

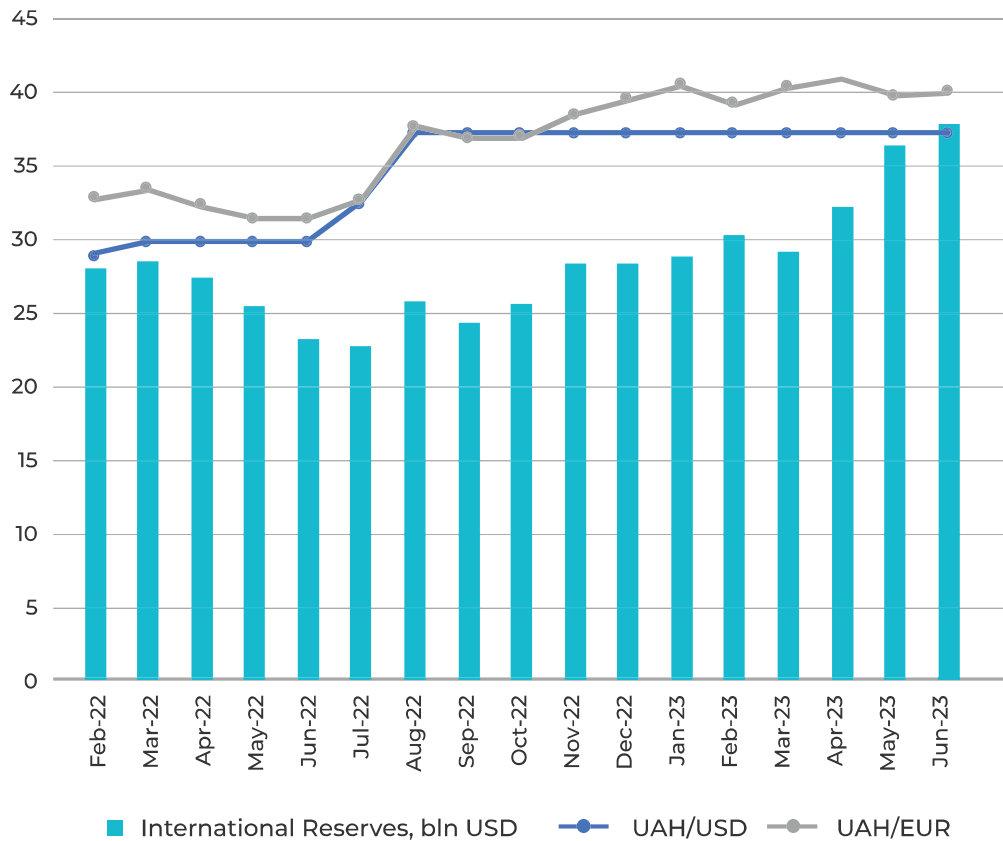


FIT FOR UKRAINE: ITALY

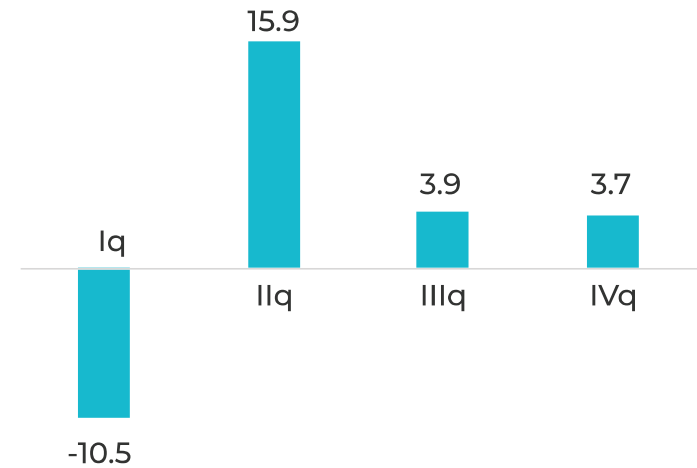


UKRAINE'S MACRO OVERVIEW

EXCHANGE RATE VS INTERNATIONAL RESERVES, 2022-2023



GDP GROWTH, 2023, %



National bank, Ministry of economy

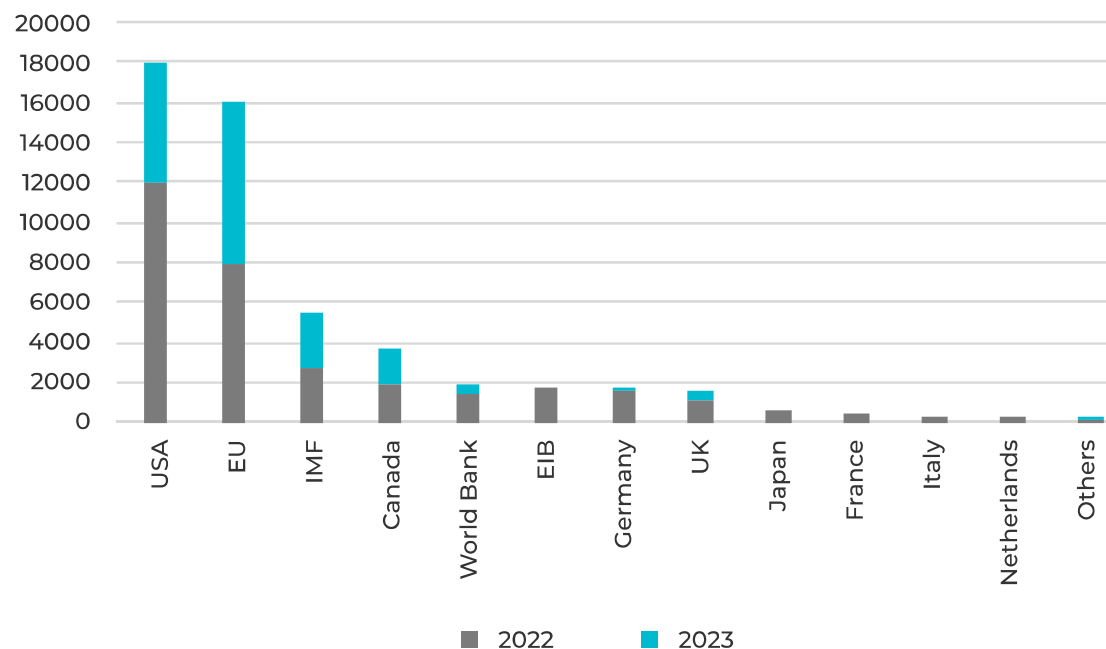
SUPPORT FROM INTERNATIONAL PARTNERS

Since February 2022, Ukraine has received unprecedented external financial support totaling USD 51.9 bln.

This financial aid for Ukraine has come from 22 countries, the European Union, the World Bank, the European Investment Bank, and the International Monetary Fund.

The United States of America (USD 17.9 bln) and the European Union (USD 16 bln) are the biggest contributors.

Ukraine's state budget financing since the beginning of the full-scale war, USD bln



WHY INVEST IN UKRAINE



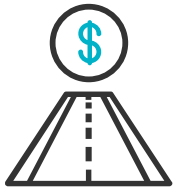
5-year corporate income tax (CIT) exemption



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

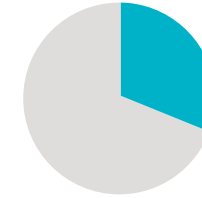


Land tax exemption / lower land tax rate



Guide: Incentives for Significant Investments

AMOUNT OF STATE SUPPORT



**up to 30%
CAPEX**

PROJECT REQUIREMENTS

20+ min 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

WHY INVEST IN UKRAINE



full or partial compensation of interest rates on loans for arranging an industrial park, carrying out economic activity



10-year **corporate income tax exemption**



exemption from **import duties** for new equipment



non-refundable financing for arranging an industrial park and/or construction of related infrastructure facilities



