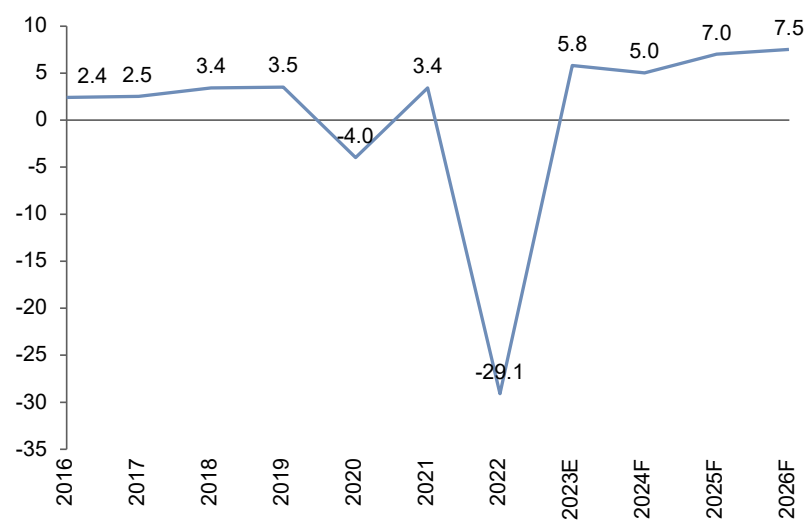


DE-RISKING INVESTMENTS IN UKRAINE

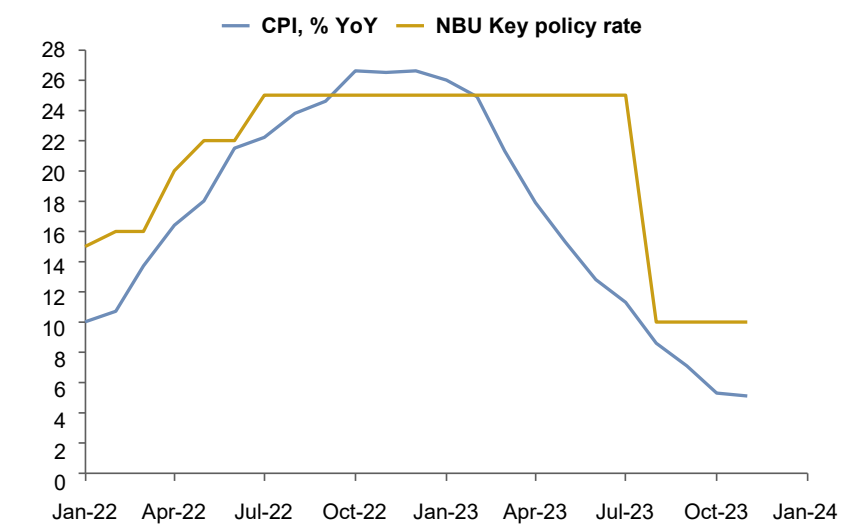
28 February 2024

THE UKRAINIAN ECONOMY HAS REMAINED RESILIENT IN 2023 AND IS EXPECTED TO FURTHER GROW IN 2024

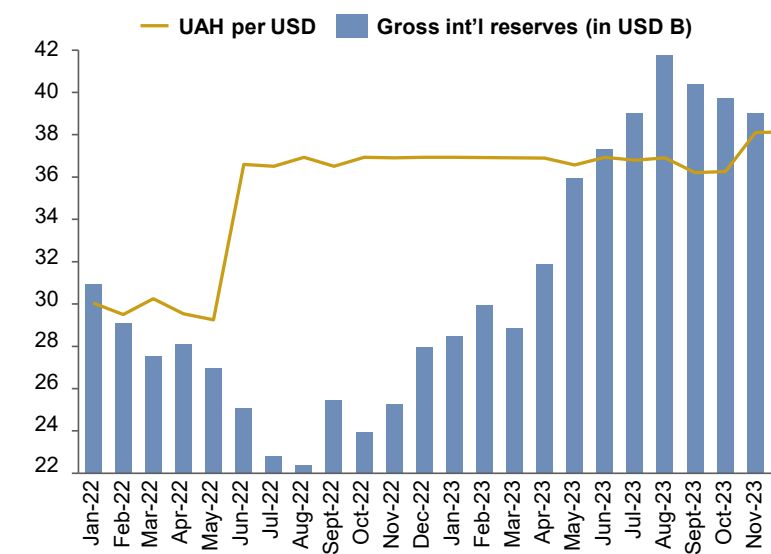
GDP ANNUAL GROWTH RATE (% YoY)



