



IFC is working on financing in local currency at affordable rates



Mergers and acquisitions (M&A) market in Ukraine 2020



Meat processing plant with a project of a pig farm

INVENTURE

Ukrainian Investment Digest 2020



**InVenture - Your Reliable Investment Advisor
in Agricultural Sector of Ukraine**

Corporate finances and M&A

- DP World successfully closes deal to acquire TIS Container Terminal in Ukraine [>>>](#)
- Dragon Capital acquires the metropolitan skyscraper 101 Tower in Kiev [>>>](#)
- Epicentr K acquired a part of Svarog West Group Corporation [>>>](#)
- Arabian Investment Fund Agartha Fund L.P. intends to buy the agricultural holding "Kaskad-Agro" [>>>](#)
- Novus closes deal to acquire 100% of Billa-Ukraine supermarkets [>>>](#)
- SCM sells its Parallel fuel filling station network to Oilinvest 2020 LLC [>>>](#)
- Cascade Investment Fund sold 20% stake in oil and gas company JKC Oil & Gas [>>>](#)
- Pavel Fuks left the co-owners' board of the shopping and entertainment center Respublika [>>>](#)
- Everi port terminal in Ukraine acquired by Glencore International [>>>](#)
- Regal Petroleum acquires "Arkona Gas-Energy" for \$8 Mln [>>>](#)
- Risoil to buy a logistic company Boconti Ukraine in the Port of Chernomorsk in Odessa region [>>>](#)
- Belgian Sibelco Group bought two clay mining companies in Ukraine [>>>](#)
- NBU receives documents from Yaroslavsky to agree purchase of 100% in Bank Credit Dnipro [>>>](#)
- The Antimonopoly Committee of Ukraine allowed Zlochevskiy to acquire Gazvydobuvannya [>>>](#)

Venture capital and startups

- Restream raises \$50M to help creators program and stream to multiple platforms [>>>](#)
- Embracer Group acquires Ukrainian studio 4A Games, a developer of Metro games for \$36 million [>>>](#)
- Ukrainian education technology marketplace for learning foreign languages Preply raised \$10 million [>>>](#)
- Ukrainian food pre-ordering service Allset raised \$8.25M [>>>](#)
- US company Cprime acquired Ukrainian IT service firm Archer Software [>>>](#)
- Ukrainian DMarket secures \$6.5 million to "build a user-owned gaming economy" [>>>](#)
- Ukrainian swap-face application Reface raised \$5.5M from the Andreessen Horowitz and TQ Ventures [>>>](#)
- Delivery service Zakaz.ua secured €5 million from Chernovetskyi Investment Group [>>>](#)
- AllRight raised \$5M from Genesis Investments and other VCs [>>>](#)
- ClassTag raised \$5M for parent-teacher communication [>>>](#)
- Liki24 Raised \$5 Million Round led Horizon Capital to expand to Europe [>>>](#)
- Rental service platform Rentberry raised \$4,5M [>>>](#)
- Ukrainian startup Influ2 raised \$3.4 million to develop person-based advertising [>>>](#)
- IntellectoKids raises \$3M to delve deeper into preschool online education [>>>](#)
- US game publisher TinyBuild invests \$3M in Lviv-based game studio Hologryph [>>>](#)
- Ukrainian startup RetargetApp raised \$2.4 million to automate ad campaigns [>>>](#)
- Ukrainian startup 3DLOOK raised \$1 million led by ICU Ventures [>>>](#)
- Finnish-Ukrainian startup PromoRepublic raised \$1.5M [>>>](#)