land tax exemption/
reduced land tax rates



exemption from **real estate tax** for industrial buildings



compensation for **connecting to engineering grids**



VAT exemption for importing new equipment



exemption from payment of **forestry production losses**

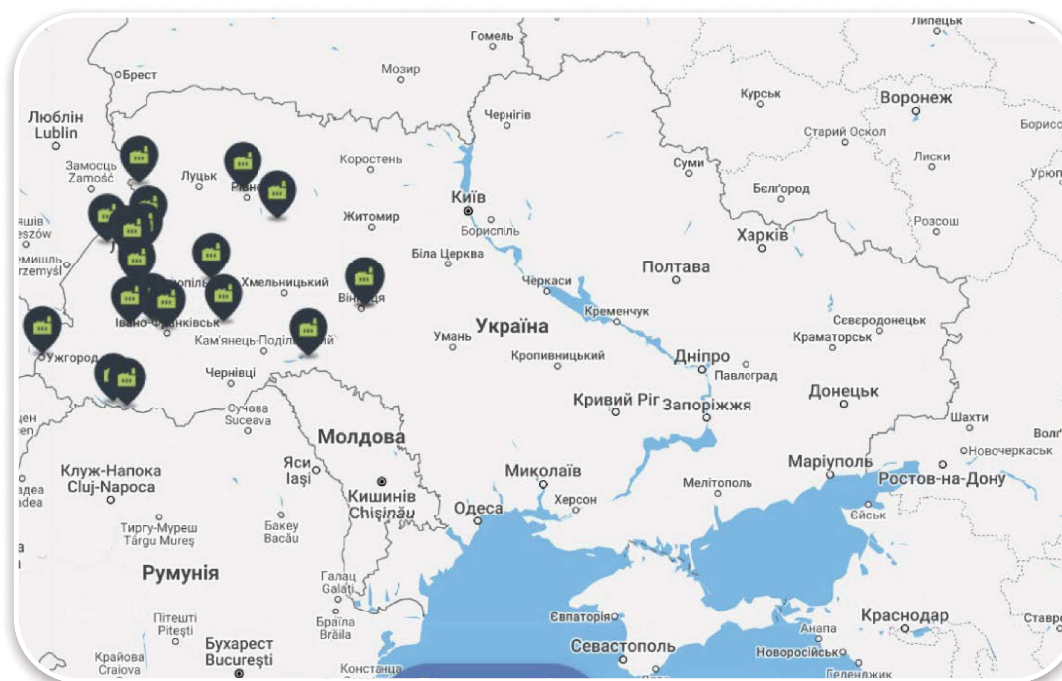


Guide: State support for industrial parks

WHY INVEST IN UKRAINE

62 industrial parks are included in the Register of Industrial Parks according the Ministry of Economy of Ukraine.

An interactive map of industrial parks in Ukraine can be viewed via [the link](#).



You can read more information regarding industrial parks on [the website](#) of the Ministry of Economy of Ukraine.

RESILIENT UKRAINE: Economy

Key achievements

- **became an EU member candidate**
- **obtained 5 "visa-free" regimes with the European Union incl.:**
 - **energy** (ENTSO-e accession)
 - **customs** (NCTS accession)
 - **transport** (removed barriers for road transportation)
 - **digital** (mutual recognition of qualified electronic trust services)
 - **economic** (cancellation of all EU customs duties and quotas for Ukrainian goods)
- **secured import duties cancelation in trade with the United Kingdom , Canada, Australia and the United States of America (steel imports only)**
- **integrated in the Trans-European Transport Network (TEN-T)**
- **Ukraine has 19 FTAs with 46 countries, including the Deep and Comprehensive FTA with the EU.**

WHY INVEST IN UKRAINE

Incentives for IT industry

DIIA CITY regime



SPECIAL TAXATION REGIME FOR DIIA CITY RESIDENTS

- 9% of exit capital tax or 18% of CIT
- 5% of PIT, 22% of the minimum wage for social security fee and 1,5% of military
- tax 0% of withholding income tax of an individual received as dividends, if not distributed for 2 or more years etc.



FLEXIBLE FORMS OF EMPLOYMENT

- Gig-contracts (allows you to show real turnover and pay moderate taxes, provide social guarantees, and reserve gig-specialists that are liable for military services, etc.)
- Labor agreements and commercial contracts are still available



BETTER IP RIGHTS PROTECTION FOR IT COMPANIES

- IP rights for an object created by the gig-specialist in connection under the gig-contract shall belong to the Diia City resident, unless otherwise provided by the gig-contract (at the moment when IP rights appear for the author, if not specified otherwise in the contract)



ACCESS TO LEGAL ELEMENTS OF COMMON LAW SYSTEM

- The right to increase charter capital of a LLC via convertible loans mechanism
- The right of LLC and any third party to be a party to a shareholders' agreement
- Mechanisms of the employee stock ownership plan (ESOP)
- Warranties and indemnities regulations, liquidated damages provisions, etc.



