

BUSINESS IN UKRAINE

Macroeconomic parameters

| UKRAINE | 2018 | 2019 | 2020 | 2021E | 2022F | 2023F | 2024F |
|------------------------------|----------|---------|----------|---------|---------|---------|---------|
| Nominal GDP, UAH bn | 3 560 ↗ | 3 977 ↗ | 4 192 ↗ | 4 809 ↗ | 5 369 ↗ | 5 994 ↗ | 6 651 ↗ |
| GDP, USD bn | 130,93 ↗ | 153,9 ↗ | 151,5 ↘ | 164,6 ↗ | 185,2 ↗ | 202,5 ↗ | 220,5 ↗ |
| Real GDP growth, % | 3,4% ↗ | 3.2% ↗ | (4.0%) ↘ | 4.1% ↗ | 3.8% ↗ | 4.7% ↗ | 5.0% ↗ |
| CPI (eop), % | 9,8% | 4,1% | 5.0% | 8.9% | 6.2% | 5.3% | 5.0% |
| Unemployment rate, % | 8,8% | 8,2% | 9.5% | 9.2% | 8.5% | 8.0% | 7.8% |
| Trade deficit, USD bn | (11,4) | (12,5) | (1.8) | (6.2) | (8.6) | (10.6) | (12.1) |

GDP by region

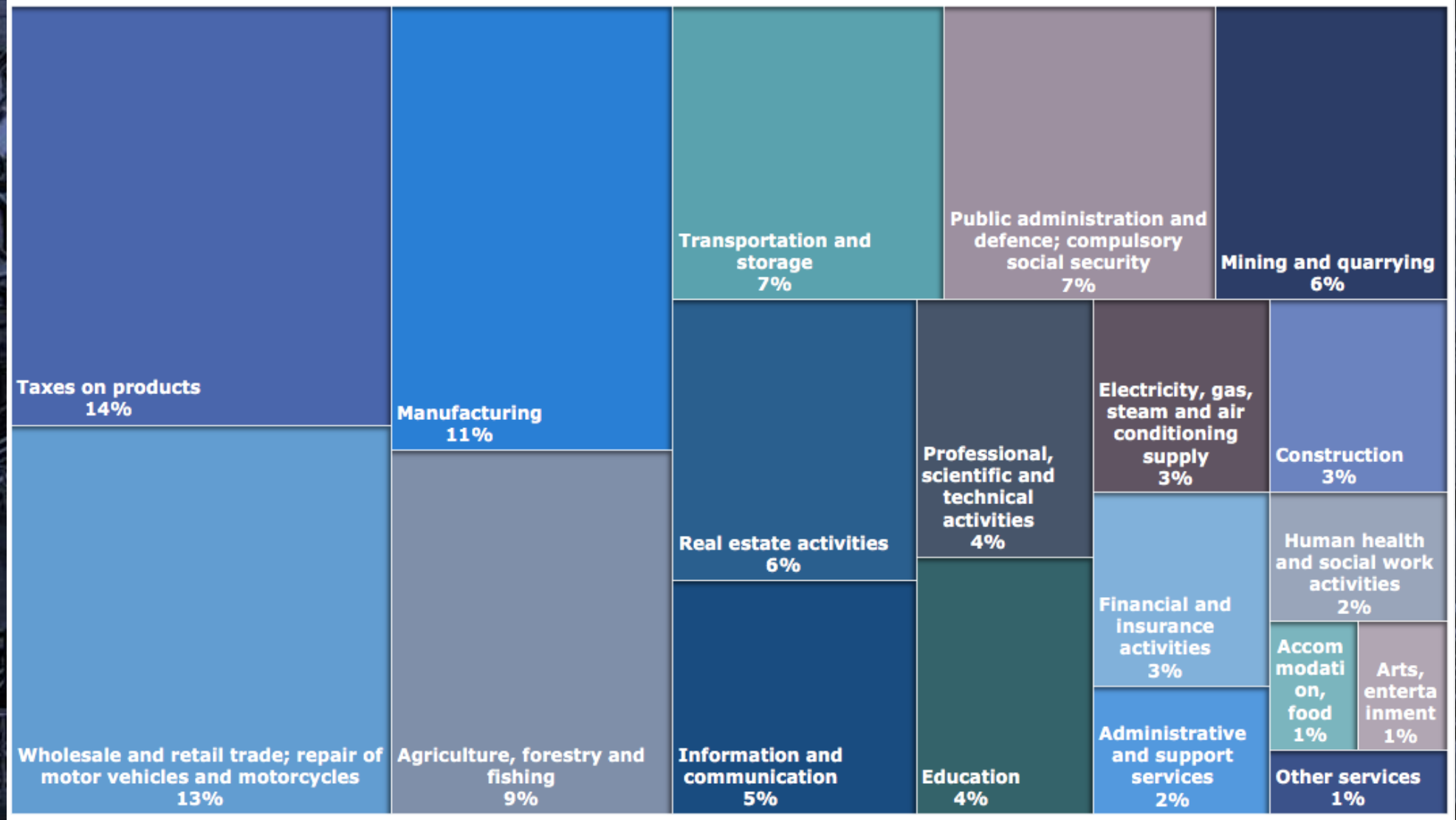
- GDP in Ukraine is not evenly distributed. Mainly, focus is shifted towards populous regions, regions with big farming and industrial outputs.



