



STATE
PROPERTY
FUND
of UKRAINE



Investment Menu

TOP SOEs

Ready for Privatization

August 2020

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FOREWORD

The announced state policy of Ukraine is to attract investment through privatization, and I am pleased to attest that today there is indeed an unprecedented political will to conduct fair and transparent privatization of non-essential state assets. The numbers speak for themselves – while in the past 15 years 93 enterprises were transferred to the State Property Fund to be sold to the private sector, in the first five months of 2020 we received 408.

Owing to the support of the President of Ukraine and productive cooperation with the Cabinet of Ministers, our team was able to implement a new system of privatizing assets based on the principles of openness and impartiality.

To attract the maximum number of potential investors, we have completely transformed the Fund's approach to preparing assets for auction. For instance, guided by the tenet "everything the seller knows, the buyer should know too", we introduced virtual data rooms (VDR) where we publish comprehensive information about the asset, including all the documents, financial statements, and audit results. And since VDR is available online, investors can access it from anywhere in the world. Hence, we have completely changed the privatization process, and made it similar to standard M&A deal.

As illustrated by the growing number of bidders, our reforms are restoring confidence in privatization – last year an average of 2.1 participants competed for every asset, while this year the figure has risen to 3.4. And although this is the average, we have indicative cases like the sale of Dnipro Hotel where, in an auction that required an 8 million UAH guarantee deposit, 29 bidders took part. Consequently, due to the open and impartial contest, the price grew from 81 million UAH to 1 billion 111 million UAH. Is this case unique? In terms of the revenue that the Treasury will receive and the lot's potential as a hospitality asset in the center of the capital – yes. But in terms of the system, the State Property Fund followed its now routine procedures, built to be fair and transparent.

As a result, of the implemented changes, we were able to exceed the annual plan of privatization revenues by May of this year. I addressed the Parliament and the Cabinet of Ministers with a proposal to increase this plan fivefold. Privatization is important not only as a source of revenue for the budget, crucial as it may be in times of a global economic crisis, but it is also an instrument to revitalize and attract investment into Ukrainian economy. For instance, statistics show that for every hryvnia spent on purchasing an asset, the new owner invests an additional 4-6 hryvnias in modernization, which translates into new jobs and economic growth. Therefore, we greatly value the trust of our potential buyers and work to create more investment opportunities in non-essential state assets through their transformation into profitable businesses.

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FOREWORD

Ukrainians have already seen this and are actively participating in privatization. Now we want to expand our reach and welcome more foreign investors to take part in our auctions. To fulfil the function of clear and timely communication with potential buyers, including those from abroad, we created the Investor Relations (IR) service. IR provides advisory support to anyone wishing to invest in our economy. And to aid with selection, we have produced and present to you this Investment Menu, which contains the highlights from our range of opportunities for profitable investment. Among them is a giant of Ukrainian chemical industry Odesa Portside Plant, Ust-Dunaisk Seaport located at the confluence of the Danube and the Black Sea, Electrovazhmash plant which produces turbo and hydro generators, in demand both domestically and internationally, and other assets which, with modernization and good governance, can offer exceptional value for money.

Currently, the Fund is preparing these assets for sale. I am confident that together we will achieve excellent results: investors in the form of profitable assets and Ukraine in the form of revenues for the Treasury, creation of new workplaces and economic growth.

Dmytro SENNYCHENKO
Head of the State Property Fund of Ukraine



OBJECTIVES AND STRUCTURE

Publication of this report was initiated by the State Property Fund of Ukraine (SPFU) in order to present investment opportunities through privatization process in a transparent and comprehensive way. Since the document's main target audience is predominantly prospective foreign investors, it presents an overview of Ukrainian economy, key sectors in which Fund's assets operate as well as general, financial, and operational summaries of state-owned enterprises.

Overall scope of this report exclusively covers only those state-owned enterprises (SOEs) that are currently being owned and managed by the State Property Fund of Ukraine, meaning portfolio of assets ready for privatization. As the Fund's portfolio for privatization consists of 568 SOEs (as of July 2020) in different sectors, this report presents TOP-30 enterprises split by six sectors, namely, Electricity, Chemicals & Mining, Machinery, Real Estate, Transport, Agri & Food, with the remaining overviewed in a summary table layout. It is important to note that the rest of SOEs, not owned by the Fund (e.g. yet not transferred to the Fund's ownership, forbidden to be privatized or strategic enterprises, etc.), are excluded from this report.

The report consists of four main sections. The first section describes Fund's current mission and mandate, its management team, a snapshot of TOP-30 SOEs presented in the report and recent progresses. As it was important to introduce prospect foreign investors and buyers of the Fund's assets into a privatization in Ukraine from a procedural point of view, the second section of this report covers an overview of how to participate in privatization of entities owned by the Fund and take part in public auctions. The third section provides a short overview of the Ukraine's economy, followed by the fourth section highlighting key developments in the selected top sectors as well as an overview of detailed profiles of TOP-30 SOEs within those sectors.

TOP-30 PORTFOLIO SNAPSHOT

Figure 1. TOP-30 split by revenue, UAH b

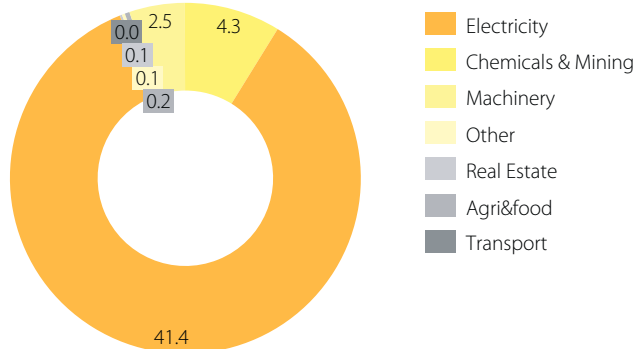


Figure 2. TOP-30 split by assets value, UAH b

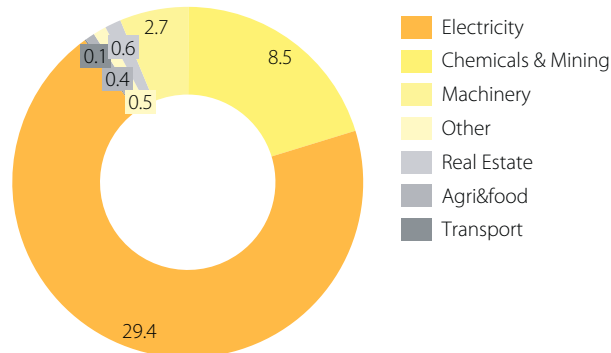


Table 1. Summary of TOP-30 SOEs within SPFU portfolio

No	Enterprise	Sector	Privatization Scale	Assets value, UAH b	Revenue, UAH b	Share for privatization
1	Centerenergo	Electricity	Large	8.20	14.50	78%
2	Kharkivoblenergo	Electricity	Large	6.00	9.05	65%
3	Zaporizhiaoblenergo	Electricity	Large	3.10	6.15	60.3%
4	Khmelnyskoblenenergo	Electricity	Large	2.40	2.78	70%
5	Mykolayivoblenergo	Electricity	Large	1.20	3.74	70%
6	Ternopiloblenergo	Electricity	Large	0.94	2.07	51%
7	Kryvyi Rih CHP	Electricity	Large	3.50	0.77	100%
8	Dnipro CHP	Electricity	Large	1.60	0.45	99.9%
9	Severodonetsk CHP	Electricity	Large	0.81	0.63	100%
10	Kherson CHP	Electricity	Large	0.53	0.41	99.9%
11	Odesa CHP	Electricity	Large	0.86	0.49	99.9%
12	Mykolayiv CHP	Electricity	Small	0.26	0.40	100%
13	Odesa Portside Plant	Chemicals & Mining	Large	5.10	1.11	99.6%
14	United Mining and Chemical Company	Chemicals & Mining	Large	3.40	3.21	100%
15	Electrovazhmash	Machinery	Large	1.80	2.34	100%
16	Dnipro Electric Locomotive Building Plant	Machinery	Small	0.23	0.04	100%
17	Radiorele Plant	Machinery	Small	0.22	0.03	100%
18	First Kyiv Machinery Plant Bilshovyk	Machinery	Large	0.36	0.08	100%
19	Kherson plant Sudmash	Machinery	Small	0.07	0.00	100%
20	Ust-Dunaïsk Merchant Seaport	Transport	Small	0.04	0.00	100%
21	Skadovsk Merchant Seaport	Transport	Small	0.02	0.00	100%
22	President Hotel	Real Estate	Large	0.32	0.04	100%
23	Hotel Dnipro	Real Estate	Small	0.25	0.06	100%
24	Hotel Slovianskyi	Real Estate	Small	0.06	0.00	100%
25	Ivano-Frankivsky Grain company	Agri & Food	Small	0.07	0.01	100%
26	Dunayevetsky Grain company	Agri & Food	Small	0.08	0.08	100%
27	Novopokrovsky Grain company	Agri & Food	Small	0.18	0.11	100%
28	Myrogoshchansky Agrarian	Agri & Food	Small	0.04	0.01	75%
29	Ukragrolisyn	Other	Large	0.43	0.12	100%
30	Institute of Titanium	Other	Small	0.08	0.02	100%

ABOUT SPFU

INTRODUCTION

The State Property Fund (SPFU or Fund) is a central executive body that implements policies related to privatization, lease, use, disposal, and management of state property and corporate rights of the State, it also regulates professional valuation activities. Fund's mission is to increase investment attractiveness and competitiveness of the Ukrainian economy by performing the following key activities:

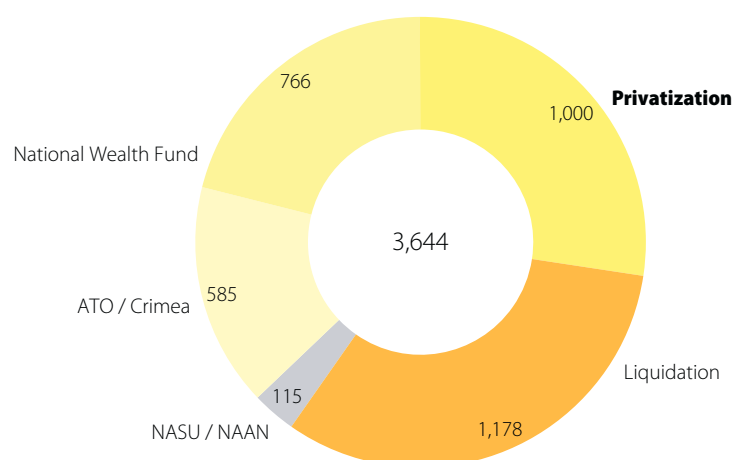
- Implementation of the state policy in privatization;
- Corporate governance;
- Management of the state property assets;
- Property valuation;
- Open data and registers.