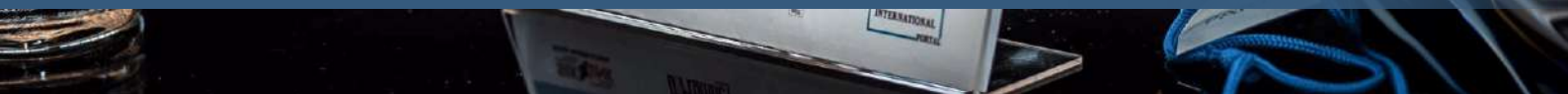
Government investments

- Olvia Sea Port Concession Agreement Concluded [>>>](#)
- State-owned Dnipro Hotel is sold for \$41 million [>>>](#)
- SPF at the second attempt sold "Kievpassservice" to Bastion-Group LLC for \$9,4 million [>>>](#)
- Chornomorets Stadium in Odessa, bought by Allrise Capital for \$7,29 mln [>>>](#)
- IMF Executive Board Approves 18-month US\$5 Billion Stand-By Arrangement for Ukraine [>>>](#)
- Ukrainian parliament lifts longstanding moratorium of farmland sales [>>>](#)



Ukraine – China: investment horizons

Current trends and prospects of investment cooperation between Ukraine and China



Mergers and acquisitions (M&A) market in Ukraine 2020: all the hopes are laid on our investors

InVenture presented a research of the mergers and acquisitions (M&A) market development in Ukraine in 2020: industry trends, the largest M&A transactions, comments and forecasts of experts



The Most Promising Sectors for Investors in Ukraine

Highly educated workforce, vast and fertile lands, developed industrial infrastructure and low cost base make Ukraine a desirable location for businesses targeting the European or Middle Eastern markets



New Agricultural Land Reform in Ukraine 2020/2021

New Land Law opens the farmland market in Ukraine with numerous limitations



Investment menu for privatization in Ukraine is ready

Dmytro Sennychenko, the head of State Property Fund of Ukraine, speaks about privatization plans of the country



Jason Pellmar

IFC is working on financing in local currency at affordable rates

Jason Pellmar, IFC Regional Manager for Ukraine, Belarus, and Moldova: «We are working on financing in local currency at affordable rates»



Giovanni Salvetti

The admission of foreigners to the Ukrainian land market may bring \$ 10 billion during the first 5 years

Giovanni Salvetti, Managing Director of Rothschild in CIS countries: "Land is the entrance ticket for Ukraine to the club of attracting large global investments"



Liliya Rotar

The offshore era is over: how to structure your business today in the optimal way

Liliya Rotar, partner at InVenture about how to structure a business in Ukraine in the context of global counteraction to minimize taxation using offshore jurisdictions



A large manufacturer of DC and AC machines - one of the leading machine-building enterprises in Ukraine

Region: Ukraine, Kharkov

Price: \$9 000 000

The enterprise is one of the leading machine-building enterprises in Ukraine with a long history of the development, a manufacturer and supplier of complex solutions in the field of electric machine building, including engineering, production, supply, service and modernization of electric motors for railway transport, coal mining and metallurgy.

Since 1957, the plant has been specializing in the production of DC electric machines, crane-metallurgical electric motors, electric motors for railway transport, electric motors for mine, traction, contact and battery electric locomotives, mining equipment; since 2016 - mastered the production of asynchronous AC motors.

The production has full technological cycle from raw materials to the final product. In addition to the main activity, the plant has its own tool shop, an energy supply service, a transport department, and repair services.

Product Range:

DC electric machines (electric machines for general purpose, electric motors for railway transport, crane-metallurgical electric motors, etc.);

AC machines (asynchronous electric motors);

Electric Equipment (mining pantographs, power controllers, voltage stabilizers, etc.)

The Enterprise is export-oriented and more than 80% of products are sold for export.

Sales (2019): USD 10 037 000

Net Profit (2019): USD 1 518 000



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Production expansion of electric bicycles Delfast

Region: Ukraine, US, China

Investments: starting from \$150 000 to \$6 000 000

Delfast is a young and ambitious company that began its business operations as a unique service for delivering goods during only 1 hour in Kiev city and using Chinese electric bicycles in 2014. The next stage was the production of electric bicycles in China under its own brand in accordance with the acquired experience and developed unique technologies.

