INVESTMENT OPPORTUNITY | REPUBLIC OF MOLDOVA

Investment Profile – Industrial Hemp

Phased regional seed and stalk processing centre



INSTITUTIONAL REFERENCES Invest Moldova Agency (Invest Moldova / IMA) · Ministry of Agriculture and Food Industry (MAIA) · National Food Safety Agency (ANSA)

THE OPPORTUNITY AT A GLANCE Moldova can use the new authorisation framework to develop a value chain based on contracted cultivation, local processing and access to regional markets. The project is phased to limit exposure in a local sector that is still at an early stage.

Parameter	Investor-facing option and comparison cases
Investment	approximately EUR 4.20 million
Nominal capacity	750 t / year seeds and 6,000 t / year stalks
Farming base	approx. 1,347 ha in hybrid configuration; approximately 1,750 ha separately
Annual revenue at maturity	About 3.35 million EUR in the investor-facing option; 2.96 million EUR at the prudent case
EBITDA and EBITDA margin at maturity	approximately EUR 0.93 million/year and 27.7%; prudent case: EUR 0.54 million/year and 18.3%
Peak working capital at maturity	approximately EUR 1.02 million; prudent case: approximately EUR 0.95 million
NPV — investor equity / prudent project / project +13% / project +15%	+0.56 / −1.55 / +0.06 / +0.31 million EUR
IRR — investor equity / prudent project / project +13% / project +15%	14.8% / 4.5% / 12.3% / 13.4%
Simple payback — investor-facing option / prudent case	approx. 9.4 years / 14.4 years

1. Opportunity summary

The project is organised as a joint venture led by an agro-industrial operator and developed in three stages: A — aggregation and toll processing to test the market; B — seed processing; and C — a modular seed-and-stalk platform. The investor-facing option is Configuration C, supplied by approximately 833 ha under dual-purpose cultivation and 514 ha dedicated to stalk production, or about 1,347 ha in total at nominal capacity.

The investor-facing option assumes that, in each operating year, the commercial outcome improves by an amount equal to 13% of prudent-case revenue, together with indicative grant financing equal to 15% of the investment. The improvement can result from better prices and product mix, higher processing yields, lower losses and lower delivery costs; it does not mean 13% year-on-year growth. Before grant financing, the project delivers an NPV of EUR +0.06 million and an IRR of 12.3%. After the grant, investor equity delivers an NPV of EUR +0.56 million, an IRR of 14.8% and simple payback of approximately 9.4 years. These conditions will be tested using local data, supplier quotations, industrial trials, letters of intent and preliminary offtake agreements.

2. Strategic rationale and market

Industrial hemp can yield several product categories from the same crop. The project's value does not depend on a single product, but on the operator's ability to market oil, press cake, fibre and the woody stalk fraction ('shives') consistently and in line with each customer's specifications.

In the European Union, the area under hemp increased by approximately 60% between 2015 and 2022. In the Republic of Moldova, MAIA recorded the first authorised farmers in 2025, including in Criuleni; an industry source indicated close to 500 ha and nine growers in 2026, including in the Căușeni, Bălți and Hîncești areas. The information confirms an emerging value chain, but areas, varieties and intended uses must be reconciled with ANSA records.

International benchmarks

Benchmark	Project relevant lesson
France - cooperative model	Contracting the crop and valorising fibre and shives in parallel support the plant's operational stability.
France - building materials	Technical rules, training or certification of teams using hemp-based materials on construction sites, together with demonstration projects, facilitate product acceptance.
Scotland - Sector study	Testing of local feedstock and dimensioning in relation to the available area precede investment.
Canada	Processing should be located close to the feedstock and buyers should be qualified before capacity expansion.
Projects with difficulties	Investments made before feedstock and confirmed market demand can lead to underutilisation and financial pressure.