SPFU is entrusted with the following tasks:

- Combating corruption and effectively managing anti-corruption policy in state-owned companies;
- Attracting investments through privatization;
- Effective and transparent leasing of state property;
- Implementation of innovative methods of state property valuation;
- Position every Ukrainian as an investor.

According to the Fund, there were 3,644 state-owned enterprises (SOEs) in Ukraine, out of which 1,178 are to be liquidated as they don't hold any value, and 585 are in the ATO area and temporarily occupied Crimea. Additionally, around 300 SOEs in Ukraine have strategic value and, according to the government's current policy, are not considered for privatization, including enterprises in the defense sector, natural monopolies, and those with high social value such as Ukrposhta (state postal service), Ukrzaliznytsia (national rail transport operator), Boryspil International Airport, and others. The remaining 1,000 enterprises are subject to privatization and can be clustered into two groups: small-scale privatization entities (less than UAH 250m in value) and large-scale privatization entities (more than UAH 250m in value).

Figure 3. Breakdown of SOEs as of July 2020



In 2019 and 2020 alone, more than 700 enterprises were transferred to the Fund for further privatization, which is a significant increase in the Fund's portfolio compared to less than 100 SOEs that were transferred during the last 10 years cumulatively. The key goals of the privatization process are to (a) attract direct investments and strategic investors, (b) bring additional revenue to the state's budget, (c) increase transparency and fight corruption.

PRIVATIZATION PROGRESS

Figure 4. Role of SPFU in privatization since 2019

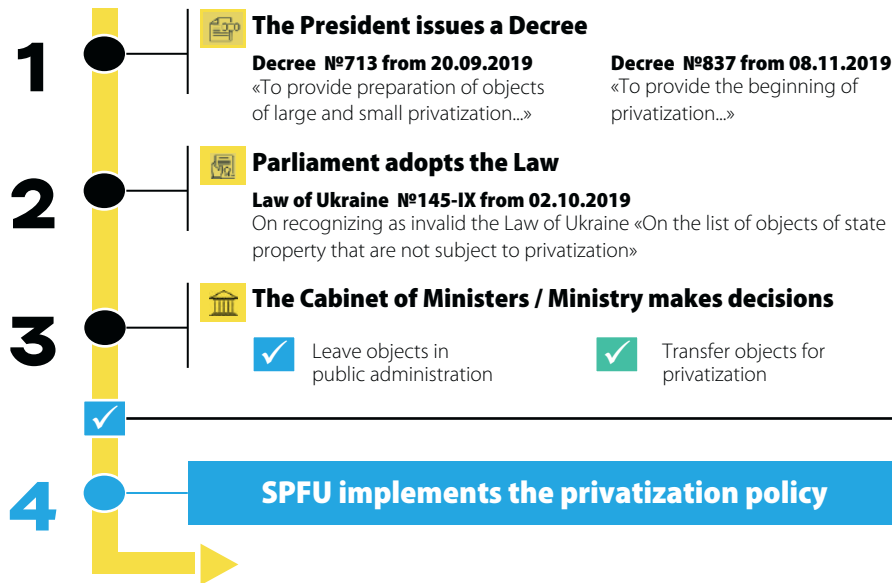


Figure 5. Privatization results as of July 2020

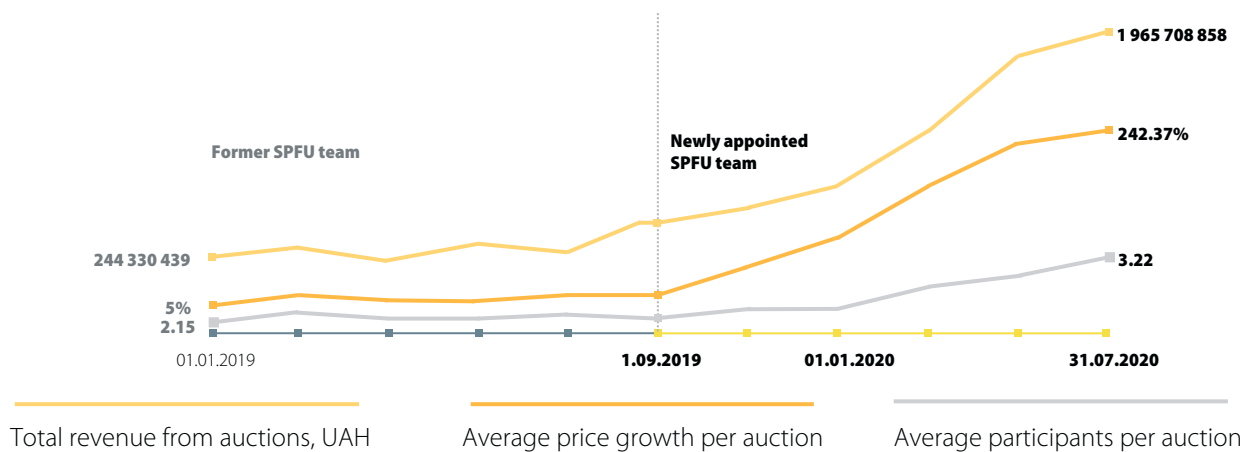
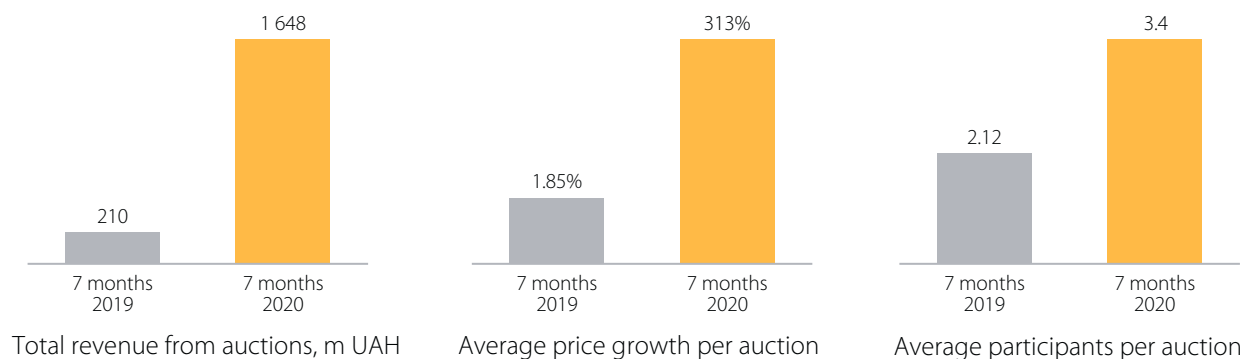


Figure 6. Small-scale privatization results (2020 vs 2019)



On July 15, 2020, the SPFU successfully completed a transparent privatization auction of the Dnipro Hotel that is already considered a flagship case, increasing a price almost 14-fold vs initially valued (UAH1.1b vs 81m) and attracting 29 bidders.

MANAGEMENT TEAM

SPFU management team consists of highly experienced and qualified professionals who are former investment bankers, valuation experts, corporate governance, corporate finance and law professionals with western education and rich track record in the industry. The average team' experience working in Ukraine is 15 years.

Dmytro Sennychenko – Head



- **20+ years of leadership experience in real estate, international development, NGO and public administration**
- Headed the German Technical Assistance Office in Ukraine - Deutsche Gesellschaft fur Internationale Zusammenarbeit (GIZ) GmbH
- As a Director of Real Estate and Infrastructure Management provided corporatization and reform of Ukrposhta
- Held positions as Vice President of the Infrastructure and Real Estate Committee at the American Chamber of Commerce (ACC), corporate executive of Ukrainian Real Estate Club (URE Club), member of the Entrepreneurs Council at the Cabinet of Ministers of Ukraine
- MBA, International Management Institute (Ukraine)

Leonid Antonienko – First Deputy Head



- **15+ years of managerial experience in financial sector, real estate, and policy making**
- Participated in the working groups to initiate and implement several reforms, namely: launch of the ProZorro.Sale system for the privatization of communal property; VlasCom on-line platform for lease administration in Kyiv City; form supervisory board for communal enterprises, etc.
- Co-legislator of many laws and a draft bill on lease and management of state and communal property, corporate agreements, protection of investors' rights; corporate governance, etc.
- LL.M, University of Reading (U.K.)