The company has more than 7000 pre-orders around the world and is going to start industrial production of electric bikes in Ukraine with a record rates, both in speed and duration of the trip on one charge.

Production: China

R&D: Ukraine

Registration: Delaware, USA

Delfast e-bike - Guinness World Records holder - "Longest distance traveled by e-bike without recharging (367 km in 2017)"

In 2018, the company's turnover amounted to \$125,000, in 2019 - \$552,000, in 2020 it is expected to be \$1,000,000; the forecast for 2021 is \$20,000,000.

Raised capital: \$815,000 (5 rounds of venture funding: Imperious Group VC, Kickstarter, business angels).

\$165,000 raised in 2017 on Kickstarter

Valuation of the company as of October 2020: \$15,000,000



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Processing and export of medicinal herbs for the pharmaceutical, food, cosmetic and feed industries

Region: Ukraine, Ivano-Frankovsk, Kiev

Investments: starting from EUR 1 600 000 - 2 600 000

Company started its activities in 2013 on the local market of medicinal herbs, and from the second quarter of 2016 began to develop export sales.

Today one of the leading enterprises for processing and trading of vegetable raw materials in Ukraine.

The company handles herbal procurement, drying, screening, cutting, cleaning, fumigation, quality control, storage and sale.

Among the company's clients are well-known companies from the EU (Germany, France, Belgium, Spain, Poland, Czech Republic, Lithuania, etc.) and Ukraine in the food, pharmaceutical, feed, cosmetic industry. Links can be provided upon additional request.

Our production is based on HACCP and GMP principles. We work with the German laboratory Eurofins to confirm the quality of our products (including screening for pesticides, glyphosate, glufosinate analysis, plant authenticity, etc.).

The company is certified organic by the Organic Standard.

The company takes an active part in international exhibitions (MAP – Neherlands, Biofach – Germany, FI – France).

The main reason for attracting additional funding is the need to accelerate the company's growth.

Investment amount requested: EUR 2,600,000, of which:

- EUR 1,000,000 – an increase in working capital to fulfill export contracts that increase the purchase of medicinal herbs in Ukraine.
- EUR 1,600,000 – capital investment in the construction of a plant for processing herbs, roots, flowers, etc.



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Monopoly Producer of Chemical Raw Materials in the CIS Region

Region: Ukraine, Dnepr

Price:

\$3 400 000 / 21% shares

\$16 000 000 / 100% shares

The company is a monopoly on the CIS market, has existed for over 15 years and is successfully developing. Minimal competition – not a single new similar enterprise has appeared in 15 years.

All products are manufactured on our own equipment, under strict quality control. This approach to production ensures product quality at the highest international standards.

All specialists involved in production not only have the relevant knowledge and experience, but are also regularly instructed on new developments in the industry.

Main products: Complex Stabilizers, Modifiers, Dispersants, Epoxyed Soybean, Mixed Siccatives, Monometal Siccatives, Antiseptics, Catalysts.

Distribution of finished products in the 2019 year – 25% export, 75% Ukraine. A sales network has been established, the company works with regular customers – the largest factories and plants (more than 100 customers).

The sale of products is fully tied to EURO and is carried out under direct contracts with the world's largest chemical companies.

Sales (2019): EUR 8 220 315

Net profit (2019): EUR 2 661 138



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**Meat processing plant with
a project for the
construction of a pig farm**

Region: Ukraine, Kyiv
region

Price: \$5 000 000

The enterprise is a modern production complex, which includes the following technological directions:

- workshop for the slaughter of cattle and pigs;
- production of sausages and meat delicacies;
- production of dry sausages;
- production of canned meat products;
- production of frozen semi-finished products;
- production of macaroni products.

The construction of the meat processing plant was carried out from scratch in compliance with all design standards.

In 2019, due to the shortage of working capital and non-core activities of this area for the investor, the facility was mothballed and completely ready to resume work.

At a distance of 1 km from the property complex of the meat processing plant, there is a plot of 14 hectares (in private ownership), which was planned to be developed as a site for the construction of a pig farm with a breeding house for 1200 sows and an annual maintenance of 32,000 pigs.