GDP by industry

• Biggest entities in structure of Ukrainian GDP are:

- Taxes
- Retail
- Manufacturing
- Agriculture
- Transportation
- Etc

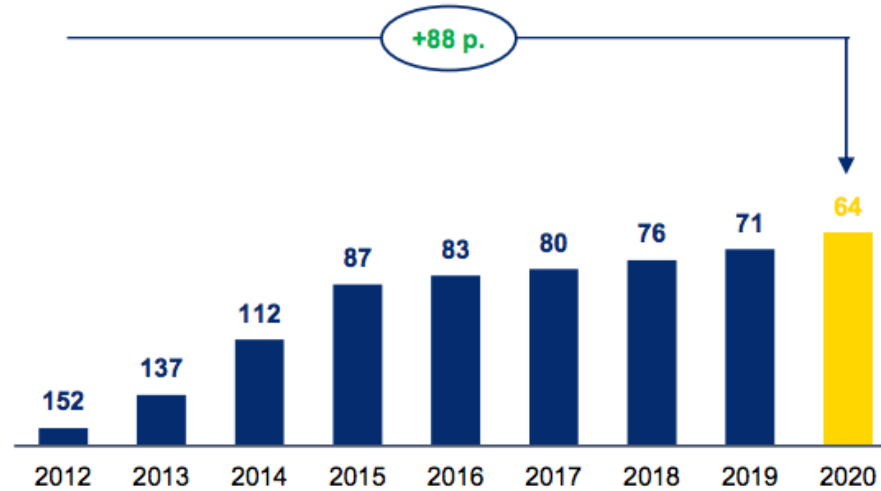


Taxation

| Taxes | Rates |
|--|---|
| Corporate Income Tax (CIT)) | 18% general rate; special rates apply to insurance and gambling |
| Withholding Tax (WHT) | 15%, which may be decreased or eliminated by a double-tax treaty |
| Value Added Tax (VAT) | 20% general, 14% for certain agricultural products, 7% for pharmaceuticals, and 0% for exports |
| Personal Income Tax (PIT) | 18% general, 5% on dividends from Ukrainian companies and 9% on dividends from non-resident companies |
| Military Tax | 1.5% applied in addition to PIT on all income |
| Unified Social Contribution (USC): employer's contribution | 22% applied to salaries, subject to a cap of 15 times the statutory minimum salary, which in 2021 is UAH 90,000 or approx. EUR 2,800 (the exchange rate used is EUR 1.00 to UAH 32) |
| Statutory minimum salary | UAH 6,000 per full-time employee (EUR 188) per month in 2021 |