Denys Kudin – Deputy Head



- **15+ years of experience in strategy, corporate governance, and operational management**
- Introduced best practices of corporate governance at various manufacturing, energy, and retail firms
- Private equity manager focusing on growth capital investments across Ukraine and the region
- MBA, Columbia University (USA) and London Business School (U.K.)
- Master, Taras Shevchenko Kyiv National University (Ukraine)

Yulia Belova – Deputy Head



- **15+ years of experience in change management, transformation, and performance improvement**
- EU-accredited HRM consultant in the EU4PAR International Project of Public Administration Reform
- As a Director of the Department on organization development, efficiency management and HR at PJSC “Ukrposhta”, she conducted an effective organization transformation of the company, centralization of the branch network’s management, implemented a system of HR efficiency
- Master, Tugan-Baranovsky Donetsk State University of Economics and Trade (Ukraine)

Taras Yeleyko - Deputy Head



- **15+ years of experience in investment management, asset management, and sales**
- As a Head of the Consolidated Asset Management Department at the Deposit Guarantee Fund of Ukraine, he developed an efficient process for selling assets of insolvent banks via Prozorro system assuring more income of UAH 18 billion to come to the national budget of Ukraine
- Conducted 7 successful auctions involving international advisers
- PhD, National Academy of Sciences (Ukraine); Master, National Ivan Franko University (Ukraine)

Kostiantyn Koshelenko - Deputy Head



- **15+ years of experience in financial sector, business development, and M&A**
- Held several senior positions including Director of the Department at Delta Bank, Chairman of the Board at Trust Bank, Business Director for EasyPay terminals settlement and Deputy Chairman of the Board at Forward Bank
- Participated in the creation of regional networks and digitization of banks, as well as realized projects as Bank.ID, Apple Pay, and development of mobile apps
- MBA, Kyiv-Mohyla Business School (Ukraine)

Andrii Yegorov - Deputy Head



- **10+ years of managerial experience in professional valuation, strategic consulting and investment in real estate**
- For 10 years, Mr. Yegorov has been with JLL, where for the last 2 years held the position of head of the Consulting Services Group
- Has experience in project and business process management, skills in developing concepts, financial analysis and investment strategies for developing a real estate business
- MD, Kyiv National University of Construction and Architecture (Ukraine)

HOW TO PARTICIPATE IN PRIVATIZATION

INTRODUCTION

The following information covers user-friendly instruction for a prospective buyer of SPFU assets. The content is structured and presented in a frequently-asked questions (FAQ) format. However, a more detailed information, especially in terms of legal matters, can be found in Ukraine's law related to privatization and state ownership. Furthermore, the State Property Fund of Ukraine is open to answer any clarification questions from a prospect investor.

Who can participate?

The privatization process is open to any company (regardless of residency) that meets transparency criteria (Ultimate Beneficial Owners (UBOs) are duly identified), except for those blacklisted by Financial Action Task Force (FATF) or located offshore. Special restrictions apply to entities with Russian roots and under sanctions of Ukraine, as well as the bidders with bad history in earlier privatizations.

What kinds of objects are available?

All privatization objects are divided into small- and large-scale privatization objects. Objects of small-scale privatization include not only state-owned enterprises and stakes but also objects of unfinished construction and socio-cultural purposes, separate movable and immovable property, the value of which does not exceed UAH 250 million. Such objects can be sold exclusively through the government's electronic trading system ProZorro.Sale. If the cost of the object is higher than UAH 250 million - these are large-scale privatization objects. The sale process of such enterprises involves investment advisers, who gather all the necessary information, prepare the object for privatization, and look for potential investors.

How can we find out about current offerings?

The lists containing information about the objects of both categories are available at the SPFU's website. Please consult with the SPFU for further details.

What if we want the objects that are not in the lists?

The list of the available objects can be extended upon request of a potential buyer. Certain objects cannot be privatized. Please contact the SPFU for further guidance.

We are interested, what is next?

You should await publication of the privatization announcement and apply for participation. Small-scale privatization is organized through Prozorro.Sale government portal.

How to apply?

The details will be provided in the respective announcement. Please make sure you have:

- the application;
- excerpt from the State/Commercial/Court register confirming registration of the company, duly certified and translated into Ukrainian;
- information about UBOs;
- Financial Report;
- consent to the conditions of a sale and purchase agreement (for large scale projects, prior negotiation of the SPA is possible);
- confirmation of the (i) guarantee deposit and (ii) registration fee payment.

What is the guarantee deposit /registration fee?

The guarantee deposit amounts to 5% of the starting price for large scale privatization (it can be paid in non-Ukrainian currency or substituted by irrevocable bank guarantee subject to the requirements of the National Bank of Ukraine), or 10% for the small-scale privatization to be paid by wire transfer.

The registration fee is nominal and equals 10 minimum wages for the large-scale privatization and 0.2 minimum wages for the small scale one. The minimum wage is constantly reviewed and, as of Jan 1, 2020, amounted to UAH 4,723.

The guarantee deposit amount is paid back within 10 business days upon completion of the bidding process (which is fixed by a protocol) or is set-off against the purchase price to be paid by the winner.

Will any currency restrictions apply?

Currency transactions on purchase of privatization objects are treated as investment from the FX perspective. The national regulator – the National Bank of Ukraine has recently removed all the notable restrictions making the regime the most liberalized and investor-friendly. Investment funds can be freely transferred to Ukraine from investors' foreign accounts or accounts opened with the Ukrainian banks. With the new anti-money laundering rules effective from April 28, 2020, any currency transactions exceeding the ceiling of UAH 400,000 fall under financial monitoring. It is recommended to consult with your bank beforehand.

How to participate?

Depending on the type of the objects and privatization, the process varies appreciably. The details are provided in the announcement, you may also consult with SPFU in advance.

Ukraine duly protects the interests of the potential buyers by imposing effective restrictions on the management of the objects being privatized in order to maintain due value of the object throughout the privatization process.

We have won the bid. What's next?

The next step is execution of a sales-and-purchase agreement. The purchase price shall be paid within a 30 calendar days period after the sales-and-purchase agreement is signed.

Privatization is deemed completed upon transfer of ownership rights, which shall be confirmed by the SPFU order. Certain type of assets (unified property complexes / unfinished constructions / property objects) may require from the investor further actions to register the title.

Are there any FDI or other approval requirements we should be concerned about?

There is no FDI control system in Ukraine yet. Certain transactions may require prior [merger control] approval by the Antimonopoly Committee of Ukraine (AMCU). The approval can be obtained after completion of the bidding process, but before title (lease or ownership) to the privatized object is transferred to the acquirer. Please refer to the AMCU's website www.amcu.gov.ua for further details.

What can we do if we were not permitted to participate in the privatization or disagree with the way the process was handled, including selection of the winner?

All steps can be appealed to courts on different merits. Please act promptly, as statute of limitation range from three years to merely one or three months depending on certain categories of claims.

Why, in small-scale privatization, a book value reflected in a balance sheet might differ from an initial bid price? For instance, Dnipro Hotel had UAH250m in book value, but its starting price was UAH81m.

According to the law, a valuation procedure within small-scale privatization is different considering the ownership type – namely, for the State Enterprise type, a balance sheet value is applied, but, for the Public Joint Stock Company type, a stocks at par approach is applied. In Dnipro Hotel case, as it is a PJSC type with a balance sheet value of UAH249m versus UAH81, stocks at par.

The lists containing information about the objects of both categories are available at the SPFU's privatization website - www.privatization.gov.ua, in which virtual data rooms available for all privatization objects.

Please consult with the SPFU for further details at ir@spfu.gov.ua.

SMALL-SCALE PRIVATIZATION

Small-scale privatization units include enterprises and property, the value of which does not exceed UAH 250m. According to the Law of Ukraine “On Privatization of State and Communal Property”, such objects are sold exclusively through government’s electronic trading system [Prozorro.Sale](http://prozorro.sale).

Small-scale privatization has opened up new business opportunities with a goal to buy something freely and transparently from the state. Privatization is conducted publicly. Closed-door arrangements are excluded. Sales through the electronic system Prozorro.Sale does not allow to restrict access to bidding or create artificial conditions.

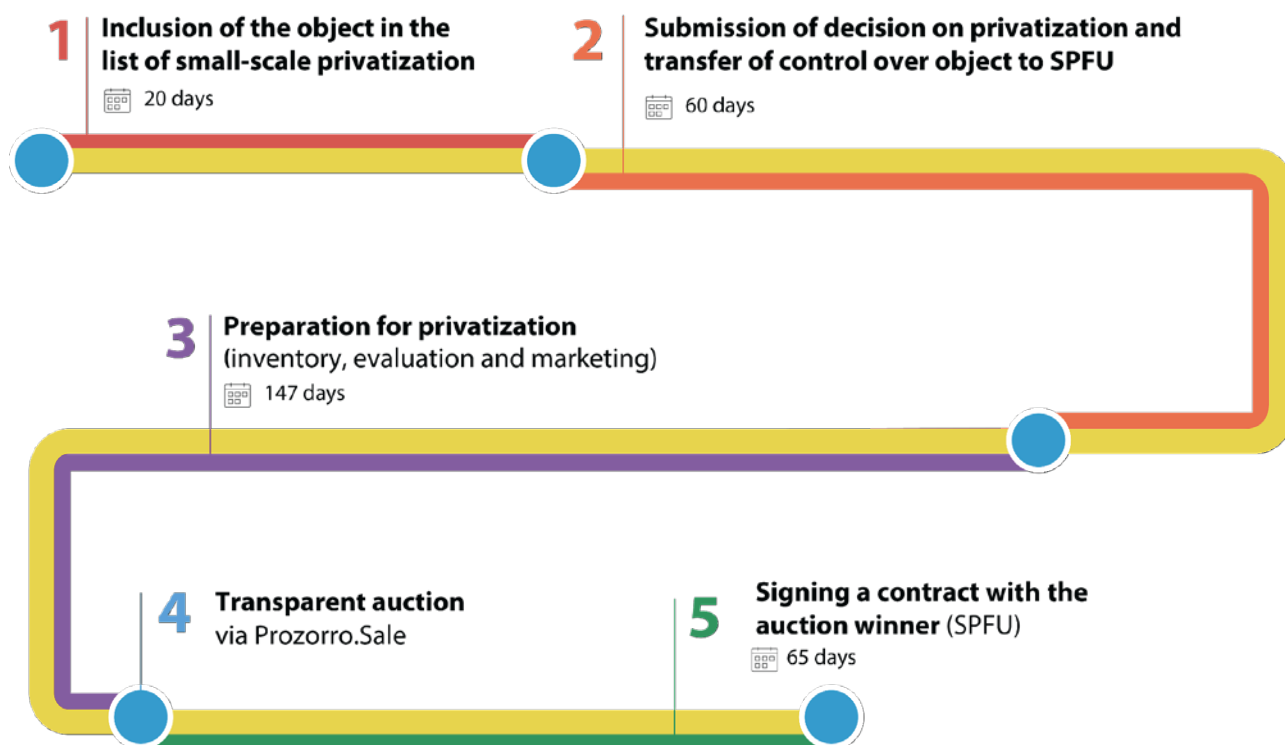
All information on the objects is publicly available (<http://privatization.gov.ua/> or <https://prozorro.sale/>). Anyone can participate in the auction or watch it online through the [Auction Search](#).