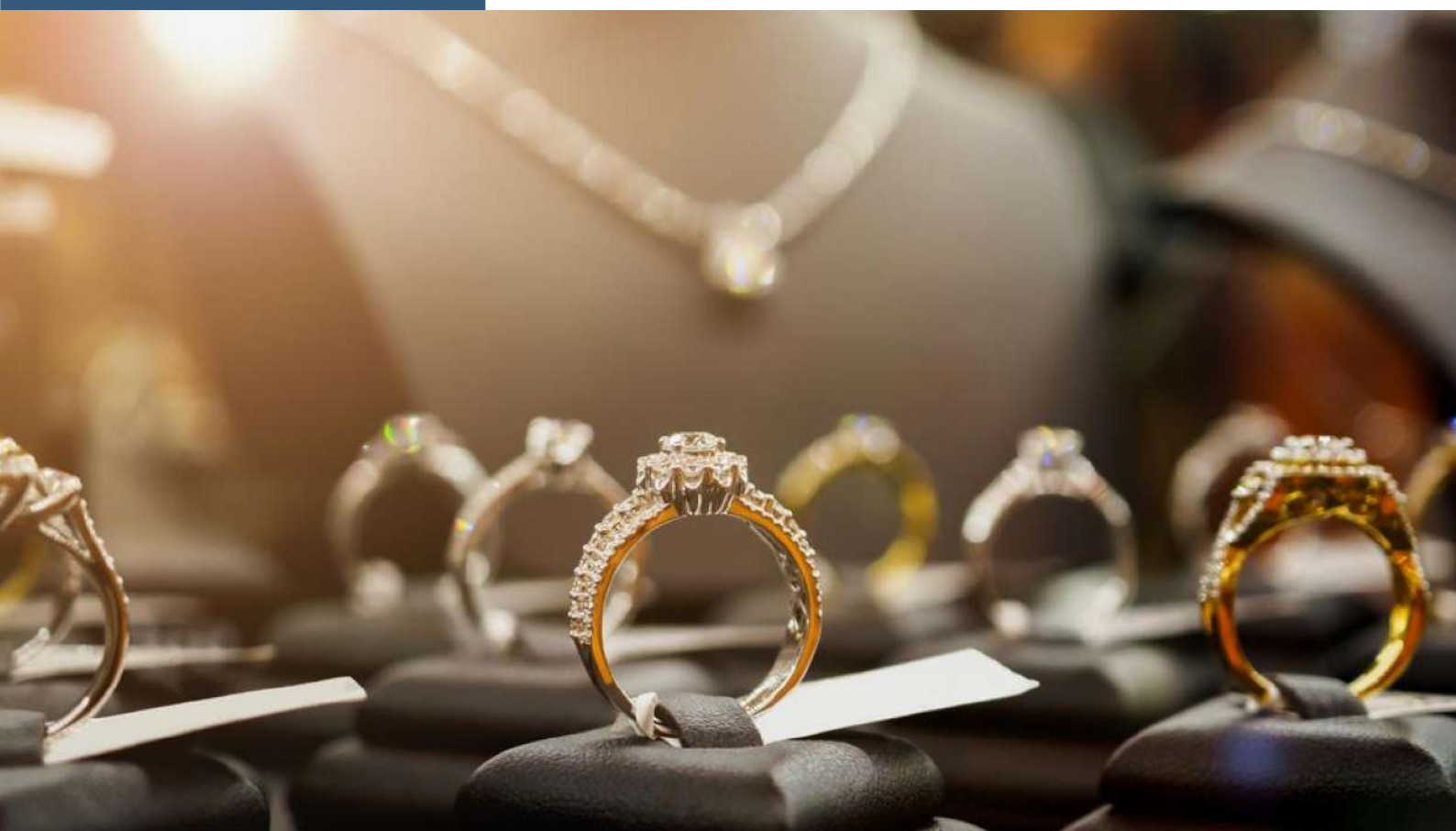
According to the project there was also planned the construction of a feed mill with a capacity of 5 tons/day and 4 silo tower for storing grain 5 tons each.