REQUIREMENTS FOR ENTERING

- 9+ employees and/or gig-specialists
- Average monthly salary of employees and is not less than the equivalent of EUR 1.200
- 90% of IT company's total net income consists of the "qualified income" (income obtained as a result of IT activities)
- Eligible industries:
 - software development and testing, including games
 - publishing and distribution of software, including SaaS
 - teaching computer literacy, programming, testing, software technical support
 - digital marketing and advertising via software developed by Diia City residents
 - R&D in IT and Telecom
 - cybersport
 - providing services related to the virtual assets flow etc.

While martial law is in force, companies will not be deprived of the status of residents of Diia City, even if they do not meet the above criteria

WHY INVEST IN UKRAINE

Incentives for e-transport industry

TAX AND CUSTOMS INCENTIVES for e-transport industry



Temporary CIT exemption (till 2036) for legal entities that conduct solely business activity of production and sale of electric motors, lithium-ion (lithium-polymeric) batteries, their charging devices, electric transport, other eco-transport, tram and metro cars



Temporary VAT exemption (till 2026) for import and sale on the territory of Ukraine of electric and eco-vehicles



Temporary VAT and customs duty exemption (till 2031) for importing goods by the legal entities that conduct or plan to create/modernize their production for industrial production of electric vehicles, eco-transport, trams and metro cars

THE AMOUNT OF CIT EXEMPT

can only be used for purposes of R&D activities, creation or re-equipment of factories material and technical base, increasing the volume of production

WHY INVEST IN UKRAINE

Incentives for aircraft manufacturing



Temporary exemption from VAT and customs duties (till 2025) for importing of goods for the aircraft industry



Temporary VAT exemption (till 2025) of supply of the results of R&D works for the needs of the aircraft industry



0% VAT rate for sale of products (services) produced by enterprises at the expense of the State Budget of Ukraine



Temporary land tax exemption (till 2025) for aircraft manufacturers that carry out the development and/or manufacturing with the final assembly of aircrafts and engines to them



Temporary CIT exemption if the amount of CIT exempt is used for purposes of R&D activities, creation or re-equipment of factories material and technical base, increasing the volume of production, etc.

WHY INVEST IN UKRAINE

STATE PROGRAM “AFFORDABLE LOANS 5-7-9%”

- **Purpose:**

- increase in production volumes
- exports, import substitution
- high-tech production and introduction of innovations
- creation of new jobs
- return of migrant workers to Ukraine, etc.

- **Conditions**

- **UAH 60 mln** - the maximum amount of loan
- **0, 5, 7 or 9 %** of interest rate
- **up to 5 years** program duration

During martial law special conditions are available for the purpose of relocation and/or restoration of industry facilities that suffered from military aggression:

- **0 %** of interest rate (during martial law + 1 month)
- **5 %** of interest rate afterwards
- up to **5 years** program duration

WHY TO INVEST IN UKRAINE

Incentives for agribusiness

Forms of state support:

- special budget subsidies, and
- partial reimbursements of the invested costs

Supported activities:

construction of grain storage and processing enterprises, livestock farms facilities

- **up to 50%** of the investments in construction of facilities and processing enterprises

purchase of breeding animals

- **up to 80%** of the values of breeding animals

keeping and increase in farm animals

- **up to UAH 30 thsd** per farm animal

keeping and increase in bee families

- **up to UAH 60 thsd** per bee family owner etc

Total amount of state support:

- **UAH 67 mln** - max amount of state support that can be granted to agriproducers - related companies for supporting of different activities

WHY TO INVEST IN UKRAINE

State grant program “eRobota” for startups and SME

In July 2022, the "eRobota" grant program was launched in Ukraine in order to allow the creation of tens of thousands of new businesses and jobs at the expense of provision of grants for starting one's own business as well as expanding the operations of SMEs.



GRANT FOR BUSINESS
up to UAH 250 thsd (USD 7 thsd)



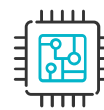
GRANT FOR GARDENING
up to UAH 400 thsd (USD 11 thsd)



**GRANT FOR PROCESSING
INDUSTRY**
UAH 8 mln (USD 220 thsd)



GRANT FOR GREENHOUSE
UAH 7 mln (USD 200 thsd)