The Prozorro.Sale system consists of two levels:

- The first level – a central database with all objects;
- The second level – dozens of trading platforms that advertise lots and attract buyers.

The access to the competition in the system is open through any of these platforms. This approach eliminates the possibility of negotiating with everyone, respectively, the auction is always competitive. If there is competition - the market price is formed.

Figure 7. Process Flow in Small-scale Privatization



The standard procedure for the small-scale privatization takes 9-10 months before the auction date

LARGE-SCALE PRIVATIZATION

Large-scale privatization facilities include state-owned enterprises, the value of which exceeds UAH 250m. The sale process of such enterprises involves investment advisers, who gather all the necessary information, prepare the object for privatization and look for potential investors.

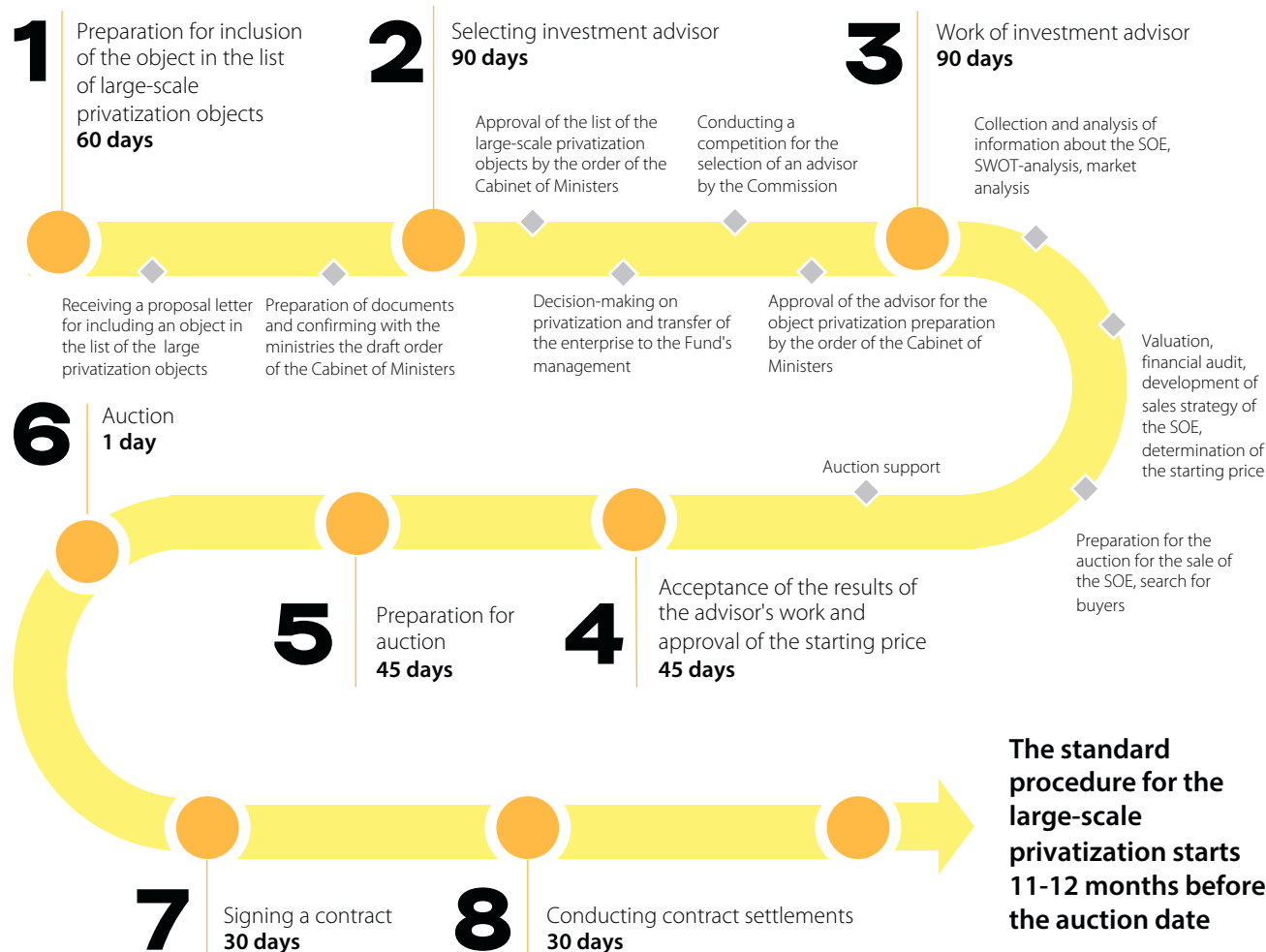
Each large-scale privatization object is unique, so the preparation for the sale of each will be carried out separately and as efficiently as possible - for the sale at the highest price. Then, a public open competition is conducted to determine the winner.

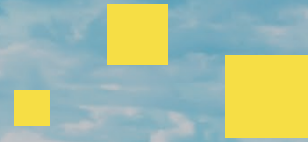
Important information on the large-scale privatization plans in 2020

The state policy is to find a profile investor who will offer the highest price in a fair tender and will be able to fulfill all post-privatization conditions. Now is not the best time to hold tenders to sell large SOEs – investors and entire countries are now facing a pandemic crisis, a global decline of business activity, and the fall of the world economy. However, the preparation of enterprises to attract investors continues. Audits and development of marketing materials are carried out for the fastest auctioning of objects immediately after the crisis.

Figure 8. Process Flow in Large-scale Privatization

STAGES OF LARGE-SCALE PRIVATIZATION





Ukrainian Economy



UKRAINIAN ECONOMY

GEOGRAPHICAL LOCATION, NATURAL RESOURCES, AND MARKET VOLUME MAKE UKRAINE A COMPETITIVE PLAYER IN EUROPE

Ukraine is the 7th largest country in Europe by households (37.3m as of the end of 2018), and thus is one of the biggest consumer markets in the region³. Its favorable geographic location makes the country a natural transportation link between Europe, Russia and Central Asia. Ukraine boasts abundant natural resources. Its land is endowed with “chernozem” (or “black earth”), one of the most fertile soils. With 41 million hectares of agricultural land (71% of the country’s total landmass), Ukraine accounts for about 25% of the global black soil area. The country boasts the world’s 7th largest proven coal deposits (4% of the world total, approximately 34 billion tons)⁴ and crude iron ore reserves. According to the U.S. Energy Information Administration, Ukraine has the 3rd largest technically recoverable shale gas resources in Europe (1.2 trillion cubic meters) after France and Norway.

ECONOMY

ABUNDANT NATURAL RESOURCES SHAPED UKRAINE’S ECONOMIC STRUCTURE

An abundance of natural resources and forced industrialization during the Soviet era made the industry a driving force of the Ukrainian economy. As Ukraine has been transforming into a post-industrial economy over the past decade, the industry’s share shrank to 23% of gross value added in 2018 from 32% in 2008, one of the lowest levels in Ukraine’s peer group. However, the industry still has a strong impact on GDP dynamics due to its interconnections with other sectors, such as trade and transportation. Ukraine’s industrial enterprises produce mostly low-value-added goods such as iron ore, coal, gas and semi-finished steel. Industry’s value-added-to-output ratio was 18% in 2018 compared to 34% for the overall economy. At the same time, the agriculture’s share of gross value added (10% in 2018) remained substantially higher than the average for Ukraine’s peer group, reflecting the country’s fertile soil. Ukraine is the global leader in the production of sunflower oil and sunflower meal, a top-10 global producer of wheat and corn, and ranks top-5 in barley and buckwheat production

Figure 9. Share of agriculture, 2018, % of gross value added

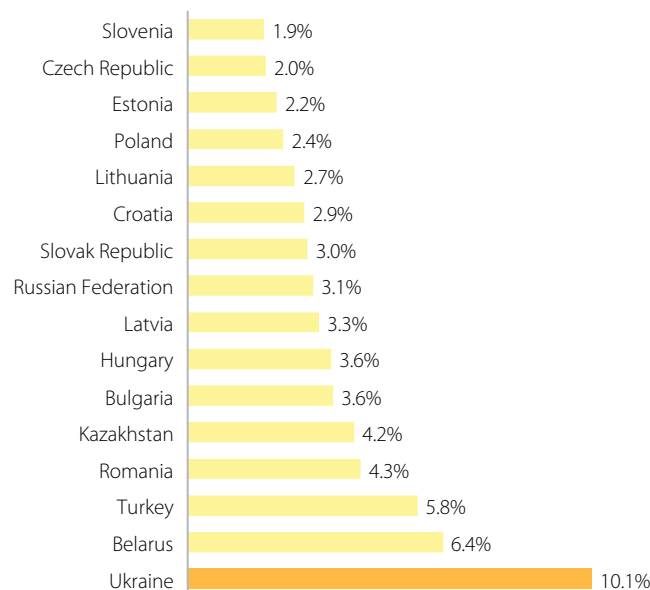
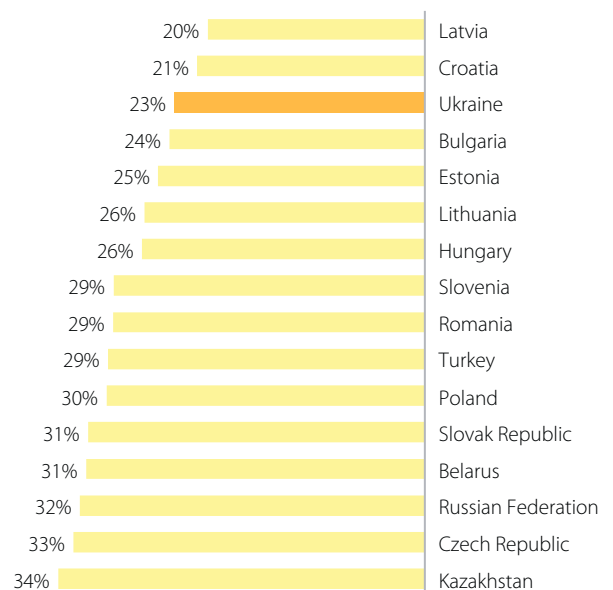