ПОДПИСАТЬСЯ

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Jewelry production in Kyiv region

Region: Ukraine, Kiev region

Price: \$600 000

Modern production

The company independently manufactures the jewelry products from modeling and creation to product packaging. The balance of the product line makes it possible to be attractive from the point of view of the offer for almost any client.

Impeccable reputation in the market

A positive reputation in the market as a decent customer among suppliers of raw materials makes it easy to get the best price and terms, which gives an excellent calculation of direct costs. Today the client base of the company exceeds 500 clients.

Debugged business processes

Refined internal processes, each employee clearly understands his task functionality and area of responsibility. In fact, the position of a manager is devoid of the need for solving operational routine tasks. The company is provided with a highly qualified, motivated team that has been taking part in development for a long time and smoothly. The accounting policy of the company is structured in such a way that for every minute of time it is possible to give clear data on which area is located each unit of production, each stone and gram of metal.

Diversified distribution system

The sales distribution is divided into domestic and foreign markets. The latter includes the markets of such countries as Poland, the Baltic States, Hungary, Romania, Germany, and the USA. Each of the markets is divided into 5 categories of clients, which eliminates the issue of seasonality and dependence on each individual client.

Successful profitable business

An operating business with positive cash flow dynamics, a high level of profitability and a fairly short payback period. The business showed a good sustainability during COVID-19.



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Privately owned solar power station in CLARS park

Region: Ukraine, Nikolaev region

Investments: starting from €175 000

Commercial offer on a turnkey basis – investment in small solar power stations from 242 kW with an investment of € 175,000 and a payback period of 5 years!

The main advantages of investing in solar power stations:

- Relax, do what you like, while your station brings you income!
- Automatic sale of electricity! Comprehensive service of the station is provided by a specialized division of the CLARS company
- Easy to manage! You have everything on your phone 24/7: operational indicators, financial receipts, video surveillance.
- Financial security! Your income does not depend on the rate of exchange. Profit in EURO (€)
- The payment is guaranteed by the state
- The working lifespan of the station is over 25 years!

Power plants for 242 kW

Entrance at the construction stage, commissioning 3-4 months
 Station price: € 175,000
 Payback period – 5 years
 Profitability – 17%

Power plants for 1 MW

Entrance at the construction stage, commissioning 3-4 months
 Station price: € 650,000
 Payback period – 4.75 years
 Profitability – 20%



ПОДПИСАТЬСЯ

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Fruit garden in Carpathian region with an area of 241 hectares

Region: Ukraine, Ivano-Frankivsk

Price: \$8 000 000

An operating high-tech enterprise for the cultivation and sale of apples, pears and cherries in Carpathian region is offered for sale.

On average, the company produces products out of 16 varieties of fruits per year: 2.7 thousand tons of apples, 10 tons of pears, 13 tons of cherries.

Sales: Valid contracts for trading apple, local retail chain; Indirect export; Wholesale centers

The activity is carried out in accordance with ISO 9001 and ISO 22000: 2007 standards

The number of employees: 14 people – permanent; 120 people – seasonal

Average age of trees: 6-8 years

Total number of trees: 160,385 pcs.

he total land area is 241.06 ha:

