



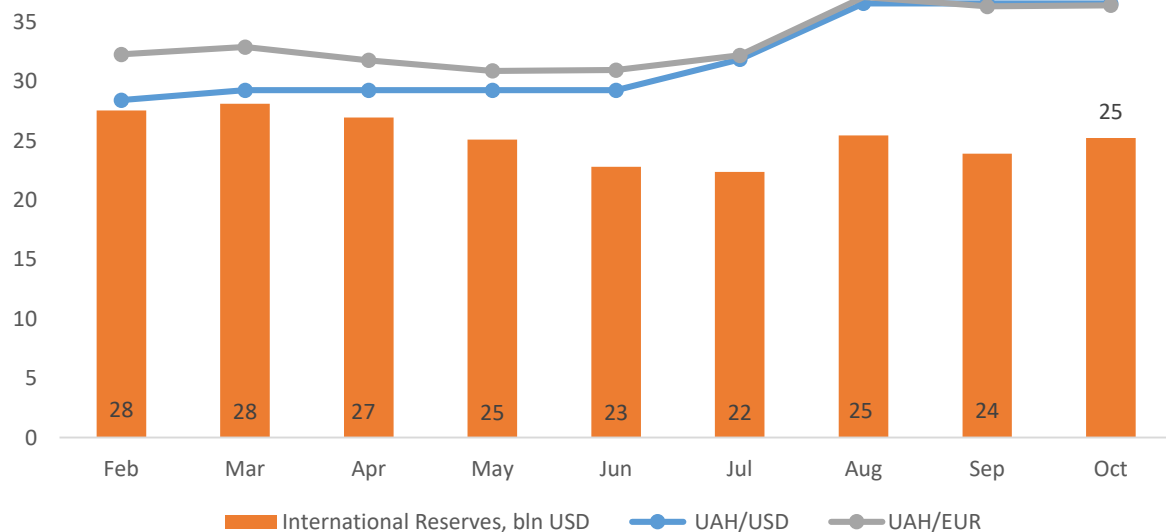
Rebuild Ukraine Business Conference

UkraineInvest
Your Investment Matters

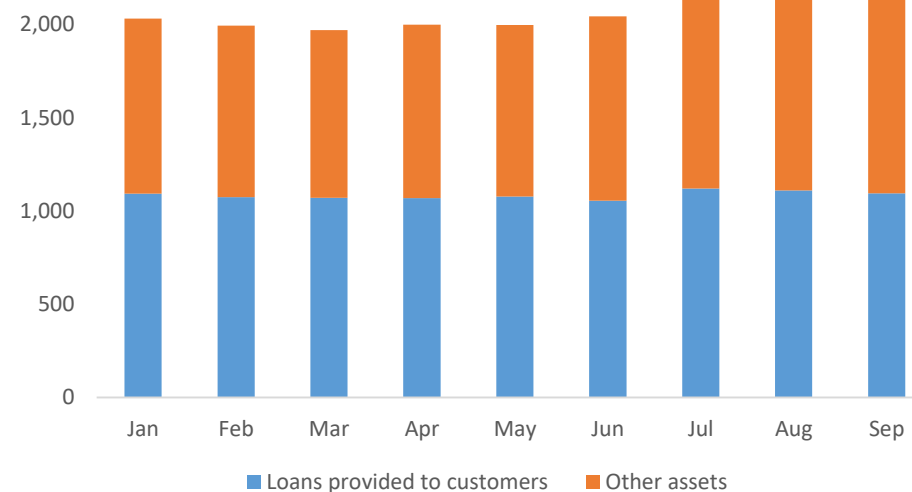
Macroeconomic overview



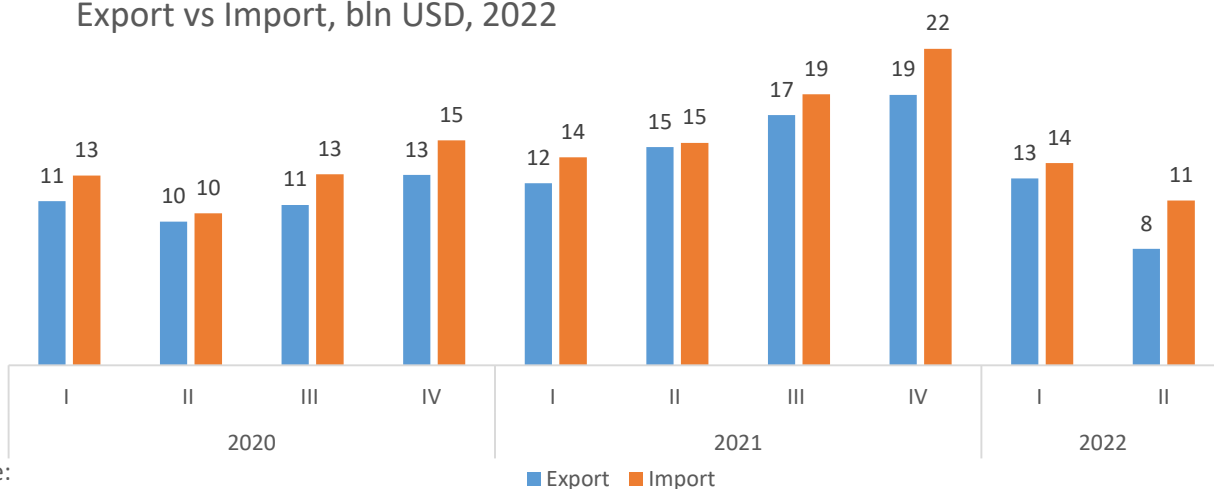
Exchange rate vs International Reserves, 2022