Figure 10. Share of industrial sectors and construction, 2018, % of gross value added



³Unless otherwise noted, data excludes Crimea, which was occupied by Russia in March 2014. The Crimean peninsula has an area of 27,000 km², its households was at 2.4 million people in 2013 (5.2% of Ukraine’s total at the time), and it accounted for 3.8% of Ukraine’s 2013 GDP

⁴Based on U.S. Geological Survey and U.S. Energy Administration estimates that include reserves in the regions occupied by Russian-backed separatists

UKRAINE HAS AN OPEN ECONOMY THAT RELIES ON COMMODITY EXPORTS | Structurally, Ukraine is a relatively small, open and commodity-based economy. In 2018, it ranked 59th globally in terms of nominal GDP (\$131bn) and was 49th based on purchasing power parity (PPP) GDP. Ukraine's per capita GDP was at \$3,102 (\$9,283 based on PPP) last year — 130th worldwide (116th based on PPP). Ukraine's external trade turnover in goods and services is equivalent to 99% of GDP. Commodities account for over 2/3 of Ukraine's merchandise exports, one of the highest ratios in the region except Kazakhstan and Russia. In contrast to its oil- and gas-rich neighbors, Ukraine is dependent on export of metal and mining commodities, and agricultural products. While metals' share of exports shrank to 19% last year from 42% in 2007, the share of soft commodities (primarily grain and sunflower oil) quadrupled over the past decade to 34% of total exports last year, reaching 47 Mt in volumes. This percentage remains the highest in the region, mirroring Ukraine's status as one of the world's largest producers and exporters of agricultural commodities and making Ukraine relatively resilient to a potential manufacturing slowdown in Europe and globally. Machinery and manufactured consumer goods prevail in non-commodity exports.

Figure 11. Share of industrial sectors (incl. construction) and agriculture, % of gross value added

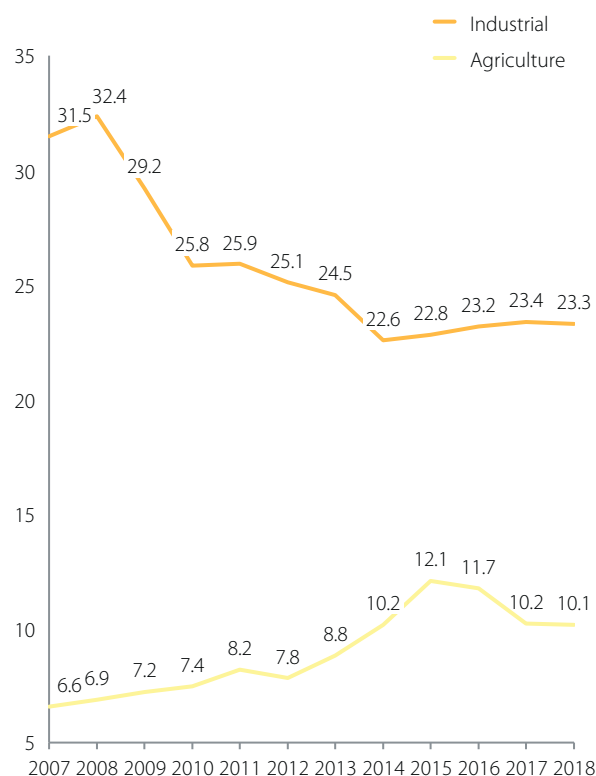
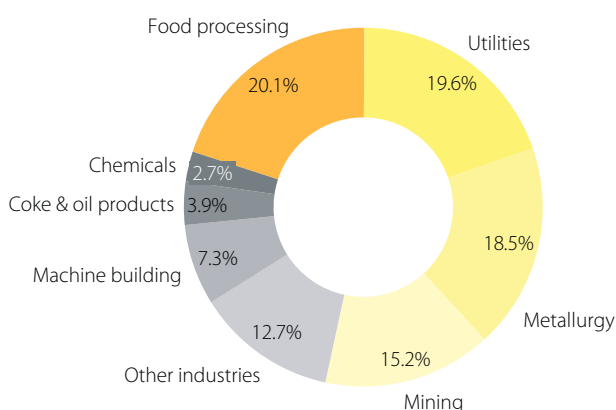


Figure 12. Breakdown of Ukrainian industrial sectors, % of total industrial sales, 2018



UKRAINE BECAME LESS DEPENDENT ON ENERGY IMPORTS | Ukraine has progressed in reducing its energy dependence over the past decade. Imports of energy commodities, natural gas and oil products, shrank to 23% of total merchandise imports in 2018 after peaking at 35% in 2011. Gas imports totaled 11 billion cubic meters (bcm) in 2018, reaching a new all-time low and satisfying a third of domestic demand. The domestic demand dropped to 32 bcm in 2016 from 60 bcm in 2011 and has since remained close to this level. Contributing to the decrease in gas imports were structural changes in the industrial sector in 2012-2013 and subsequent military conflict with Russia-backed separatists in the eastern Donetsk and Luhansk regions (Donbas). The conflict began in early 2014 and halted sizable energy-intensive production capacities, increasing the broader domestic economic weakness. Additionally, the sharp increase of tariffs stimulated savings and helped cut gas consumption and imports by bringing domestic gas prices to import parity. As its relations with Russia soured, Ukraine stopped buying gas from Russia in late 2015, switching to imports from the EU (through so-called reverse flows). The shift to EU gas supplies enabled Ukraine to cut imported gas costs from as high as \$427 per 1,000 cubic meters (tcm) in 2012 to \$202/tcm in 2016. However, as global oil prices recovered for most of 2017-2018, the weighted average gas import price rebounded to \$293/tcm in 2018. Still, with reduced gas consumption and gradually recovering domestic production, the gas import bill shrank to a mere \$3.1bn in 2018, down from \$14bn in 2011-12.

Figure 13. Total external trade turnover by countries, 2018, % of GDP

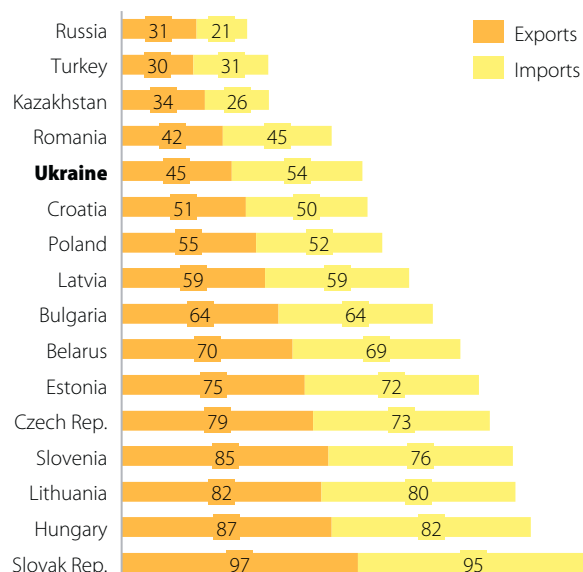
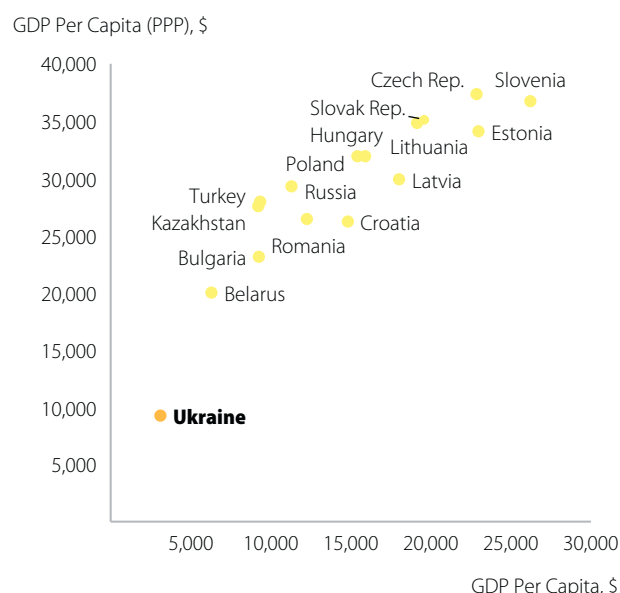
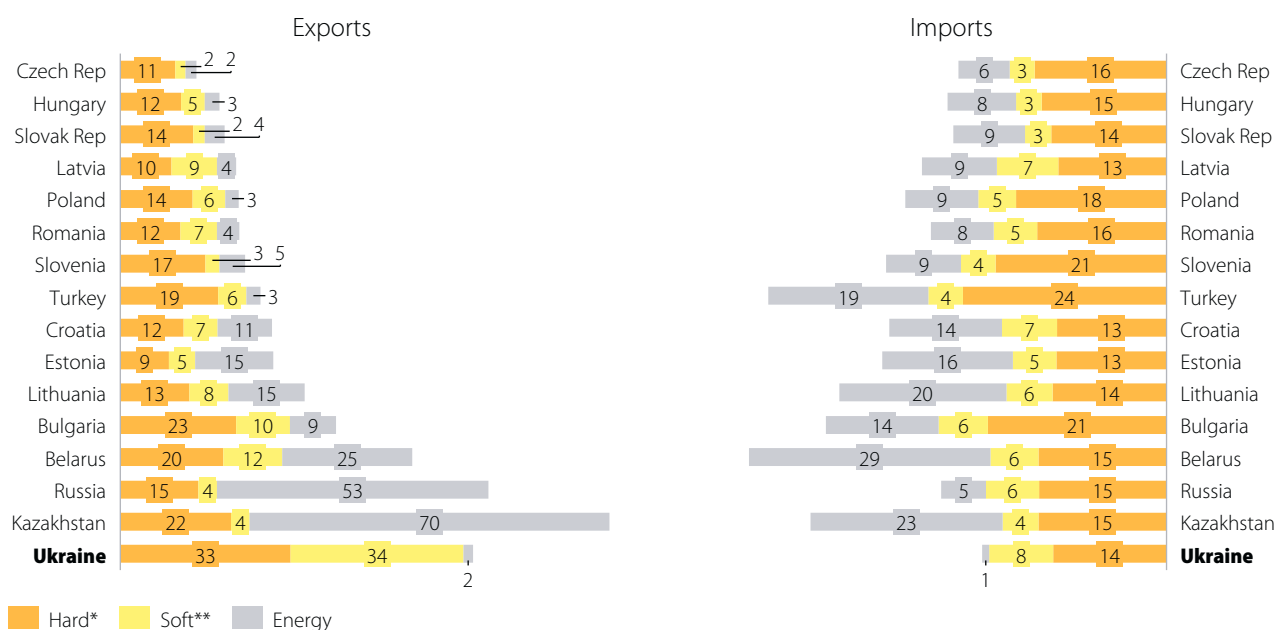


