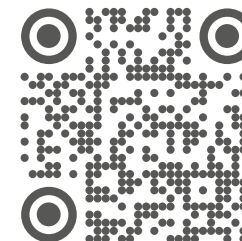


January - March 2022

UkraineInvest Guide

Explore Your Opportunities


TO THE CONTENTS



E-version

Contents

January - March 2022

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Foreword

PRESIDENT OF UKRAINE



Volodymyr Zelenskyy,
President of Ukraine



Video
on Youtube

Ukraine is a new technological center of the world, a breadbasket of Europe with the most fertile lands and a huge tourist and investment potential.

The main thrust of my incumbency is sustainable economic growth through the elaboration and implementation of a package of fundamental and far-reaching reforms. We are aimed at establishing a level playing field for everyone, implementing changes that are vital for Ukraine and digitizing all governmental services, thus making them transparent, convenient for use, and efficient.

We have already made a great leap forward towards a full digitalization of different realms and eradication of the Soviet-style bureaucracy. Following the establishment of the Ministry of Digital Transformation certain tangible results can be seen, in particular the creation of the Diia portal for electronic governmental services for citizens. We have also launched the first virtual digital country with no limits for new investment, jobs, and cutting edge technological development called Diia City. Ukraine is well on its way to becoming a major contributor to the new Digital 2.0 world we live in.

Ukraine has already been recognized by international investors as a stable and predictable emerging market, with talented human capital and high-quality undervalued assets.

In 2020, Ukraine climbed up seven more places in the World Bank's Ease of Doing Business ranking, up to the 64th position out of 190 countries. Ukraine is also rated second in terms of speed and depth of business climate improvement.

Our dream is to make Ukraine an investment stronghold of Central and Eastern Europe. Hence, we initiated the so-called 'Investment Nanny' bill to make investors feel welcomed and supported by the government. We will provide a 15-year state guarantee on investment which would be granted to an investor upon signing a direct special agreement with the Ukrainian government. The law provides an exemption from income tax, value-added tax, and customs duties for new equipment imported to Ukraine for foreign investment. The state will assign a manager to each project totaling more than USD 30 mln.

Hurry up! The largest country in Europe is the next big thing. Ukraine is something we can celebrate together. And The UkraineInvest Guide is a unique source of comprehensive information about vast investment opportunities Ukraine has to offer, elaborated by UkraineInvest, which is to become the focal point and main supporter of investment in Ukraine.

Foreword

PRIME MINISTER OF UKRAINE



Denys Shmyhal,
Prime Minister of Ukraine

We retain the implementation of the important initiatives aimed at ensuring Ukraine's further growth and making our country a great destination for investment. The land market reform implementation and the law blocking the return of nationalized banks to their former owners enabled us to receive a new three-year USD 5.5 billion IMF stabilization program.

Despite the decrease in business activity globally, Ukraine undoubtedly has success stories to be proud of. With the adoption of the Law on Concessions, Ukraine is vividly using a modern PPP tool to enhance its infrastructure and, in particular, to make the seaports more efficient.

A number of foreign companies have already benefited from it: Swiss-Georgian company Risoil signed the seaport concession agreement in Kherson, according to which the company will invest UAH 300 mln; in the meantime, Qatari Q Terminals will be operating Olvia port in Mykolaiv. Q Terminals will invest UAH 3.4 billion, making it one of the largest foreign direct investments in the port industry of Ukraine since its independence. Additionally, the company will pay annual concession fees amounting to UAH 82 mln and allocate UAH 80 mln for the development of the local infrastructure of Mykolaiv. Currently, we are preparing Chornomorsk seaport to be the next facility auctioned for the concession.

On top of that, the government has started the privatization of state-owned assets, which is carried out in a most transparent manner and in accordance with all laws and regulations. More than 1,000 state-owned entities have been set to privatization in the coming years, thus offering unique opportunities for foreign business in Ukraine.

Ukraine's subsoil use sector has undergone a significant transformation in recent years with the launch of the online auctions for the sale of special subsoil use permits and tenders for production sharing agreements for numerous oil and gas fields.

Currently, Ukraine is consistently viewed by businesses as a stable and predictable market to invest in now. We are doing our best to encourage those who already successfully operate in Ukraine to be willing to invest more and we are ready to put maximum effort in order to make Ukraine attractive and welcoming for future investors and new businesses!

Thus, the updated UkraineInvest Guide is a valuable source of information for foreign companies. The Guide suggests investment projects from all over Ukraine in a great variety of sectors, including agribusiness, energy, IT and innovations, real estate, as well as objects selected for privatization, infrastructure, and impact investment.

UkraineInvest Investment Promotion Office that has been a reliable partner for businesses in communication with authorities for more than three years and will become the guiding light for support of your investment projects in Ukraine.

Foreword

MINISTER OF THE CABINET OF MINISTERS OF UKRAINE

**Oleh Nemchinov,
Minister of the Cabinet
of Ministers of Ukraine**



There is a fair amount of investment-worthy sectors in Ukraine: land, energy, mining, engineering, shipbuilding, infrastructure and logistics. And all this is in the geographical center of Europe.

Over the past time, one of the key priorities of our Government has been continuing implementation of reforms that improve the business and investment climate in Ukraine.

In particular, the decentralization reform which is vital for Ukraine in order to make the regions of the country self-sufficient, create a positive impact on investment attraction, providing its citizens with high-quality and timely services, from housing and communal services to education, healthcare, and security.

We keep developing economic and trade relations with our foreign partners. Currently, we are actively working at establishing contacts with business communities of different countries, inter alia within the work of intergovernmental commissions. We are conducting a dialogue on strengthening the presence of Ukrainian exporters in foreign markets, joint infrastructure projects development, cooperation in the tourism sector, etc.

It is increasingly important to develop domestic tourism, and the Government is working strategically in this realm to create a completely new model of the tourism industry in Ukraine. Our country possesses excessive tourism potential which can become a significant factor in the sustainable economic development of Ukraine. Investment attractiveness is one of the key characteristics causing an investor's interest in financing a project in tourism.

Therefore, the UkraineInvest Guide can become a fundamental source for foreign investors to find out the relevant analysis of Ukrainian regions and discover the most interesting investment projects in different sectors, including but not limited to tourism.

Foreword

UKRAINEINVEST SUPERVISORY BOARD

CHAIR

**DAVID ARAKHAMIA**

Member of the Parliament of Ukraine,
Chairman of the "Servant of the People"
Party Parliamentary Faction

DEPUTY CHAIR

**OLEH NEMCHINOV**

Minister of the Cabinet of
Ministers of Ukraine

DEPUTY CHAIR

**HALYNA YANCHENKO**

MP, Head of the Temporary Special
Commission of the Verkhovna Rada
on Protection of Investors' Rights

DEPUTY CHAIR

**ALEXA CHOPIVSKY**

Executive Director, Ukraine House Davos

SECRETARY, MEMBER

**OLEXANDR BORNIAKOV**

Deputy Minister, Digital
Transformation for IT Development

MEMBER

**GENNADIY CHYZHYKOV**

President, Ukrainian Chamber of
Commerce and Industry

MEMBER

**ANNA DEREVYANKO**

Executive Director, European
Business Association

MEMBER

**ANDY HUNDER**

President, American Chamber of
Commerce in Ukraine

MEMBER

**IRYNA NOVIKOVA**

member of the Supervisory Board,
UkraineInvest

MEMBER

**YULIA SVYRYDENKO**

member of the Supervisory Board,
UkraineInvest

Our unalterable stalwart mission is to promote Ukraine's investment opportunities globally and ensure the establishment of an efficient dialogue between the business community and the government with a view to growing Ukraine's economy and improving the business climate.

Over the course of the past few years UkraineInvest has become one of the most successful state institutions working on investment promotion in Ukraine. As a matter of fact, in 2020 UkraineInvest has been listed among TOP-3 investment promotion agencies across emerging Europe regions in the Investment Promotion Agency 2020 ranking.

Since its inception, UkraineInvest has attracted and unlocked USD 4 bln in FDI since 2016 (including USD 638 mln in 2020), resolved 150+ legal and administrative issues of foreign investors, and provided 5 000+ consultations.

The key objective of UkraineInvest is to strengthen its institutional capacity by engaging investment advisors abroad in target countries (including USA, UK, EU, the Gulf countries) and consolidating all investment promotion efforts of different units throughout Ukraine. These goals are brave and ambitious, and yet achievable as we strive to bring FDI attraction in Ukraine to a brand new level and invite everyone to continue to invest in Ukraine NOW.

Foreword

UKRAINEINVEST CEO

Sergiy Tsivkach,
CEO, UkraineInvest



It is a pleasure for the entire UkraineInvest team to announce the launch of UkraineInvest Guide aimed at showcasing the most lucrative investment opportunities in Ukraine.

Our team has collected, analyzed and systematized the key investment proposals and projects, which we believe to be an invaluable source of information for potential investors and other interested parties.

UkraineInvest Guide is a unique source of extensive and profound information about projects in a variety of sectors of Ukraine's economy such as agribusiness, energy, heavy machinery, textile, IT and innovations, real estate properties (including objects selected for privatization), infrastructure, regional infrastructure, impact investment, logistics, manufacturing, healthcare and pharma. Inter alia, the UkraineInvest Guide includes programs aimed at developing promising sectors such as tourism, mining industry, industrial parks, waste management, import substitution, and startups.

UkraineInvest Guide is a one-stop-shop reference to consider investment opportunities in Ukraine. The Guide could become a point of departure for foreign investors in starting their journey in Ukraine. We encourage you to consider this report and eagerly await to support your investments.

Ukraine **OVERVIEW**



GDP

\$181 billion*
(f 2021)

Source: *IMF



Real GDP growth

+3.1%
(f 2021)



Government

Parliamentary-presidential



Currency

Ukrainian hryvnia (UAH)



Key Policy Rate

9%
(09.12.2021)



B; Positive



B; Stable

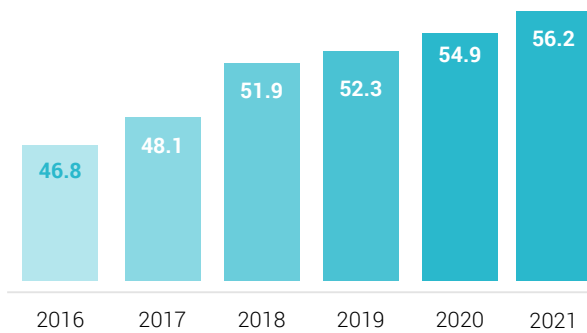


B3; Stable

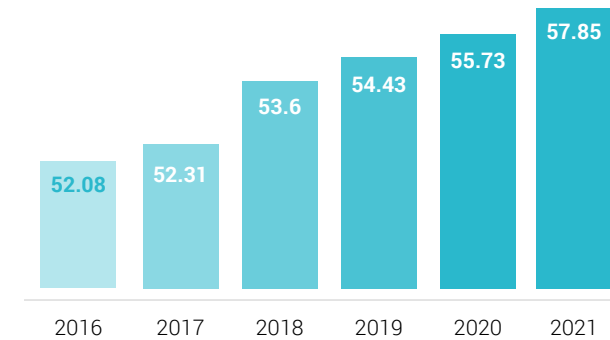
Ukraine OVERVIEW

Ukraine is a **stable and predictable emerging market** that has been **steadily growing for 5 years**

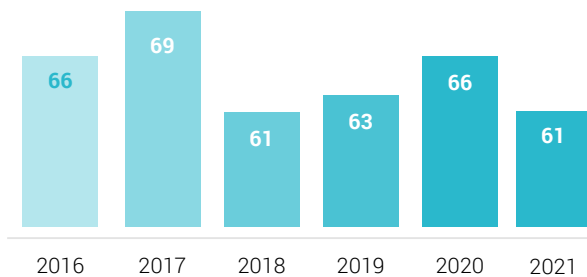
Index of economic freedom by The Heritage Foundation



The Legatum Prosperity Index



Global Talent Competitiveness index



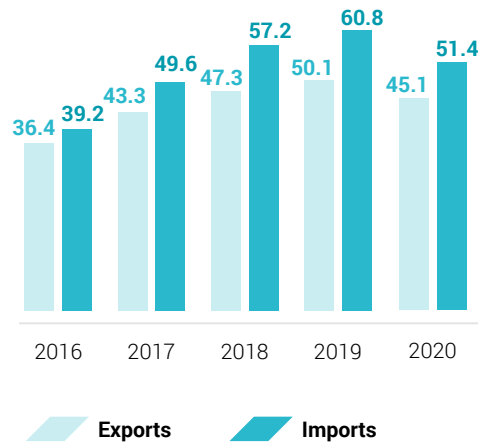
“UKRAINE IS OPENING FOR BUSINESS BECAUSE IT IS REFORMING”

EBRD President Suma Chakrabarti, in Davos 2019

Ukraine OVERVIEW

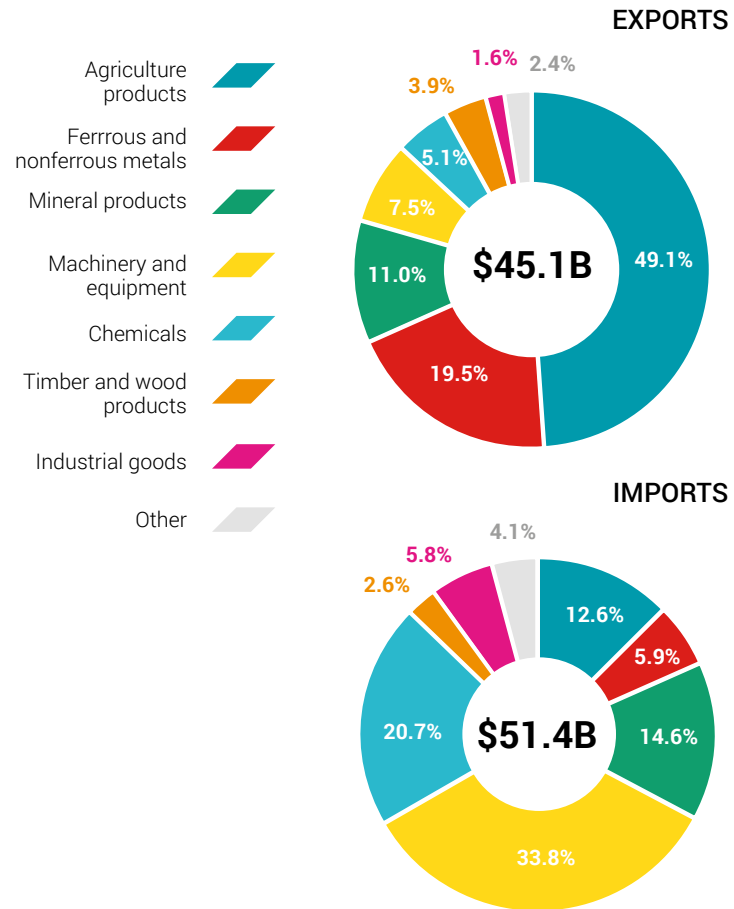
FOREIGN TRADE

Ukraine's foreign trade, \$ billion

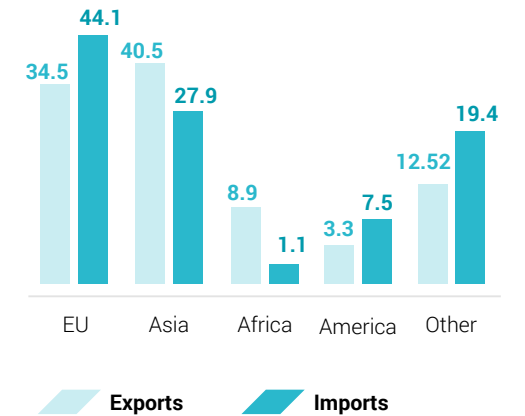


Source: NBU

Ukraine's foreign trade 2020: breakdown by products, %



Ukraine's foreign trade 2020: breakdown by geography, %

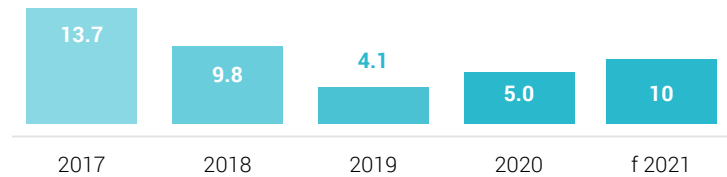


Ukraine OVERVIEW

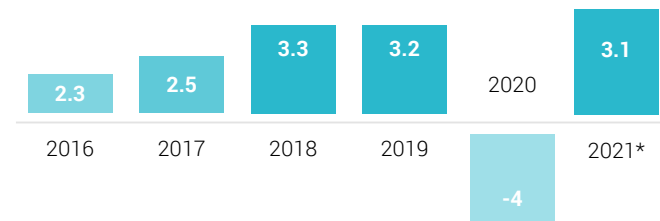
Macro-financial situation

Source: IMF, Ministry of Finance, National Bank of Ukraine

Consumer Price Index, % (compared to the same period in the previous year)



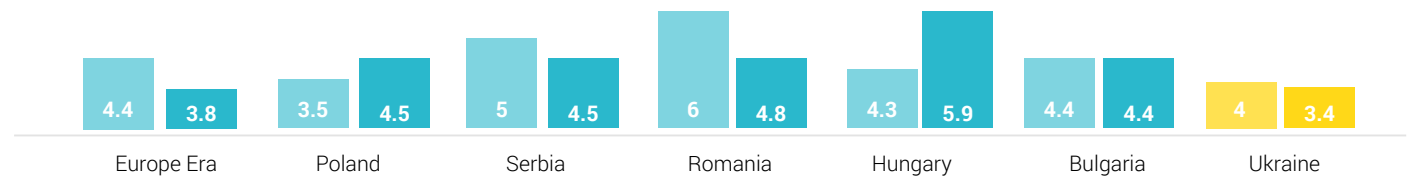
GDP Growth, % (comparing to respective period in the previous year)



by State Statistics Service of Ukraine
*NBU forecast

GDP growth estimate forecast 2021-2022, %:

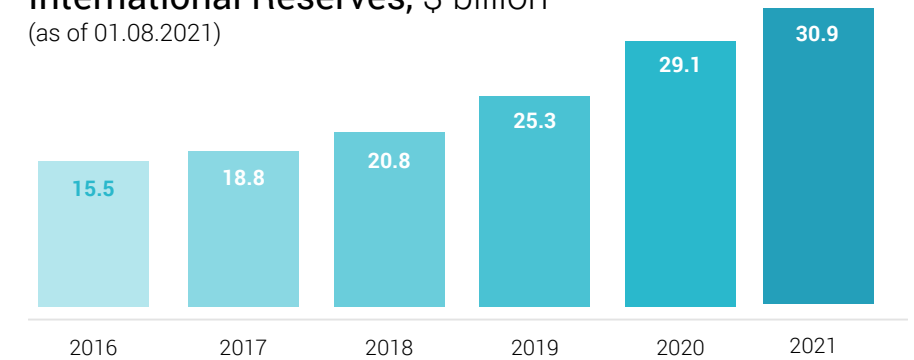
Source: IMF (as of April 2021)