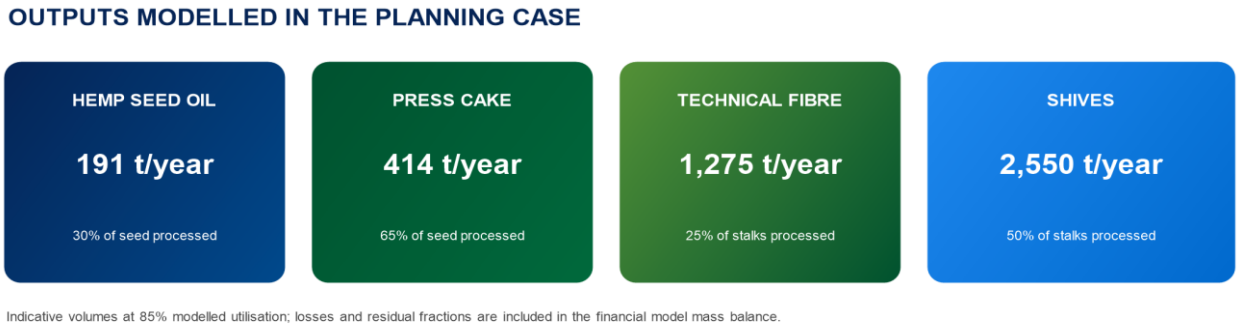
Moldova's potential advantages

- first-mover potential in a new local sector where industrial competition appears limited, subject to confirmation through a review of existing operators;
- a national authorisation framework adopted in 2026 and gradual approximation to European Union rules, without involving automatic compliance for each product;
- trade access through the agreements of the Republic of Moldova with the European Union, CEFTA States, EFTA States, Turkey, the United Kingdom and Ukraine, subject to the rules of origin and product requirements;
- the possibility to serve as a regional platform for processing and marketing between Western and Eastern markets if the feedstock is locally converted and the routes are validated;
- agricultural experience, transferable agro-industrial skills and the possibility of modular development prior to the emergence of oversized capacity;
- the possible eligibility for investment or agricultural support instruments to be verified for each programme and component.

3. Project structure and business model

The operator will enter into multi-year contracts with farmers and specify the variety, intended use, price or pricing formula, harvesting method, moisture, contaminants and traceability requirements. This structure is required to secure feedstock and is compatible with legal restrictions on the acquisition of agricultural land by foreign persons: the industrial investor does not need to purchase farmland, but can secure production through contracts, minority farmer participation, services and quality incentives. The application of Law No. 1308/1997 will be confirmed by a legal opinion.

Revenue will come from business-to-business sales of standardised products. Stage II will be activated only after feedstock and buyers have been confirmed for both main stalk fractions.



Indicative volumes at 85% modelled utilisation; losses and residual fractions are included in the financial model mass balance.

Investment phasing

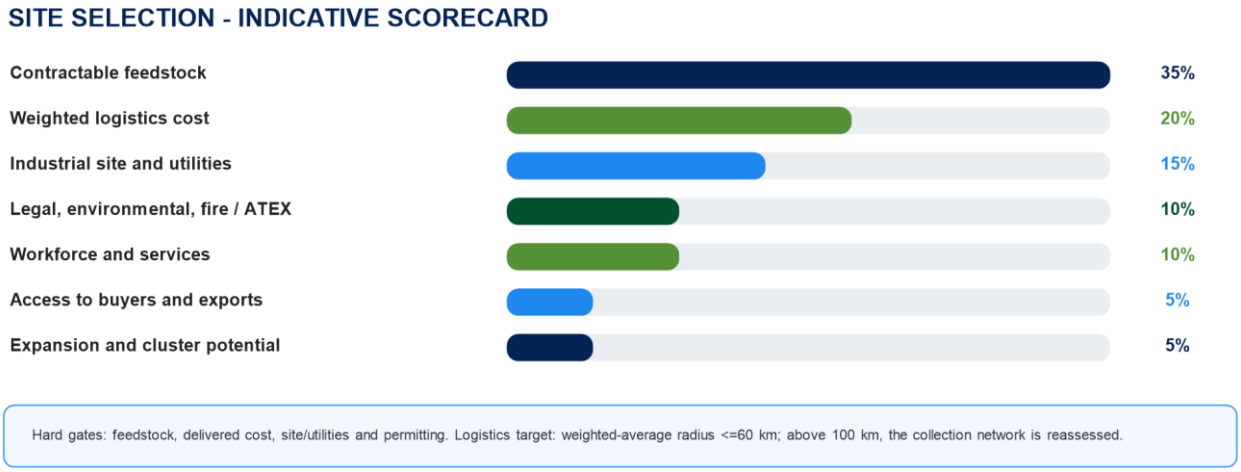
Element	Stage I - seeds	Stage II - Stalks
Indicative investment	1.15 million EUR	3.05 million EUR
Nominal capacity	750 t/year	6,000 t/year
Revenue start-up	after installation and qualification of flow	after confirmation of commercial thresholds
Employment	approximately 10	approximately 14 additional