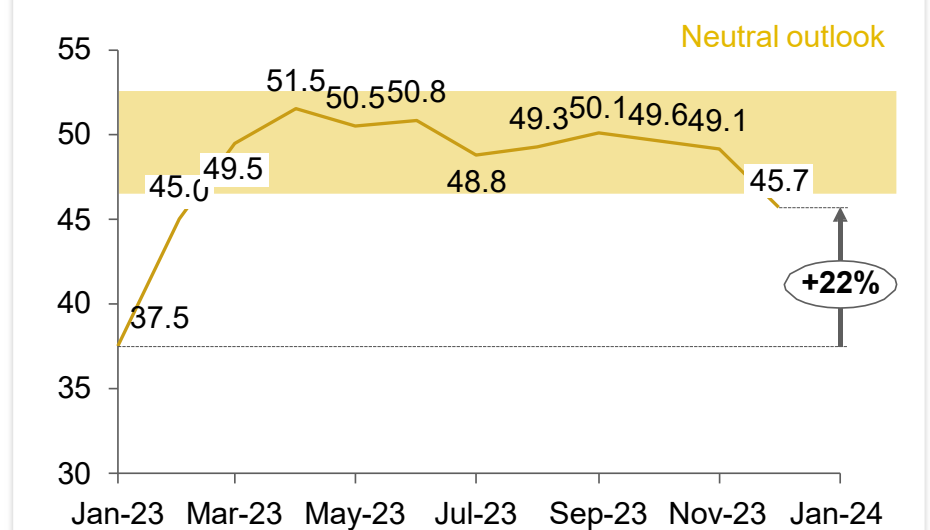
CONSUMER PRICE INDEX (% YoY) & KEY POLICY RATE (%) Jan'22-Dec'23



HRYVNIA EXCHANGE RATE & INTERNATIONAL RESERVES Jan'22-Dec'23



BUSINESS ACTIVITY EXPECTATIONS INDEX Jan'22-Dec'23 (pts)



- In 2023, **GDP rose 5.8%** driven by household demand, agro-industrial output stabilization and defence spending.
- The Ukrainian government sees the **economy growing by 5% in 2024 – the fastest pace in Europe**. The IMF expects growth to reach 3.2%.

- Inflation eased to **5.1% in November** from **26.6%** at end-2022 helped by strong economic performance and FX stability.
- Inflation is expected to remain in the range of **6-7% over the next year**.

- The **Hryvnia** remained roughly **stable throughout 2023**, and allies and international organizations continue to support the country.
- The **budget deficit reached 19.1% of GDP in 2023**, primarily due to defence spending.

- In 2023 the **business sentiment rose and remained stable** at close to neutral level (around 50).
- Businesses **remain concerned about the duration of the war**. Nevertheless, **most companies (77%)** admitted that they can now **operate in Ukraine without restrictions**.

3 REASONS WHY NOW IS THE RIGHT TIME TO INVEST IN UKRAINE

1



RECONSTRUCTION IS A \$400B+ OPPORTUNITY HAPPENING NOW

The World Bank suggests Ukraine's reconstruction is a **\$400B+ multi-sectoral opportunity**.