Total banking assets, bln UAH, 2022



Export vs Import, bln USD, 2022



Hryvna's devaluation for 30% has created additional profit margins for Ukrainian exporters

Ukraine has successfully undergone debt reprofiling

The World Bank has upgraded their forecast of Ukraine's GDP growth in 2023 from 2.1% to 3.3%

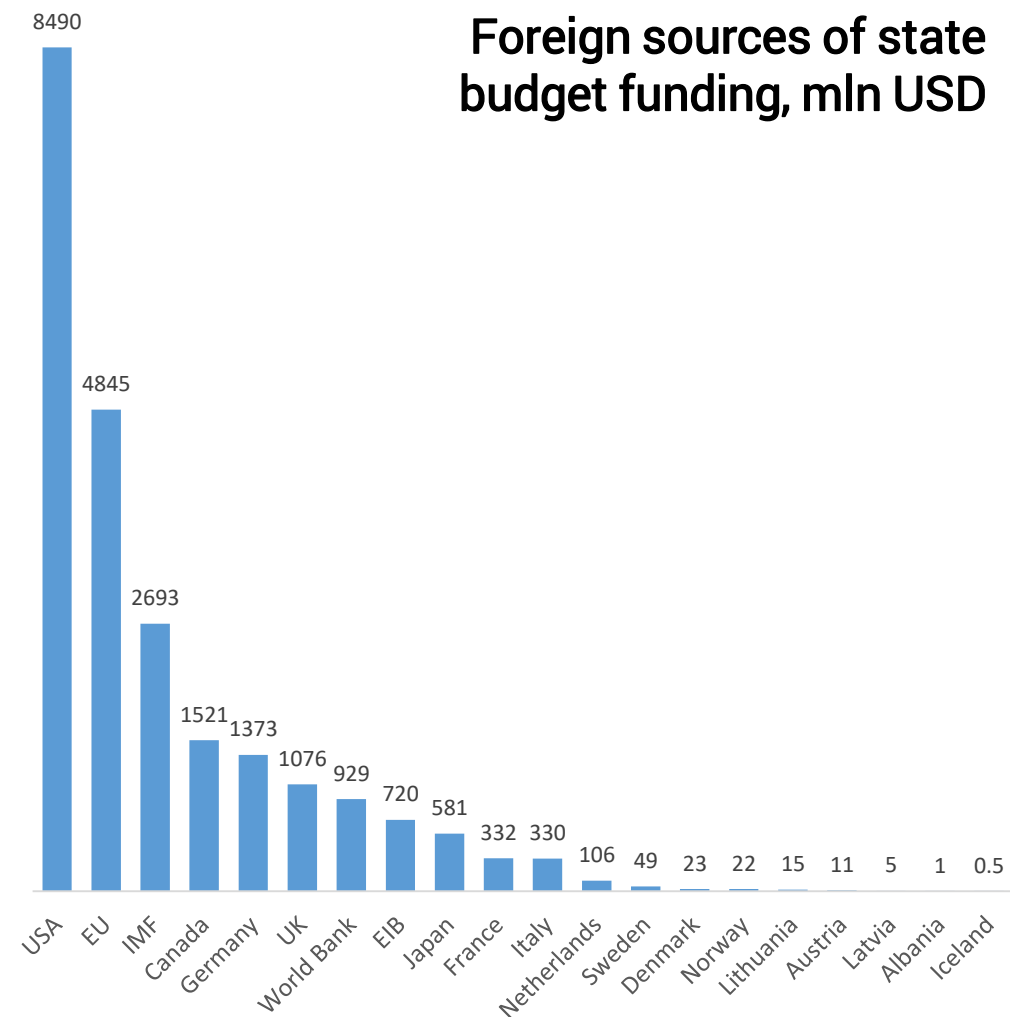
Ukraine is supported by foreign partners

Ukrainian budget already receives 23 bln USD of foreign support.