Average Exchange Rate, USD/UAH



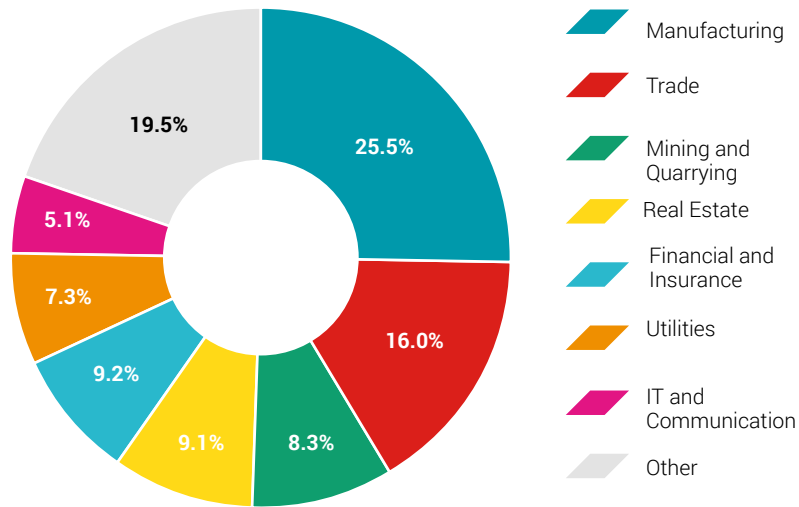
International Reserves, \$ billion (as of 01.08.2021)



Ukraine OVERVIEW

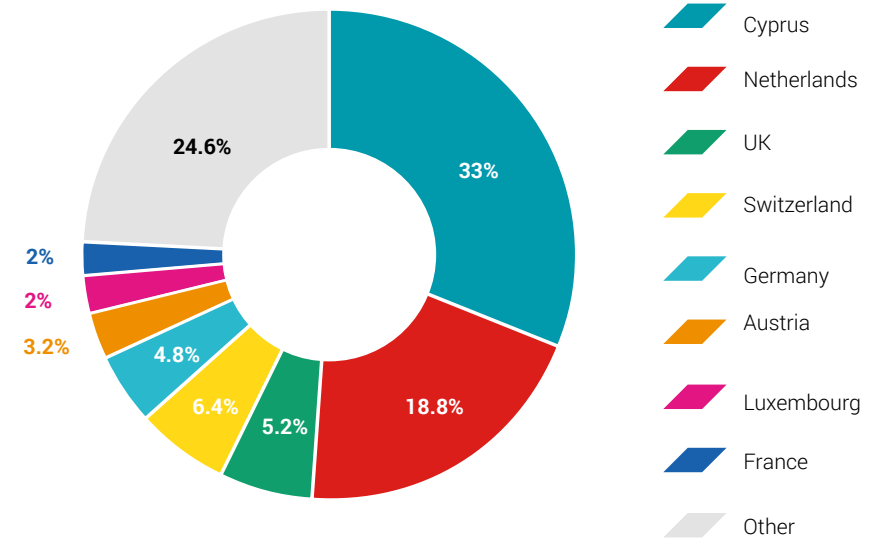
Foreign Direct Investment (FDI)

FDI by types of economic activity

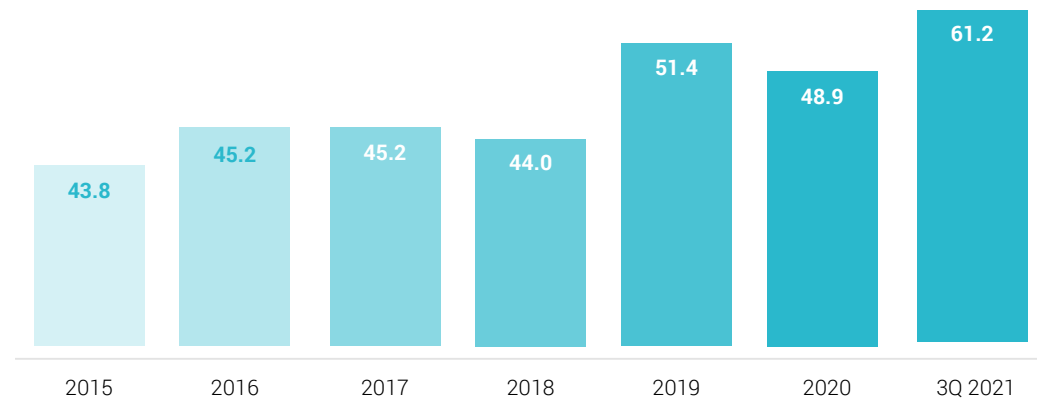


FDI by Country of Origin

(as of 3Q 2021)



Total FDI stock, billion USD



PROGRAM

UkraineInvest
Your Investment Matters

UA



MAKE IN

MAKE IN UA PROGRAM

TARGETED INVESTMENTS IN MANUFACTURING

LEAD GENERATION AND OUTREACH

REGION TO BUSINESS



Please click on the region for more details

BUSINESS TO BUSINESS



Agri processing

PROJECT TEASERS >



Manufacturing

PROJECT TEASERS >



Logistics

PROJECT TEASERS >



Mining

PROJECT TEASERS >

MAKE IN UA PROGRAM

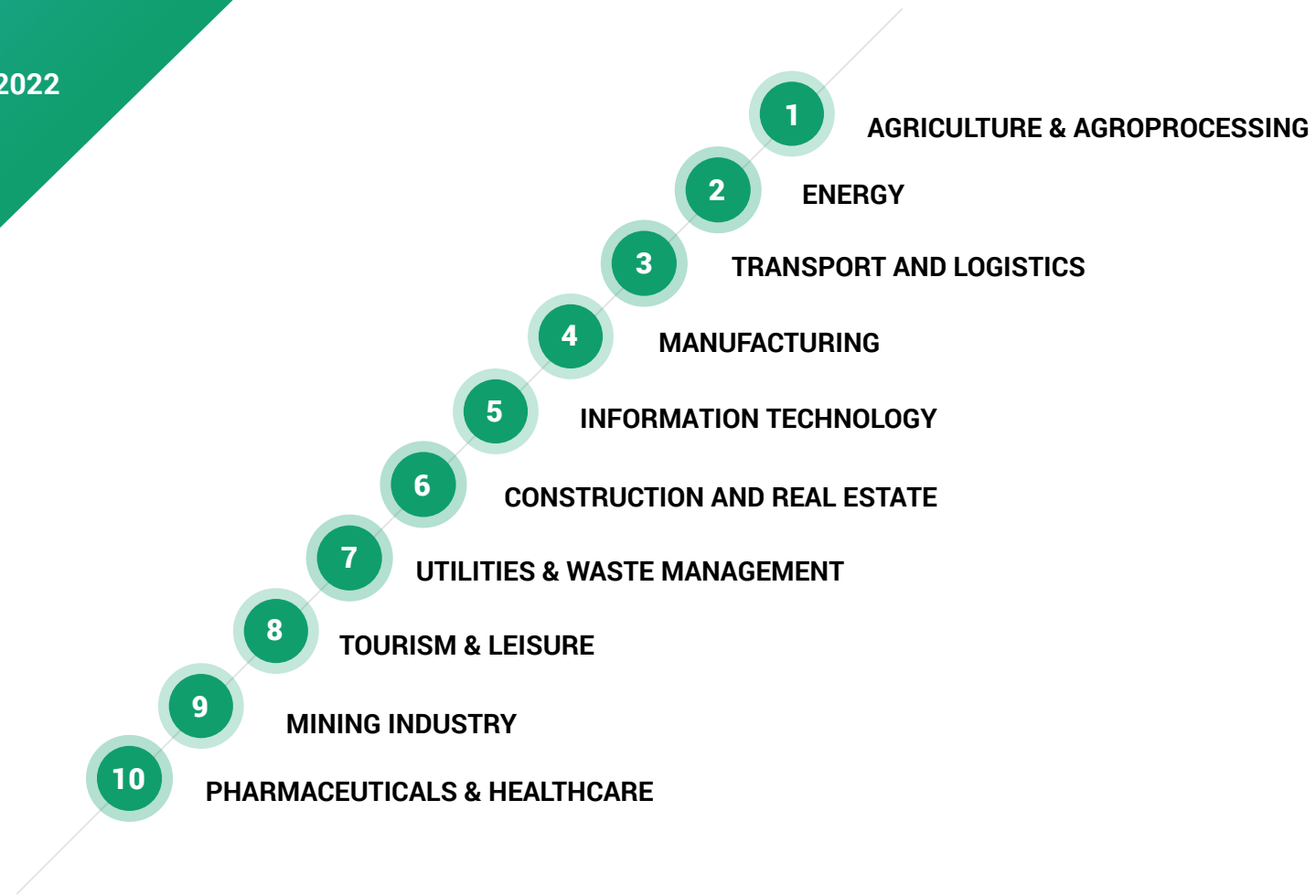
TARGETED INVESTMENTS
IN MANUFACTURING

SUCCESS STORIES



Sectoral investment opportunities

January - March 2022



AGRICULTURE & AGROPROCESSING

SECTORAL OVERVIEW AND INVESTMENT PROJECTS



Agribusiness & Agroprocessing

KEY FACTS

42.7 M ha

agricultural land

11.4% of GDP

created in agri-sector

\$22 B

Agro Export (2020)

UKRAINE'S PLACE IN THE GLOBAL FOOD MARKET

Ukraine's export in 2020, and the place in the world export by volume



Crude
sunflower-seed

1



Rape or colza
seeds
Millet

2



Frozen fowls

3



Maize or corn
Wheat and meslin
Barley

4



Natural honey
Apple juice,
(unfermented)

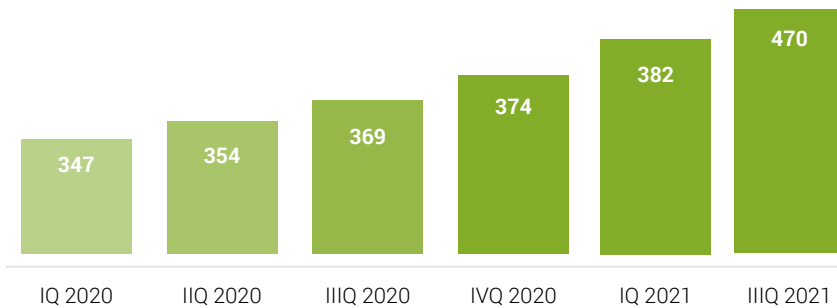
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*The information provided in this Guide is for illustration purposes only

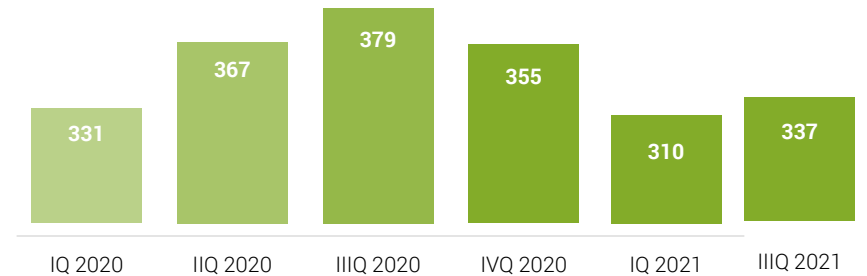
Agribusiness & Agroprocessing

KEY FACTS

Average salary in Agriculture, in US dollars



Average number of employees in Agriculture, thousand persons



Agribusiness & Agroprocessing

INVESTMENT OPPORTUNITIES



Agribusiness & Agroprocessing MAJOR PLAYERS



*The information provided in this Guide is for illustration purposes only

Regulatory **POLICY**



July 1, 2021

The launch of the farmland market



100 hectares

of farmland per buyer. It can be acquired only by individuals possessing the citizenship of Ukraine



January 1, 2024

Legal entities registered in Ukraine can buy up to 10 000 hectares if their shareholders own Ukrainian citizenship

Till January 1, 2030, the land price cannot be lower than its normative-monetary value

The sale of state or municipal agricultural lands is **forbidden**.

On March 31, the Verkhovna Rada passed the Draft Law
“On Amendments to Certain Legislative Acts of Ukraine Regarding the Turnover of Agricultural Land”

Agribusiness REGULATORY POLICY

Achievements

Environment for agri investments created

by launching a farmland market (2020).

Irrigation practices improved

by establishing uniform standards of safe irrigation (2020).

Agriproduct processing stimulated

by increasing transparency in the process of granting state support for agri producers and launching of a State Agrarian Register (2020).

Barriers to obtaining land removed

by limiting required documentation and introducing an e-filing system (2021).

by introducing a mandatory procedure of selling and leasing of state and municipal land via e-auctions (2021).

Plans

Stimulating improvement of efficiency of agri producers

by limiting requirements for importing pesticides and agrochemicals for testing purposes.

Unlocking potential of perennial market

by adapting seed sector regulation to reflect on the specifics of perennial planting.

Increasing efficiency of agriproduct producers

by stimulating hydrotechnical land reclamation.

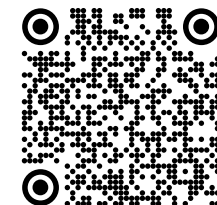
Investment PROJECTS

Name	Investment opportunity	Estimated investment, \$ mln	Key financial indicators					Project status	
			NPV, \$ mln	IRR, %	Payback period, years	Current Revenue, \$ mln	Assets, \$ mln	Feasibility / pre-feasibility study	Land plot, ha (owned, in-use,rented)
1 VERES GROUP	Private	-	-	-	-	-	-	-	7 000
2 AGRICULTURAL-INDUSTRIAL CLUSTER	Equity / debt financing	25	25.6	23	5.5	-	-	financial models	3 813
3 BEEF CATTLE GROWING AND PROCESSING COMPLEX	Equity / debt financing	44	35.3	25.2	6	-	-	business plan	-
4 AMO HIVE	Equity / debt financing	1.5	8.8	71	2	-	-	feasibility study, business plan	-
5 AQUACULTURE DEVELOPMENT	Equity / debt financing	3.7	2.2	23.3	5	-	-	feasibility study, business plan	-
6 POULTRY FARMS FOR GROWING AND PROCESSING OF POULTRY MEAT	Equity / debt financing	23.3	-	-	6.0	29.5	-	business plan	93

Investment PROJECTS

Name	Investment opportunity	Estimated investment, \$ mln	Key financial indicators					Project status	
			NPV, \$ mln	IRR, %	Payback period, years	Current Revenue, \$ mln	Assets, \$ mln	Feasibility / pre-feasibility study	Land plot, ha (owned, in-use,rented)
7 FRUIT AND VEGETABLE STORAGE COMPLEX	Equity / debt financing	7.6	1.1	16.0	5.0	-	-	feasibility study	-
8 NOVOPOKROVSKY GRAIN COMPANY	Privatization	-	-	-	-	2.6	7.7	-	17.3
9 IVANO-FRANKIVSK GRAIN COMPANY	Privatization	-	-	-	-	0.5	2.5	-	-
10 YOGAFOOD	Private	0.1 – 0.6	523 439	4.19	3	-	-	scale up	-

PROJECT TEASERS >



ENERGY

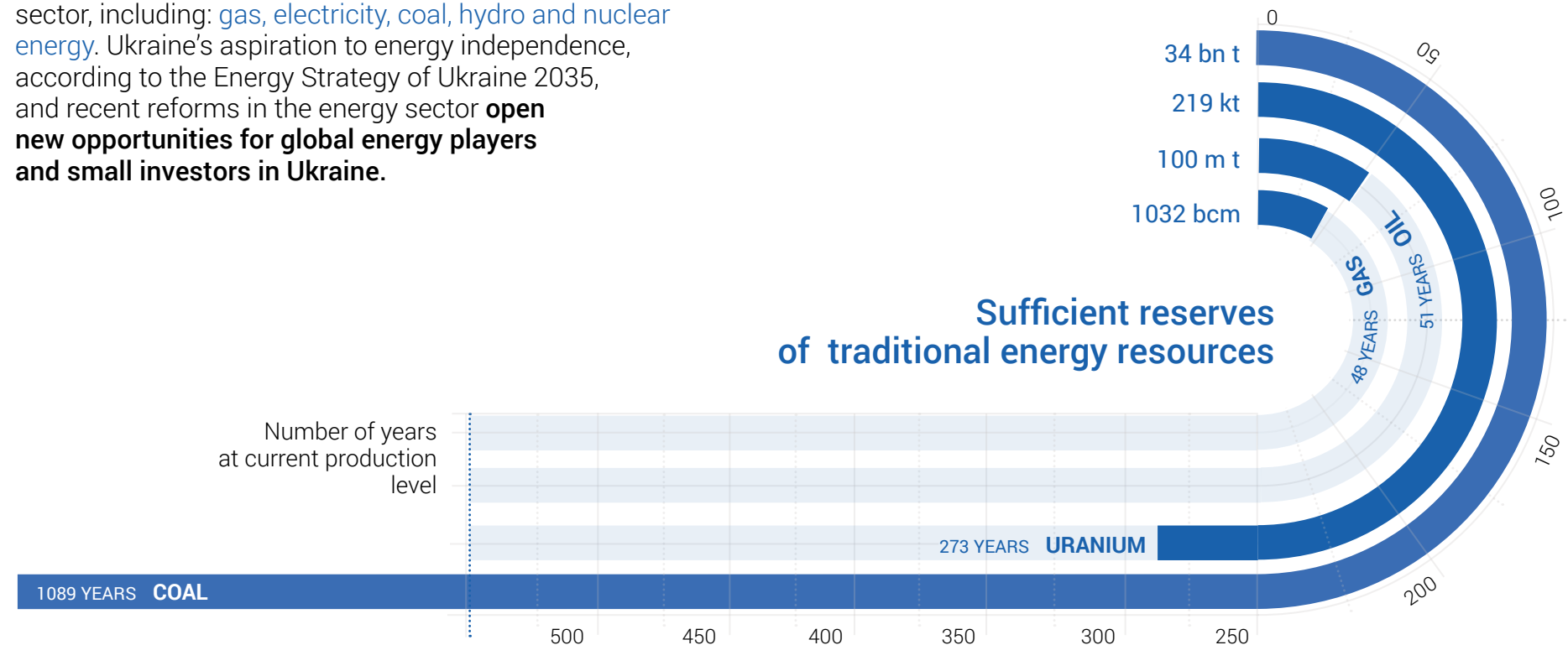
SECTORAL OVERVIEW AND INVESTMENT PROJECTS



Energy Sector **KEY FACTS**

Ukraine has a diverse endowment of natural energy resources and continues to be a net exporter of electricity.

Traditionally, Ukraine has a powerful and developed energy sector, including: [gas](#), [electricity](#), [coal](#), [hydro](#) and [nuclear energy](#). Ukraine's aspiration to energy independence, according to the Energy Strategy of Ukraine 2035, and recent reforms in the energy sector **open new opportunities for global energy players and small investors in Ukraine.**



Energy Sector **KEY FACTS**

130k

engineering graduates

4754

mln kWh

electricity export (2020)

2285

mln kWh

electricity import (2020)

POWER GENERATION

54.7 GW

installed generation capacity

5.5 GW

Cross-border capacity

154.0 TWh

annual generation output

POWER CAPACITY INSTALLED, MMW

38.9%

Thermal power plant

24.7%

Nuclear power plant

8.6%

Hydroelectric power station

10.9%

Combined heat and power

11.1%

Solar Power Plants

2.7%

Hydroaccumulating power plant

2.7%

Wind Power Plants

0.4%

Biomass and biogas

Energy Sector MAJOR PLAYERS



Energy Sector **REGULATORY POLICY**

Achievements

Electricity market potential unlocked (The Law on Electricity Market)

by providing for competition-based participation in the electricity market (2019).

Barriers to natural gas market competition removed

by separating the gas transmission system from major gas company Naftogaz (2020).

by opening the natural gas market for domestic consumers (2020).

Development of wholesale market of short term standardized products ensured

by allowing the gas transmission system operator to purchase and sell these products on a trading platform (2020).

Plans

Promoting energy efficiency

by stimulating cogeneration via so-called "origin warranties" system.

Ensuring stability of Ukrainian energy system

by integrating UKrainian energy system with ENTSO-E.