The private sector is **seizing the opportunity to invest now**, with a growing list of international companies investing in Ukraine within 2023, including **Kingspan (\$280m, construction)** and **Bayer (\$65m, pharmaceuticals)**.

2



EU PROSPECTS & INTEGRATION WITH THE WEST

The full-scale invasion has catalysed Ukraine's integration with the West, **accelerating reform** and **EU accession** negotiations, with the World Bank estimating reforms could bring in an additional **\$57B** in FDI by 2033.

This has also opened **new sources of financing** backed by governments and IFIs e.g. Nestlé secured a **\$42M loan by EBRD** for a new production facility in Western Ukraine. Specialized instruments like the **"Ukraine Facility"** are also being proposed to manage the complexities of reconstruction.

3



ACTIVE SUPPORT BY A GOV'T COMMITTED TO FDI

The Government is **committed to investment attraction** and is working on reforms to improve the business environment. A **comprehensive toolkit of incentives, de-risking programs and other instruments** is already in place and is being reviewed and amended continuously.

The Government aspires to act as a **sparring partner to potential investors**, supporting them with feasibility studies, setting local partnership and overall preparation for stepping into Ukraine.

3 TYPES OF INSTRUMENTS TO INCENTIVISE INVESTMENT AND FOSTER ECONOMIC GROWTH IN UKRAINE

1

DE-RISKING

These initiatives are designed to **mitigate war-related risks** associated with investments in Ukraine.

They are created in collaboration with **international financial institutions** and **foreign governments** and aim to render financing available to an increasing number of international investors.

2

FINANCIAL INCENTIVES

The government has introduced several measures to incentivise investment by MNCs, including laws designed to attract **significant investments**, as well as **incentives for industrial parks** and **tech companies**.

The government has similarly enacted a range of measures addressed to **SMEs** and companies **active in priority sectors**.

3

BUSINESS ENVIRONMENT REFORMS

The government is accelerating regulatory alignment with international standards – including **harmonization with EU laws** – in an effort to improve **regulatory efficiency and transparency**.

Effort is made to **reduce administrative barriers**, **digitize market access tools**, and shift state supervision to a **preventive system**.

DE-RISKING | UKRAINE AND INT'L PARTNERS ARE DEVELOPING A COMPREHENSIVE WAR INSURANCE TOOLBOX TO ALLEVIATE UNCERTAINTY



	DEEP DIVE IN NEXT SLIDES			DEEP DIVE IN NEXT SLIDES		DEEP DIVE IN NEXT SLIDES
RISK TYPES COVERED	A B C	A B C E	D E	A B C	D	E
PERSONS/ASSETS COVERED	International investors only	Ukrainian and international investors	Ukrainian and international investors	International investors (except for KUKE which provides options also for Ukrainian investors)	Black sea shipments	Ukrainian and international investors (provided they export Ukrainian goods)
BACKED BY	Ministry of Economy, IFI/DFI Trust Funds & Int'l Donors	IFI/DFI Trust Funds & Int'l Donors	IFI/DFI Trust Funds & Int'l Donors	Foreign governments	Ministry of Economy	Ministry of Economy
STATUS						

LEGEND:

POLITICAL

A POLITICAL VIOLENCE B INCONVERTIBILITY C EXPROPRIATION

PROPERTY DAMAGES & FINANCIAL DEFAULT

D GOODS IN TRANSIT / STORAGE E FINANCIAL LIABILITIES

AVAILABLE UNDER DEVELOPMENT

DE-RISKING | MIGA HAS ALREADY SUPPORTED 2 PROJECTS – INCLUDING INVESTMENT IN AN INDUSTRIAL PARK IN LVIV



INVESTMENT

A new, eco-friendly industrial and logistics facility, providing a location for displaced firms to continue operations during and after the war

GUARANTEE HOLDER

Ukrainian Industrial Property Holding Limited
(based in Cyprus)

KEY FIGURES



\$9.1M of investment covered by guarantees



Coverage against **war and civil disturbance**



Guarantees apply for up to **10 years**

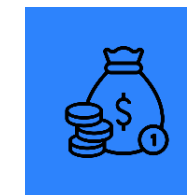
“The recent investment guarantees provided by MIGA represent a significant positive signal for new potential investors considering investments in Ukraine. With the invaluable support of our international partners, there are many opportunities to **develop processing businesses** and **allocate value chains for full-fledged production** in different regions in Ukraine.”