Doing Business in Ukraine

Ease of Doing Business ranking

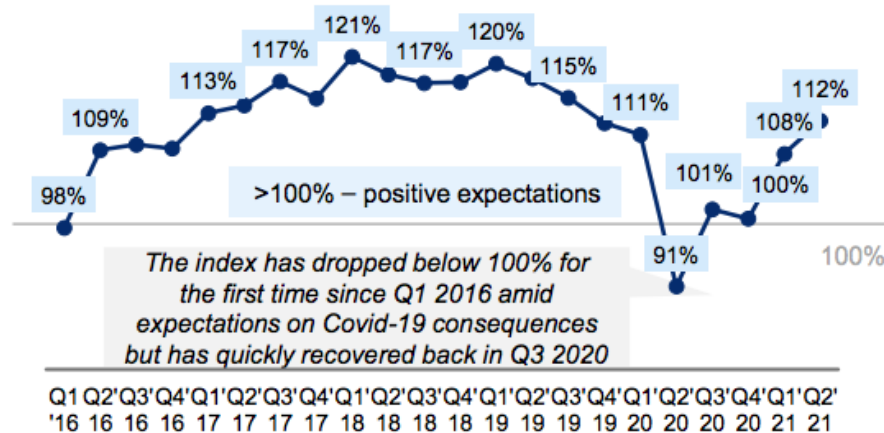


Source Doing Business

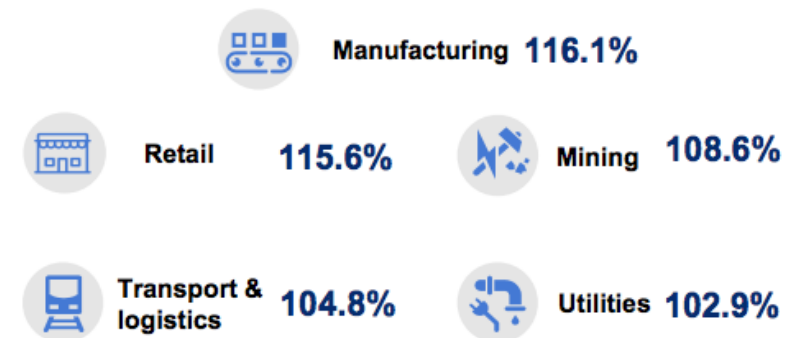
Ukraine's selected pillars in 2020 global ranking



Business expectations index by the NBU



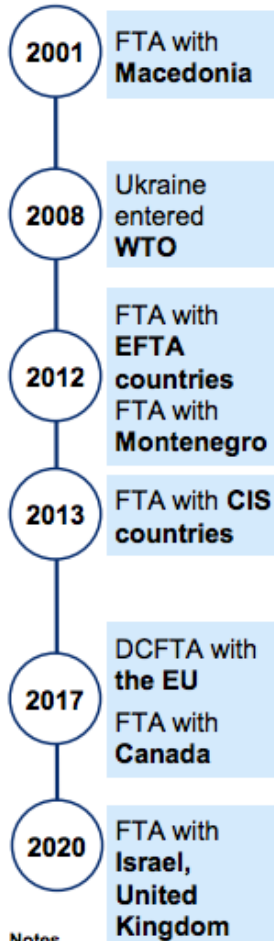
Q2 2021 expectations by industry



Source MOF Investor Presentation, 2021

Ukrainian trade Exports & Imports

Overall Ukraine concluded 19 FTAs with 46 countries



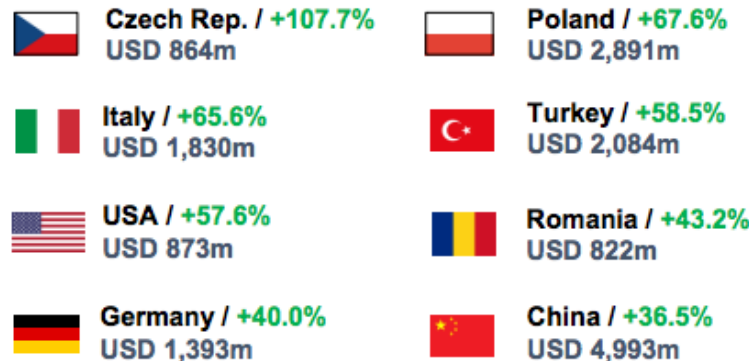
Notes

- Export and import of goods breakdown
- Only countries, exports of goods to which in 7m 2021 surpassed 2.0% of total Ukraine's export of goods were included