Investment PROJECTS

	Name	Investment opportunity	Estimated investment, \$ mln	Key financial indicators					Project status	
				NPV, \$ mln	IRR, %	Payback period, years	Current Revenue, \$ mln	Assets, \$ mln	Feasibility / pre-feasibility study	Land plot, ha (owned, in-use,rented)
1	BIOETHANOL PLANT	Equity / debt financing	31.7	-	22.3	3.5	-	-	pre-feasibility study	-
2	PJSC CENTRENERGO	Privatization	-	-	-	-	591.6	378.7	-	-
3	JSC KHARKIVOBLENERGO	Privatization	-	-	-	-	99.5	225.1	-	544.7
4	PJSC ZAPORIZHZHIAOBLENERGO	Privatization	-	-	-	-	81.6	125.5	-	448.9
5	JSC KHMELNYTSKOBLENERGO	Privatization	-	-	-	-	54.1	105.8	-	261.3
6	JSC MYKOLAIVOBLENERGO	Privatization	-	-	-	-	52.3	58.7	-	880.6

Investment PROJECTS

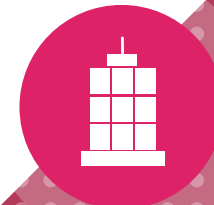
Name	Investment opportunity	Estimated investment, \$ mln	Key financial indicators					Project status	
			NPV, \$ mln	IRR, %	Payback period, years	Current Revenue, \$ mln	Assets, \$ mln	Feasibility / pre-feasibility study	Land plot, ha (owned, in-use,rented)
7 ENERGPARK: KYIV	Equity / debt financing	4	-	-	2.0	52.3	58.7	feasibility study	880.6
8 BIOMASS THERMAL POWER PLANT AND SORTING COMPLEX OF MUNICIPAL SOLID WASTE	Equity/Debt Financing	30	39	25	3.5	-	-	feasibility study	-
9 BROVARY MINI-CHP	Equity / debt financing	5	11.98	28	5	-	-	feasibility study, business plan	-
10 ESSA BIO-TPP 7 MW	Equity / debt financing	11.1	-	18.6	6	-	-	feasibility study, business plan	-

PROJECT TEASERS >



TRANSPORT AND LOGISTICS

SECTORAL OVERVIEW AND INVESTMENT PROJECTS



Transport and Logistics **KEY FACTS**

170K km
ROADS



19.7K km
RAILWAYS



20
AIRPORTS

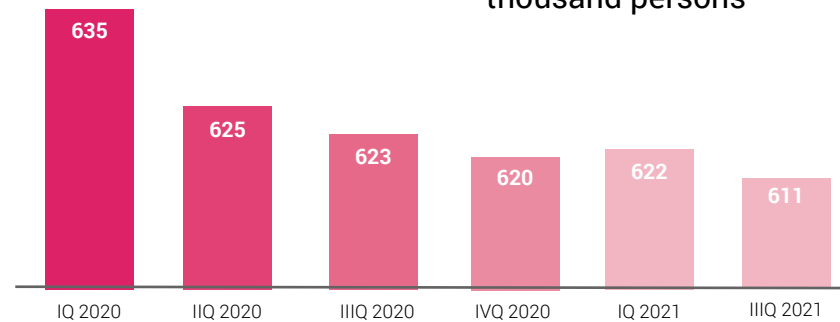


13
SEA PORTS

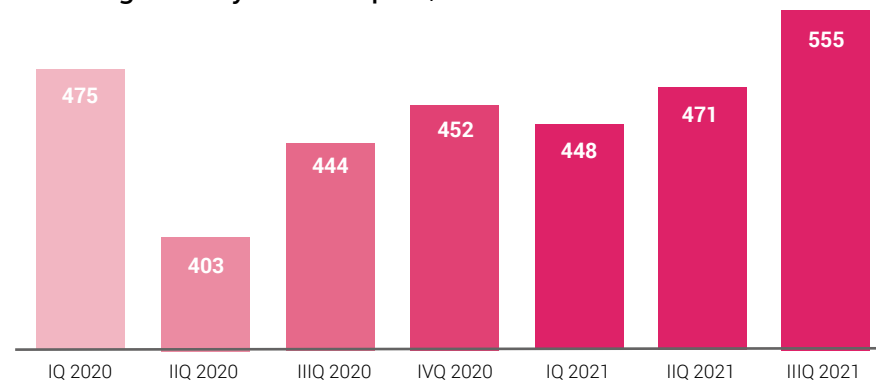
16
RIVER PORTS



Average number of employees in Transport, thousand persons

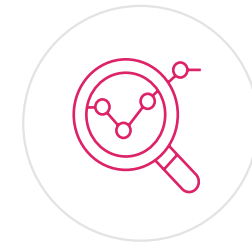


Average salary in Transport, in US dollars



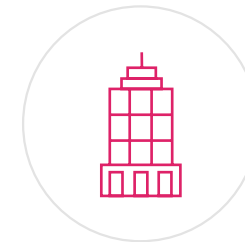
\$4.2B

Export of transport services*



5.29%

of GDP



1.42M m²

area of warehouse and logistics real estate



14%

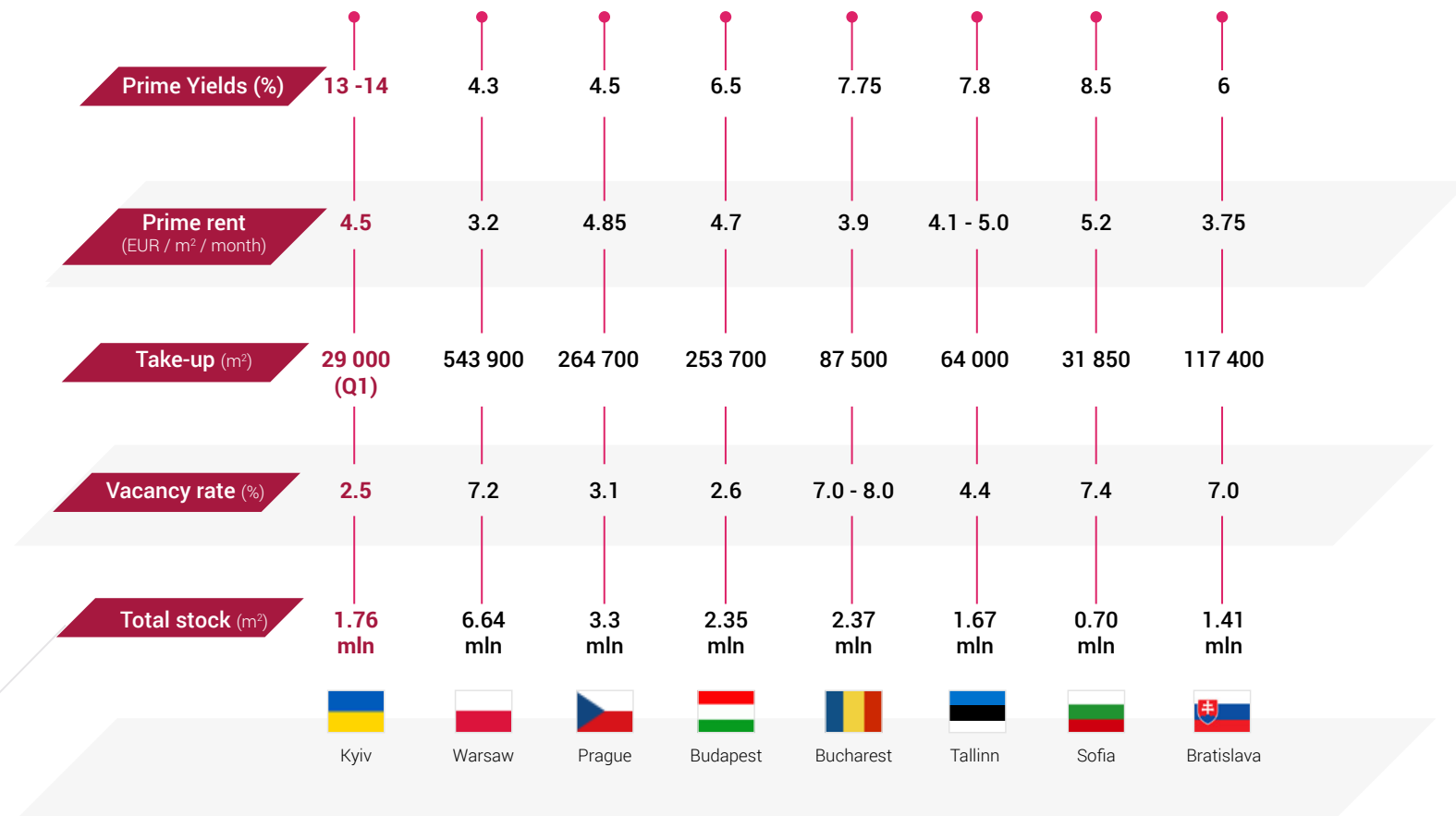
Yield Logistics real estate

*The information provided in this Guide is for illustration purposes only

* as of November 2021

Key Indicators of **LOGISTICS** **PROPERTY MARKET**

in CEE capitals



Source: Colliers International, H1 2020

Infrastructure & Logistics

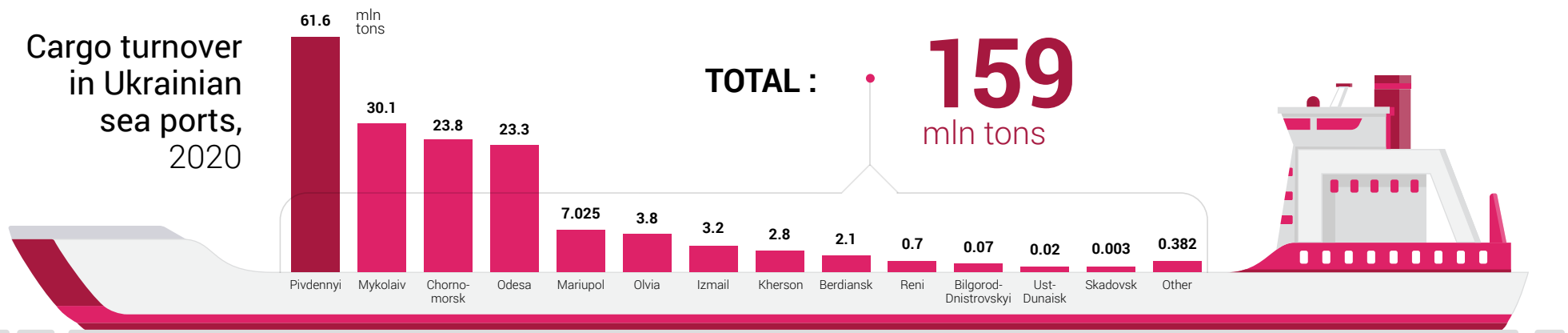
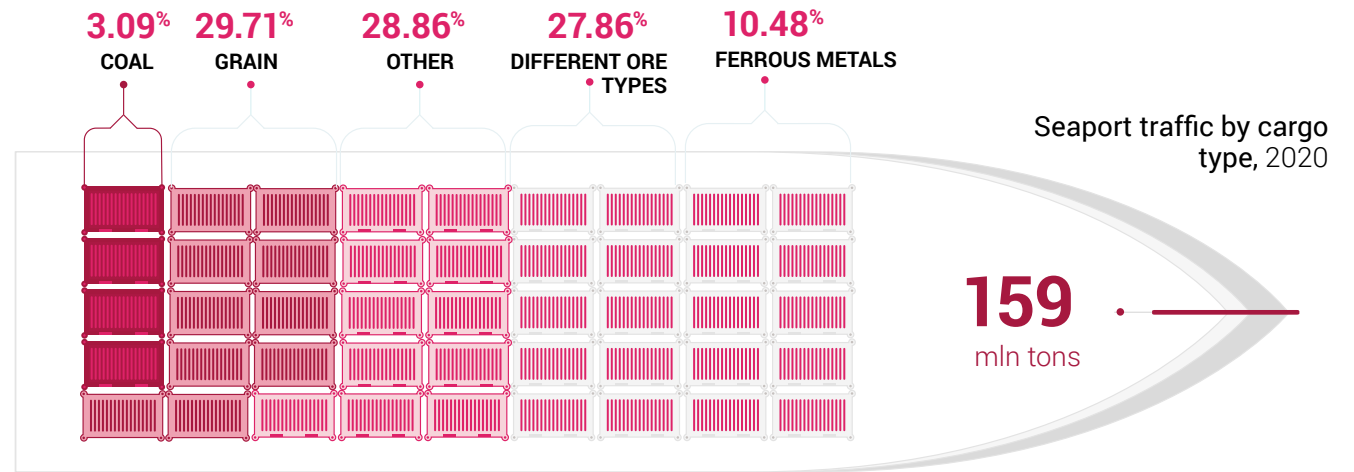
MAJOR PLAYERS



Ukraine: INVESTMENT ADVANTAGES AND INCENTIVES

A competitive advantage of Ukraine are warm-water ports along the Black Sea coastline providing a year-round access to the Mediterranean Sea and the Atlantic Ocean.

- 13** sea ports
- 263** berths
- 40 km** total berthing length
- 160 m** tons of cargo turnover in 2020



Source: Ukrainian Sea Ports Authority

Infrastructure REGULATORY POLICY

In October 2019, the Verkhovna Rada adopted **the Concession Law**, which regulates conditions for the transfer of state and municipal property for business use. It is aimed at increasing Ukraine's investment attractiveness and renewing infrastructure, including ports, airports, roads, etc.



Infrastructure & Logistics

REGULATORY POLICY

Achievements

Establishment of favourable conditions for PPP infrastructure projects

by introducing a competition-based procedure for concession tenders (2019).

Promotion of new international and internal airline routes

by liberalising aviation market rules (2018 - 2020).

Start of river transportation development

by allowing entry of foreign-flagged vessels to inland waters and exempting inland waterways vessels from seaport fees (2020).

Simplification of freight permitting procedures

by launching an online applications system for obtaining permits for international transportation of goods (2020).

Stimulating developments of domestic aviation

by introducing VAT exemption for domestic flights.

Unlocking potential of container shipping industry

by ensuring a proper regulation of multimodal transportation.

Increasing capacity of rail freight transportation

by allowing access of private locomotives to public railways.

Plans

Enhancing the taxi market competition

by introducing a favourable taxation regime.

Ensuring fair competition in transportation industry

by establishing an independent transport regulator.

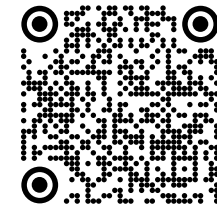
Investment PROJECTS

	Name	Investment opportunity	Estimated investment, \$ mln	Key financial indicators					Project status	
				NPV, \$ mln	IRR, %	Payback period, years	Current Revenue, \$ mln	Assets, \$ mln	Feasibility / pre-feasibility study	Land plot, ha (owned, in-use, rented)
1	LOGISTICS AND INDUSTRIAL PARK NAVAL	Private	-	-	-	-	-	-	-	200
2	OCHAKIV PORT	Private	-	-	-	-	-	-	-	94
3	UST-DUNAISK SEA TRADE PORT	Privatization	-	-	-	0.1	1.4	-	-	207.1
4	SKADOVSK SEA TRADE PORT	Privatization	-	-	-	0.1	0.8	-	-	-
5	FERRY TERMINAL IN CHORNOMORSK SEA PORT	Concession	-	-	-	-	-	-	pre-feasibility study	-
6	CONTAINER TERMINAL IN CHORNOMORSK SEA PORT	Concession	-	-	-	-	-	-	pre-feasibility study	-
7	PASSENGER COMPLEX IN ODESA SEA PORT	Concession	-	-	-	-	-	-	pre-feasibility study	-

Investment PROJECTS

	Name	Investment opportunity	Estimated investment, \$ mln	Key financial indicators					Project status	
				NPV, \$ mln	IRR, %	Payback period, years	Current Revenue, \$ mln	Assets, \$ mln	Feasibility / pre-feasibility study	Land plot, ha (owned, in-use,rented)
8	WAREHOUSE COMPLEX	Equity / debt financing	40	1.5	12.2	7.0	-	-	-	24.0
9	LOGISTICS CENTER HLYBOCHYTSIA	Equity / debt financing	9.0	0.5	15.0	11.0	-	-	-	-
10	KORNACH WAREHOUSE COMPLEX	Private	100	9.6	3	8	-	-	-	24

PROJECT TEASERS >



MANUFACTURING

SECTORAL OVERVIEW AND INVESTMENT PROJECTS

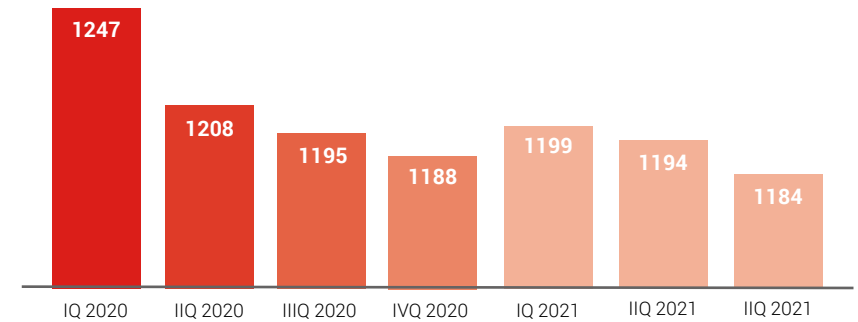


Manufacturing **KEY FACTS**

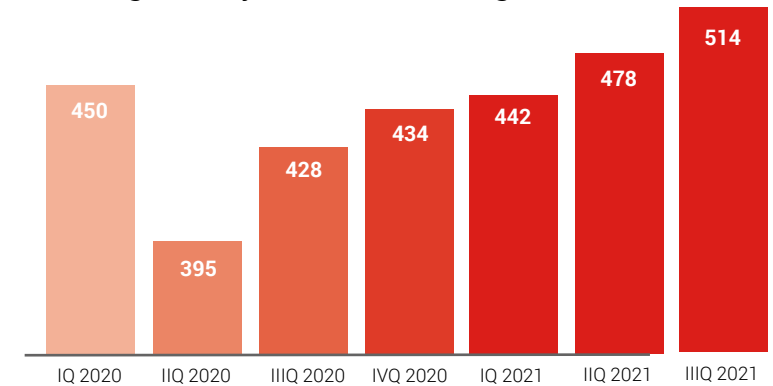
1/4
of total FDI
(IIIQ 2021)

10%
GDP

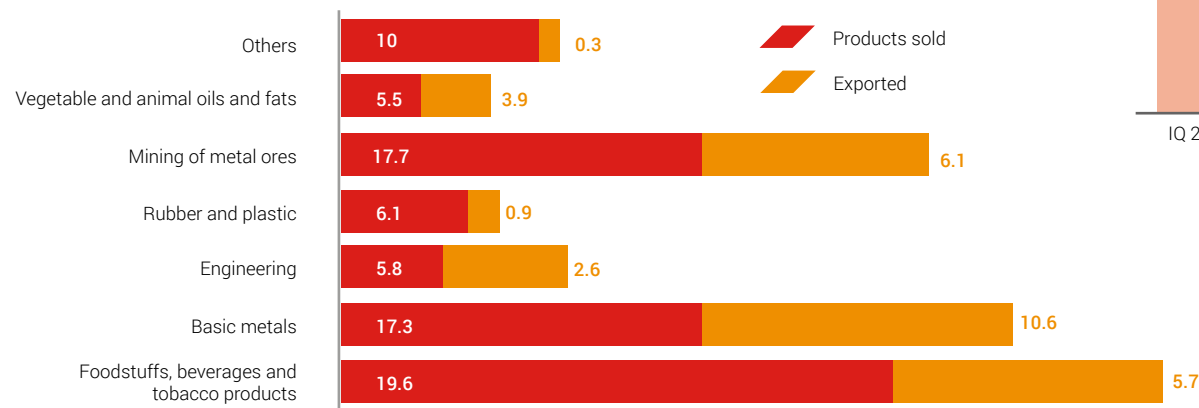
Average number of employees in Manufacturing, in thousands persons



Average salary in Manufacturing, USD



VOLUME OF PRODUCED PRODUCTS SOLD, Q1 2021 BLN USD



Industrial parks **KEY FACTS**



52

registered industrial parks in Ukraine



28

industrial parks with established management company



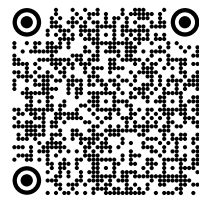
+2 260 ha

total area of industrial parks

Advantages for participants of industrial parks

- development of the infrastructure necessary for the implementation of investment projects within industrial parks is co-financed by state and local budgets
- no infrastructure fees for construction of the objects within the industrial park
- no import duties levied on equipment imported by the participants of industrial parks for carrying out economic activity within industrial parks, given such equipment is not produced in Ukraine
- possible reduction in local tax rates (land, real estate) depending on the decision of local authorities

INDUSTRIAL PARKS



- registered Industrial Park
- Industrial Site* residing participants
- grid connection available
- Industrial Park residing participants
- on hold




* - acting Industrial Site not registered as Industrial Park

Regulatory Background



PLANS

- Stimulating investments in manufacturing and R&D**
by promoting establishment of industrial parks with a favourable taxation regime and customs incentives for participating businesses.