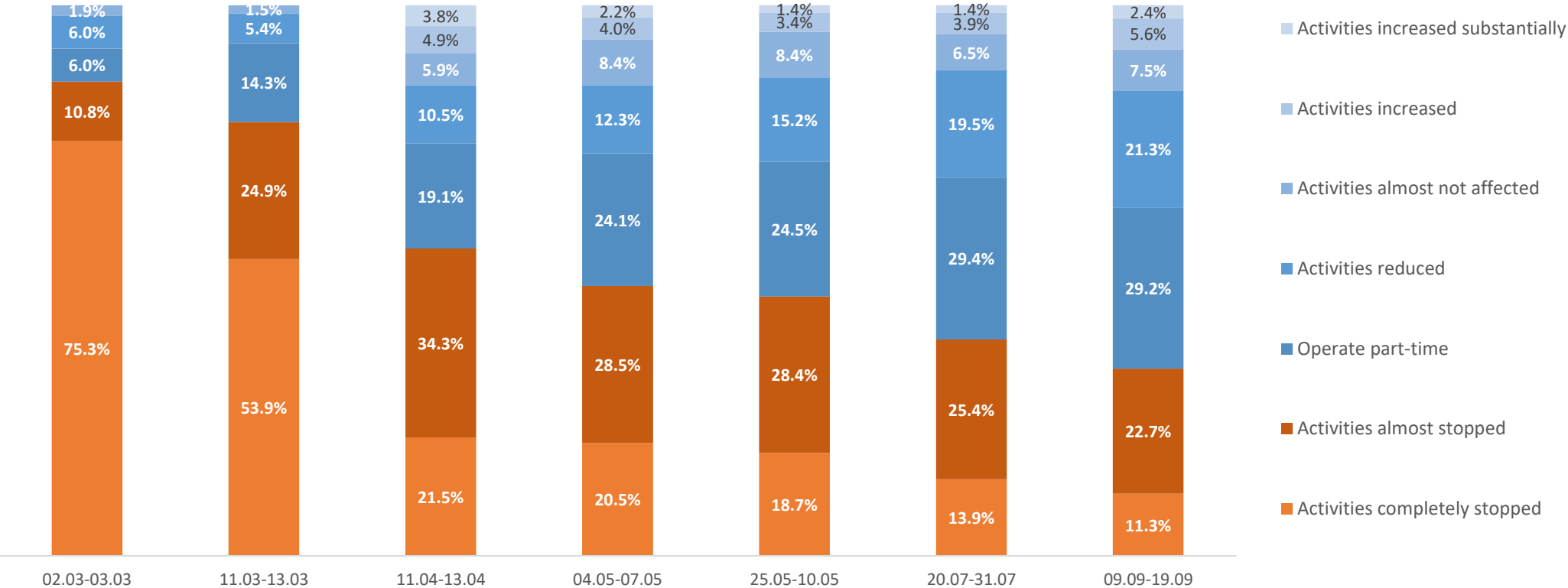
Significant inflows of international foreign aid (credits and grants) made it possible to reduce the budget deficit.

In general, since the beginning of the full-scale war, foreign funding has covered 36% of state budget expenditures. The rest are tax and customs revenues (34%), National bank's hryvnia emission (20%), military bonds (10%).

Foreign sources of state budget funding, mln USD



Business swings back



As of March 2022 86% of businesses stopped/almost stopped operations.