DECISION RULE
A — an indicative EUR 0.20–0.35 million budget for aggregation, quality control, demonstration batches and contract processing; B — the make-or-buy decision follows confirmation of seed-stream economics; C — the recommended configuration. Stage I becomes operational after about one year. Stage II is contracted after two years of observation and two growing seasons, and only after delivered feedstock cost, specifications, buyers, equipment quotations and financing have been confirmed; operations start the following year.

4. Feedstock, site and infrastructure

The separate-crop solution requires approximately 1,750 ha. A purely dual-purpose solution would require about 1,714 ha to supply 6,000 t of stalks and would produce approximately 1,543 t of seed, almost 793 t above the modelled capacity. The proposed hybrid configuration uses about 833 ha under dual-purpose cultivation and 514 ha dedicated to stalk production, or approximately 1,347 ha in total. The central assumption is 0.9 t/ha of seed and 3.5 t/ha of recoverable stalks on dual-purpose areas; 1.5 t/ha is the stress case and 5.0 t/ha is the target to be validated.

Site-selection criteria



Pre-screening starts with the Criuleni–Băcioi–Hîncești and Căușeni–Ștefan Vodă corridors, where there are indications of cultivation, processing or regional interest. Bălți, Cahul and Cimișlia remain alternatives if a sufficient farming base is confirmed. The scorecard assigns 35% to feedstock, 20% to logistics cost, 15% to site and utilities, 10% to legal and environmental matters, 10% to labour, and 5% each to market access and expansion potential. The benchmark is a 1.8–2.5 ha existing industrial site or 2.5–4 ha of land for a new facility, with a target weighted-average collection radius of no more than 60 km.

Information required for the final decision

- a map of farmers, areas and available monthly volumes;
- weighted logistics cost for at least three sites;
- confirmation of utility capacity and connection lead times;
- the land’s legal status and planning designation;
- a preliminary environmental assessment and compatibility with neighbouring land uses.

5. Investment parameters and financial results

Indicator	Indicative value	Interpretation
Investment expenditure (CAPEX)	EUR 4.20 million	indicative breakdown; requests for quotation and separate renewal test required
Peak working capital at maturity	1.02 million EUR	about 0.95 million EUR at the prudent case; gradually forming and financing separately from CAPEX
Annual revenue at maturity	3.35 million EUR	EUR 2.96 million in the prudent case; 85% utilisation at maturity
EBITDA and EBITDA margin at maturity	0.93 million EUR/year; 27.7%	0.54 million EUR/year and 18.3% at the prudent case
NPV — investor equity / prudent project / project +13% / project +15%	+0.56 / −1.55 / +0.06 / +0.31 million EUR	investor-facing option / prudent case / +13% without grant / +15% without grant
IRR — investor equity / prudent project / project +13% / project +15%	14.8% / 4.5% / 12.3% / 13.4%	investor-facing option / prudent case / threshold / upside case
simple payback - investor-facing option / prudent	approx. 9.4 / 14.4 years	undiscounted cash flows

Key analysis assumptions

The prudent planning case assumes phased investment, 85% utilisation at maturity and the hybrid farming configuration. Estimated delivered feedstock cost is approximately EUR 1,402/t for seed and EUR 135/t for stalks. The indicative EUR 4.20 million investment covers equipment, the building and site works, handling and storage, utilities, the laboratory, dust control and fire protection, installation and contingency. These estimates will be replaced with supplier quotations. Routine maintenance is included in fixed costs. Additional replacement expenditure equal to 3% of the investment every five years reduces NPV by approximately EUR 0.14 million and will be included in the final model only if quotations show that it is not already covered by maintenance.