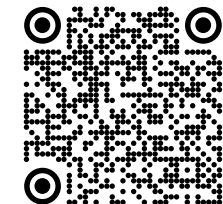
Industrial PARKS

	Name	Region	Utilities	Ownership	Number of participants	Total/free area, ha	Main Activities	Website link
1	SVEMA INDUSTRIAL PARK	Sumy	Available	Municipal	2	76	pharmaceutical production, wood processing, plastic production and chemical industry	
2	SOLOMONOVO INDUSTRIAL PARK	Zakarpattia	Available	Private	-	66.2/41.0	auto components and auto parts manufacturing	
3	LANNIVSKIY INDUSTRIAL PARK	Poltava	Available	Private	2	30.7/28.9	processing of agricultural raw materials, food industry, logistics and storage	
4	NOVOVOLYNSK INDUSTRIAL PARK	Volyn	Available	Municipal	-	20.0/20.0	automotive, goods and instrument manufacturing, agricultural industry and IT cluster (outsourcing)	
5	TROSTYANETS INDUSTRIAL PARK	Sumy	Available, except gas supply	Municipal	-	40.0/40.0	agri processing, consumer goods manufacturing, wood processing and automotive industry	
6	MIROTSKE INDUSTRIAL PARK	Kyiv	Available, except gas supply	Private	2	33.7	construction production, food industry, instrument manufacturing, alternative energy and electronics	
7	VINNYTSIA INDUSTRIAL PARK	Vinnytsia	Available	Municipal	2	26.8	manufacturing of food products, beverages and tobacco; textile production, production of clothing, leather and other materials; mechanical engineering, except repair and installation of machines and equipment; manufacture of furniture, other products, repair and installation of machinery and equipment; Logistics, service and more	






Industrial PARKS

	Name	Region	Utilities	Ownership	Number of participants	Total/free area, ha	Main Activities	Website link
8	VINNYTSIA CLUSTER OF REFRIGERATION ENGINEERING	Vinnytsia	Available, except water supply	Mixed	-	19.3	refrigeration engineering	
9	BILA TSERKVA INDUSTRIAL PARK	Kyiv	Available, except gas supply	Private	-	24.1/22	machinery manufacturing, metal processing, food industry, consumer goods and furniture manufacturing	
10	INNOVATION FORPOST INDUSTRIAL PARK	Dnipropetrovsk	Available	Municipal	-	49.5/35	manufacturing and logistics	
11	FASTINDUSTRY INDUSTRIAL PARK	Kyiv	Available	Municipal	2	15/10	manufacturing of building materials, machine manufacturing, wood processing, pharmaceutical industry, food industry, electronics and IT	

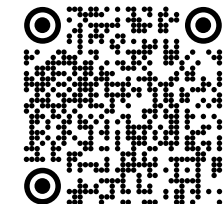
PROJECT TEASERS >



Industrial SITES*

	Name	Region	Utilities	Ownership	Number of participants	Total/free area, ha	Main Activities	Website link
1	PATRIOT INDUSTRIAL SITE	Sumy	Available	Private	100	9.0/0.1	preparation and spinning of textile fibres, and production work clothes, construction materials, wholesale of drinks, perfumery and cosmetics	
2	ZAPORIZHKRAN INDUSTRIAL SITE	Zaporizhia	Available	Private	50	5.0/-	production of engineering products	
3	CHEMICO-METALLURGICAL PLANT INDUSTRIAL SITE	Donetsk	Available	Municipal	4	270.0/270.0	production of chemical and metallurgical compounds, production of flux-cored wire and electrodes	
4	ARKAN INDUSTRIAL SITE	Kyiv	Available	Private	-	19.3/ -	production of engineering tools, robotechnics, instrument-making, electronics, professional equipment etc.	
5	ECOPOLIS HTZ INDUSTRIAL SITE	Kharkiv	Available	Private	1	150	IT, medicine, education, agricultural technologies	

PROJECT TEASERS >



* - acting Industrial Sites not registered as Industrial Parks

Manufacturing MAJOR PLAYERS



Manufacturing

REGULATORY POLICY

Achievements

New instruments for combating counterfeit of alcohol, tobacco and other excisable goods introduced
by establishing a system of electronic excise stamps (2020).

Investments in ethanol production unlocked
(the Law on the state regulation of production and turnover of ethyl alcohol, cognac and fruit alcohol, alcohol beverages, tobacco and fuel)
by abolishing the state monopoly and liberalizing ethanol exports (2020).

Favourable conditions for light, metal-processing and other industries' growth established
by renewing instalments schemes for settlement of VAT duties on imports of manufacturing equipment (2020).

Barriers to investments in Ukraine's textile production removed
by setting zero customs fee rates for imports of textile raw materials, which are not marketed in Ukraine (2021).

Plans

Stimulating investments in manufacturing and R&D
by promoting establishment of industrial parks with a favourable taxation regime and customs incentives for participating businesses.

Easing conditions for product launch
by harmonizing conformity assessment regulation to EU directives.

Investment PROJECTS

	Name	Investment opportunity	Estimated investment, \$ mln	Key financial indicators					Project status	
				NPV, \$ mln	IRR, %	Payback period, years	Current Revenue, \$ mln	Assets, \$ mln	Feasibility / pre-feasibility study	Land plot, ha (owned, in-use,rented)
1	PLANT FOR PRODUCTION OF THERMAL INSULATION MATERIALS	Equity / debt financing	50	52.5	36.08	2.83	-	-	feasibility study	-
2	BASALT FIBER PRODUCTION PLANT	Equity / debt financing	-	7.7	23.35	3	-	-	feasibility study	-
3	PRODUCTION OF MINERAL FERTILIZERS	Equity / debt financing	31.7	21.6	-	4.1	81.1	-	feasibility study, business plan	-
4	PRODUCTION OF POWDERS OF TITANIUM AND OTHER ALLOYS FOR ADDITIVE MANUFACTURING	Equity / debt financing	18.0	-	27.0	1.6	37.0	-	Construction site available Design and engineering documentation developed	-
5	VM-4 SHMEL LIGHT TWIN-ENGINE HELICOPTER	Equity / debt financing	4.1	5.8	53.4	3.0	-	-	business plan	-
6	ZINC OXIDE PLANT	Equity / debt financing	3.2	3.3	31.5	2.8	-	-	Brownfield business plan	-

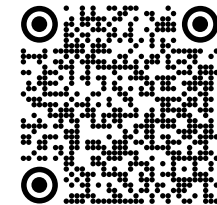
Investment PROJECTS

	Name	Investment opportunity	Estimated investment, \$ mln	Key financial indicators					Project status	
				NPV, \$ mln	IRR, %	Payback period, years	Current Revenue, \$ mln	Assets, \$ mln	Feasibility / pre-feasibility study	Land plot, ha (owned, in-use, rented)
7	NOVORYDNYANSKE DEPOSIT OF GRANIT	Equity / debt financing	1.4	-	-	2.7	2.6	-	feasibility study	-
8	DNIPRO ELECTRIC LOCOMOTIVE BUILDING PLANT	Privatization	-	-	-	-	1.0	9.6	-	47.3
9	INSTITUTE OF TITANIUM	Privatization	-	-	-	-	0.9	2.7	-	-
10	RADIORELE PLANT	Privatization	-	-	-	-	0.7	8.9	-	4.1
11	KHERSON PLANT SUDMASH	Privatization	-	-	-	-	0.1	2.7	-	6.5
12	CONSTRUCTION OF THE MODERN BRICK FACTORY	Equity / debt financing	118	98	11	9.9	98	-	-	-

Investment PROJECTS

	Name	Investment opportunity	Estimated investment, \$ mln	Key financial indicators					Project status	
				NPV, \$ mln	IRR, %	Payback period, years	Current Revenue, \$ mln	Assets, \$ mln	Feasibility / pre-feasibility study	Land plot, ha (owned, in-use,rented)
13	FIRST KYIV MACHINE-BUILDING PLANT	Privatization	52.0	-	-	-	4.1	15.6	-	35
14	PLANT ON PRODUCTION OF MENSKA MINERAL MEDICINAL TABLE WATER	Equity / debt financing	5.6	14.8	42.8	3	-	-	feasibility study	1.54
15	PLANT FOR PRODUCTION AND BOTTLING OF MINERAL NATURAL TABLE WATER	Privatization	28	27	41	1.99	-	-	Pre-feasibility study	-

PROJECT TEASERS >



INFORMATION TECHNOLOGY

SECTORAL OVERVIEW AND INVESTMENT PROJECTS



IT KEY FACTS

The IT sector is among the country's **FASTEST GROWING** industries and **A MAJOR DRIVING FORCE** of Ukraine's economy.

Ukraine is **34th** among 100 countries in Global Startup Ecosystem Index 2021. Global Coursera Skills: Ukraine is the **27-th** in the world.



the 1st
largest export
service category



4%
GDP



>240K
IT specialists



\$5.6^{bln}
IT services export
as of 10 months of 2021



100
out of Fortune 500
companies with
remote development
teams in Ukraine



1st in Eastern Europe by
the number of outsourced
developers

4th AI globally in tech
skills proficiency



\$ 931
Average salary
(3Q 2021)



> 5 000
IT companies

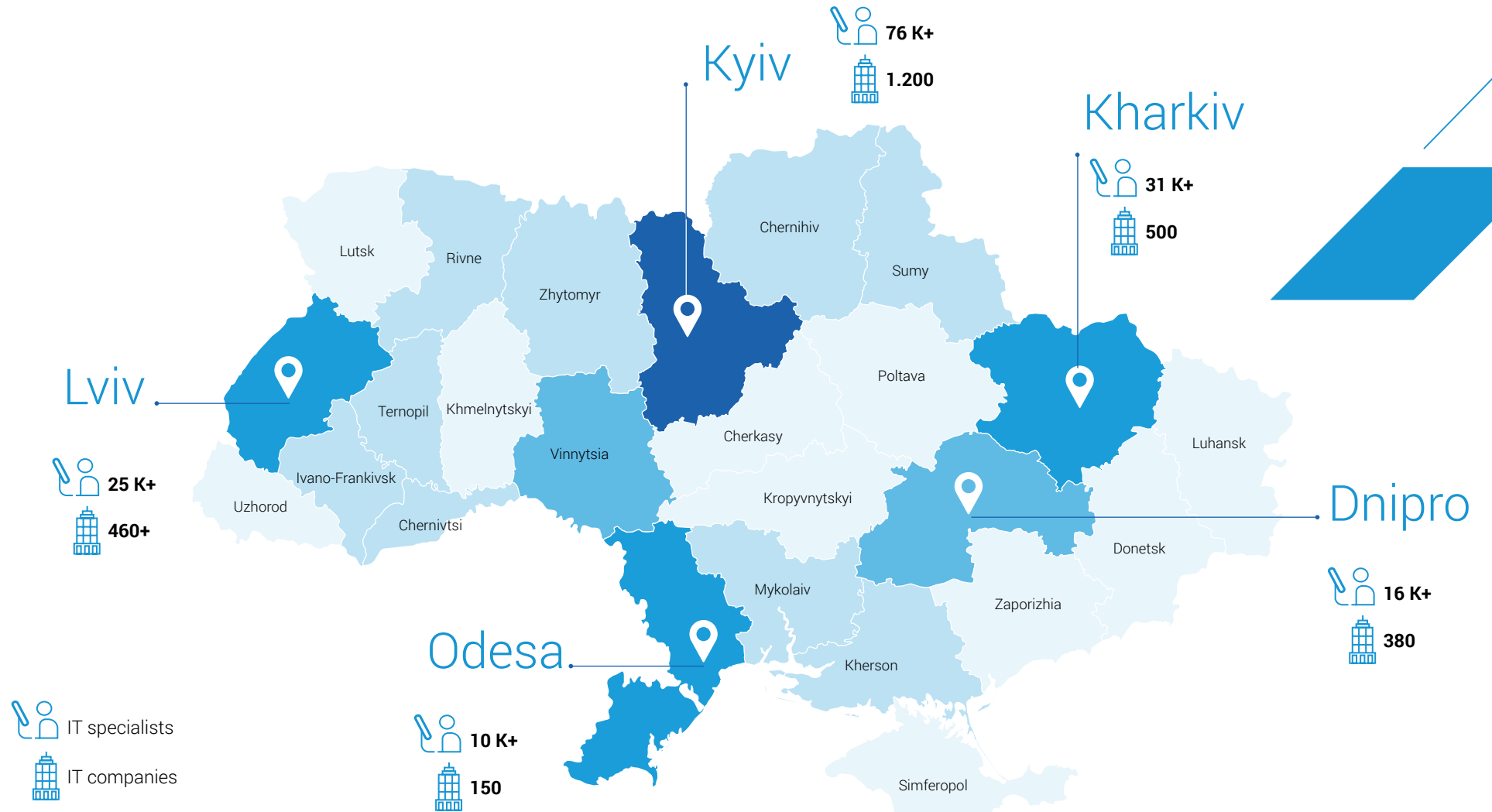


40
investment funds with
\$571 mln (2020)

IT sector in Ukraine is diverse: from cutting edge work in **AI, cyber security, natural language processing** and nanotechnologies to highly commercial ventures in **blockchain, FinTech, big data management, gaming, agribusiness and ecommerce**.

Source: State Statistics

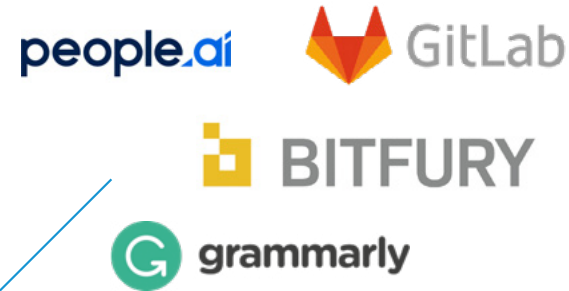
IT CLUSTERS in Ukraine



IT CLUSTERS
 From more concentrated to less

Source: Ukrainian Clusters <https://ucluster.org/blog/2020/04/top5-it-klasteriv-ukraini/>

STARTUPS in Ukraine



each valued at
> \$1 billion

Most prominent Ukrainian startups



Two DECAcorns in Ukraine:
Grammarly (11 bln Euro) and
Gitlab (10 bln Euro)

**LARGEST
INVESTMENT IN 2020
in Ukrainian startups**

Total funding - \$571 mln
Exits - \$131 mln

SPECIAL LEGAL FRAMEWORK for the IT Industry



**Goals by
2025:**



450 000 +
new jobs



\$ 16,5+ bln
growth of the IT
industry

“Diya.City is one of the best tax systems for technology companies, which offers the opportunity to pay five times less taxes and invest in development, education and IT in general” – Mykhailo Fedorov, The Minister of Digital Transformation of Ukraine

Types of IT activities:

- Software development and testing, including games
- Publishing and distribution of software (SaaS)
- Teaching computer literacy, programming, testing
- Digital marketing and ads using software developed
- R&D in IT and Telecom
- Cybersport
- Providing services related to the virtual assets flow
- Cybersecurity
- Robotics

Advantages for participants in Diia City:

- Transparent special taxation framework
- Special employment conditions
- IP protection guarantees
- Foreign venture capital investment
- Guarantees of protection of persons and property against the undue intervention of government security officials
- Investment and R&D incentives
- Developed eco system

Supported by: the European Business Association, the Federation of Employers, the American Chamber of Commerce, EPAM, Ajax, Sigma Software, Reface, Genesis, Laverex, and many others

For detailed information: <https://city.diia.gov.ua/en>

Startups in Ukraine **STATE SUPPORT**

Ukrainian

Startup Fund

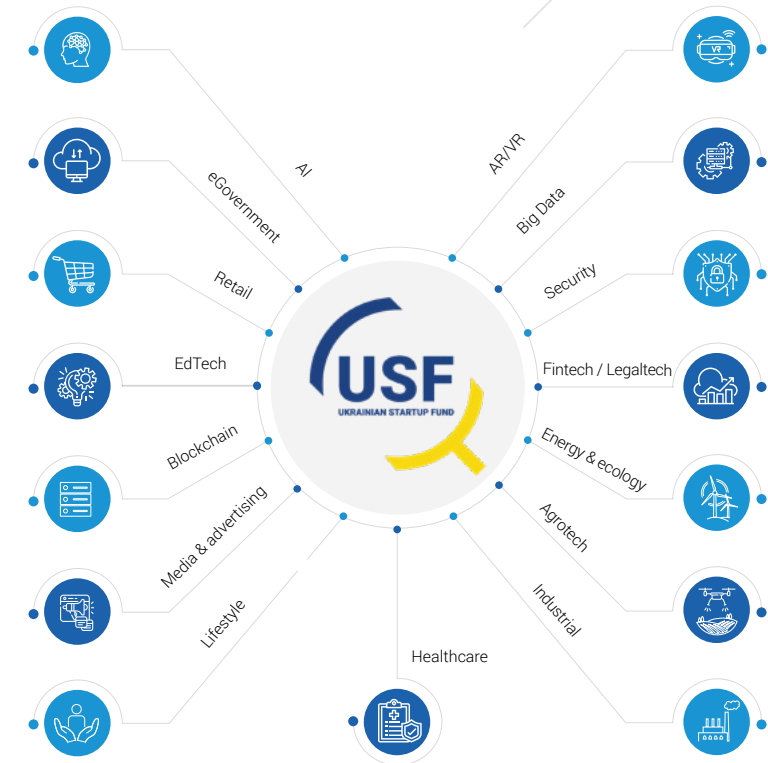
Ukrainian Startup Fund (USF) is a state-owned fund and one of the largest angel investors in Ukraine in 2020. USF was established on the initiative of the government of Ukraine in 2018. The mission of the fund: to promote the creation and development of technology startups in Ukraine at an early stage in order to increase their global competitiveness. USF provides financial support to startups in the early stages in the form of grants, as well as creates additional opportunities for startups to incubate, accelerate, and receive other types of support. In particular, USF provides non-refundable and non-equity grants for pre-seed and seed-stage startups. On a pre-seed stage startup can receive \$25K and on seed stage it's \$50K. In total a startup can be funded with up to \$75K.

RESULTS AS OF 2020:

- 2553 applications from startups at different stages of completion
- 74 startups were selected by the Pitch jury for grant funding
- funded of nearly \$3M
- \$20 M in authorized capital

\$ 75K
a startup can obtain
for its business

\$ 18M
the size of the fund



Regulatory Background

ACHIEVEMENTS

Promoting innovation

by ensuring a system of low-interest financing for startups in strategic industries (2020).

PLANS

Creating a fertile IT ecosystem

by establishing a virtual economic zone "Diia.City" enabling online access to all G2B services, digital identification of contractors, choice of law, simplification of currency exchange and other.