Figure 14. GDP Per capita, 2018



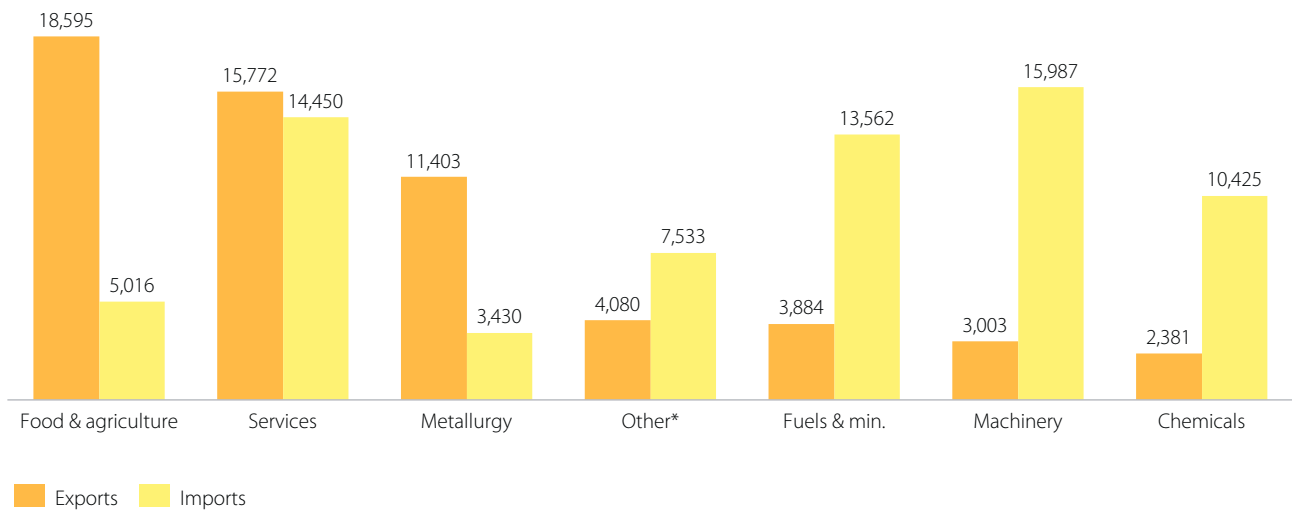
UKRAINE IS HIGHLY DEPENDENT ON GLOBAL COMMODITY PRICES | The composition of its trade flows makes Ukraine highly dependent on commodity price cycles and the state of the global economy. Ukraine's external position is especially sensitive to the global oil and steel prices. It is estimated that a 28% (\$21/bbl) increase in the global oil price or a 21% (\$100/t) drop in the steel price would worsen the country's trade balance by 1.0pp of GDP (see table on next page). Overall, the commodity structure of Ukraine's trade flows suggests that a synchronous increase in key commodity prices (oil, natural gas, grain, sunflower oil, steel and iron ore) would have a positive impact on the trade balance, while their simultaneous drop would cause the trade gap to widen. The worst-case scenario for Ukraine involves a combination of rising energy prices and declining soft and hard commodity prices, as this would deteriorate the trade balance and fuel inflation. However, the central bank's shift to a flexible exchange rate policy makes the real economy less vulnerable to external shocks.

Figure 15. Structure of commodities trade, 2018, % of merchandise export and imports



Note: *includes ores, metals and selected chemicals;
 **includes grains, sunflower oil and other agri commodities.

Figure 16. Ukraine's trade structure, 2018, b USD



Note: *mostly consumer goods.

UKRAINE HAS LOWERED THE GAS TRANSIT CAPACITY IN A NEW GAS AGREEMENT WITH RUSSIA |

Ukraine's Soviet-era gas transportation system used to be an important transit route for Russian gas and, thus, a source of export revenue. Russia's strategy to build new gas pipelines bypassing Ukraine has endangered the country's status as a major transit player. Ukraine pumped 87 bcm of Russian gas in 2018 or less than half of Russia's total gas supply to Europe compared to 80% in 2011. At the end of 2019, Naftogaz Ukrainy and Russia's Gazprom signed a new 5-year gas transit contract with a 10-year extension option. According to its terms, Naftogaz will book transit capacity for at least 65 bcm of gas in 2020 and 40 bcm in 2021-2024 (down from 90 bcm Gazprom pumped through Ukraine in 2019). The transit fee reportedly remained unchanged from the 2019 level at \$2.6 per thousand cubic meters per 100 km, but a ship-or-pay clause was added to the contract. Further, Gazprom paid Naftogaz Ukrainy \$2.9bn (\$2.6bn plus interest) to settle their dispute in the Stockholm arbitration court while Naftogaz released arrests on Gazprom's assets in Europe. Both parties also agreed to drop their reciprocal court claims and sign an out-of-court settlement.

Figure 17. Ukraine Gas Import Price and Import Bill

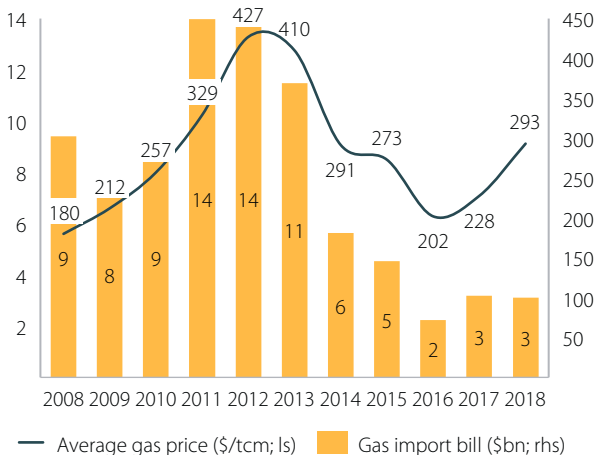
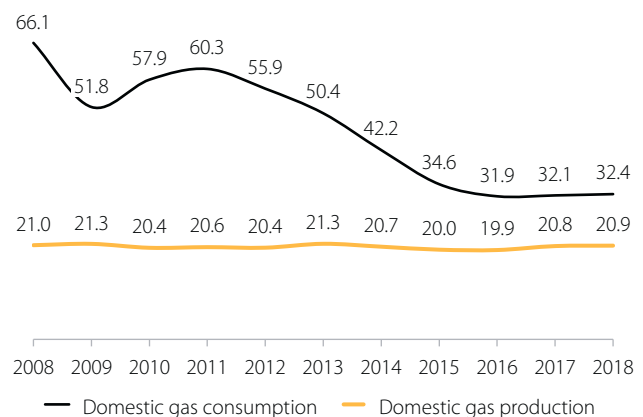


Figure 18. The volume of gas consumption and gas production, BCM



TRADE WITH RUSSIA REMAINS ON A DOWNWARD TREND | The war with Russia changed the geographical breakdown of Ukraine's external trade flows. Russia's share of Ukrainian exports, as high as 30% in 2011, shrank to a mere 12% in 2018. At the same time, the EU's share increased to 41% last year from around 25% in 2010-2013. Agricultural and metal products are Ukraine's major commodities sold to the EU accounting for 52% of total merchandise exports.

On the import side, Russia's share also narrowed, to 13% in 2018 from 32-35% in 2010-12. The contraction was mostly driven by energy imports (incl. terminated gas purchases), though fuels and minerals still accounted for a sizable 56% of total merchandise imports from Russia last year, consisting mostly of coal and oil products. Imports from the EU are diversified, including machinery (34% of 2018 merchandise imports), chemicals (25%), and fuels & minerals (14%), and represent a sizable share of total imports, or 42% in 2018.