INVESTOR-FACING OPTION
The case combines commercial gains equal to 13% of prudent-case revenue with indicative grant financing equal to 15% of the investment. Before the grant, project NPV is EUR +0.06 million and IRR is 12.3%. After the grant, investor-equity NPV is EUR +0.56 million, IRR is 14.8% and simple payback is about 9.4 years. The conditions must be confirmed before an investment decision.

How confirmed conditions affect the outcome

The investor-facing option assumes an improved commercial outcome equal to 13% of prudent-case revenue and indicative grant financing equal to 15% of the investment, or approximately EUR 0.63 million. Before the grant, the project delivers an NPV of EUR +0.06 million and an IRR of 12.3%, only slightly above the 12% real discount rate. After the grant, investor equity delivers an NPV of EUR +0.56 million, an IRR of 14.8% and simple payback of approximately 9.4 years. At maturity, EBITDA is estimated at EUR 0.93 million per year, with an EBITDA margin of 27.7%, while peak working-capital requirements are approximately EUR 1.02 million. The prudent case delivers a project NPV of EUR −1.55 million, an IRR of 4.5%, EBITDA of approximately EUR 0.54 million per year and an 18.3% margin. The upside case without grant financing, assuming an improved commercial outcome equal to 15% of prudent-case revenue, delivers a project NPV of EUR +0.31 million and an IRR of 13.4%. Grant financing would cover equipment and other eligible expenditure, not operating losses. All conditions must be confirmed.

DISCOUNT RATE
A 12% real discount rate is used for constant-EUR cash flows, corresponding to an indicative 14% nominal cost of capital at 2% EUR inflation. This common benchmark is not the final rate for a specific investor and will be updated once financing terms are known.

6. Legal framework and measures to facilitate sector development

Government Decision No. 214/2026 introduced a separate regime for industrial hemp cultivation and designated the National Food Safety Agency as the competent authority. Authorised industrial hemp must comply with the maximum permitted tetrahydrocannabinol (THC) content of 0.3%. THC is the principal psychoactive substance in the cannabis plant, and compliance with this threshold distinguishes industrial cultivation from plants grown for other purposes. Applications for cultivation authorisation may be submitted annually between 1 February and 30 April.1

The new framework is an important step. The model assumes that contracts with farmers, land and varieties are prepared before 1 February so applications can be submitted within the statutory window. Missing the deadline may delay feedstock development, and therefore revenue, by one growing season. Experience from the first implementation cycles will help identify additional measures that could stimulate investment and reduce operating uncertainty.

Role of the public sector

Invest Moldova will support project structuring, investor identification and connections with relevant authorities, farmers, trading partners and funding sources. The MAIA can facilitate the organisation of the farming base and dialogue on support instruments, and the ANSA provides the authorisation framework. In the European Union, hemp growers are eligible for payments from the common agricultural policy and France, Poland and Romania apply coupled support; rural development measures can support investment, innovation and chain organisation. In Moldova, the AIPA SP 2.8 measure and the agricultural framework 2026-2030 provide benchmarks for investments in the processing, conditioning and storage of plant products. Based on these practices, the analysis tests indicative grants of 15% of the investment. The form, eligibility and budget will be determined according to the available programmes. The private operator shall retain responsibility for the execution, market and operating performance.

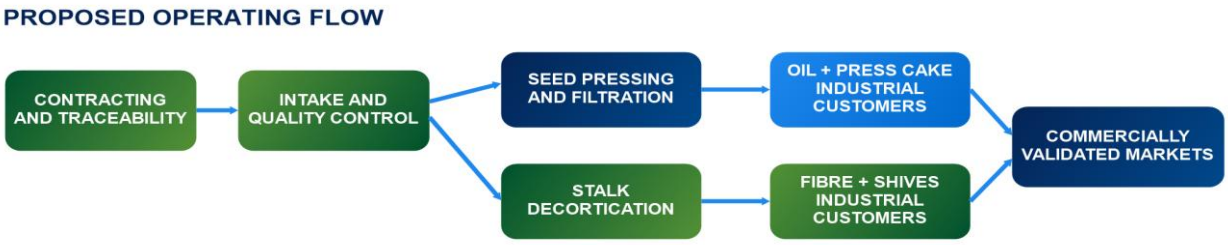
Area	Direction that could facilitate development
Information for operators	A practical guide and a single information point would facilitate the preparation of dossiers and uniform application.
Agricultural support instruments	Explicit inclusion of hemp in future support measures could help develop the feedstock base.
Leaves and flowers	Clarification of permitted uses and fractions to be neutralised would facilitate long-term planning.
Construction materials	Local tests, European technical benchmarks and demonstration projects could facilitate the acceptance of products based on shives.
Export	Early verification of the customs classification and applicable documents would reduce commercial risk.

