------------------|--------|-------|-------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| INCOMES            | 0      | 3.900 | 9.270 | 12.731 | 13.113 | 13.506 | 13.911 | 14.329 | 14.758 | 15.201 | 15.657 | 16.127 | 16.611 | 17.109 | 17.622 |
| Operating expenses | 1.400  | 2.410 | 3.657 | 4.498  | 4.633  | 4.772  | 4.915  | 5.063  | 5.215  | 5.371  | 5.532  | 5.698  | 5.869  | 6.045  | 6.227  |
| EBITDA             | -1.400 | 1.490 | 5.614 | 8.233  | 8.480  | 8.734  | 8.996  | 9.266  | 9.544  | 9.830  | 10.125 | 10.429 | 10.742 | 11.064 | 11.396 |
| Amortization       | 1.133  | 1.360 | 1.360 | 1.360  | 1.360  | 1.360  | 1.360  | 1.360  | 1.360  | 1.360  | 1.360  | 1.360  | 1.360  | 1.360  | 1.360  |
| EBIT               | -2.533 | 130   | 4.254 | 6.873  | 7.120  | 7.374  | 7.636  | 7.906  | 8.184  | 8.470  | 8.765  | 9.069  | 9.382  | 9.704  | 10.036 |
| Interest           | 0      | 0     | 0     | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      |
| EBT                | -2.533 | 130   | 4.254 | 6.873  | 7.120  | 7.374  | 7.636  | 7.906  | 8.184  | 8.470  | 8.765  | 9.069  | 9.382  | 9.704  | 10.036 |
| Tax of profit      | 0      | 13    | 425   | 687    | 712    | 737    | 764    | 791    | 818    | 847    | 877    | 907    | 938    | 970    | 1.004  |
| NET PROFIT         | -2.533 | 117   | 3.828 | 6.185  | 6.408  | 6.637  | 6.872  | 7.115  | 7.365  | 7.623  | 7.889  | 8.162  | 8.443  | 8.734  | 9.032  |

The years are not calendar, but are calculated from the day of providing financial resources.

## Cash Flow

| Year                        | 1      | 2     | 3     | 4      | 5      | 6      | 7      | 8      | 9      | 10     | 11     | 12     | 13     | 14     | 15      |
|-----------------------------|--------|-------|-------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------|
| 1. INFLOWS                  | 22.100 | 4.550 | 9.270 | 12.731 | 13.113 | 13.506 | 13.911 | 14.329 | 14.758 | 15.201 | 15.657 | 16.127 | 16.611 | 17.109 | 17.622  |
| Equity                      | 22.100 | 650   | 0     | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0       |
| Loans                       | 0      | 0     | 0     | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0       |
| Shareholders                | 0      | 0     | 0     | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0       |
| Donations                   | 0      | 0     | 0     | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0       |
| Shareholders                | 0      | 0     | 0     | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0       |
| Operating income            | 0      | 3.900 | 9.270 | 12.731 | 13.113 | 13.506 | 13.911 | 14.329 | 14.758 | 15.201 | 15.657 | 16.127 | 16.611 | 17.109 | 17.622  |
| 2. OUTFLOWS                 | 23.500 | 3.073 | 4.977 | 5.762  | 5.409  | 5.875  | 5.746  | 5.923  | 6.105  | 6.292  | 6.785  | 6.683  | 6.888  | 7.099  | 7.316   |
| Investments                 | 22.100 | 650   | 895   | 577    | 64     | 66     | 68     | 70     | 72     | 74     | 76     | 78     | 81     | 83     | 86      |
| Payment of old obligations  | 0      | 0     | 0     | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0       |
| Replacement of fixed assets | 0      | 0     | 0     | 0      | 0      | 300    | 0      | 0      | 0      | 0      | 300    | 0      | 0      | 0      | 0       |
| Operating expenses          | 1.400  | 2.410 | 3.657 | 4.498  | 4.633  | 4.772  | 4.915  | 5.063  | 5.215  | 5.371  | 5.532  | 5.698  | 5.869  | 6.045  | 6.227   |
| Loan annuities              | 0      | 0     | 0     | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0       |
| Tax of profit               | 0      | 13    | 425   | 687    | 712    | 737    | 764    | 791    | 818    | 847    | 877    | 907    | 938    | 970    | 1.004   |
| FINANCIAL FLOW (1-2)        | -1.400 | 1.477 | 4.293 | 6.969  | 7.704  | 7.631  | 8.165  | 8.406  | 8.654  | 8.909  | 8.873  | 9.444  | 9.723  | 10.010 | 10.307  |
| Financial flow cumulative   | -1.400 | 77    | 4.370 | 11.339 | 19.043 | 26.674 | 34.838 | 43.244 | 51.898 | 60.807 | 69.680 | 79.123 | 88.846 | 98.857 | 109.163 |

## Note

From the future accumulation, the program automatically included in the projections the replacement of fixed assets with a shorter lifespan than the project life Residual (residual value of the project) after the project life is not calculated in the last year of the project life because the market value of fixed assets after the end of the project life cannot be realistically estimated, and can significantly affect the financial effects.