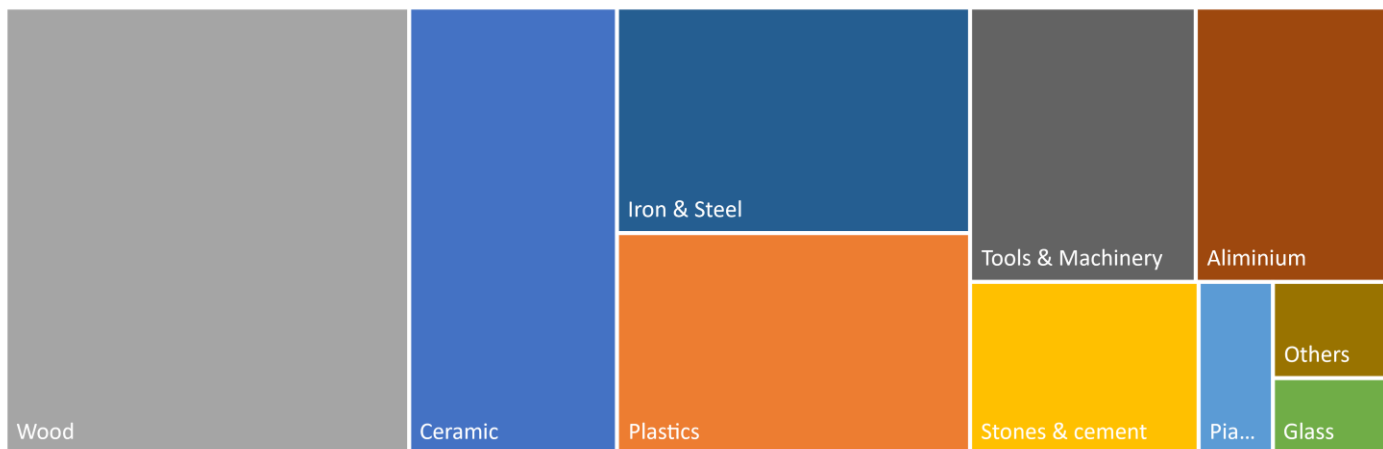
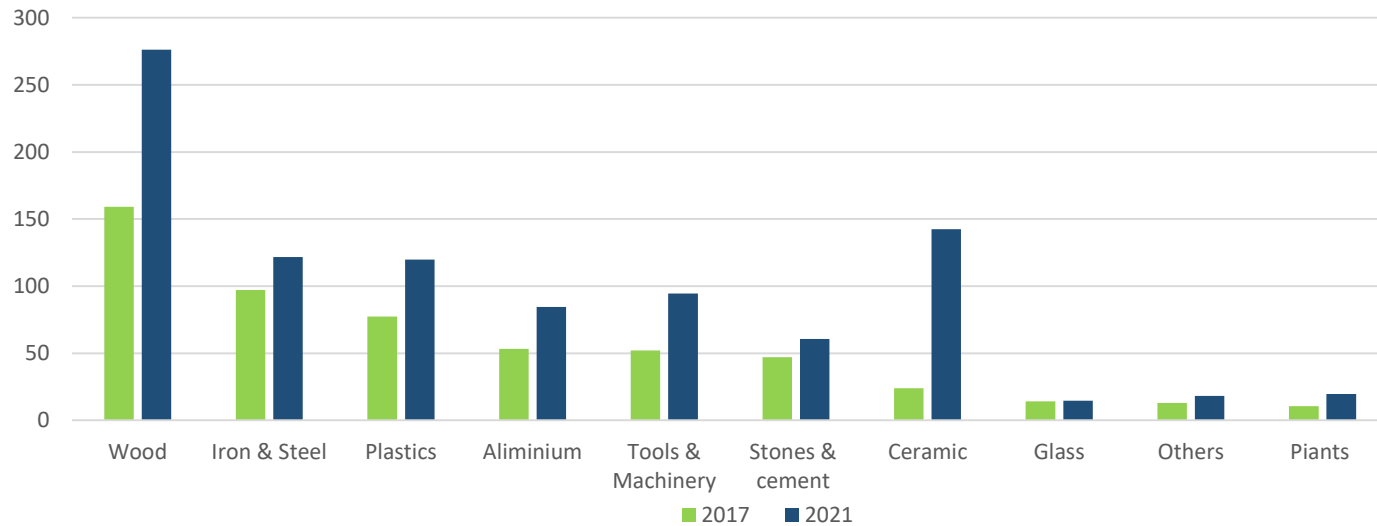
As of mid-September – most are back to business.

It is expected a strong bounce-back later this year and 1H 2023, in line with the projected economic recovery.

UKRAINIAN BUILDING MATERIALS SECTOR OVERVIEW



EXPORT STRUCTURE, MLN USD, 2017 vs 2021



- Export of building materials CAGR was at 11,7% over 2017-2021 period.
- “Builders joinery and carpentry of wood” has the largest share in total export of analyzed group (26% of the total), followed by “unglazed ceramic flags and paving” – 248 mln USD (12%), and “structures and parts of structures” – 103 mln USD (11%).
- “Unglazed ceramic flags and paving materials” has observed the highest CAGR over 2017 – 2021 (+109%)
- The share of import products in total trade of building materials amounted to 71% in 2021, which relatively small decrease compare to 73% in 2015.

Float Glass Facility

CONSTRUCTION & BUILDING MATERIALS



KEY PROJECT HIGHLIGHTS

Construction of the modern high-tech enterprise for the production of float glass according to EU standards.

- Production capacity: 510 tons of finished products per day (18 mln m² per year based on glass with a thickness of 4mm).
- Product range: transparent float glass from 2 to 19 mm thick, colored, tinted, anti-reflective, energy-efficient.
- Land plot: 38.2ha