Figure 19. Exports to EU and Russia (%)

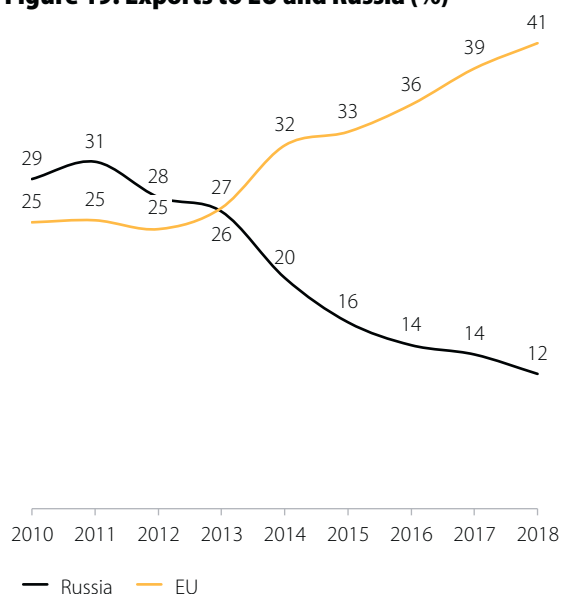
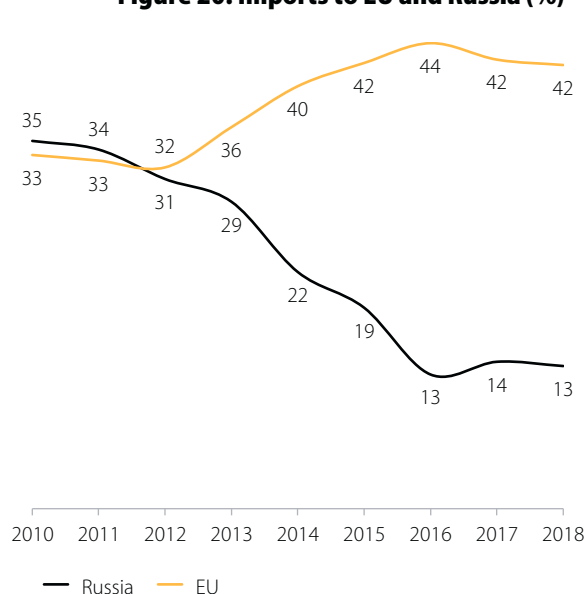


Figure 20. Imports to EU and Russia (%)



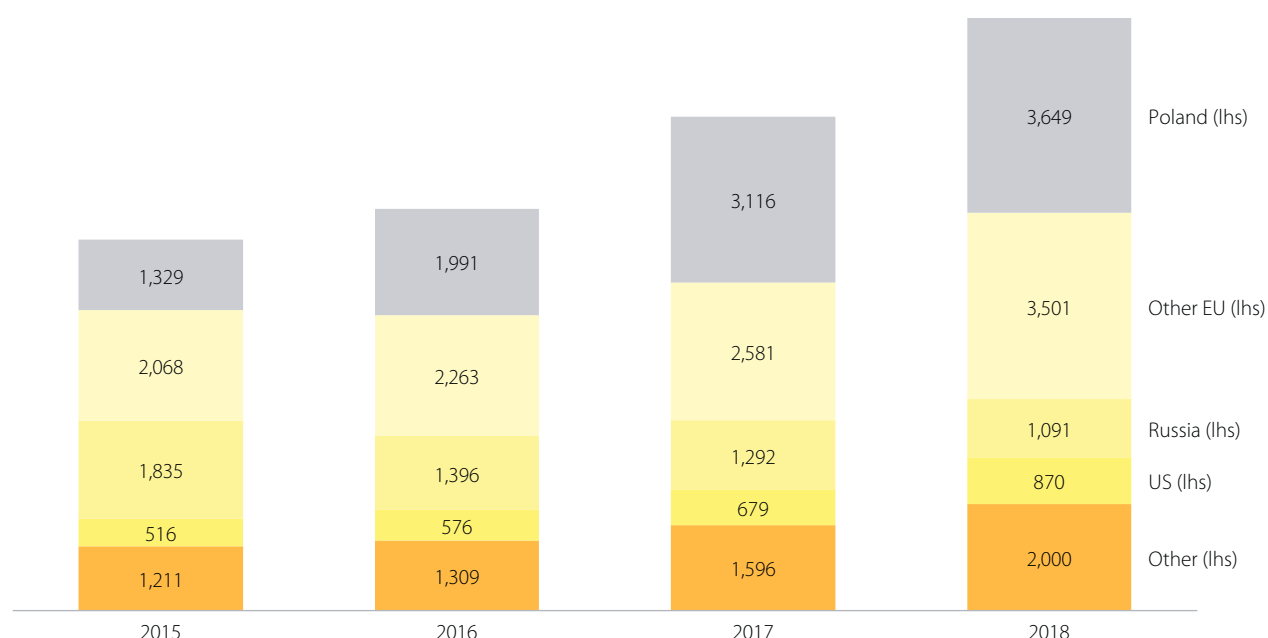
THE OCCUPATION OF CRIMEA AND THE WAR IN DONBAS COST UKRAINE AN EST. 12% OF GDP | Russia's occupation of Crimea in March 2014 and war in the Donbas region that started shortly after the annexation had a substantial impact on Ukraine's economy. Crimea accounted for 3.8% of 2013 GDP, while the eastern territories currently outside of Ukraine's control contributed a sizable 8.0% of GDP and 15% of total industrial production (estimates based on 2013 data). Following a substantial military de-escalation in the wake of an early-2015 Minsk peace deal many large companies physically located in the separatist-held area re-registered to central government-controlled territory. These companies while continuing to operate in the conflict zone paid taxes to the central government, sold their export revenues in the domestic interbank market and reported to the government statistical office. However, after another flare-up in early 2017, Russia seized control of key production assets in the Donbas territory as Ukraine officially banned trade with the occupied area. As a result, Ukraine lost access to substantial coal mining assets that caused the need in substitution imports.

DEMOGRAPHIC SITUATION

UKRAINE'S HOUSEHOLDS DECREASED BY 4.9M IN 18 YEARS | Ukraine's official households was at 42.2 million in 2018 making it the 7th largest consumer market in Europe. The working-age households (15-70 years old) totaled 29 million accounting for 70% of the total, and the labor force was at 18 million (44%) yielding a labor participation rate of 63%. However, official households' statistics should be treated with caution. Available data excludes Crimea but includes non-controlled Donbas territories. Around 3.5 million people lived in this territory when the war started in 2014. Out of this number, about 0.4 million relocated to Russia and registered as refugees there, while 1.5 million moved to Ukrainian-controlled territory and became internally displaced people. According to the results of an experimental electronic census conducted by the government, Ukraine's de facto households was 37.3 million people as of end-November 2019. This is 4.6 million below the corresponding official estimate of 41.9 million based on results of the last national census conducted in 2001 and adjusted for the number of registered births and deaths and residence registration data. The new electronic survey employed three methods – it used data from cellular operators, the Pension Fund of Ukraine, and the Ministry of Justice registries, with each of the three results deviating by no more than 2.9% from the aforementioned de facto assessment. Should the latest experimental assessment be recognized officially, it would boost Ukraine's latest per capita GDP by 13% to about \$4,100 (comparable with Indonesia, Mongolia and El Salvador) and will be up from \$3,635 based on the official households estimate (similar to Bolivia, Cabo Verde and Bhutan).

AN INCREASE OF LABOR MIGRATION VOLUME HAS A POSITIVE ECONOMIC EFFECT | Short-term labor migration to neighboring countries has intensified since 2015 and became another trend that affects Ukraine's labor market and is not reflected in demographic data. Labor migration is not a new phenomenon for Ukraine, but there was a notable shift in its geographic structure in recent years, which along with other factors boosted the number of labor migrants. While the conflict with Russia cut the number of Ukrainians looking for a temporary job in Russia, Poland simplified procedures for employing Ukrainians (and natives of some other countries) for short-term work. Ukraine's visa-free travel regime with the EU, introduced in mid-2017 further facilitated travel and job search. There is no reliable data on the number of work migrants. According to estimates by local think tanks, almost 4 million Ukrainians are involved in labor migration. About 2.6 million labor migrants are working abroad at any given point in time with Poland being the most popular destination. The number of the labor migrants stabilized last year while remittances kept increasing at a moderate pace reflecting growth in salaries. Growing labor migration has had a dual economic impact. Significant inflows of remittances reached 8.5% of GDP in 2018. Support of the C/A balance and the F/X market, an increase in household consumption, and improvement of the domestic companies working conditions can be considered as positive implications of growing labor migration. At the same time, growing labor costs and a lack of qualified workers could limit growth potential and add to inflationary pressures. Labor migration looks to be a temporary phenomenon. Based on opinion surveys, a majority of migrants (72%) say they go abroad in search of higher salaries, while 93% only look for short-term employment opportunities and plan to return. This suggests that the outflow of workers will shrink over time provided that the salary gap (EUR 223/month in Ukraine in 2018 vs. EUR 774 in Poland) gradually closes.

Figure 21. Breakdown of remittance inflows by countries, EUR



2019 DEVELOPMENTS

ECONOMIC RECOVERY IS DRIVEN BY INCREASE OF GDP, DOMESTIC CONSUMPTION AND INVESTMENT INFLOWS | Real GDP growth was at 4.6% year-on-year (y-o-y) in 2Q19 and 4.1% in 3Q19, increasing from 3.3% in 2018 and 2.5% in 2017. Economic recovery remained driven by domestic consumption and resulted in increase of investment demand. Growth in household consumption was at 11.8% y-o-y in 2Q19 and 8.4% in 3Q19 underpinned by a 18% increase in the nominal average salary over the year, growing pensions, remittances from short-term labor migrants, and slowing inflation. The domestic Consumer Confidence Index jumped by 30 points y-o-y to 92 points in December 2019 on a 0-200 scale as the popular assessment of domestic economic prospects improved sharply following the presidential and parliamentary elections. Investment in fixed capital increased by 16% y-o-y in 2018 and 12% in 9M19 as companies across many sectors modernized and expanded their production capacities. Business confidence remained on the rise and was supported by a stable macroeconomic environment and government reforms resulting in a better investment climate.