Innovation Startups **ENTREPRENEURSHIP**

ISE Startup Accelerator and VC Investment Firm bring startups to the next level. We focus on business development through setting partnerships between corporations and startups, attracting new clients for B2B and B2C startups, preparing startups for fundraising. We collaborate with Ukrainian and International corporations, which are looking for innovative solutions and are ready to experiment with new technologies as well as VCs seeking early opportunities to invest.

ACCELERATOR IN NUMBERS

Executed early-stage VC investments amounting over \$7 mln in last 3 years.
We have built 34 partnerships between startups and corporations and closed over 10 fundraising deals (pre-seed and seed rounds).

470

startups reviewed
for the last 3 years

50+

reputable mentors
are engaged in our
programs

34

startups built
partnerships with
corporations

10+

startups raised
next round
investments

ISE PRODUCTS

- 1/ Startup Acceleration – with equity participation and equity-free program
- 2/ Corporate Innovation – build innovation strategy, identify innovative technologies and source the best startups
- 3/ Venture Capital Deals – fundraising deals for startups
- 4/ Digital Innovation Hub – communication platform for key ecosystem players: The Government, Business, Startups, Universities and Scientists.

ADVANTAGES OF ISE ACCELERATOR

- Top mentors and lecturers
- High-profile networking
- New B2B and B2C clients
- 7 Blocks of Knowledge building for startups
- Preparation for the next round of investment
- Investments from VC funds and Corporates
- Pilot with corporation
- Individual mentorship with expertise in the area of startup

I·S·E
Corporate Accelerator

IT REGULATORY POLICY

Achievements

Access of foreign IT professionals to Ukrainian market eased

by introducing special employment and relocation conditions for foreign IT professionals (2018-2020).

Technological development and innovation stimulated

by signing a memorandum with mobile network operators aiming to increase Internet penetration (2019).

by ensuring a system of low-interest financing for startups in strategic industries (2020).

Barriers for competition in the telecommunication market removed

by gradually lowering mobile termination rates (2020-2021)

Plans

Attracting investments to Ukraine's IT industry

by introducing a favorable taxation regime.

by improving shareholders' protection instruments, allowing for gig-employment practices and laying foundation for venture financing.

by ensuring better IP rights protection and extra protection from interference.

Inducing cloud technology investments

by introducing a cloud first strategy for government institutions.

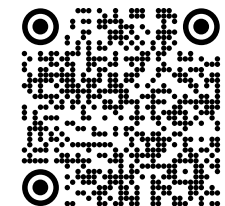
Creating a fertile IT ecosystem

by enabling online access to all G2B services, digital identification of contractors, simplification of currency exchange and other.

Investment PROJECTS

Name	Investment opportunity	Estimated investment, \$ mln	Key financial indicators					Project status	
			NPV, \$ mln	IRR, %	Payback period, years	Current Revenue, \$ mln	Assets, \$ mln	Feasibility / pre-feasibility study	Land plot, ha (owned, in-use, rented)
1 GLOBAL DATA CENTER UKRAINE	Equity / debt financing	300.0	116.0	27.8	5.0	-	-	feasibility study	-
2 DIIA CITY DIGITAL CITY (DC)	Equity / debt financing	-	-	-	-	-	-	-	-

PROJECT TEASERS >



CONSTRUCTION AND REAL ESTATE

SECTORAL OVERVIEW AND INVESTMENT PROJECTS



Construction & Real Estate **KEY FACTS**



221 K

Labor Force in Construction



\$447

Average Salary in Construction (3Q 2021)



10,783,756 m²

total area of residential buildings (as of September 2021)



4,975,506 m²

total area of non-residential buildings (as of June 2021)

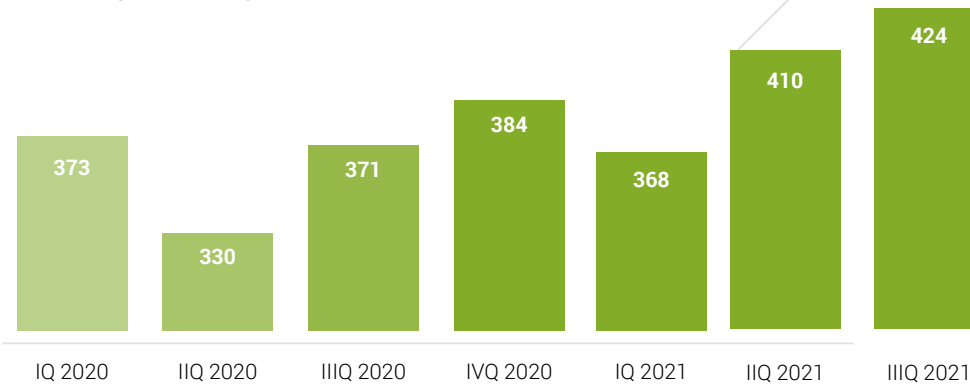


GDP:

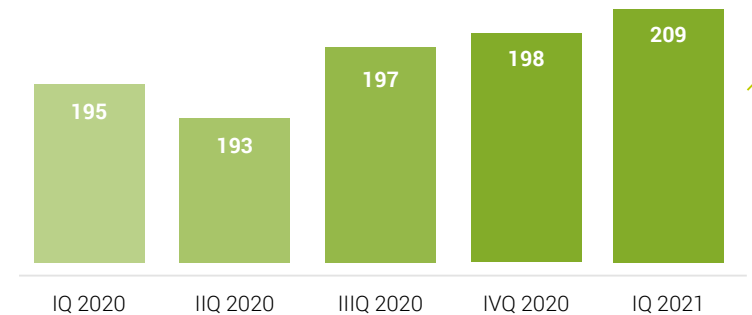
Construction - 2.07%
Real Estate - 5.27%

Real Estate

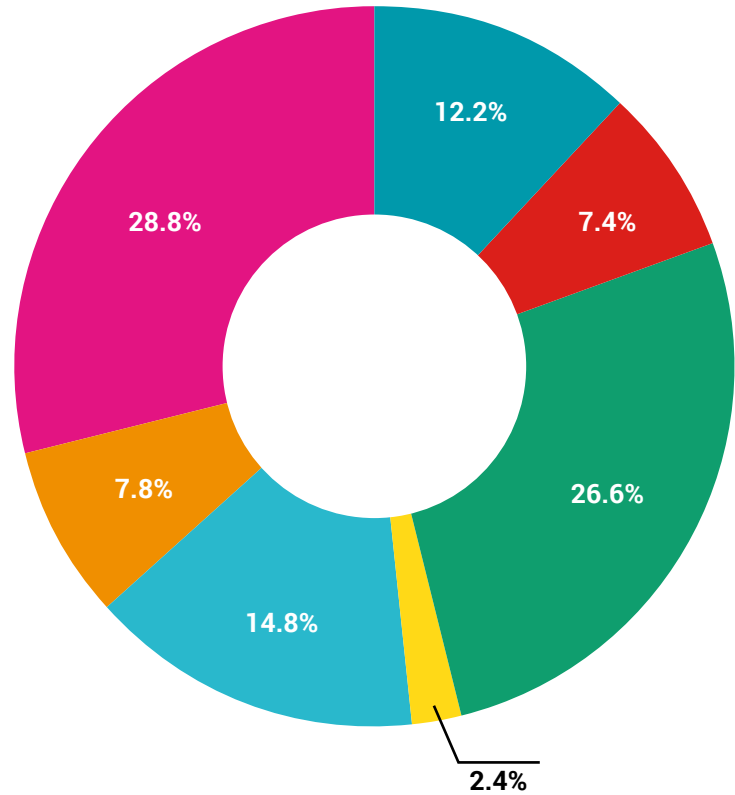
Average salary in Construction, in US dollars



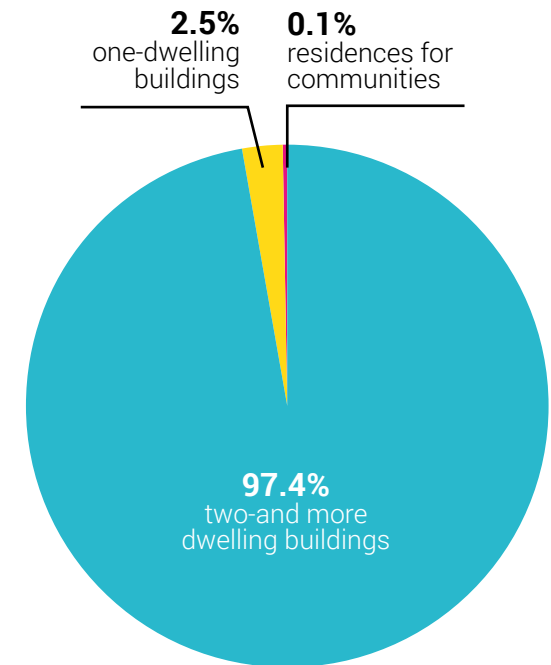
Average number of employees in Construction, thousand persons



CATEGORIES of Non-residential Buildings

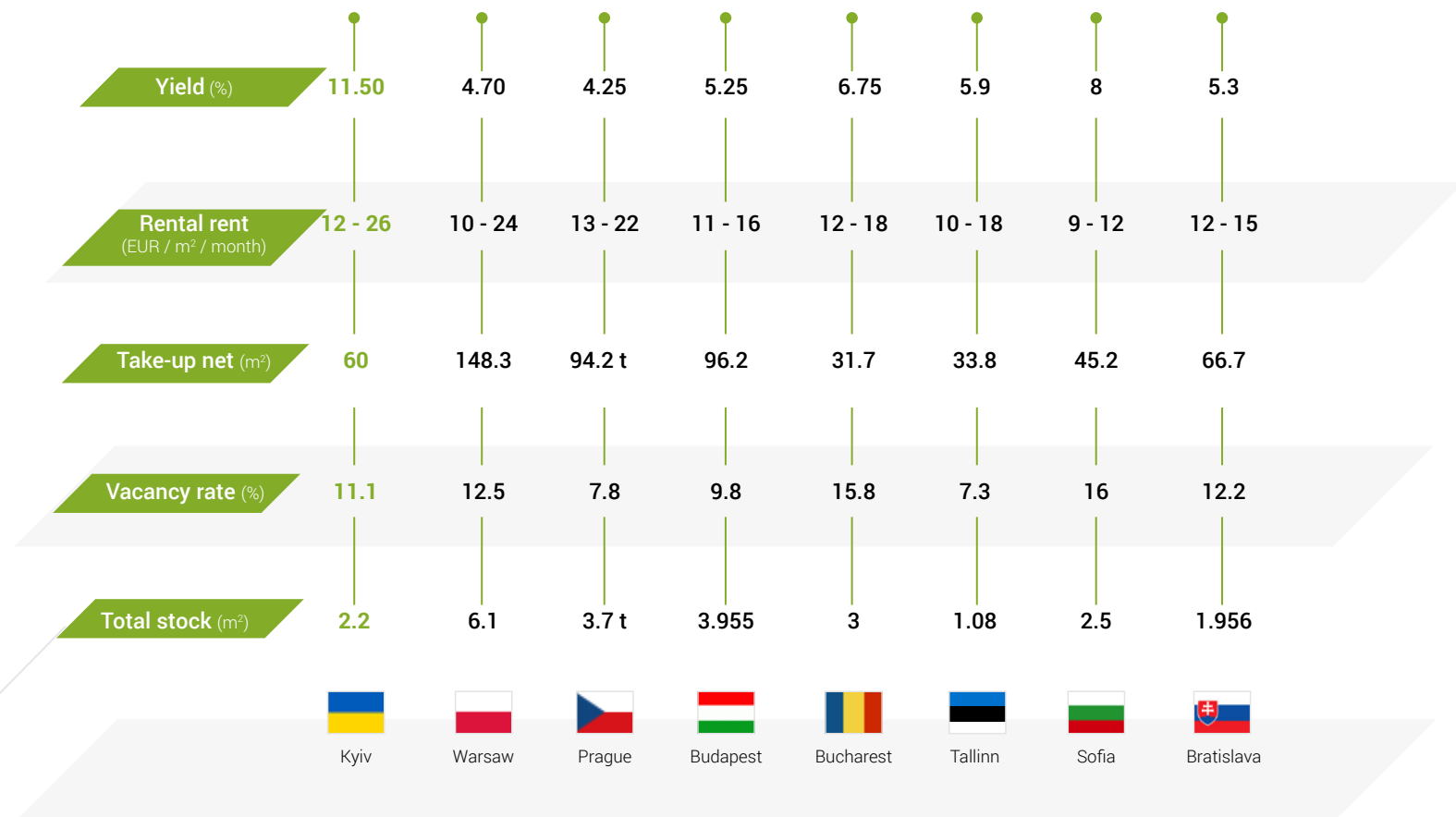


- ▬ public entertainment, education, hospital or institutional care buildings
- ▬ industrial buildings and warehouses
- ▬ traffic and communication buildings
- ▬ hotels and similar buildings
- ▬ office buildings
- ▬ wholesale and retail trade buildings
- ▬ other non-residential buildings



Retail Real Estate

Office Market H1 2021



Real Estate and Construction

MAJOR PLAYERS



*The information provided in this Guide is for illustration purposes only

Real Estate **REGULATORY POLICY**

Achievements

Transparency of construction procedures improved

by launching a unified online register to accommodate all construction-related information (2020).

Investors' ability to effectively analyse the potential of investment projects enhanced

by providing for development of the geospatial data infrastructure (2020).

Simplification of urban planning procedures guaranteed

by reforming the construction authority (2020).

Plans

Improving effectiveness of the construction control system

by promoting digitalization and automation of construction control procedures to prevent human factor.

Uplifting construction efficiency

by introducing BIM-technologies in development.

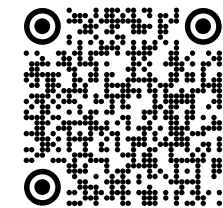
Laying the foundation for systematic and sustainable nationwide urban planning

by renewing the Master Plan of the territory of Ukraine

Investment PROJECTS

Name	Investment opportunity	Estimated investment, \$ mln	Key financial indicators					Project status	
			NPV, \$ mln	IRR, %	Payback period, years	Current Revenue, \$ mln	Assets, \$ mln	Feasibility / pre-feasibility study	Land plot, ha (owned, in-use, rented)
1 H2O NOVA KAKHOVKA OLYMPIC SPORTS CENTER	Equity / debt financing	15.5	-	-	-	-	-	-	15
2 UNDERGROUND MULTILEVEL PARKING	Concession	10	-	-	7.7	-	-	pre-feasibility study	0.8
3 GRITIS SCHOOL HARMONY AND PROSPERITY	Equity / debt financing	30.0	7.1	22.2	-	-	-	-	1.8
4 SLOVIANSKYI HOTEL	Privatization	-	-	-	-	-	2.0	-	-

PROJECT TEASERS >



UTILITIES & WASTE MANAGEMENT

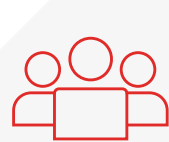
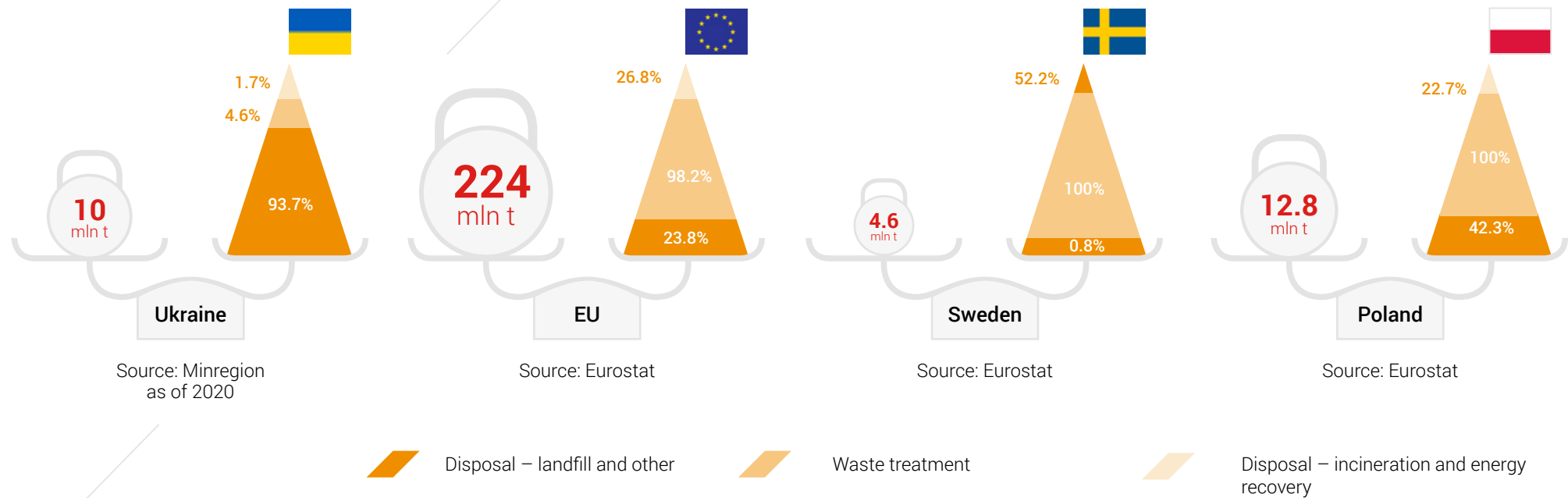
SECTORAL OVERVIEW AND INVESTMENT PROJECTS



Utilities & Waste Management

KEY FACTS

HOUSEHOLD WASTE MANAGEMENT IN UKRAINE AND ABROAD, 2019



79 %
 population of Ukraine is covered by household waste removal services.



6 000
 landfills in Ukraine



200 K
 Labor Force



\$491
 Average Salary

Utilities

REGULATORY POLICY

Achievements

Better electrical grid connection procedures ensured

by introducing a one-stop-shop platform for resolving connection-related disputes (2019).

Gas transmission balancing practices improved

by introducing a daily balancing mechanism (2019).

Electrical grid infrastructure development stimulated

by introducing an incentive-based (RAB) tariff regulation for electricity distribution systems operators (2020).

Plans

Increasing industrial energy efficiency

by ensuring a system for compensating energy efficiency loans.

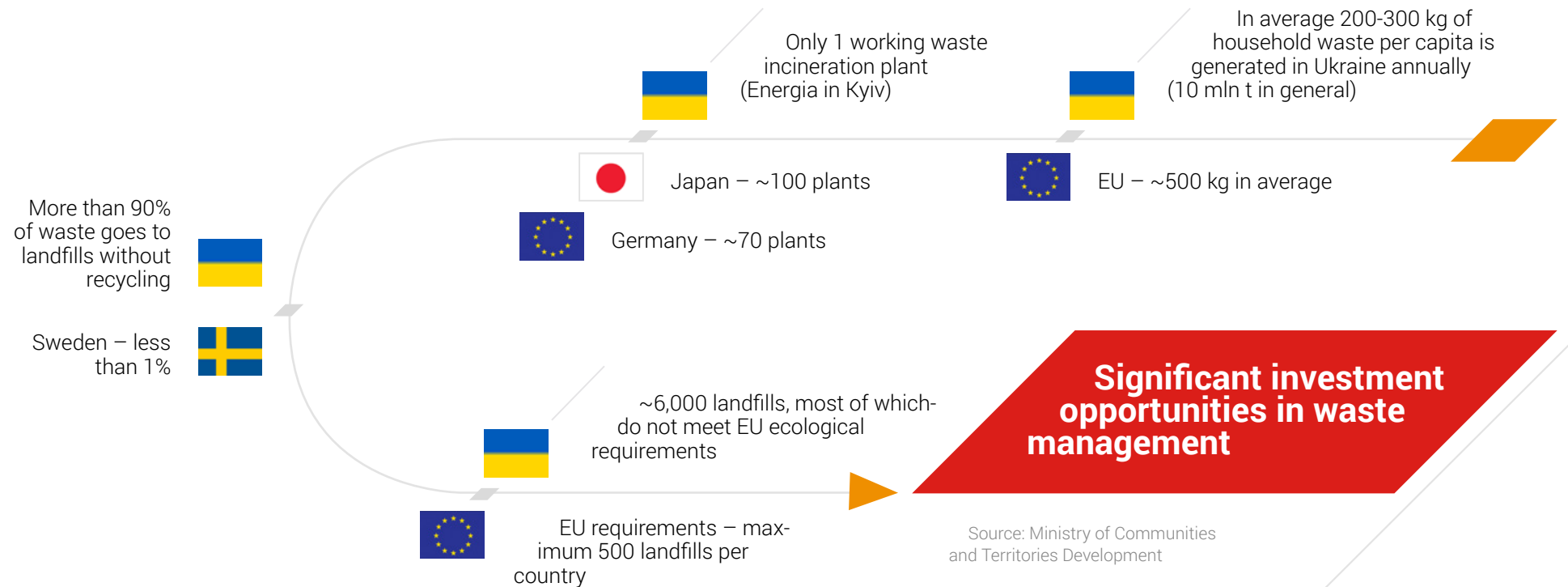
Ensuring balancing of the electrical power system

by stimulating construction of highly maneuverable capabilities and energy storage systems.