TOTAL INVESTMENT
AMOUNT

\$250 mln

OWN FINANCING

\$80mln

PAYBACK PERIOD

10 years

TIME TO START
OPERATIONS

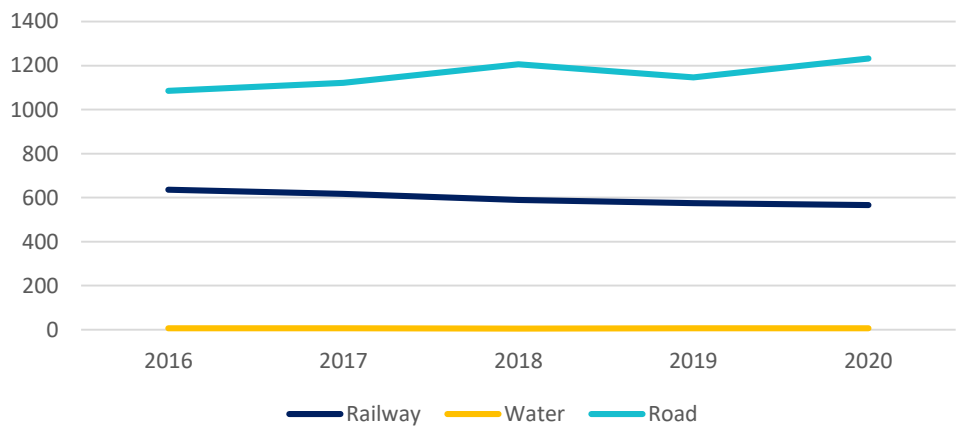
3 years

IRR

11.28%

UKRAINIAN CARGO TRANSPORTATION SECTOR OVERVIEW

TOTAL VOLUME OF CARGO TRANSPORTATION BY TRANSPORT TYPE, IN MLN TONNES, 2016-2020



FREIGHT TRANSPORTATION BY MOTOR TRANSPORT BY TYPE OF PRODUCT



- Ukraine has an extensive transport nodes connection with access to all type transportation
- Cargo transportation rely heavily on road (largest by volume) & railway transport (largest by tones per kilometer performed)
- 70% of the total goods exported by port infrastructure

- Dnipro was the main logistic hub along with Kyiv, over 30 mln tons transported annually
- Foodstuff and ores are main two product types transported by volume
- Foodstuff and furniture are the largest exporting categories for export, while the highest share of export is in textile and furniture categories
- Today main logistics hubs are still Dnipro, Kyiv, and Lviv, because of increasing relocating process from Eastern and Southern region of Ukraine

Logistics center construction in the Kyiv Region



KEY PROJECT HIGHLIGHTS

Construction of an A class warehouse complex by 3-4 stages. The estimated construction area includes:

- Warehouses – 59.3 thsd. m²;
- Offices - 1.8 thsd. m²;
- Mezzanine space - 9 thsd m².

