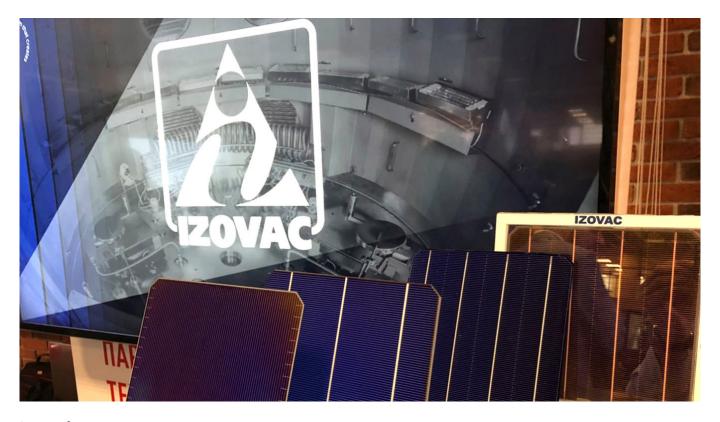


## This Belarusian Firm Supplies Western Tech Giants Like Apple – And Russia's Defense Industry

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## Izovac.by

Izovac, a Belarusian company specializing in vacuum deposition technology, has long been a supplier to major global tech firms like Apple, Tesla and Samsung.

At the same time, Izovac and its affiliates have also supplied approximately \$200 million in equipment to Russian defense contractors since the full-scale invasion of Ukraine, an <a href="investigation">investigation</a> by the Belarusian Investigative Center (BIC) has found.

The investigation was conducted in collaboration with C4ADS, IStories, 15min.lt and Skhemy, and supported by Cyberpartisans.

Founded in 1992 by the Minsk Radiotechnical Institute and several of its alumni, Izovac began as a scientific and technical firm. Over time, it evolved into a leading manufacturer of vacuum deposition systems, crucial for producing touchscreen displays.

Its technology was <u>integral</u> to the production of early iMacs, and according to a World Bank <u>report</u>, about half of the touch screens for the iPhone and iPad were originally manufactured using Izovac equipment.

"When you tap with your finger and the phone knows where you pressed, it's this touchscreen, specifically this trace — which includes Izovac's trace," <u>said</u> Vitali Khomich, Izovac's deputy director, in an interview four years ago.

By 2020, Izovac <u>held</u> about 20% of the global market share in supplying vacuum deposition equipment for touchscreens. In addition to Apple, Izovac <u>counted</u> major global brands like Tesla, Samsung, LG and Sharp among its clients.

Gradually, Izovac <u>transitioned</u> to assembling production lines for clients. It expanded and <u>developed</u> a diversified structure: it would develop a technology, nurture it for a while and then spin it off into a separate company.

One of these subsidiaries is the Belarusian firm Izotek-M, which <u>specializes</u> in mechanical processing and manufacturing of optical elements. It is with Izotek-M that BIC's investigation into the darker side of Belarusian business begins.

Through Izotek-M, Izovac allegedly sold a used plasma etching system from the American brand Applied Materials to NM-Tech, a Russian company linked to the defense sector.

Plasma etching systems are <u>used</u> for producing microchips, a vital and scarce component in Russia's military technology.

The sale circumvented U.S. export controls and violating sanctions imposed by both the U.S. and the EU.

"U.S. sanctions and U.S. export control rules cover used items," Richard Nephew, a senior research scholar at Columbia University, told BIC. "[They] cover items whether or not they're going through intermediaries or whether or not they're going directly from U.S. companies. And it's the responsibility of U.S. companies to ensure that the end users are who they say they will be."

Related article: <u>Deadly Chips: How a Belarusian State Firm Bypasses Sanctions and Helps Russia Prolong Its War</u>

Further investigation traced the equipment's journey through intermediaries in Taiwan and China, ultimately reaching NM-Tech.

The BIC also found that Inzhiniring Grupp, a Russian firm with over 30 defense-related clients — most of which are under Western sanctions — was involved in facilitating these transactions. Inzhiniring Grupp's owner, Sergei Yanovich, was previously associated with Izovac.

The BIC discovered at least 30 Russian military-industrial enterprises among the clients of two other Izovac subsidiaries, InterNanoTechnologii and Izovac. Twenty-two of them are under Western sanctions.

From 2022 to 2024, these two Belarusian companies delivered nearly \$10 million in supplies to their wartime partners, with an analysis of customs data showing that the vast majority of the components supplied were labeled as made in Belarus.

The equipment that Izovac and InterNanoTechnologii delivered to Russian companies plays a vital role in military production, Olena Bilousova, an expert from the Kyiv School of Economics, told the BIC and the Skhemy project.

"Supplying such equipment is prohibited. This is very important because it's this access [to purchases] that allows Russia to create new capabilities, meaning expanding production and acquiring new equipment that enables it to produce more weapons," Bilousova said. "The dual-use aspect is very fragile here because there are very few non-military purposes that require such precise equipment."

Since the full-scale invasion of Ukraine, Izovac's revenue has doubled each year: it stood at 13 million Belarusian rubles (\$5.1 million) in 2021, 27 million (\$10.3 million) in 2022 and 53 million (\$17.7 million) in 2023. In 2024, the company's revenue grew by 36% to 72 million (\$22.2 million).

The BIC estimates that companies within the Izovac group have secured contracts worth approximately \$200 million with Russian military enterprises.

These contracts involve the supply of equipment critical to the production of precision weapons, including components for Kalibr cruise missiles.

Despite its Belarusian roots, Izovac has established a presence in the European Union through I-Photonics, a company based in Lithuania.

Lithuanian authorities previously <u>froze</u> 1.2 million euros in I-Photonics' accounts that had been transferred from a company linked to Sergei Chemezov, the head of Russia's state defense conglomerate Rostec and a figure close to President Vladimir Putin.

The BIC investigation revealed that key individuals involved in I-Photonics had prior affiliations with Izovac, raising concerns about the company's operations in Europe.

Lithuania has mechanisms to monitor companies associated with Belarus and Russia that position themselves as independent, but these should be adjusted, Laurynas Kasčiūnas, the vice-chairman of the Lithuanian Seimas' National Security and Defense Committee, told 15min.lt.

"They should be reviewed to determine whether such a company can operate in Lithuania at all — especially considering information about its connections with the Russian defense sector. For my part, I will certainly do everything possible as a member of parliament to approach the relevant institutions and ask them to reconsider whether such a company has the right to operate in Lithuania," he said.

The BIC sent requests for comment to the Izovac group's international clients, as well as to the companies in the group and their owners. At the time of publishing this investigation, it had not received any responses. Vladimir Shiripov, one of the founders of Izovac, and Sergei Yanovich, the owner of Inzhiniring Grupp, declined to speak with the BIC.

This is an abridged version of an <u>investigation</u> by the Belarusian Investigative Center.

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