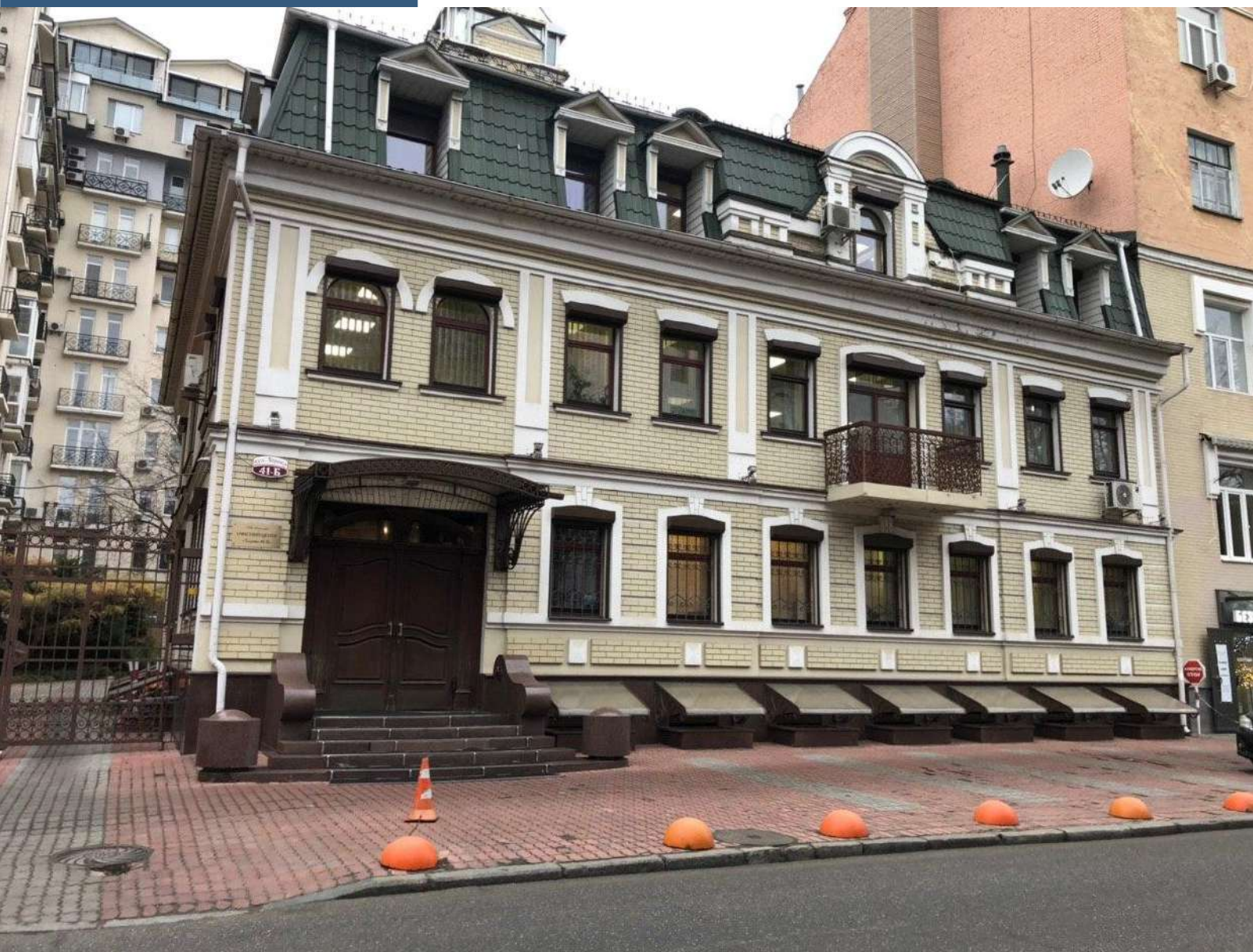
- 106.21 ha – working garden
- 100.00 ha – cultivated
- 34.85 ha – farm yard and roads

Land is leased until 2058. Lease price: 50 Euro/ha / year (12,050 Euro/year).



ПОДПИСАТЬСЯ





Sale of a detached office building in Podil district, Kyiv

Region: Kyiv

Price: \$2 500 000

The facility is located in Podil district, Kyiv – in the historical district near Kontraktova ploshcha metro station.

Convenient transport accessibility. Land plot of 0.11 hectares.

Year of construction: 2008.

Parking spaces and own garage are available.