Providing better access to electrical grid connection

by introducing free-of-charge grid connection for industrial parks residents.

Waste Management **KEY FACTS**



Source: Ministry of Communities and Territories Development

Significant investment opportunities in waste management

Regulatory Background

PLANS

Advancing consistent policy to stimulate waste management investments

by creating a coherent waste disposal system and establishing clear regulation for waste processing plants.

Waste Management **NEW LAW**

New Waste Management Law Principles:



waste management hierarchy: prevention, reuse, recycle, energy recovery, disposal



extended producer responsibility



long-term waste management planning at the national, regional and local levels



installation of a waste management information system



liability for offenses in the field of waste management

Benefits from the Law



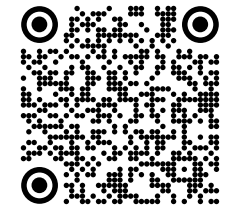
The Verkhovna Rada of Ukraine adopted Bill No.2207-1-d

“On waste management” on 21 July 2020. Now the national legislation includes the basic principles and provisions of European legislation in the field of waste management

Investment PROJECTS

Name	Investment opportunity	Estimated investment, \$ mln	Key financial indicators					Project status	
			NPV, \$ mln	IRR, %	Payback period, years	Current Revenue, \$ mln	Assets, \$ mln	Feasibility / pre-feasibility study	Land plot, ha (owned, in-use,rented)
1 WASTE SORTING PLANT	Concession	19.0	2.1	9.2	5.5	6.2	-	feasibility study	-

PROJECT TEASERS >



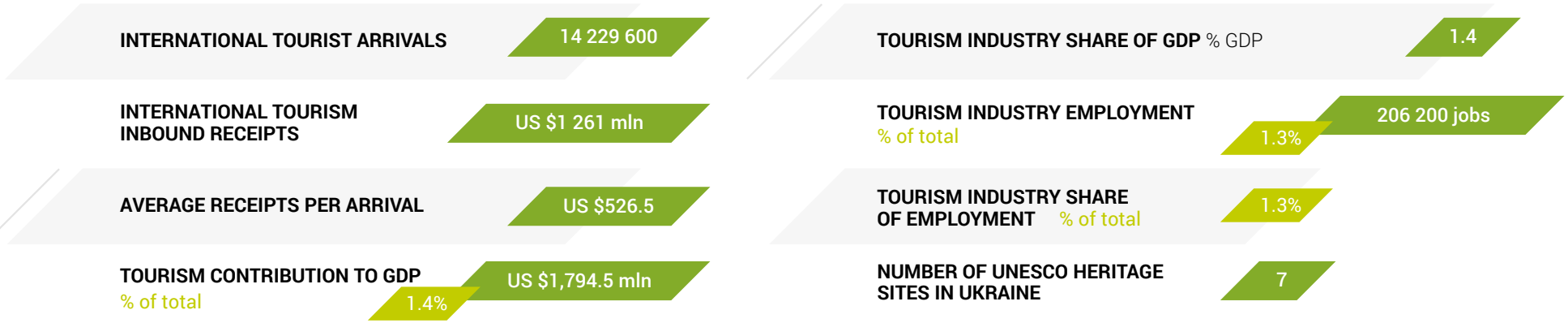
TOURISM & LEISURE

SECTORAL OVERVIEW AND INVESTMENT PROJECTS



Tourism & Leisure **KEY FACTS***

Pre-pandemic situation



Export of travel services***
\$743M



Import of travel services
\$6271M



17 sites on tentative list of UNESCO Heritage



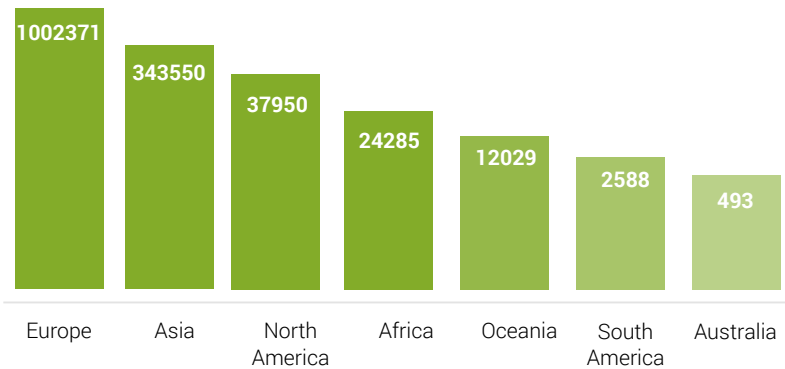
Ukraine can boast of a vast number of both widely known and completely unknown sites of surpassing beauty: **from cozy old-fashioned medieval streets of Lviv to industrial architecture and breathtaking landscapes in the South of Ukraine.**

*The information provided in this Guide is for illustration purposes only

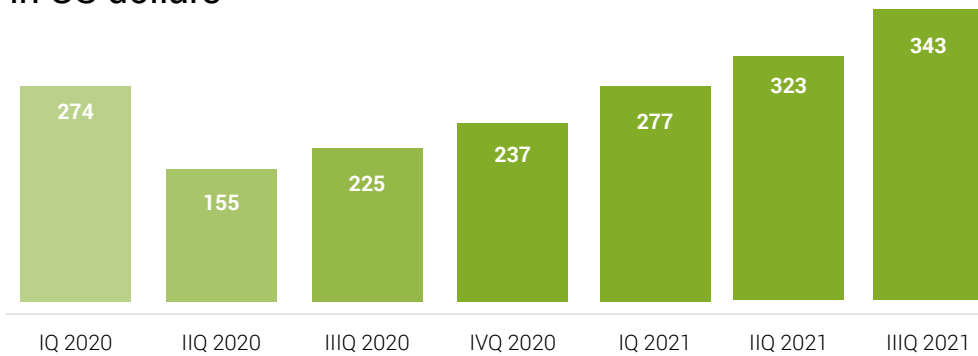
*as of 2019
** Accommodation and food service
*** as of November 2021

Tourism & Leisure **KEY FACTS***

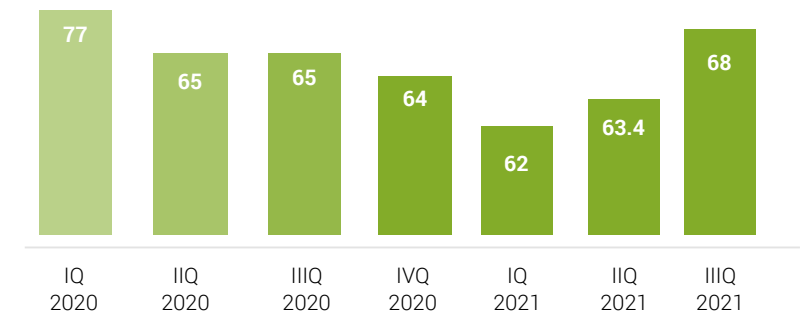
International tourists origin



Average salary in Accommodation and food service, in US dollars



Average number of employees in Accommodation and food service, thousand persons



Tourism & Leisure **MAJOR PLAYERS**



Tourism & Leisure RATINGS

UKRAINE Travel & Tourism
Competitiveness Index 2019

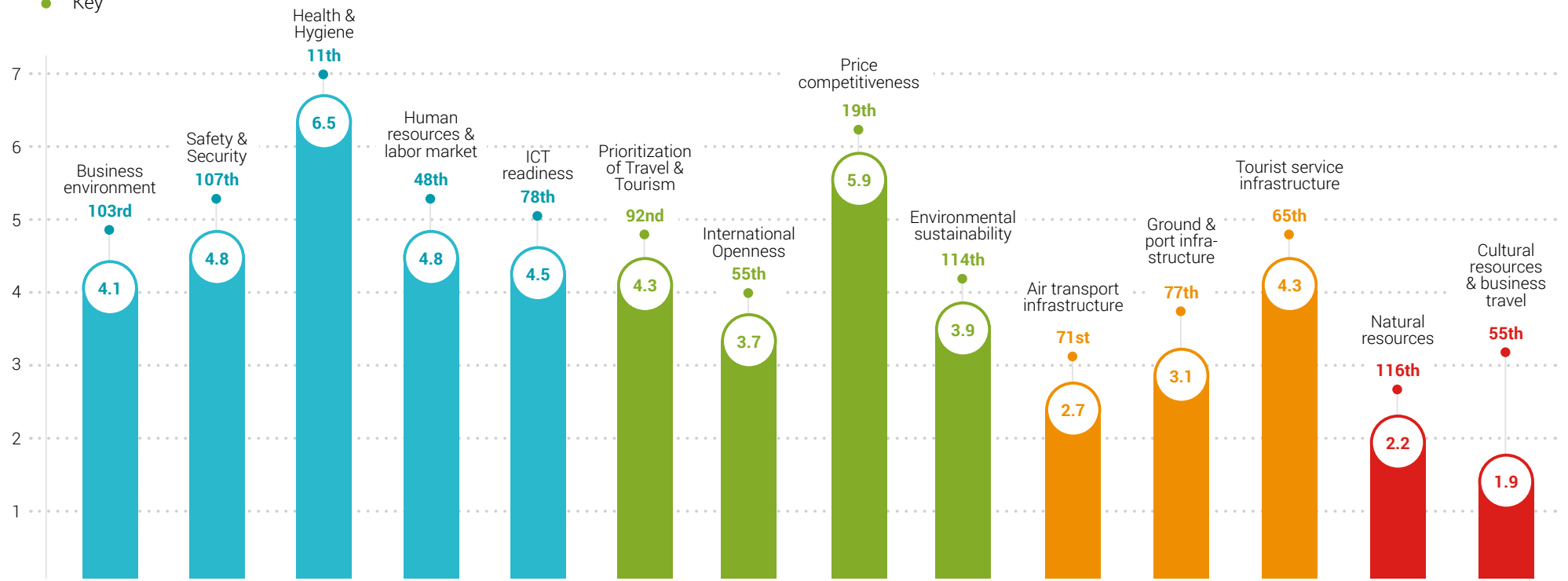
3.7 OVERALL
SCORE

78th / 140

○ Score 1-7 (best)
● Key

Ukraine Performance Overview

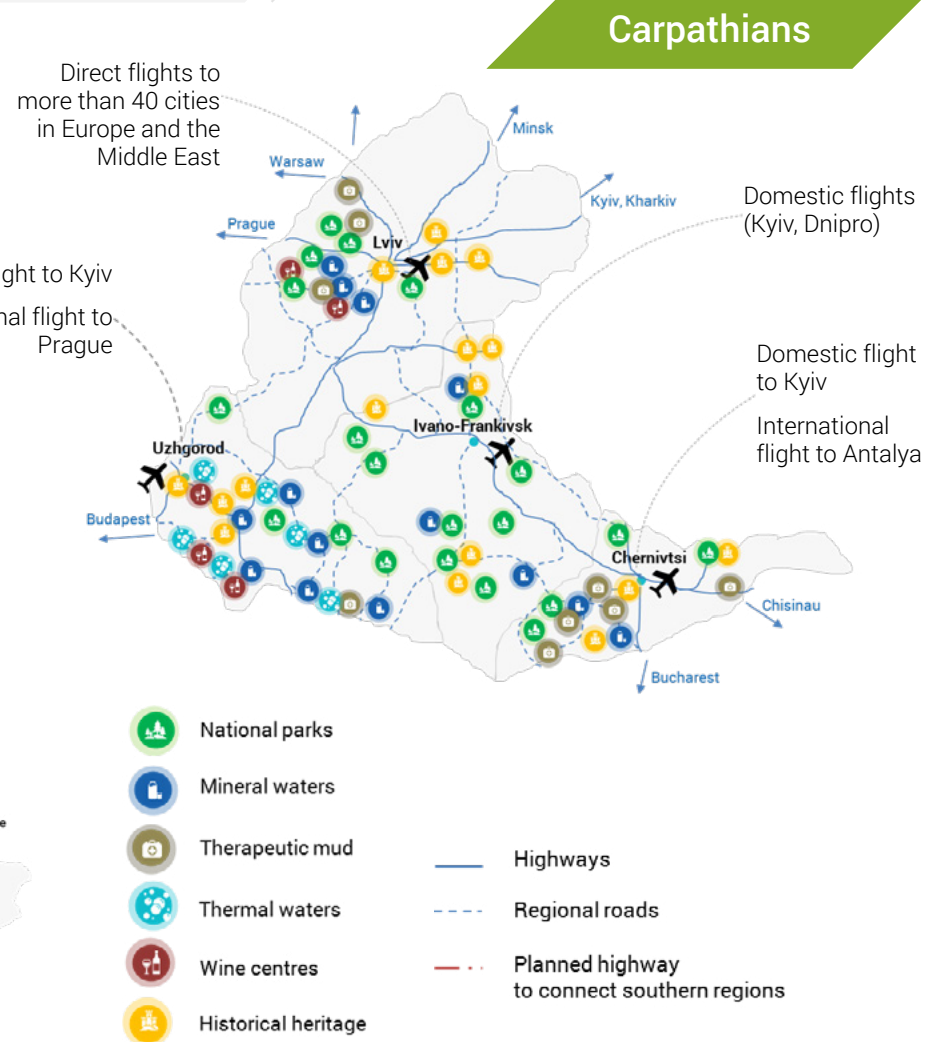
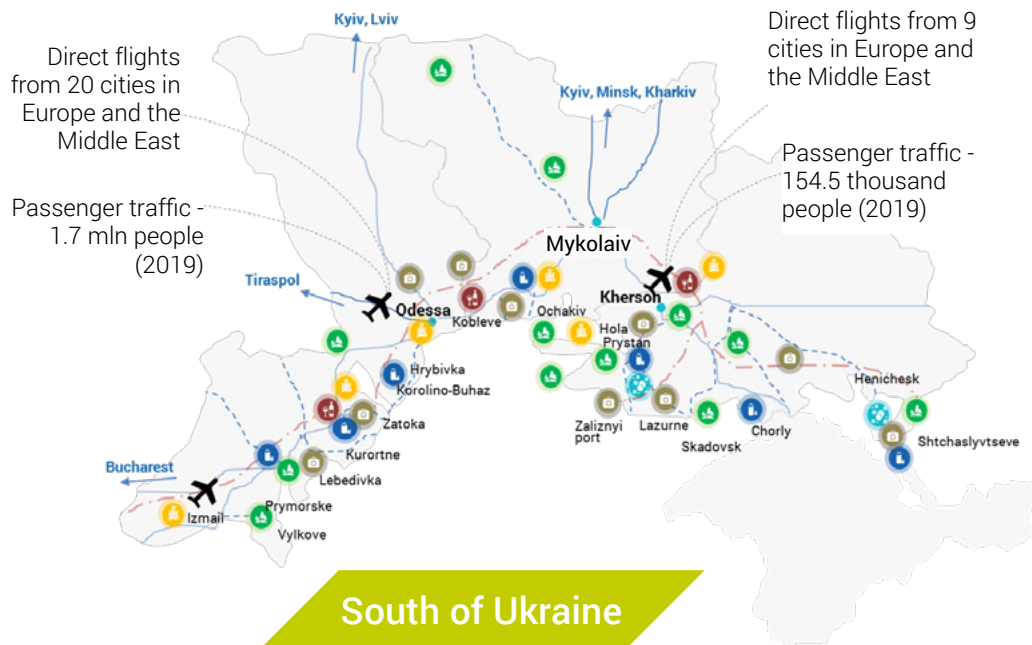
Source: World Economic Forum



Tourism & Leisure

UKRAINE'S MAGNETS

There is an **enormous untapped potential of Ukraine's tourism industry**. UkraineInvest has recently launched the search for investment opportunities in the two most attractive regions of Ukraine: Black Sea coast and Carpathians, and there is much to offer for potential investors in those regions.



Tourism & Leisure

REGULATORY POLICY

Achievements

Tourism potential of the Chernobyl exclusion zone unlocked

by regulating property management and urban planning in the area (2019).

Gambling market potential unlocked

by legalizing a range of gambling services subject to licencing (2020).

Environment for e-sports development created

by officially recognizing e-sports to be a type of sports (2020).

Plans

Establishing a favourable environment for tourism industry

by implementing coherent national and regional programs of tourism development.

Stimulating hotel industry development

by easing requirements for providers of hotel services.

Inducing hotel industry development

by providing respective businesses with a favourable taxation regime and financing.

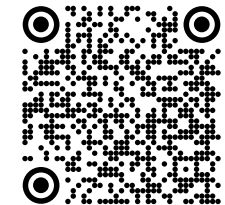
Investment PROJECTS

	Name	Investment opportunity	Estimated investment, \$ mln	Key financial indicators					Project status	
				NPV, \$ mln	IRR, %	Payback period, years	Current Revenue, \$ mln	Assets, \$ mln	Feasibility / pre-feasibility study	Land plot, ha (owned, in-use, rented)
1	AURA OF THE CARPATHIANS HOTEL COMPLEX	Equity / debt financing	5.1	-	-	3.5	-	-	business plan	2
2	KRASIIA SKI RESORT	Concession	159.3	48	23.7	7	67.0	295	pre-feasibility study	23
3	DEVELOPMENT OF A THERMAL SPA RESORT IN ZAKARPATTIA REGION	Equity / debt financing	10.4	-	-	11-12	16.7	-	-	17.5
4	PRESIDENT-HOTEL JSC	Privatization	-	-	-	-	3.0	13.8	-	2.5
5	HOTEL AND SPORTS COMPLEX GORODOK	Concession	10.4	4.8	-	5.6	-	-	business plan	-
6	VYRII	Equity/debt financing	25	-	12	10-12	-	-	feasibility study	30
7	FORCE ONE HOTELS	Equity / debt financing	50	105	-	5	-	-	-	-

Investment PROJECTS

Name	Investment opportunity	Estimated investment, \$ mln	Key financial indicators					Project status	
			NPV, \$ mln	IRR, %	Payback period, years	Current Revenue, \$ mln	Assets, \$ mln	Feasibility / pre-feasibility study	Land plot, ha (owned, in-use, rented)
8 HEALTH CENTER AND STARTING-UP A MINERAL WATER BOTTLING PLANT	Equity / debt financing	20	-	-	5	-	-	feasibility study	-
9 BUKOVYTSIA SKI RESORT RECREATION PARK	Private	2.5	1.2	39.9	2	-	-	feasibility study business plan	-

PROJECT TEASERS >



MINING INDUSTRY

SECTORAL OVERVIEW AND INVESTMENT PROJECTS



Mining Industry **KEY FACTS**

Ukraine has **extremely rich and complementary mineral resources in high concentrations and close proximity to each other.**

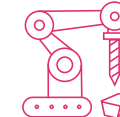
The country has abundant reserves of coal, iron ore, natural gas, manganese, salt, oil, graphite, sulfur, kaolin, titanium, nickel, magnesium, timber, and mercury.