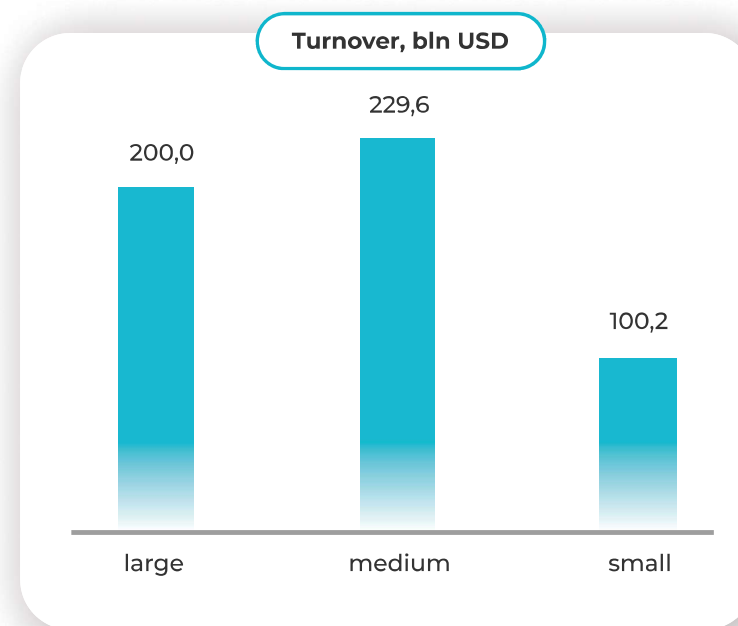
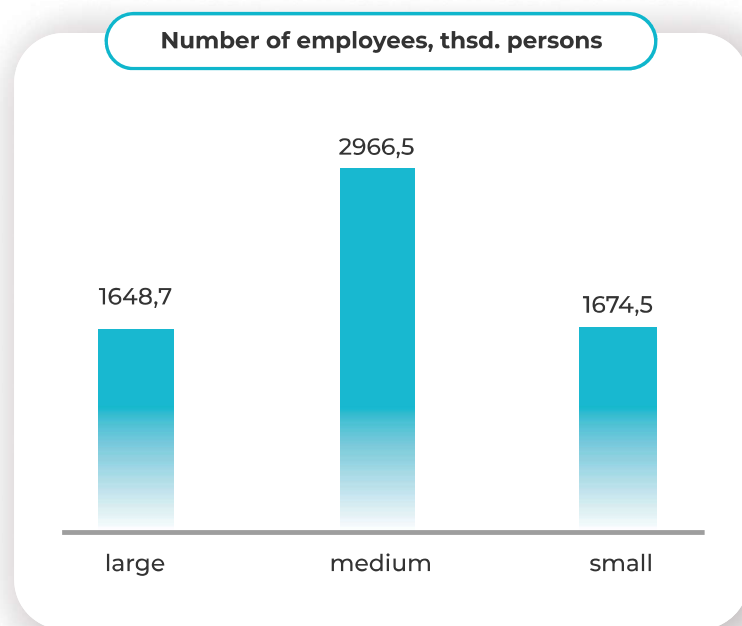


GRANT FOR IT STARTUP
UAH 3,5 mln (USD 100 thsd)

SMEs IN 2021

Number of economic entities, units

610 large
17502 medium
352722 small



State service of statistics

WHY INVEST IN UKRAINE

1st exporter of sunflower oil

2st in the sunflower seed production

2nd in export of ferro-silico-manganese

3rd in the potatoes production

3rd exporter of maize, barley and rape

3rd in export of clays, andalusite, kyanite and sillimanite, semi-finished products of iron and pig iron

Logistics real estate suffered significant damage since the start of the war, with around 22% of Kyiv warehouses destroyed.

During H1 2022, the volume of total warehouse space in the Kyiv region decreased dramatically from 1.6 to 1.36 mln sqm. Approximately 382,000 sqm of warehousing and logistics facilities were destroyed due to military action.

Ukraine should at least double the amount of warehouse stock. In the conditions of intensification of production activities during the reconstruction, the demand for logistics real estate will increase significantly, especially in the central and eastern regions as relocated companies will be coming back.

