

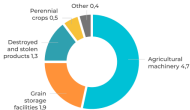


AGRIFOOD

Ukraine Invest
YOUR INVESTMENT MATTERS

The direct damage to Ukraine's agricultural sector and land resources amounted to **8.7** USD bln

Direct damages by type, bln USD



Impact of the war on agricultural enterprises

- 9% decrease in the size of grain and oil crops cultivated area compared with the same period of the 2021
- 93% of agricultural enterprises reported an increase in production costs
- 90% of agricultural enterprises involved in crop production reported a decrease in revenues
- 40% of all the agricultural enterprises reported to have changed their farm operational decisions due to the war
- 50% of the enterprises involved in livestock production reported to have experienced difficulties related to production and commercialization
- 9% reported disruptions of the agrifood value chain
- The overall value of the damages and losses for the crop sector account for 2.71 USD bln, while the livestock sector account for approximately 1.3 USD bln

Findings of a nationwide survey of agricultural enterprises with land up to 250 hectares, January–February 2023, FAO

UKRAINIAN AGRICULTURE SECTOR OVERVIEW

UKRAINE'S ROLE IN WORLD AGRICULTURE IN 2022

Product	2021 (%)	2022 (%)
Wheat	10.0	10.0
Sunflower oil	10.0	10.0
Corn	10.0	10.0
Soybeans	10.0	10.0
Rapeseed	10.0	10.0
Wheat flour	10.0	10.0
Barley	10.0	10.0
Refined sunflower oil	10.0	10.0
Refined rapeseed oil	10.0	10.0
Refined soybean oil	10.0	10.0
Refined corn oil	10.0	10.0
Refined wheat flour	10.0	10.0
Other	10.0	10.0

MAJOR IMPORTERS OF UKRAINIAN PRODUCTS

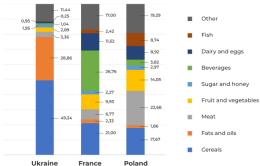
	2021	2022
EU	27.7%	55.2%
Asia	19.4%	9.9%
Middle East	17.5%	16.6%
Africa	13.5%	7.0%
Southeast Asia	12.7%	5.1%
EAEU	3.0%	1.0%

The distribution of Ukrainian export products has changed significantly in 2022. More than half of the goods were purchased by the European Union.

Agricultural exports in 2022 reached 53% of total exports or \$23.4 USD bln compared to 40.7% or 27.7 USD bln in 2021

EXPORT OF PROCESSED PRODUCTS IN COMPARISON WITH PEER COUNTRIES

EXPORT STRUCTURE IN COMPARISON WITH PEER COUNTRIES, %

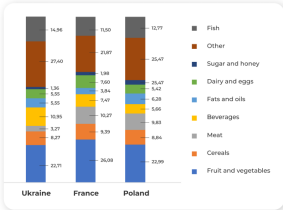


- Ukrainian food export is under diversified, with reliance on raw and semi-finished products of cereals (almost 49% of the total food export), while developed countries such as France and Poland has under 21% share of cereals in total food export.
- In case of France, the highest export category is beverages, considering their high added value. Poland is a large meat exporter in the EU.
- Our peer countries are developing agricultural sector towards increasing share of dairy, fruits, vegetables and meat products in their export structure, in order to increase added value of export.
- Although Ukraine, is leading in terms of fats and oil products export, which is also considered as processed product with high added value, its agricultural sector has large untapped potential in fruits and vegetables production, same true for dairy industry and meat products.

if Ukraine starts processing 50% of exported agricultural raw materials, primarily wheat and corn, it will receive an additional \$30 billion in export revenue every year

OPPORTUNITIES FOR INVESTORS IN UKRAINE

Imports STRUCTURE IN COMPARISON WITH PEER COUNTRIES, %



There are investment prospects for import substitution.

For example, in 2022 Ukraine imported:

- 662 USD mln fruits and nuts
- 627 USD mln of fish and crustacea
- 352 USD mln of vegetables
- 248 USD mln of milk and milk products; eggs; honey
- 246 USD mln preparations of grains
- 214 USD mln products of vegetables processing
- 142 USD mln preparations from meat, fish

Establishment of agro processing in Ukraine is cost effective

Electricity 10.3 USD/MWh

Gas 0.3 USD/m³

Labor cost 325 USD/m

Black soil 33% of World's black soil

Logistics cost 1 USD/km

OPPORTUNITIES FOR INVESTORS IN UKRAINE

Corn processing options

Corn is the crop with the **highest yield** of tonnes produced per hectare in Ukraine – 8 t/ha
For example, in France corn yield is 7.5 t/ha

Production of corn in Ukraine:
2021: 42,1 mln tons
2022: 23 mln tons

Corn

Food products

Cereals, snack foods, salad dressings, soft drink sweeteners, chewing gum, peanut butter

Animal feeds

Distiller's dried grain, gluten feed and meal, high-oil feed corn for cattle, swine, poultry and fish

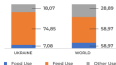
Industrial products

Soaps, paints, corks, linoleum, polish, adhesives, rubber substitutes, wallboard, dry-cell batteries, cosmetic powders, pharmaceuticals, lubricants, insulation

Fermentation products & byproducts

Industrial alcohols, fuel ethanol, recyclable plastics, industrial enzymes, fuel octane enhancers, fuel oxygenates and solvents.

CURRENT CORN USAGE



Increasing share of food products, as well as industrial usage of processed corn products

Organic production

The total area of agricultural land under organic production in Ukraine is 462 k hectares (1% of the total area of agricultural land in Ukraine and 2.78% of Europe's organic land – 16 mln ha) and has potential for enlargement.

The main organic products that are consumed are milk and dairy products, vegetables, fruits and mushrooms, cereals and groats, flour, seeds, juices, beverages, pastes, eggs, meat products, oils, condiments and spices, honey.

According to [the European Commission Report](#), Ukraine ranked the 5th out of 126 countries by volume of organic products imported to the EU. The main organic export products from Ukraine were cereals, oilseeds and berries.

Agtech

The Global Agritech Market Size was estimated at 17 USD bln in the 2021 and is projected to reach 41 USD bln by 2030. Ukrainian enterprises already use such innovative solutions as:

electronic field maps, heading indicators/ autopilots, GPS monitoring (trackers) and fuel control sensors, satellite maps, drones, weather stations and soil moisture sensors, forecasting programs (pests, diseases), and farm management systems.

40 Agtech product companies are operating in Ukraine

OPPORTUNITIES FOR INVESTORS IN UKRAINE

Incentives for significant investments



5-year corporate income tax (CIT) exemption



Value-added tax (VAT) exemption for import of new equipment and components to it



Exemption from import duty of new equipment and components to it



Construction of related infrastructure (highways, communication lines, utilities etc.)



Lease of state or communal land plots without auction



Land tax exemption / lower land tax rate

AMOUNT OF STATE SUPPORT



up to 30%
CAPEX

PROJECT REQUIREMENTS

20+ mln EUR investments

80+ jobs to be created

Eligible industries:

- processing industry
- extraction for the purpose of further processing and/or enrichment of natural resources (except hard coal, lignite, crude petroleum, natural gas)
- waste management
- transportation
- warehousing
- postal and courier activities
- logistics
- education
- R&D
- healthcare
- arts and culture
- sports
- tourism
- hospitality