Comments

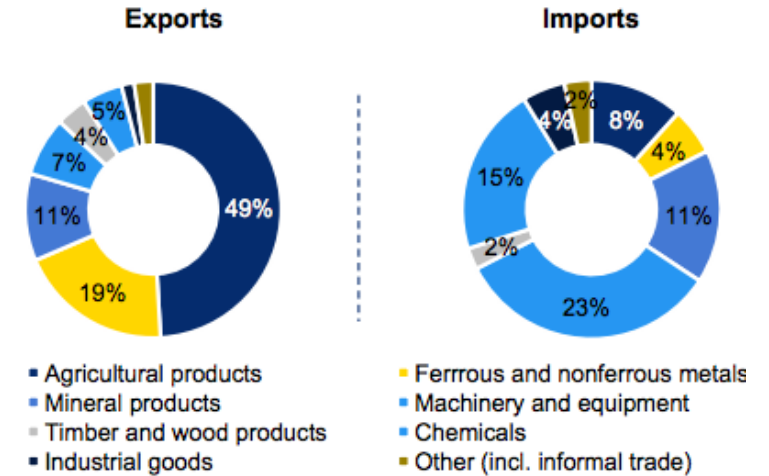
- ▶ Reinforced by Covid-19, the global demand for basic goods, such as agri and food, remains stable
- ▶ This provides Ukraine an opportunity to elevate basic goods exports to large and developed economies amidst crisis
- ▶ Most of such trade connections have already been set up and developed with conclusion of an increasing number of FTAs while Ukraine has undergone a major shift in trade flows towards the EU market in recent years
 - The EU's share in Ukraine's foreign trade turnover (goods) went up from 35% in 2015 to 38% in 2020
 - DCFTA (in full force since September 2017) provides further opportunities in the EU markets

7m 2021 y-o-y increase in export of goods by countries²



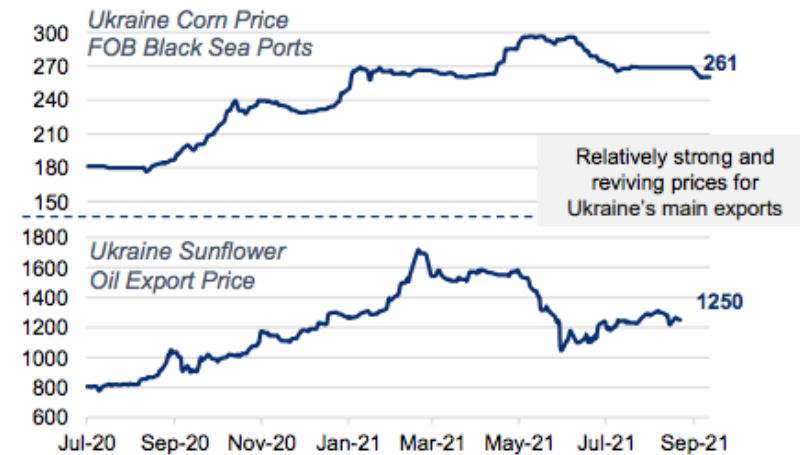
Source State Statistics Service of Ukraine

Ukraine's exports and imports breakdown¹ In 7m 2021



Source National Bank of Ukraine

Ukraine's export prices on selected agri goods (US\$ / t)