~Yulia Svyrydenko, First Deputy Prime Minister of Ukraine and Minister of Economy

- Increasing export of Ukrainian goods
- More revenues into the state budget of Ukraine
- Attracting donors and having possibilities for scaling



КЛЮЧОВІ ЦИФРИ



USD 20 mln.
government backstop




































14
Lloyd's underwriters



100%
decrease of insurance cost

DE-RISKING | DE-RISKING INSTRUMENTS ALREADY AVAILABLE THROUGH 10 ECAs, WITH VARYING LIMITS, TERMS, AND CONDITIONS

Country	Export Credit Agency	Limit	Term	Country	Export Credit Agency	Limit	Term		
	Oesterreichische Kontrollbank AG (OeKB) - Austria		EUR 3-5M per project	S/M (up to 3 years)		Development Finance Institution Altum (JSC) - Latvia		TBD Only for export credit	S (up to 180 days)
	China Export & Credit Insurance (SINOSURE) - China		TBD	S/L		Atradius Dutch State Business (Atradius) - Netherlands		Up to EUR 30M per transaction (covered by the Dutch Good Growth Fund)	S/L
	Export and Investment Fund of Denmark (EIFO) - Denmark		EUR 140M Total value of current projects (part of EUR 2B total envelope for Ukraine)	S/L		Korporacja Ubezpieczeń Kredytów Eksportowych (KUKE) - Poland		TBD PLN 1B in total	S/L
	BPIfrance Assurance Export France - France		TBD Total envelope for Ukraine including various products is EUR 1.2B	M/L		Exim Banca - Romania		TBD	S/L
	Euler Hermes Aktiengesellschaft - Germany		EUR 10M with an allowance of 250M in total	S/L		Export-Import Bank of the Slovak Republic (Eximbanka SR) - Slovak Republic		TBD Total million for Ukraine is EUR 10M	S/M (up to 2 years)
	Export Credit Greece S.A. (ECG) - Greece		TBD	S/L		Compañía Española de Seguros de Crédito a la Exportación (CESCE) - Spain		TBD Only export credit guarantees	S/L
	The Israel Export Insurance Corp. Ltd. (ASHRA) - Israel		USD 200M (public projects)			Exportkreditnämnden (EKN) - Sweden		TBD Only export credit guarantees	S Max 1 year
	SACE - Italy		TBD Total envelope for Ukraine is EUR 1.5B	S/L		UK Export Finance (UKEF) - United Kingdom		TBD Total envelope for Ukraine including various products is GBP 3.5B	S/L
	Nippon Export and Investment Insurance (NEXI) - Japan		TBD	S/M/L					

Legend | S: Short-term, M: Medium-term, L: Long-term

GIVING INVESTORS, INSURERS (AND GOVERNMENTS) ACCESS TO GRANULAR WAR RISK DATA



The Government of Ukraine has robust data on **all war-related incidents since February 2022**

It is sharing **aggregated data** with bona fide **investors, IFIs, governments and (re)insurers** to enable better risk modelling

150 registered users to date

The platform allows both **assessment of individual risks** and **portfolio-wide strategy setting**

It shows by **location and time** a breakdown of events including damage level:

- **Event type** (e.g., airstrike, UAV attack)
- **Object type** (e.g., Energy, Infrastructure)

The data shows that **66% of Ukraine communities have not had a single explosive event since February 2022**. The level of violence is hugely varied across the country.