WAREHOUSES DAMAGED*

382 thsd sqm

Completely destroyed

213,000 sqm

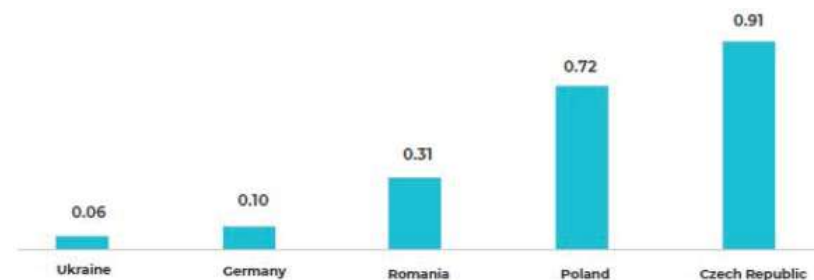
Partially destroyed

169,000 sqm

Ukraine Invest
YOUR INVESTMENT MATTERS

80% of A Class warehouses have been either completely or partially destroyed

Total warehouses stock/ Population



Damage to the housing stock is the largest component of overall direct damage caused to property and infrastructure.

The total area of damaged or destroyed housing objects is 83.1 mln m2, which is 8.2% of the total housing stock.

- Partial (<10% damage to an object) 18.6 mln m2 (15.4 thsd. residential buildings)
- Average (10% - 40% damage to an object) 35.3 mln m2 (65.7 thsd residential buildings)
- Completely destroyed - 29,6 mln m2 (72.7 thsd residential buildings)

Through the Diia service, 299,642 applications were registered for the destroyed and damaged property (total area - 21 mln m2).

Completely destroyed and significantly damaged buildings amount to 65 mln m2. With approximate calculations, to rebuild this amount of housing the following products may be needed:

- 3.9 mln m2 of glass
- 5.7 mln m3 or 11.9 mln t of concrete
- 39.3 mln m3 or 14 bln units of bricks
- 45 mln m2 of roofing tiles

Assumption*

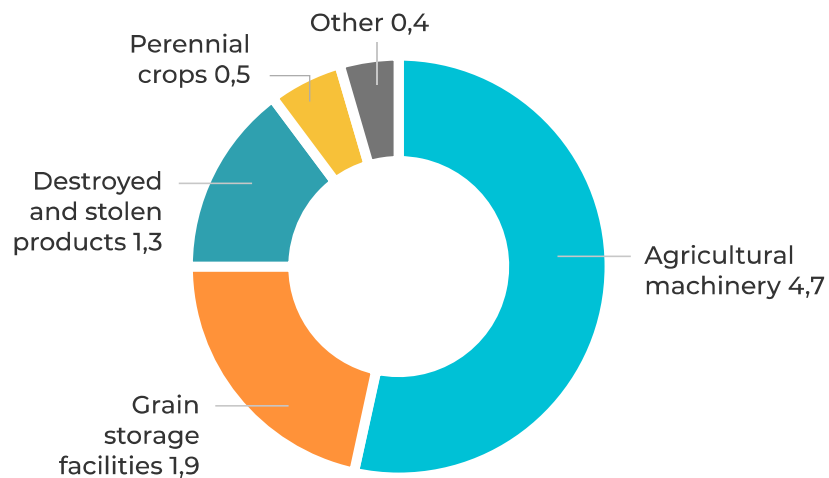
For 1 m2 of brick house construction needed:

- 0.08 m3 of concrete
- 0.06 m2 of glass
- 0.61 m3 of bricks
- 0.7 m2 of roofing tiles

1 m3 of bricks ~ 350 units

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

Direct damages by type, bln USD



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

SME PROJECT EXAMPLE

Sector: agriculture
Operating from: 2005

Ukraine Invest
YOUR INVESTMENT MATTERS

KEY PROJECT HIGHLIGHTS

Restoration of the Ukrainian tomato industry through the introduction of industrial production of high quality tomato paste and supply of high quality raw materials to food industry enterprises of Ukraine and processing industry Ukraine and the world.

26.7

Total financing
amount, USD mln

3 years

**PAYBACK
PERIOD**

1 year

**PROJECT
IMPLEMENTATION
PERIOD**

(time to launch of operations)

SME PROJECT EXAMPLE

Sector: agriculture
Operating from: 2017

Ukraine Invest
YOUR INVESTMENT MATTERS

KEY PROJECT HIGHLIGHTS

Project purpose is to build a 16 200 sq.m. greenhouse complex for the all-year hydroponic cultivation of salad greens and flavoring herbs using MGS technology.

\$ 8,4 mln

Total investment amount, USD mln

\$ 2,2 mln

Amount of own investment in the project, min USD

6 years

PAYBACK PERIOD

1 year

PROJECT IMPLEMENTATION PERIOD

(time to launch of operations)

Ukraine Invest

YOUR INVESTMENT MATTERS



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