Programmes and financing sources

The financing structure may combine private equity, long-term debt, guarantees for farmers' seasonal finance and grants for eligible components. Invest Moldova and MAIA may initiate discussions with AIPA, ODA, banks and development partners to identify suitable instruments. Any public contribution would be linked to verifiable results, while the private operator would remain responsible for implementation and commercial performance.

1Government Decision No. 214 of 29 April 2026 and the Regulation on industrial hemp cultivation, Official Gazette No. 198–201: https://monitorul.gov.md/ro/monitor/3268

7. Implementation, risks and the investor-facing option



Stage II is activated only after feedstock, process parameters and buyers have been confirmed for both product streams.

Key risks and mitigation measures

Risk	Mitigation measure
Insufficient volume	multi-year contracts and clusters of farmers; Stage A before full investment; not dependent on the investor buying agricultural land
Variable quality	Reception, laboratory, premium and penalty protocol and batch traceability
Demand or price below assumptions	Samples, specifications, multiple buyers and prior purchase agreements
Investment above budget	comparable requests for quotation, contingency reserve and performance guarantees
Regulation and authorisation	Early dialogue with authorities and confirmation of the regime of each product
EUR/MDL currency risk	Alignment of income, CAPEX and debt; indexation clauses, position limits and sensitivity EUR / MDL ± 10%.

Partner profile and implementation model

The preferred structure is a private SPV/JV led by an agro-industrial operator, with farmers participating through contracts or minority shareholdings and, preferably, a European commercial or industrial partner. Alternatives include a farmers' cooperative or consortium, integration with an existing processor, or a PPP limited to infrastructure. The SPV/JV centralises technical and commercial responsibility, supports bankable farmer contracts and does not require foreign ownership of farmland.

Likely investors are agro-industrial operators, natural-fibre or oilseed processors, ingredient or material manufacturers, and strategic funds working with an operator. Farmers may participate without bearing the plant's technology and market risks alone; a European partner can add specifications, technology, product qualification and buyer access.

Addressable market and competitive benchmarks

Each product market — bulk oil, press cake/protein, technical fibre and shives — is assessed by specification, prospective buyers, volumes, qualification process and net price achievable in Moldova after logistics and compliance. Validation requires three to five qualified buyers per stream and documented interest in initial volumes.

Moldovan initiatives in preparation include Biateca/Azamet Pro and at least one fibre project listed by the Enterprise Europe Network. Before adding capacity, existing technology, capacity, contracted feedstock and committed CAPEX must be mapped to avoid competing for the same farmland. HempFlax, La Chanvrière and Dun Agro are technology benchmarks, not evidence of offtake agreements.

ESG impact, circular economy and employment

Full use of the crop supports the circular economy and about 24 permanent jobs at maturity. Oil, protein ingredients, fibre and shives can trigger related investment in materials, food ingredients, laboratories, logistics, maintenance, seed multiplication and farm services. Hemp can diversify rotations and return some underused land to production after soil and water assessment, but it is not a universal solution for marginal land.

Selected sources (active links): MAIA — 2025 cultivation · European Commission · Teagasc — agronomic benchmark · AIPA — SP 2.8

IMPORTANT NOTICE. The values shown are planning estimates and assumptions, not firm quotations, financing offers or promises of return. The investment requires technical, commercial, legal and financial validation.
INVESTOR CONTACT
Further information on the model, technology, supply and site is available from Invest Moldova.