Distance from the center of Kyiv to the location of the complex is 28.6 km

TOTAL INVESTMENT AMOUNT

\$34 mln

OWN FINANCING

\$6.8 mln

PAYBACK PERIOD

8.5 years

TIME TO START OPERATIONS

2 years

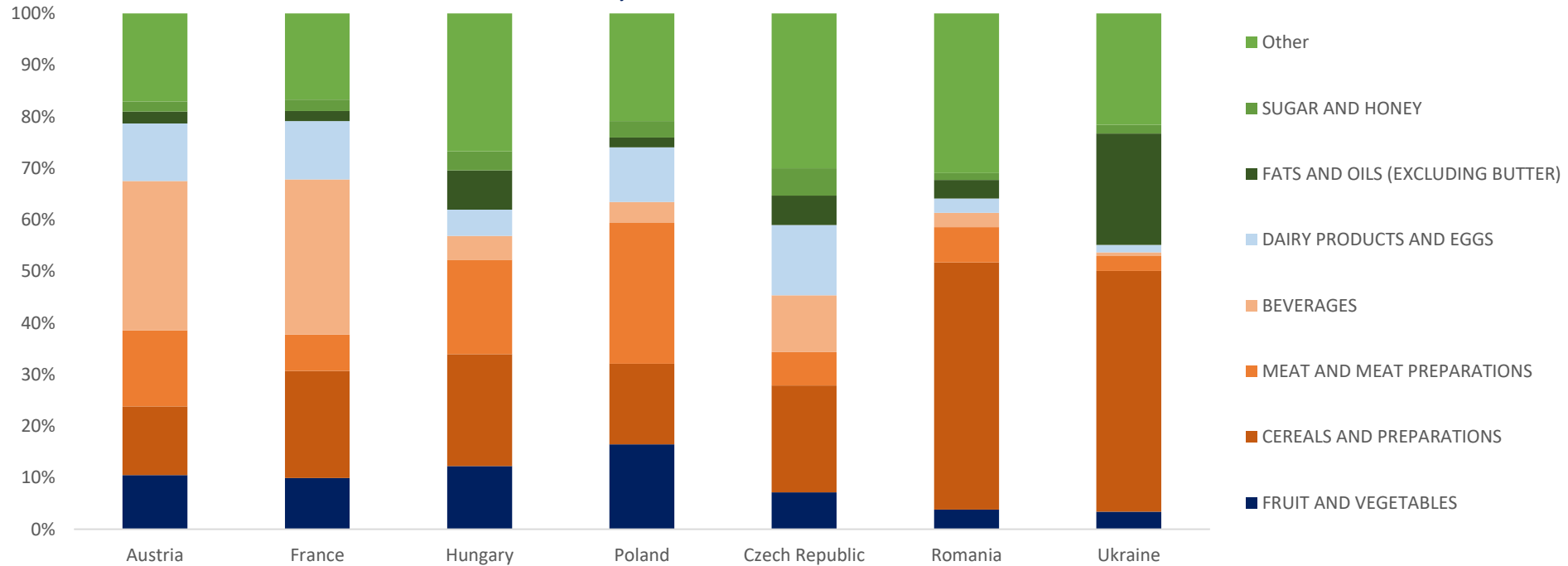
IRR

15.5%

UKRAINIAN AGRICULTURE SECTOR OVERVIEW



EXPORT STRUCTURE IN COMPARISON WITH PEER COUNTRIES, 2021

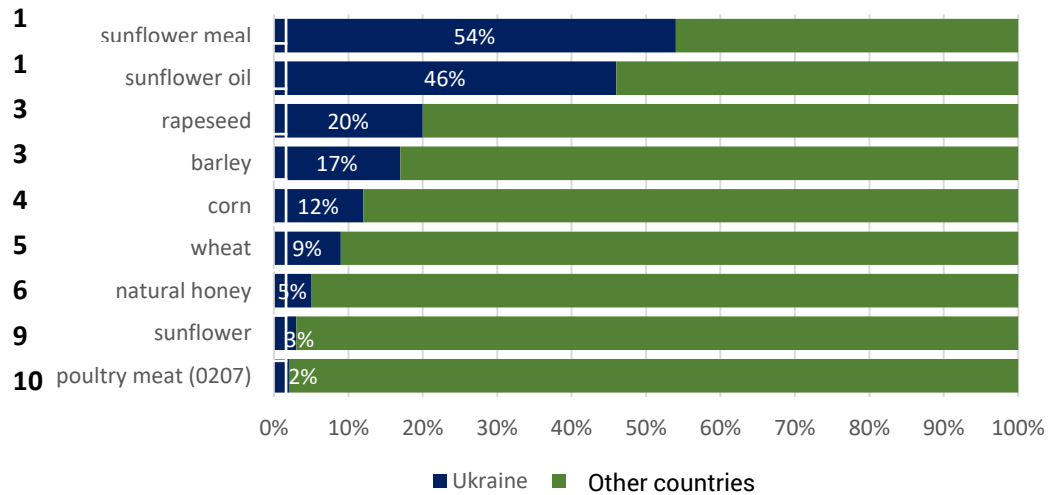


- **Ukrainian agriculture export is non-diversified**, with reliance on raw products, as cereals (almost 47% of the total export), while developed countries such as France and Austria has under 21% share of cereals in total export
- In case of France and Austria, **the highest portion is devoted to beverages products**, considering their high added value.
- Peer countries, such as Czech Republic, Poland, and Hungary, is developing agricultural sector towards **increasing share of dairy, fruits, vegetables and meat products** in their export structure, in order to increase share of added value goods and yields from hectare of land used.
- Although Ukraine, is **leading in terms of fats and oil products export**, which is also considered as processed product with high added value, agricultural sector has **large untapped potential in fruits and vegetables production, dairy industry and meat products.**

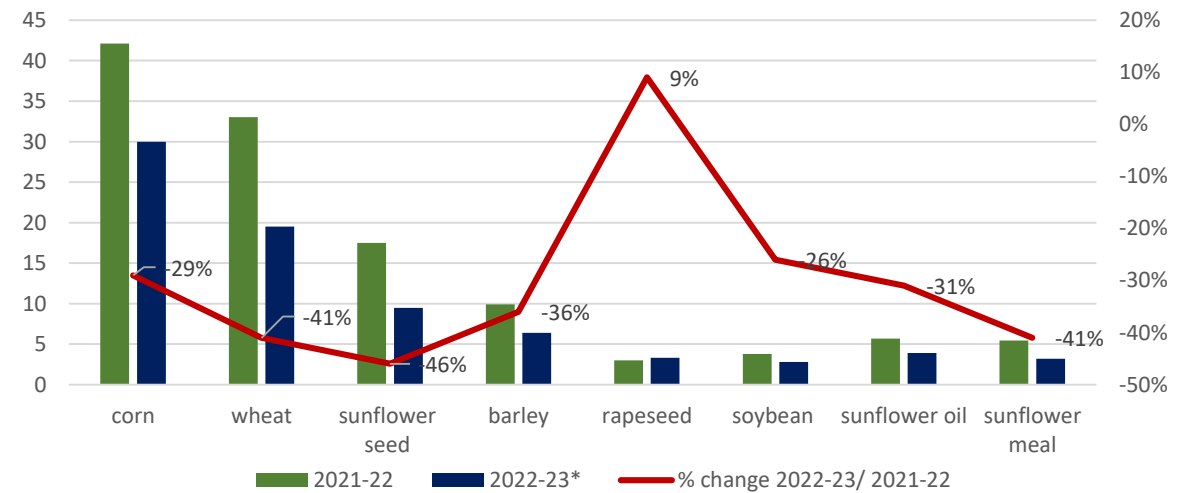
UKRAINIAN AGRICULTURE SECTOR OVERVIEW



UKRAINE'S SHARE OF WORLD EXPORTS, AND POSITION IN THE WORLD BY VOLUME, 2021



AGRO TOTAL PRODUCTION IN MARKETING YEAR, MLN T, PERCENTAGE CHANGE OVER PERIODS



11% Agriculture share at GDP (2021)

28 bln USD Agriculture export (2021)

14% Share of employed in agriculture

Feed soy protein concentrate project

AGRICULTURE



KEY PROJECT HIGHLIGHTS

The project is aimed at expanding the product mix towards higher value-added product by further processing of the soybean meal into Feed SPC (Soy Protein Concentrate).