## Financial results of the investment

| Parameter                           | Amount     |
|-------------------------------------|------------|
| Investment                          | 24.750 EUR |
| Average Income                      | 12.923 EUR |
| Average Net profit                  | 6.125 EUR  |
| $\Sigma$ Net profit / Investment    | 3,71       |
| Liquidity in all years              | No         |
| Average Net profit / Average Income | 47,4 %     |
| NPV (net present value)             | 56.179 EUR |
| IRR (internal rate of return)       | 19,04 %    |
| Return time discounted              | 6 Years    |

## SWOT Analysis

### Strength

Your strengths can be qualified staff, team, experience, available resources (technological equipment, raw material base), market position, innovative products, investment and creditworthiness.

### Weaknesses

Poor creditworthiness, lack of team, experience, qualified staff, creditworthiness, ie. financial resources (especially for beginners in business), inflexibility (poor adaptation to market changes), poor financial analysis to prove the profitability of the idea and attract co-investors...

### Opportunity

Innovative product, developed more advanced technology, profitability of the idea, favorable market situation, ie. favorable economic-socio-political environment,....

### Threats

Unfavorable economic, socio-political environment, lack of state incentives and favorable loans,especially for business start-ups, strong competition in the planned activity, strong competition that quickly develops more innovative products.

## Appendix

| Agency        | Standard and Poor's                     | Fitch Ratings                           | Moody's Service                         |
|---------------|---|---|---|
| Rating        | BB+/stable appearance <a href="#">↗</a> | BB+/stable appearance <a href="#">↗</a> | Ba2/stable appearance <a href="#">↗</a> |
| Date Activity | 6/11/2021 <a href="#">↗</a>             | 9/3/2021 <a href="#">↗</a>              | 3/12/2021 <a href="#">↗</a>             |
| Activity      | Rating confirmed <a href="#">↗</a>      | Rating confirmed <a href="#">↗</a>      | Increased rejting <a href="#">↗</a>     |

You can download the current Rating via the link [https://nbs.rs/sr/finansijsko\\_trziste/informacije-za-investitore-i-analiticare/rejting\\_RS/](https://nbs.rs/sr/finansijsko_trziste/informacije-za-investitore-i-analiticare/rejting_RS/). Attached is the latest rating rating from STANDARD & POOR'S, MOODY'S INVESTORS SERVICE and RATING FITCH. It is important if foreign investments or foreign investors are planned. More in the blog <https://investasistent.com/investiciona-i-kreditna-sposobnost-investitora/>

## Note

An investment is eligible for realization if all indicators in the Financial Result have recommended values, if the SWOT analysis is realistic (more in the blog [SWOT Analysis](#)) and if the investment and creditworthiness is realistically assessed and accepted by a potential lender or co-investor (more in the blog [Investment and Investor Creditworthiness](#)). The key parameters on the basis of which it is concluded whether the investment is financially justified are: NPV (Net present value), which must be positive, and shows how much the investor will earn in the project life at current prices, IRR (internal rate of return) which is an indicator of interest invested capital, which in the basic variant must be at least 2 times higher than the discount rate, Discounted return on investment, which must be shorter than the life of the project, Average annual Net profit min 15-20% of average income. If the budget shows a loss on the Income Statement and / or illiquidity in the Financial Flow (often occurs in the first years of the project life if production is gradually established and / or due to the need to conquer the market, due to employee salaries, depreciation and due loan installments), and other above parameters are good, does not mean that you should give up the investment, but indicate that in those years it is necessary to invest additional external funds to maintain liquidity.

## Disclaimer

We did not check the reliability of the input data (investment value, income and expenses, SWOT analysis), as well as investment and creditworthiness. Therefore, before starting the investment, all entered data should be checked again, especially the procurement and sales market.

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If you want our opinion on the investment in question, contact our consultants by [e-mail](#) with specific questions.