Characteristics:

Total area – 1,153.2 sq.m.:

- Basement – 197.2 sq.m.
- 1st floor – 379.5 sq.m.
- 2nd floor – 363.4 sq.m.
- Mansard – 213.1 sq.m.

The building is in excellent condition and is fully operational as an office, company representative office, etc.

All communications are available. Ventilation system. Conditioning system. Fire and security alarm systems.

Central business and historical part of the city. Prestigious location. There are banks, post offices, embassies, cafes and restaurants within walking distance. The distance to Kontraktova ploshcha metro station is 400 m., Poshtova ploshcha metro station – 1.4 km., Tarasa Shevchenka metro station – 1.4 km., Khreshchatyk metro station – 2.3 km.



ПОДПИСАТЬСЯ

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**Largest Rabbit Farming
Enterprise with European
Quality Standards**

Region: Odessa

Price: \$2 800 000

One of the largest rabbit producers in Ukraine

The company has 10 years of experience in rabbit breeding business in Ukraine and controls 30% of the regulated rabbit meat supply market.

The company is equipped with Italian Meneghin equipment and is designed for keeping 5,000 - 5,500 doe rabbits, which is equivalent to keeping 45,000 - 50,000 rabbits. The equipment provides automatic feeding, watering and manure removal in all the premises.

The company has the potential to increase production capacity by 2 times.

Property complex

Total property area: land plot - 5.44 ha, buildings and structures - 11 514 sq.m.

The industrial complex includes: 4 reconstructed buildings for keeping rabbits per 8,000 sq.m., compound feed mill, manure storage, slaughtering site, granary, office building and other auxiliary facilities.

A full range of utilities: electricity, gas, water supply (artesian borehole and water tower).

Elite rabbit breeds

The farm uses livestock from the French progenitors of the Californian rabbit breed.

Californian rabbit breed is adapted at most to the Ukrainian climate and adapted to industrial conditions.



ПОДПИСАТЬСЯ

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Operating poultry complex

Region: Cherkassy

Price: \$1 200 000

An operating agricultural business in the field of growing and selling chicken products with a positive financial and legal history is offered for purchase.

Land plot – 16 hectares (lease agreements for 49 years)

14 capital poultry houses with a total area of 19,000 square meters, including 8 operating poultry houses with a full automated set of Roxel equipment (the cost of one new set today is EUR 50,000-60,000).

The production capacity of all poultry houses: 2,100,000 heads per year, or 4.8 thousand tons of commercial poultry per year.

There is an opportunity to place additional poultry houses on the territory in the amount of 8 pieces – 13,600 sq. m., which will increase the capacity by 1.8 times to 8.6 thousand tons of marketable poultry per year.

Slaughterhouse – 150 sq. m. with a capacity of 750 heads / hour, with a refrigerator of 10 tons and a reusable container (new equipment)

Office building with equipped offices, internet, telephone.

Power substation – 430 kW through two independent feeders (power reserve 60%)

Own artesian well for 20 m³ / h (new water supply system)

Straw storehouse 1,600 sq. m. (a possibility of storage of bedding material for 1 year)

Staff: 35 people

Sales: Availability of databases and counterparties for the sale of finished products – 120 counterparties, for the sale of live poultry – 250 counterparties, chicken waste – 5 counterparties.



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Marine grain terminal "Agria»

Region: Zaporizhia region,
Berdyansk

Investments: starting from
\$15 000 000

Attracting investment in the construction of additional capacities for simultaneous storage of 100 thousand tons of agricultural crops – \$ 15 million and the organization of trading and financing of trade operations – \$ 5 million. The payback period of the project is 5 years.

The investment project provides for the development of two adjacent land plots with an area of 3.1 hectares (proximate terminal) and 6 hectares (anchor chains production plant).