- The technology is innovative for Ukraine. The soy protein concentrate is made by aqueous alcohol extraction from non-granulated soybean meal.
- Soybean Protein Concentrate, i.e. a purified protein product with protein content of 60-70% for food and feed consumptions

TOTAL INVESTMENT AMOUNT **\$62 mln**

PAYBACK PERIOD **5 years**

TIME TO START OPERATIONS **2 years**

IRR **35%**

General pipeline



11 projects
2 bln USD

| Sector | Amount of projects | Amount of investment |
|--------------------|--------------------|----------------------|
| Agro processing | 3 | 370 mln USD |
| Logistics | 3 | 584 mln USD |
| Mining | 1 | 500 mln USD |
| Building materials | 4 | 650 mln USD |



State support for industrial parks

- 10-year CIT exemption
- VAT, import duties exemption for new equipment
- full or partial interest rates compensation on loans
- financing for arrangement of industrial parks, etc.

Available to:

- eligible industries: *processing industry, processing of industrial and/or household waste, R&D, IT and telecommunications*
- located on industry land of an area of 10 to 1000 ha
- included to the Register of Industrial Parks
- at least three different legal entities for (1) initiator of creation of industrial park, (2) managing company and (3) participant of industrial park



State support for projects with significant investments

up to 30% CAPEX compensation in forms of:

- 5-year CIT exemption
- VAT, import duties exemption for new equipment
- land tax exemption, etc.

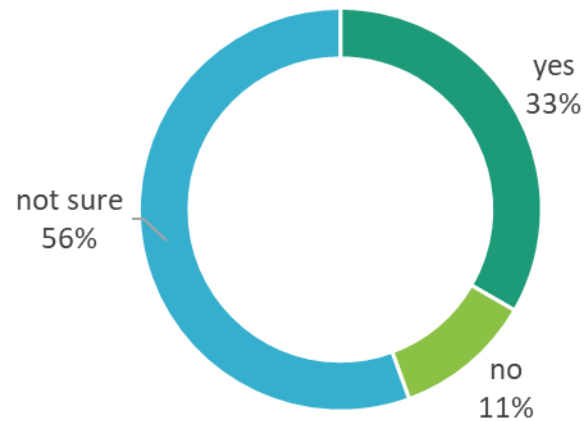
Available to:

- 20+ mln EUR of investments
- 80+ new jobs to be created
- max 5 years of project implementation
- eligible industries: *processing industry; extraction for the purpose of further processing and/or enrichment of natural resources; waste management; transportation; warehousing; postal and courier activities; logistics; education; R&D; healthcare; arts and culture; sports; tourism; hospitality*

UkraineInvest conducted a survey among foreign investors operating in Ukraine in order to specify a request of those companies for political risk insurance.

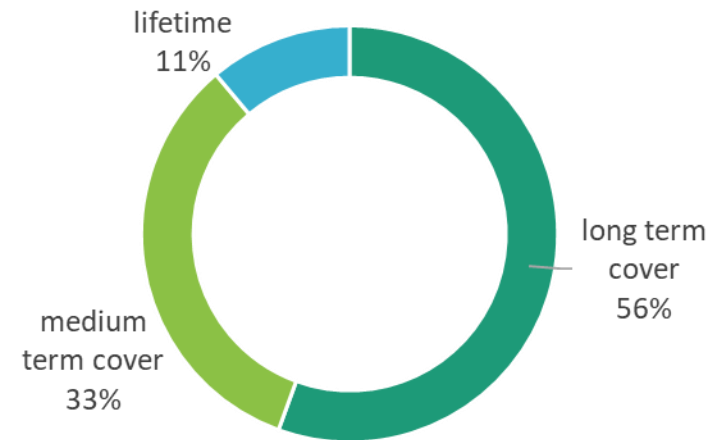
Results

Would the availability of military risk insurance affect your decision to invest in Ukraine?



Foreign investors operating in Ukraine would change their decision on further investing in Ukraine in case of access to insurance.

Which horizon would be appropriate for such an insurance?