117



types of minerals are present in Ukraine (out of 120 known)

8 761



deposits of industrial importance

\$17.7

billion



total output of mining industries (as of October 2021)

UKRAINE'S MINERALS RESERVES

Export of mining industries 6 bln \$
From which, export of metal ores 5,7 bln \$
as of October 2021

Mineral	Number of deposits	Reserves as of 01.01.2020
NATURAL GAS	458	779 Bm³
COAL	1 052	41 253 M ton
IRON ORES	60	18 836 M ton
MANGANESE ORES	5	2 167 M ton

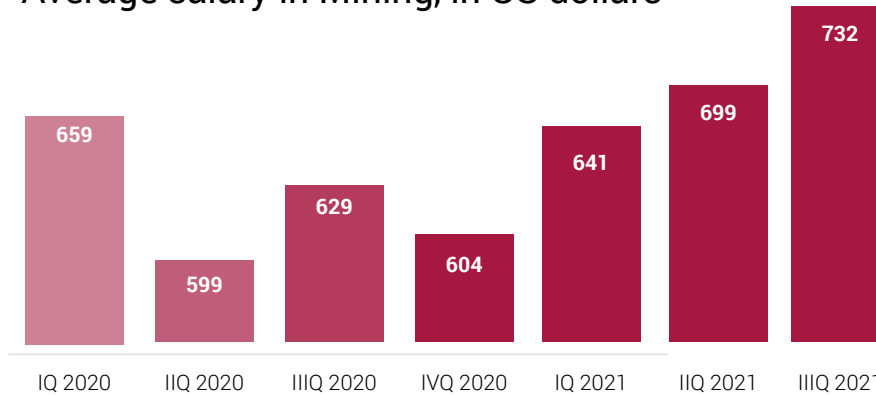
Mineral	Number of deposits	Reserves as of 01.01.2020
APATITE ORES	16	2 084 M ton
KAOLIN	42	477 M ton
REFRACTORY CLAY	21	77 M ton
AMBER	16	36 ton

Source: State Service of Geology and Subsoil, State Research and Development Enterprise "State Geological Information Fund of Ukraine" (SRDE "Geoinform of Ukraine"), State Statistics Service

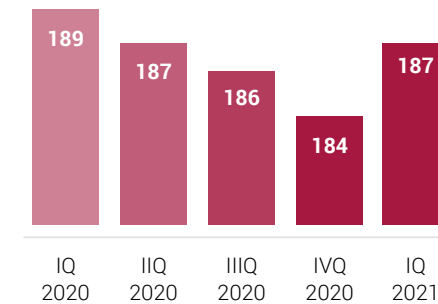
Mining Industry **KEY FACTS**

Unemployed individuals ready to start job in 2 weeks: 3 persons as of 01.08.2021

Average salary in Mining, in US dollars



Average number of employees in Mining, thousand persons



182.5

Average number of workers in Mining, thousand persons

UKRAINE'S PLACE IN THE WORLD BY MINERALS EXTRACTION

METALLIC MINERALS

- Iron - 7th place:** 40 mln t (2.63% of global output)
- Manganese - 8th place:** 686 thousand t (3.20% of global output)
- Titanium - 6th place:** 518 thousand t (7.06% of global output)

NON-METALLIC MINERALS

- Kaolin - 6th place:** 2.1 mln t (5.03% of global output)
- Zircon - 11th place:** 18 thousand t (1.08% of global output)
- Graphite - 9th place:** 15 thousand t (1.43% of global output)

MINERAL FUELS

- Power plant coal - 12th place:** 19.7 mln t (0.33% of global output)
- Coking coal - 10th place:** 4.8 mln t (0.56% of global output)
- Uranium - 9th place:** 0.94 thousand t (1.47% of global output)

Source: World Mining Data 2021 report, published by the International organizing committee of World Mining Congresses (data reported as of 2019)

*As of 2020
** during 1Q2021

Mining Industry **MAJOR PLAYERS**



Mining Industry Investment Atlas FOR SUBSOIL DEVELOPERS

In recent years, the Government significantly improved and liberalized the system of granting permits for exploration and extraction of minerals. Moreover, at the end of 2019, the State Service of Geology and Subsoil of Ukraine presented an **Investment Atlas for Subsoil Users**, which comprises over **140 fields to be set for electronic auctions in the nearest future.**

HYDROCARBONS



METALLIC MINERALS



NON-METALLIC MINERALS



GROUNDWATER



SOLID FOSSIL FUELS



PRECIOUS & SEMI-PRECIOUS STONES

Regulatory Background

ACHIEVEMENTS

Permitting amber mining investments

by lowering a market entry threshold and introducing an auction-based system for obtaining mining permits (2020).

Providing for a faster commencement of mining activities

by eliminating out-of-date approval procedures (2020).

PLANS

Stimulating investment into mining industry

by further improving procedures of subsoil use licensing and increasing transparency of the mining control system.

Creating investment opportunities in oil & gas

by launching multiple concession and production sharing agreement tenders.

Exploration **REGULATORY POLICY**

Achievements

Amber mining investment opportunities unlocked

by lowering a market entry threshold and introducing an auction-based system for obtaining mining permits (2020).

Speed and transparency of licensing procedures ensured

by eliminating out-of-date procedures and introducing automatic cost calculation (2020).

Investment opportunities in oil & gas production created

by launching concession and production sharing agreement tenders (2020).

Plans

Improving access to opportunities in exploration

by promoting digitalization and automation of mining control procedures.

Inducing SME investment in subsoil use

by easing access to small exploration areas and introducing installment payment schemes for mining permits.

Investment Opportunities in EXPLORATION & PRODUCTION

	Name	Mineral	Area, ha	Region	Type of license	Auction date
1	SHEVCHENKIVSKE	Lithium	40	Donetsk	Production	Being prepared for e-auction
2	ZOLOCHIVSKA	Zirconium, titanium	780	Kharkiv	Exploration and development	Being prepared for e-auction
3	ANDRIIVSKA	Oil and Gas condensate	5000	Poltava	Exploration and production	Open for nomination
4	ZHUKIVSKA	Oil and Gas condensate	6000	Poltava	Exploration and production	Sold for 3.3 mln USD
5	KRUTA BALKA	Lithium	150	Zaporizhzhia	Exploration and development	Open for nomination
6	DOBRA	Lithium	90	Kirovohrad	Production	Open for nomination
7	MALYSHIVSKE	Titanium	3310	Dnipropetrovsk	Exploration and development	Open for nomination
8	PIDLISNA	Titanium	570	Zhytomyr	Exploration and development	Being prepared for e-auction
9	BILOVODSKA	Titanium	62	Sumy	Exploration and development	Open for nomination
10	KORCHAKIV	Titanium	750	Sumy	Exploration and development	Open for nomination

Investment Opportunities in EXPLORATION & PRODUCTION

	Name	Mineral	Area, ha	Region	Type of license	Auction date
11	KHRAPIVSCHYNA	Titanium	170	Sumy	Exploration and development	Open for nomination
12	HAYDARIV	Titanium	971	Kharkiv	Exploration and development	Open for nomination
13	LYPOVENKIVSKE	Ores of chromium, nickel, cobalt	42	Kirovohrad	Production	Open for nomination
14	VERBYNSKA	Molybdenum ore	290	Zhytomyr	Exploration and production	Open for nomination
15	ZHELEZNIAKY	Ores of copper, nickel, cobalt	290	Zhytomyr	Exploration and development	Open for nomination
16	SUKHOKHUTIRSKA	Ores of talc-magnesite nickel, cobalt	127	Dnipropetrovsk	Exploration and development	Open for nomination
17	MAZURIVSKE	Niobium, zirconium, feldspar	9	Donetsk	Production	Open for nomination
18	BALKA SHYROKA	Gold	200	Dnipropetrovsk	Exploration and pilot development	Open for nomination
19	KVITKIVSKA	Gold	670	Odesa	Exploration and pilot development	Open for nomination
20	MAISKA	Gold	250	Odesa	Exploration and pilot development	Open for nomination

Investment Opportunities in EXPLORATION & PRODUCTION

	Name	Mineral	Area, ha	Region	Type of license	Auction date
21	OLESKA	Hydrocarbons	632000	Lviv	Exploration and production	Open for nomination
22	SOUTH-RUSANIV	Hydrocarbons	31000	Sumy	Exploration and production	Sold for 11.1 mln USD
23	ZALISY-SHMEN'KY	Cooper	2337	Volyn	Exploration	Auction for 22.12.2021
24	YURIIVSKA	Gold	160	Kirovohrad	Measured	Open for nomination

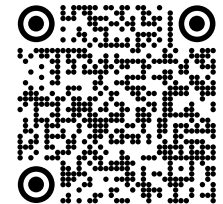
INVESTMENT OPPORTUNITIES >



Investment PROJECTS

	Name	Investment opportunity	Estimated investment, \$ mln	Key financial indicators					Project status	
				NPV, \$ mln	IRR, %	Payback period, years	Current Revenue, \$ mln	Assets, \$ mln	Feasibility / pre-feasibility study	Land plot, ha (owned, in-use, rented)
1	JSC UMCC	Privatization	-	-	-	-	138.2	144.6	-	-
2	JSC ODESA PORTSIDE PLANT	Privatization	-	-	-	-	50.8	202.6	-	321

PROJECT TEASERS >



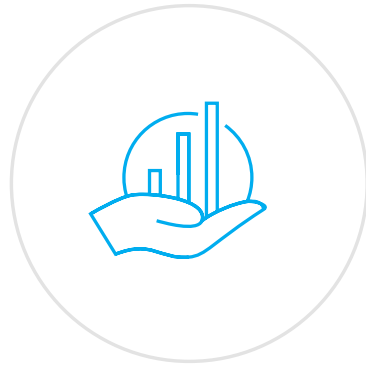
PHARMACEUTICALS & HEALTHCARE

SECTORAL OVERVIEW AND INVESTMENT PROJECTS



Pharmaceuticals & Healthcare

KEY FACTS



\$2.4 B

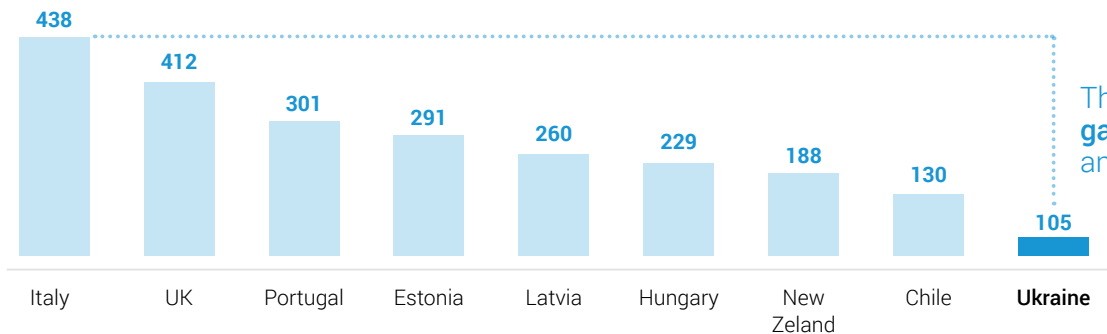
Import of pharmaceutical products*



2.26%

GDP

Pharmaceutical consumption by countries, \$ per capita

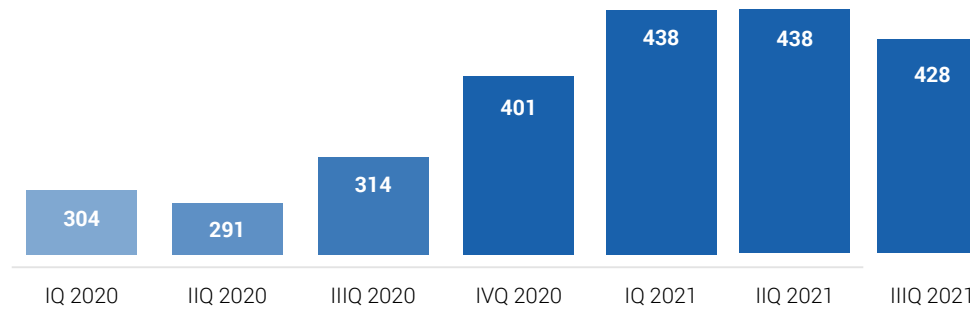


The immense **consumption gap** versus peer countries is another **growth driver**

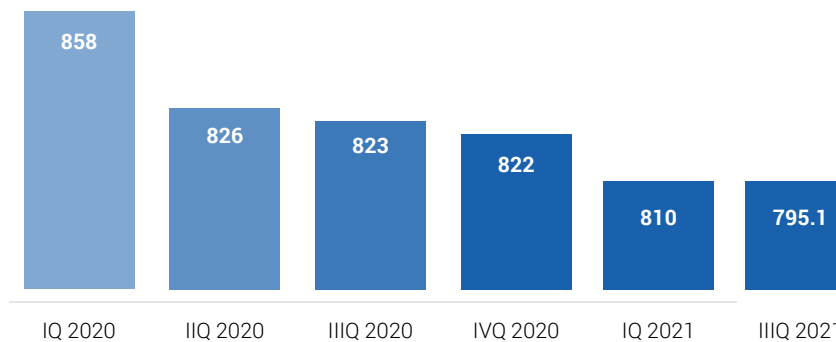
Pharmaceuticals & Healthcare

KEY FACTS

Average salary in Pharmaceuticals, in US dollars



Average number of employees in Pharmaceuticals, thousand persons



Pharmaceuticals & Healthcare MAJOR PLAYERS



Pharmaceuticals & Healthcare

REGULATORY POLICY

Achievements

Healthcare services market competition enhanced

by easing procedures for healthcare facilities accreditation (2019).

Incentives to attract producers of innovative pharmaceutical products established

by improving the procedures for marketing authorization and clinical trials (2019).

Transparency of medical procurement system improved

by assigning centralized health care procurement to the Agency on Medical Procurement (2020).

Plans

Enhancing accessibility of international markets for Ukraine-made pharmaceutical products

by improving the procedures for GMP compliance.

Providing for a competitive cosmetics market

by introducing transparent and up-to-date standards for cosmetics production.

Combating counterfeit pharmaceutical products

by introducing a 2D Barcode system for authenticity verification.

Investment PROJECTS

Name	Investment opportunity	Estimated investment, \$ mln	Key financial indicators					Project status	
			NPV, \$ mln	IRR, %	Payback period, years	Current Revenue, \$ mln	Assets, \$ mln	Feasibility / pre-feasibility study	Land plot, ha (owned, in-use, rented)
1 MULTIDISCIPLINARY MEDICAL-DIAGNOSTIC, EDUCATIONAL-SCIENTIFIC AND REHABILITATION COMPLEX	Equity / debt financing	6.5	4.5	51.0	5.0	-	-	feasibility study	-

PROJECT TEASERS >



STATE INVESTMENT MECHANISM AND REGIMES



Investment Policy

DEVELOPMENTS AND OUTLOOK

DEVELOPMENTS

- Cross-sectoral range of investment opportunities created**
by allowing for a large-scale privatization of state-owned companies (2021).
- Business climate improvement boosted**
by adopting a solid deregulation plan (2019).
- Instruments for faster and easier customs clearance established**
by implementing a common transit procedure (2019).
- Effectiveness of IP rights protection system improved**
by implementing the EU best practices in protection of rights to inventions and utility models (2020).
- Environment for agri investments created**
by launching a farm land market (2020).
- Favourable environment for public-private partnership investments in infrastructure created**
by introducing a competition-based procedure for concession tenders (2019).
- Investment opportunities in natural gas and electricity unlocked**
by removing barriers to competition in the respective markets (2020).
- Competition in public procurement enhanced**
by establishing an anti-dumping system and introducing supplier-initiated procurement procedures (2020).
- Small and medium-sized businesses development promoted**
by providing them with financing via the Entrepreneurship Development Fund (2020).
- Potential of financial sector unlocked**
by improving the functioning of the capital market and commodity markets (2020).
- Attraction of strategic investments promoted**
by introducing a system of tax, customs, land use and other tailored incentives to large-scale investment projects (2021).
- Law enforcement capacity to protect investment enhanced**
by establishing a specialized Bureau of Economic Security (2021).

OUTLOOK

- Giving access to Ukrainian market for foreign professionals**
by introducing an e-residency system.
- Promoting exports of Ukraine-made goods**
by removing trade barriers and concluding the ACAA.
- Removing imbalances in employer-employee relations**
by liberalizing employment legislation and eliminating out-of-date employment practices.
- Promoting investments in manufacturing and R&D**
by introducing a special taxation regime and granting custom duties immunity for residents of industrial parks.
- Improving Ukraine's connection to global supply routes**
by creating a favourable environment for development of multimodal transportation.
- Promoting investments in IT**
by establishing an e-economic zone "Diia City" for IT companies.
by introducing a favourable taxation regime.
by easing employment regulations for IT companies with regard to the model of gig-economy.
by implementing elements of the common law system into Ukrainian law, providing for the right of "Diia City" residents to conclude NDA, NSA, NCA agreements.
by ensuring better IP rights protection and extra protection from interference.
- Attracting sustainable investments**
by improving the institutional mechanism of privatization

Government to Business Services **IN UKRAINE**

Convenient and transparent access to a variety of G2B services via Diia online platform.

All G2B services are to be available via the platform by 2024

- registering LLCs (within 24 hours, free of charge)
- obtaining permits and licenses (transportation, water use, pharmaceuticals production and other)
- submitting waste declarations
- accessing government data (land use issues, companies register and other)
- acquiring customer support on G2B procedures

Other G2B services are available via respective administrations' portals

- tax reporting
- construction control procedures
- customs clearance
- visa and immigration procedures

Plans

Allowing for more transparent and service-oriented G2B processes

by implementing EU best practices in regulating administrative procedure.

Improving the ability to explore investment opportunities

by further opening and ensuring public access to government data.