Characteristics of the terminal:

- Terminal area: 3.1 ha.
- Terminal cargo handling capacity: 770 thousand tons/year
- Transshipment volume for 2019: 394 thousand tons
- Rate: \$ 8/t.
- One-time storage capacity for agricultural products: 50 thousand tons, of which: 10 thousand tons – indoor floor storage; 20 thousand tons – 2 territories of outdoor storage
- Number of berthing facilities: 9
- Stock list of goods: grain, grain meal
- Way of loading: conveyor belts
- Loading rate: 5 thousand tons/day for one vessel
- Maximum parallel loading capacity: 4 vessels
- 6 points of simultaneous unloading
- Availability of a point for the simultaneous unloading of four railway grain carriers
- 65 meters distance from the terminal to berthing facilities
- The maximum draft in the port of Berdyansk is 7.9 m, which allows loading up to 13,000 tons of cargo onto the ship

The cargo base of the region is 3 million tons of grain.



ПОДПИСАТЬСЯ





Industrial and logistics complex in Kharkiv

Region: Kharkiv, Merefa

Price: \$4 000 000

Large industrial and logistics complex (former factory for the production of glass products) near Kharkov (Merefa) is for sale.

Current status: the profile equipment is being dismantled (scheduled completion – March 2019), after which the facility will be prepared for the conversion of activities. The object is not rented and does not have any encumbrances.

Possible courses of operations: chemical industry, machine-building industry, production of building materials, wood processing, agriculture, logistics and other types of industrial production.

Land plot: 12.47 ha (private ownership and partly long term lease).

Total area of buildings and structures: 40 853 sq.m.

Communications:

Electricity. Installed capacity-10000 kVA. The permitted capacity of the connection – 4100 kV. 1 class of energy consumption.

Gas. Gas is supplied to the territory. Medium pressure gas. The capacity of the project is 2500 cubic meters per hour.

Heat supply. Currently, there is no centralized heat supply to the buildings of the new production complex. An electric boiler is installed in the administrative building.

Water supply. Wells

Water disposal. Through its own biological treatment facilities with a capacity of 438.0 cubic meters/day

Railway branch. Demarcation zone with the railway station Merefa - 40 meters.



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“Korabel” recreation center

Region: Kherson

Price: \$1 700 000

Resulting from the loss of Crimean resorts, there has been a significant increase in the number of vacationers in Kherson region, and in particular, in "Korabel" recreation center in recent years.

"Korabel" recreation center is located on the seaside in Lazurne urban-type settlement and occupies a green area of 15 hectares, including its own beach.

The land plot is leased for 49 years until 2068.

The recreation center has the ability to accommodate 776 guests in double, triple and quadruple wooden houses or in a 5-storey building (from standard rooms to suites) simultaneously.

Financial results:

- 2016: Revenue - 11.2 M UAH, EBITDA - 2.8 M UAH
- 2017: Revenue - 14.0 M UAH, EBITDA - 3.1 M UAH
- 2018: Revenue - 17.4 M UAH, EBITDA - 4.6 M UAH
- 2019: Revenue - 20.9 M UAH, EBITDA - 5.9 M UAH
- 2020 budget: Revenue - 22.8 M UAH, EBITDA - 6.5 M UAH

Total area of buildings in ownership: 14 945 sq.m. (including the main capital buildings with an area of 11,325 sq. m.): 5-storey building - 4,234 sq.m.; dining room - 2 867.9 sq.m.; 2-storey administration building - 771.4 sq.m.; 119 frame-and-panel houses of 17.9 sq.m. each, etc.

The infrastructure of the recreation center includes its own beach, billiards, cafe, football field.

Electricity supply is carried out from a single infeed of 10 kV. Backup power is provided by 2 ship service diesel generators (SSDGs) of 220 kV each.

Permanent staff consists of 14 people.



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OPPORTUNITIES IN UKRAINIAN FARMLAND

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Individual search and selection of agriculture assets in Ukraine according to the investor's criteria



Complex Due Diligence of agricultural companies and assets (financial, legal, land bank)



Structuring the transaction of purchase and sale of agriculture assets in Ukraine



Services after acquisition (set up the organization), Finding C-level people, Land bank development, etc.