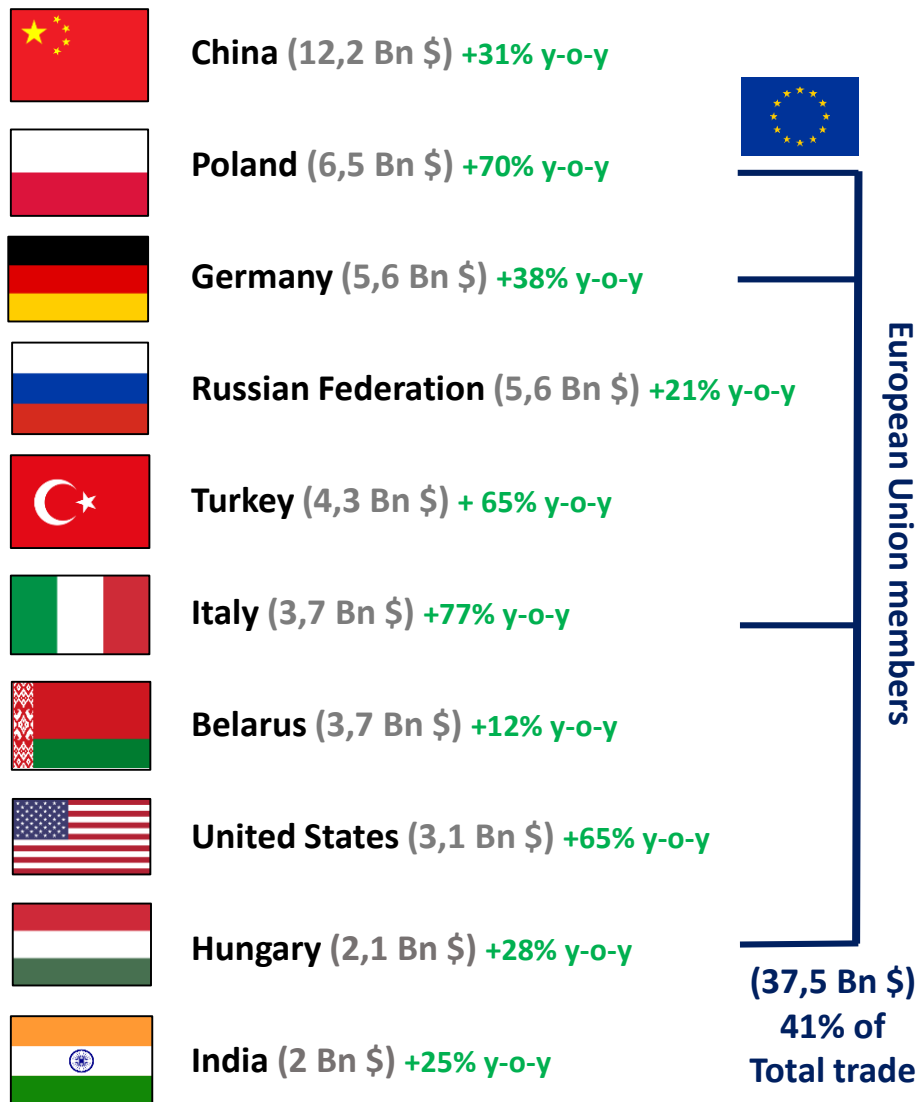


Source Bloomberg, as of Sept 13, 2021

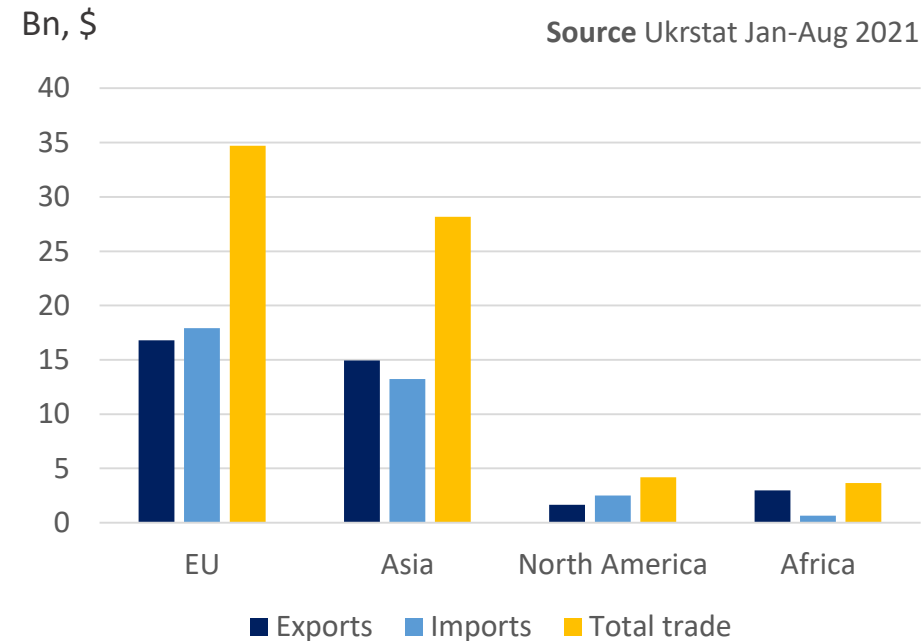
Source MOF Investor Presentation, 2021

Ukrainian International Trade

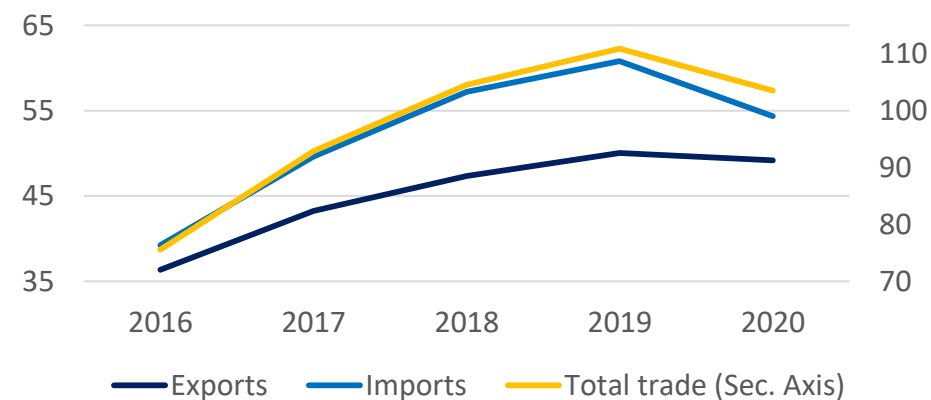
Top 10 Ukrainian trade partners



Ukrainian trade by region in 8m 2021



Ukrainian trade in 2016 - 2020



Why should you invest in Ukraine?

Attractive growth

The country is reforming, and the future growth potential is significant.

Europe's last untapped county

With a population of 44 million, Ukraine is one of the largest untapped economies in the whole of Europe.

Unique opportunity in agriculture

With 41.5 million hectares of agricultural land covering 70% of the country, agriculture is Ukraine's largest export industry..

Vast opportunity in infrastructure

Roads, airports, ports, hospitals, railways, rolling stock, you name it – the country is crying out for investment.

At the forefront of IT

From artificial intelligence, blockchain, FinTech to software development and more, Ukraine has over 90,000 IT specialists, and is at the forefront of developments in the industry, with IT outsourcing Ukraine's third-largest export.

An expanding middle-class

As the country prospers, disposable incomes will likely rise, driving a nascent consumer products market.

Greenfield opportunities

Ukraine has a skilled workforce at a fraction of the cost of elsewhere, and local governments are keen to offer incentives to attract investors. Strategically close to the European Union, Ukraine allows companies to manufacture at a lower cost and sell into the European market.

Security and rule of law

Kyiv is as safe as any other major capital city. The government is taking real steps to clamp down on corruption and uphold the rule of law, and Ukraine has bi-lateral investment treaties with most major countries, ensuring investors adequate recourse.

It's a beautiful country!

From skiing in the Carpathian Mountains and the historical wonders of Lviv, to the beaches and restaurants of Odesa and beyond, Ukraine has something for everyone. It is only a matter of time until foreign tourists discover this hidden gem of a country.

An investment boom

Ukraine has received just a fraction of the foreign direct investment of its former communist neighbours. With the government implementing investor-friendly reforms at a faster pace than ever before, the shackles are finally off, and Ukraine's investment boom is already starting.