Ukraine: INVESTMENT ADVANTAGES AND INCENTIVES

1

Competitive Labor force 2021

Gross Minimum Wages, USD



2

Skilled Human Capital

Skills score, the Global Competitiveness Index 2020



3

Workforce Availability

Unemployment, %
(2020)



Source:

World Economic Forum, National Bank of Ukraine, Eurostat, Ukrstat

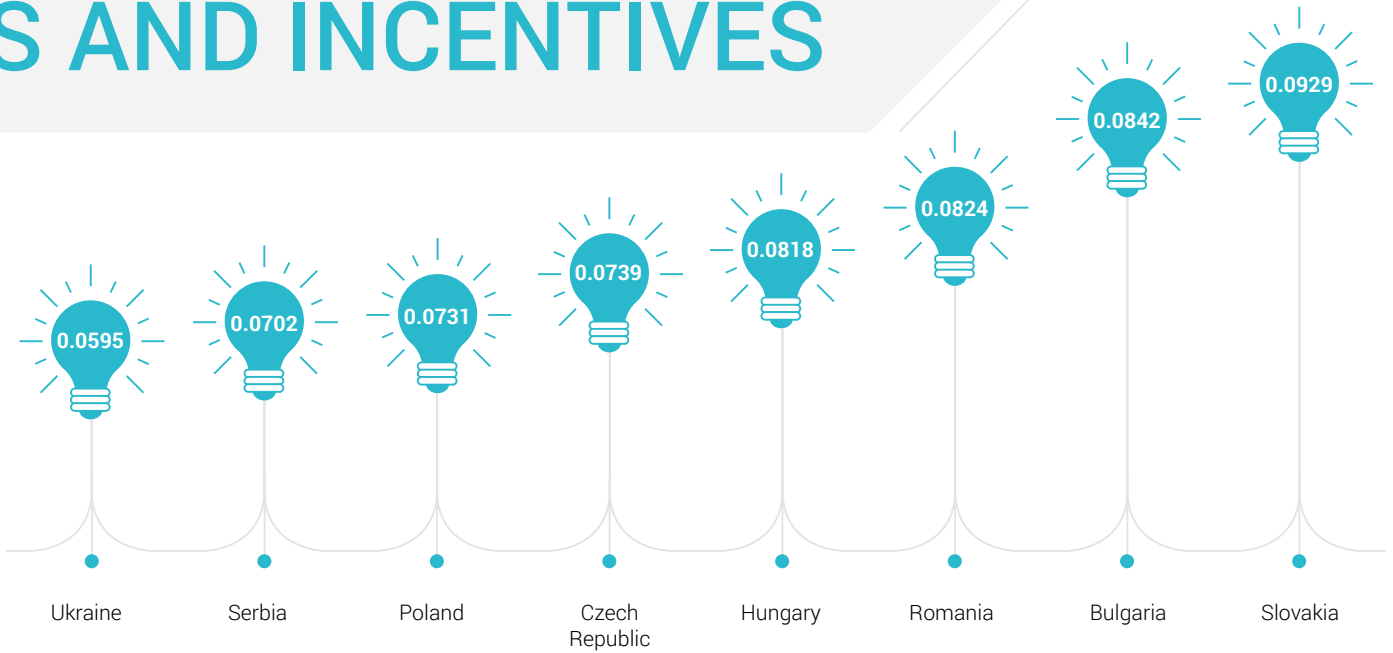
Ukraine: INVESTMENT ADVANTAGES AND INCENTIVES

4

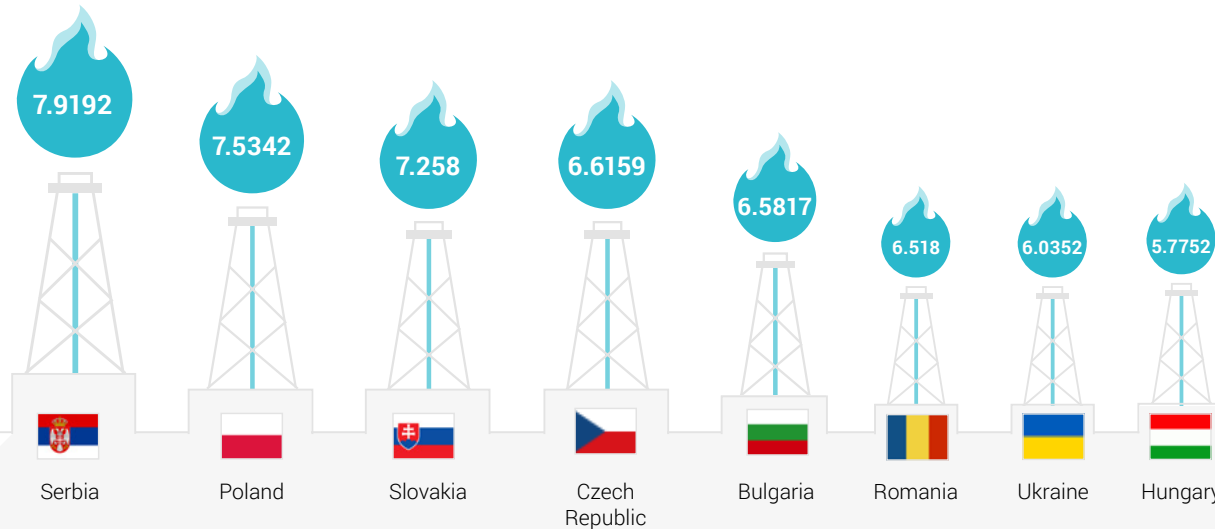
Utilities Cost, 2020

(for industrial consumers, taxes included)

Electricity
EUR/KWh



Natural Gas
EUR/gigajoule



Sources: Eurostat

Ukraine: INVESTMENT ADVANTAGES AND INCENTIVES

5

Logistics

Ukraine's geographic location makes it an **important transit corridor for trade and travel between Europe, Asia and the Middle East**. When combined with its other comparative advantages, Ukraine has a potential to become an exclusive Eurasian hub.

International Transport Corridors Crossing Ukraine



PAN-EUROPEAN TRANSPORT CORRIDOR III
Berlin – Wrocław – Lviv – Kyiv

PAN-EUROPEAN TRANSPORT CORRIDOR V
Trieste – Ljubljana – Budapest – Uzhhorod – Lviv

PAN-EUROPEAN TRANSPORT CORRIDOR IX
Helsinki – St. Petersburg – Vitebsk – Kyiv – Odesa – Bucharest – Alexandroupolis

INTERNATIONAL TRANSPORT CORRIDOR
Gdansk – Odesa

NORTH-SOUTH MULTIMODAL ROUTE «NS EXPRESS».
Slavkov Poland - Chornomorsk Odesa - Karasu Turkey, multimodal transport corridor

Accessible to key global business hubs

Flight hours to selected cities



19 FTAs with 46 countries, including DCFTA with the EU

Ukraine: INVESTMENT ADVANTAGES AND INCENTIVES

7

Incentives Program



Up to 30%

of investment amount can be compensated by the Government by means of fiscal and other incentives



Up to 5 years

for implementation of an investment project



Industries

Investors are entitled for the aforementioned state support during implementation of investment projects in the following sectors: processing industry, extraction for the purpose of further processing and / or enrichment of minerals, logistics, waste management, transportation, warehousing, postal and courier activities, healthcare, education, scientific and research and technology activities, sport, arts, culture, tourism, resort and recreational activities



Investment manager

or a so called "investment nanny" appointed by the Government to support investors that committed to make €20+ mln investment and create 80+ jobs

On 13 February 2021, the Law of Ukraine No.1116-IX "On State Support for Investment Projects with Significant Investments in Ukraine" came into force.

For detailed information about state support for investment projects with significant investments please look into the Explanatory Guide to the Law of Ukraine No.1116-IX

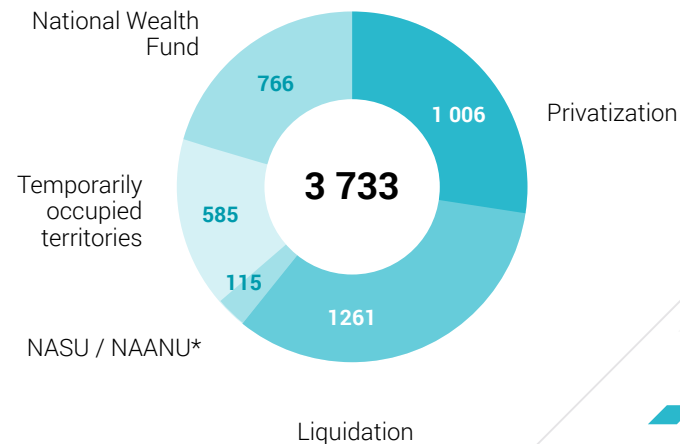
Explanatory Guide



PRIVATIZATION:

Strategy, Implementation and Updates

Breakdown of State-owned Enterprises (SOEs)



*National Academy of Sciences of Ukraine / National Academy of Agrarian Sciences of Ukraine

Source: State Property Fund of Ukraine, <https://privatization.gov.ua/en/pro-pryvatyzatsiyu/>

MAIN GOALS OF PRIVATIZATION:

- ▀ Fight corruption which is widespread in SOEs
- ▀ Attraction of strategic Ukrainian and foreign investors
- ▀ Generation of additional revenues to the state budget both from sales and, subsequently, tax revenues from new businesses
- ▀ Improvement of enterprises operation due to attraction of effective owners
- ▀ Modernization of production facilities and creation of new jobs

WHAT WILL NOT BE PRIVATIZED:

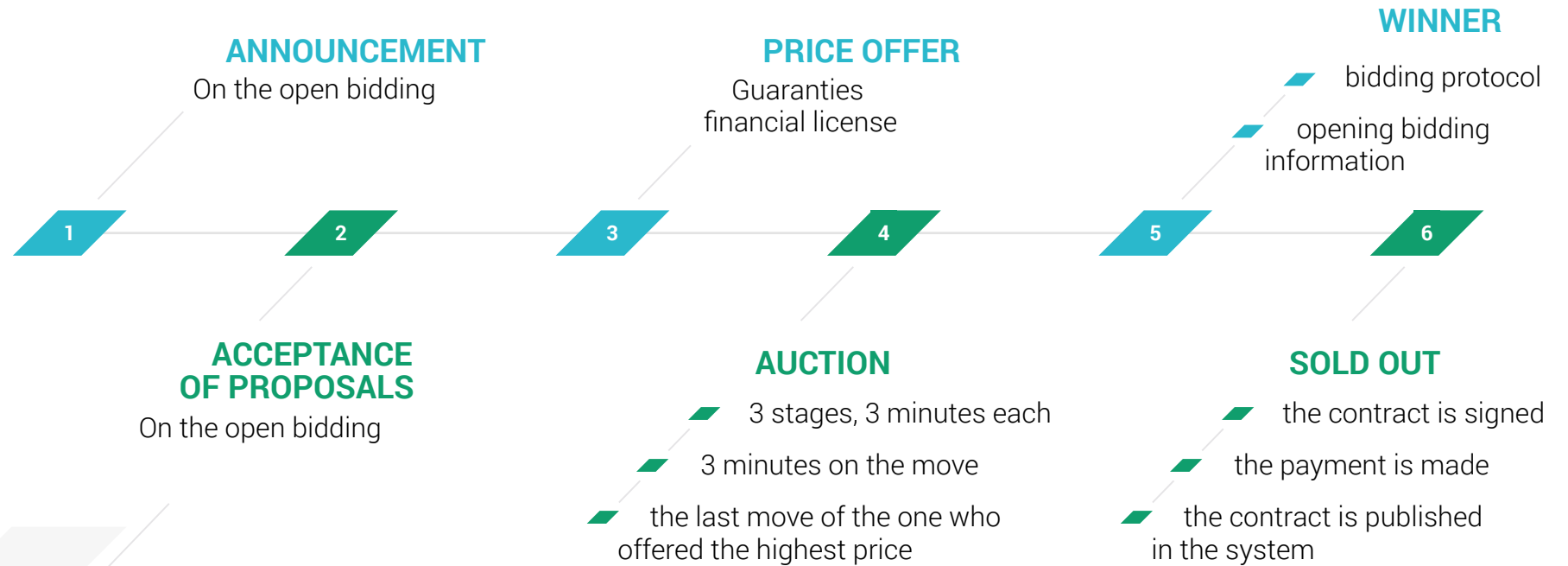
- ▀ enterprises that ensure the security of the state
- ▀ enterprises that are natural monopolies
- ▀ enterprises that are important to society or whose services/goods cannot be performed by private businesses

THE MAIN LEGISLATION ON PRIVATIZATION IN UKRAINE:

- ▀ Law of Ukraine "On privatization of state and communal property"
- ▀ Resolution of the Cabinet of Ministers of Ukraine dated 10.05.2018 № 432 "On approval of the Procedure for conducting electronic auctions for the sale of small privatization objects"

PRIVATIZATION: Strategy, Implementation and Updates

PROCESS FLOW in small-scale privatization



PRIVATIZATION: Strategy, Implementation and Updates

LARGE PRIVATIZATION

Sold:

JSC "First Kyiv Machine-Building Plant"

JSC "United Mining and Chemical Company"

SMALL PRIVATIZATION

For sale: 26 objects

**BEING PREPARED:
21 OBJECTS**

**BEING PREPARED:
16 OBJECTS**



Public-Private PARTNERSHIP AGENCY

PPP Agency is a state institution that provides comprehensive support for the implementation of public-private partnership (PPP) projects, organizational and advisory support to the public sector in the field of PPP.



Functions of PPP Agency

- Providing advisory services on PPP issues
- Training of the project team (functional group) created by the initiator of the PPP project from the public sector
- Identification of project ideas that can be implemented within the PPP
- Providing assistance to project initiators from the public sector (development of concept notes, feasibility study development, selection of advisors, project management and management of advisors)
- Communicating with the market participants (potential bidders, IFIs, financial institutions), assessing market interest and facilitating the search for investors
- Qualitative structuring of the project and development of the PPP contract
- Assistance in preparation of tender documentation
- Advising during the competition and in negotiations with the winner of the competition
- Participation in PPP contract management processes

EXPORT-CREDIT AGENCY in Ukraine



PROTECTION

of Ukrainian exporters from the risk of non-payment and financial losses associated with the implementation of foreign trade agreements (contracts), through insurance, reinsurance and guarantee.

IMPLEMENTATION

of modern financial technologies and mechanisms to support exports through insurance, reinsurance and guarantee

DEVELOPMENT

of competitiveness of goods (works, services) of Ukrainian origin in the world markets

PARTICIPATION

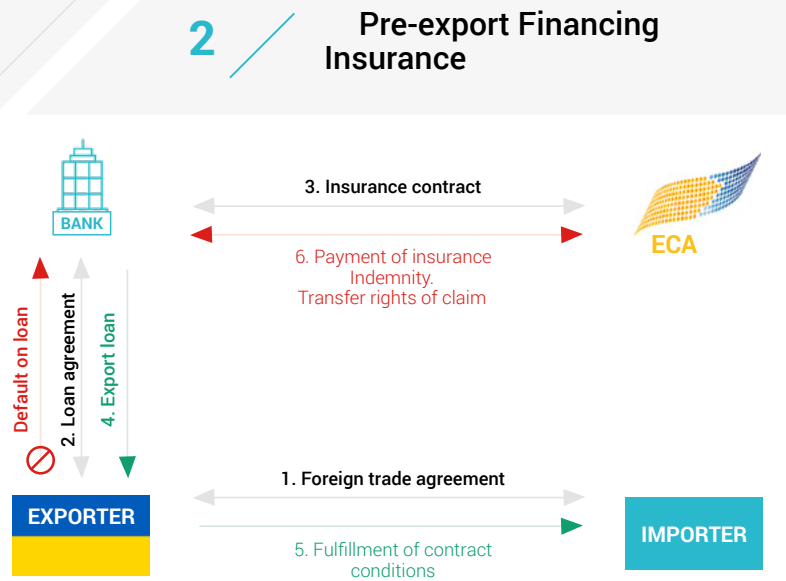
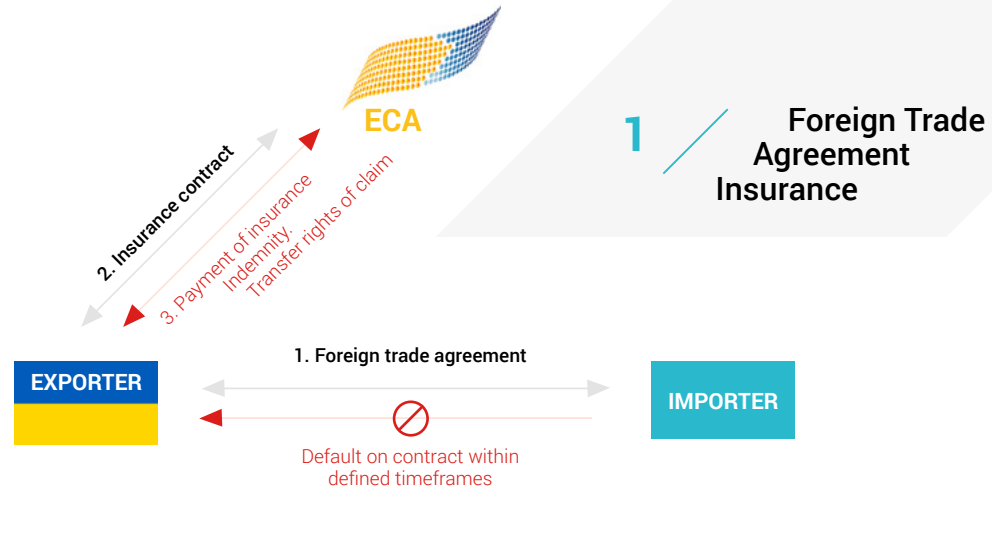
in implementation of programs of partial compensation of interest rates on export credits

COOPERATION

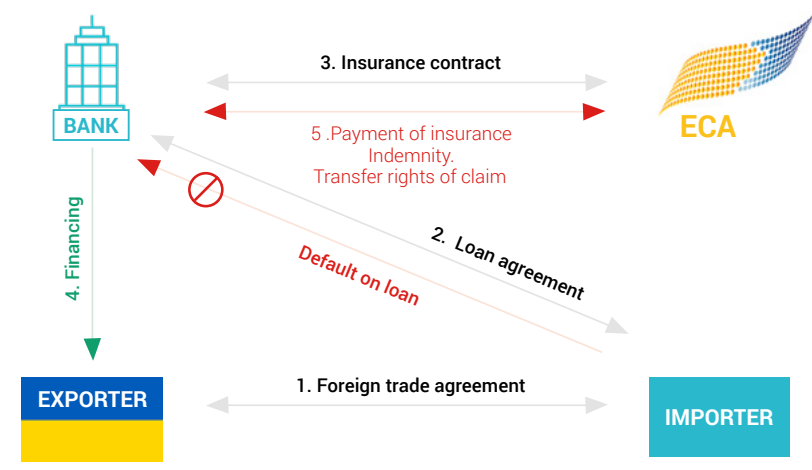
with international and foreign financial organizations, including for the purpose of attracting financial assistance

GROWTH

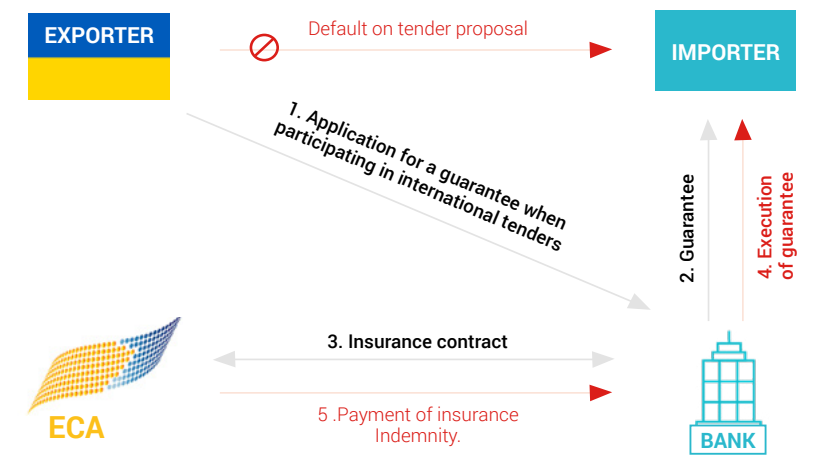
of Ukraine's exports and economy



4 TYPES OF ECA ASSISTANCE TO EXPORTERS



3 Foreign Buyer Credit Insurance



4 Bank Guarantee Insurance for Participation in International Tenders

*The information provided in this Guide is for illustration purposes only

UkraineInvest: **FACTS,** **ACHIEVEMENTS, SERVICES**

WE ARE

government's investment promotion office created to attract and support investment in Ukraine

WE PROVIDE

clients with objective, practical advice and support on doing business in Ukraine

WE WORK

directly with investors and the Government on improving the investment climate and the ease of doing business in Ukraine

WE OFFER

one-stop-shop service for investors



UkraineInvest: **FACTS,** **ACHIEVEMENTS, SERVICES**

RESULT 2021

UI has been named as 3rd emerging Europe's leading Investment Promotion Agency (IPA) in 2021

\$638M

unlocked and facilitated investments

485

advisory services and analytical reports to investors

MAJOR FOREIGN INVESTORS





SUCCESS STORIES




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