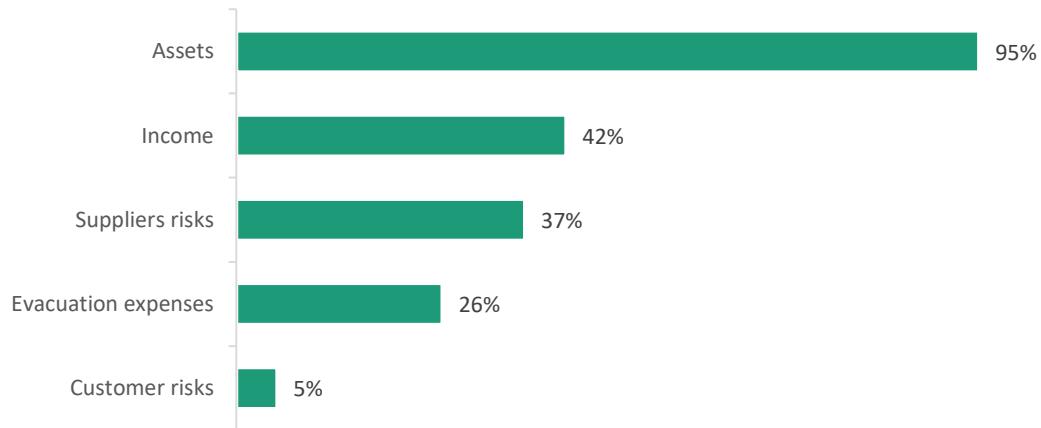


The majority of foreign investors operating in Ukraine prefer the long term coverage.

UkraineInvest conducted a survey among foreign investors operating in Ukraine in order to specify a request of those companies for political risk insurance.

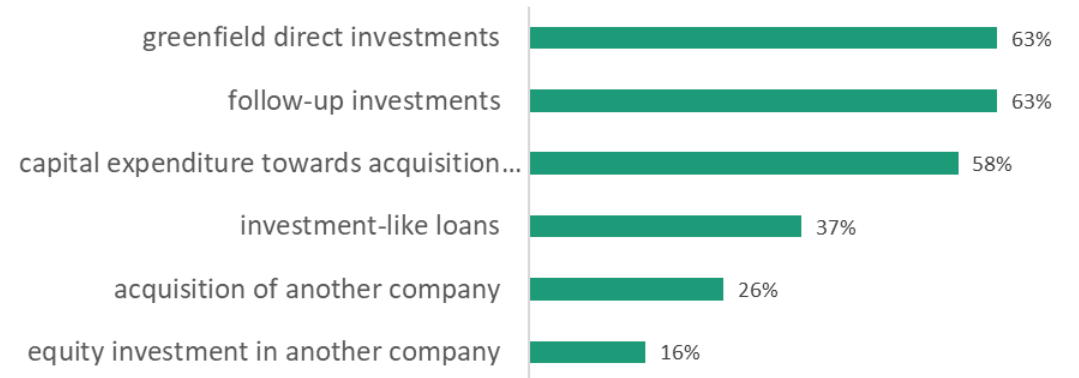
Results

What is it appropriate to cover with such an insurance?



Almost all foreign investors operating in Ukraine would prefer assets covered with the insurance.

What kind of operation would be appropriate to cover with such an insurance?



Greenfield direct investments, follow-up investments and acquisition of assets are the most appropriate types of operations to be covered with insurance.

Insurance mechanisms available

| Provider | Terms | Eligibility |
|--|---|---|
| <p>Germany Federal ministry for Economic Affairs and Climate Action</p> | <p>Horizon: up to 15 years Operations: Equity participations / Investment-like loans / Endowment capital / Rights qualifying as assets (in the form of long-term investments)</p> | <ul style="list-style-type: none"> - positive effects on the host country as well as Germany - the legal impact of environmental, social and human rights regulations on the project. |
| <p>USA International Development Finance Corporation</p> | <p>Coverage for: Assets / Evacuation expenses / Income losses resulting from damage to specific sites outside the insured facility, such as a critical railway spur, power station, or supplier.</p> | <p>Subject for negotiation with provider</p> |
| <p>Multilateral Investment Guarantee Agency (MIGA)</p> | <p>Horizon - up to 15 years For tangible asset losses, covered</p> <ul style="list-style-type: none"> - the investor's share of the lesser of the replacement cost and the cost of repair of the damaged /lost assets / the book value of such assets if they are neither being replaced nor repaired. <p>For total business interruption compensation is based,</p> <ul style="list-style-type: none"> - in the case of equity investments, on the net book value of the insured investment - in the case of loans, the insured portion of the principal and interest payment in default. | <p>Subject for negotiation with provider</p> |

The insurance product that might meet the demand

- Horizon: long-term insurance
- Coverage: assets / income / counterparty risk
- Operations: greenfield / follow-up investment / M&A
- Price: on the basis of the respective risk situation in each individual case

- Kingspan invests **USD 200 mln** in a new **Building Technology Campus** in Ukraine. Site to be constructed over next five years, starting in 2022, in excess of **1000 jobs** to be created.
- On April 5, Kingspan, the global leader in advanced insulation and energy-efficient building solutions, announced it had **completed its exit from the russian** market. Company **relocating businesses to Ukraine**. This will benefit both: a company's standing and its long-term strategy.

"This investment sits at the crossroads of three crises: the climate crisis, the energy security crisis, and the crisis caused by the Russian war against Ukraine. The new Building Technology Campus we are planning will make positive contributions on all three fronts, supporting Ukraine as it rebuilds its economy, meeting demand across central and Eastern Europe for energy efficient buildings, and helping Europe to reduce reliance on oil and gas imports," - said Gene Murtagh, CEO of Kingspan Group.



**REBUILDING
UKRAINE**

with the private sector

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Your investment
matters