UKRAINE'S EXTERNAL POSITION REMAINED STABLE DUE TO THE HIGH GRAIN EXPORT AND FOREIGN CAPITAL INFLOWS

Ukraine's external position remains stable. The current account deficit ranged from 0.7-3.3% of GDP in 2016-2019 narrowing substantially from 6.0-9.0% of GDP in 2011-2013. The central bank's gross reserves increased to \$25.3bn by end-2019, a seven-year high and are equivalent to 4.0 months of imports. The hryvnia strengthened by 17% y-o-y in 2019, to UAH 23.7 USD and was supported by strong grain exports, favorable global commodity prices and sizable foreign capital inflows into domestic government bonds and the private sector.

INFLATION AND MONETARY POLICY | The National Bank of Ukraine (NBU) has pursued an inflation targeting regime and flexible exchange rate policy since early 2016. Consumer inflation was at 4.1% y-o-y as of end-2019 slowing down from 9.8% in 2018 and reaching the lower end of the NBU's target range of 4-6%. The rapid disinflation was a result of a tight monetary policy and hryvnia appreciation that offset the impact of growing production costs and expanding domestic demand. The NBU started to loosen monetary policy by slashing its key rate from 18.0% p.a. at end-2018 to 13.5% at end-2019 and trimming it further to 11.0% on January 30, 2020.

FISCAL POLICY | Ukraine has kept its fiscal deficit within 2.0-2.5% of GDP over the past five years (compared to 6-10% of GDP in 2012-2014) and run primary surpluses. Prudent fiscal policy, strong growth in nominal GDP, and UAH appreciation allowed for slashing the public-debt-to-GDP ratio by 30 percentage points to 51% in 2019 from 81% in 2016. The share of F/X debt declined by 7.5pp y-o-y to 63% as of end-2019, the lowest level since January 2015, due to sizable sales of UAH-denominated domestic bonds to foreign investors and hryvnia appreciation.

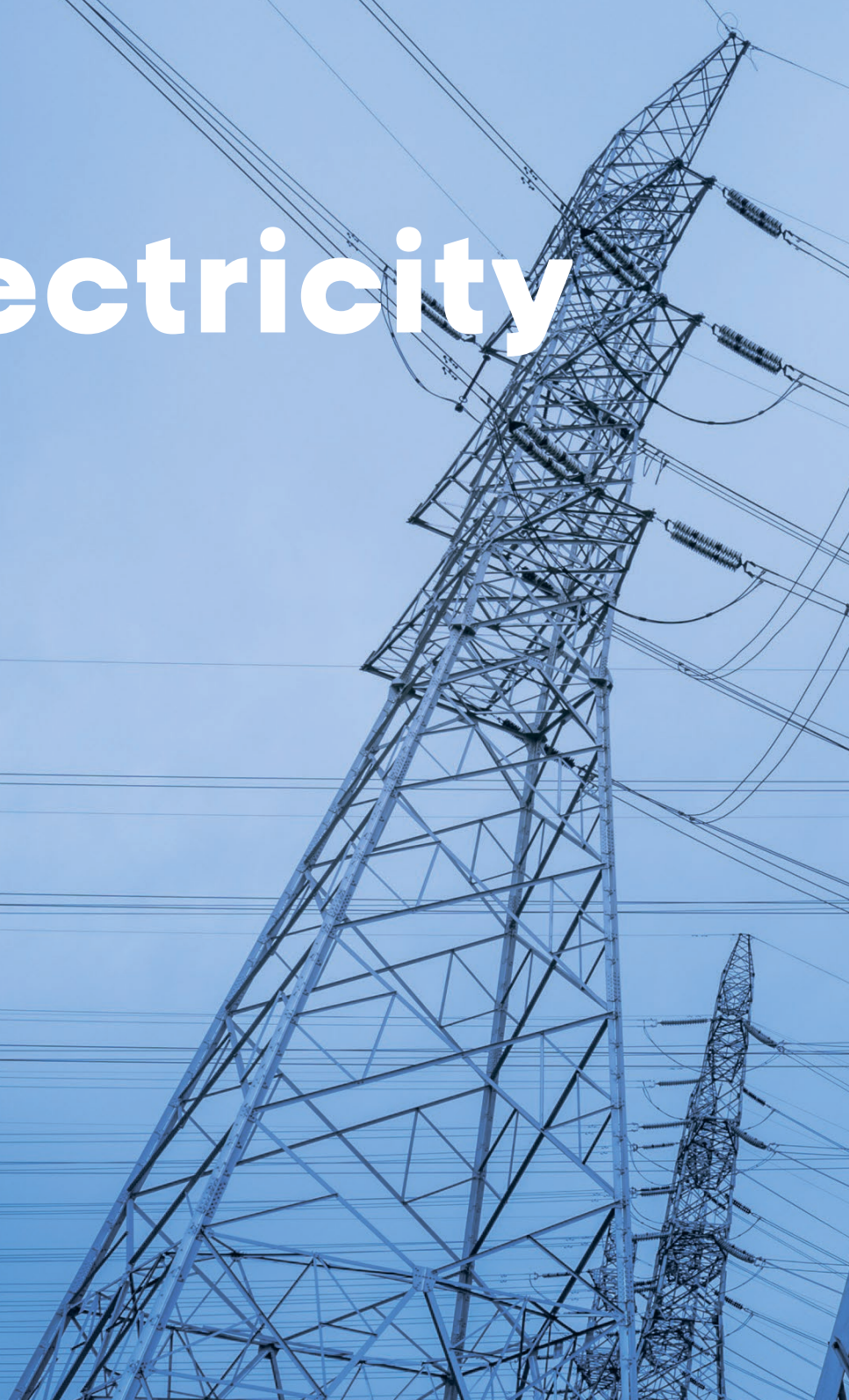
REFORMS | The banking sector was cleaned of non-viable banks, and the country's largest private bank, Privatbank, was nationalized in December 2016. As of December 31, 2019, 75 commercial banks operate in Ukraine - down from 180 at the end-2013. The banking sector reported a record net profit of UAH 60 bn in 2019 +251% y-o-y and following several years of losses. The share of NPLs decreased by 4.5 pp y-o-y, to 48.4% of total loans at end-2019. New currency legislation took effect in February 2019 and replaced the number of old-dated restrictive legislative acts to pave the way for full liberalization of currency and capital controls in the future. The NBU started to gradually relax the strict capital and exchange restrictions imposed during the 2014-2015 crisis. In particular, it canceled a ban on dividend repatriations, allowed early repayment of external liabilities, and enabled forward F/X operations.

RANKINGS | The Ukrainian government has progressed with structural reforms including those affecting the business environment. Ukraine's rank in the World Bank's Doing Business survey has improved by 48 points over the past five years to 64th place (2020 ranking based on 2019 data). In particular, Ukraine leaped in the Paying Taxes sub-index by 99 points (vs. 2014 ranking) after almost halving the rate of the unified social contribution to 22% in 2016, implementing an electronic system for filing and paying labor taxes, and introducing an electronic system for refunding VAT to exporters. Ukraine's Protecting Minority Investors score rose by 43 points over the five-year period, as new regulations made it easier to monitor and review related-party transactions. Ukrainian authorities launched reforms in many other areas including public procurement, decentralization, energy sector, healthcare and education.

CREDIT RATINGS | In September 2019, rating agencies Fitch and S&P upgraded Ukraine by one notch to B after several years of no rating action. In November 2019, Moody's upgraded Ukraine by one notch to Caa1. The upgrades reflected a reform outlook following the election cycle, improved macroeconomic environment, and the new administration's commitment to maintaining macro stability and securing a new IMF program.



Electricity



SECTOR OVERVIEW



Ukraine's electricity sector consists of more than thirty power plants of which fourteen are thermal and another four are nuclear plants ranking the 21st largest power sector globally. Ukraine's electricity consumption as well as export increased in 2018. After the first stage of the reform took place in 2019, the distribution has been largely privatized with previously state owned Oblenergo companies competing with smaller independent suppliers for the right to supply heavy industry and residential markets.

MARKET STRUCTURE AND REGULATION

UKRAINE RANKS 21ST BY INSTALLED CAPACITY GLOBALLY | With total generating capacity of 50.9 gigawatts (GW), the Ukrainian power sector is the 21st largest globally and second largest in the CIS/CEE region after Russia. But with lower capacity utilization, domestic power plants rank only 28th in terms of electricity generation. In 2018, domestic power production rose 2.5% y-o-y to 159 terawatt-hours (TWh).

THE ORIGINAL, 1995-ADOPTED POWER MARKET MODEL SEPARATING GENERATION, TRANSMISSION AND DISTRIBUTION STARTED TO BECOME LESS REGULATED IN 2019 |

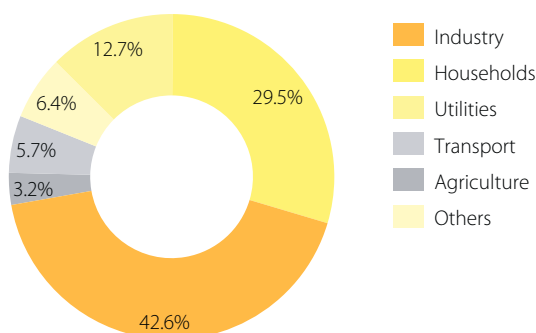
Starting from January 2019, the first stage of the reform took effect with the separation of power supply and distribution companies, allowing multiple suppliers to compete for providing services to commercial customers. The next stage began on Jul. 1, with the old power market model effectively being terminated and superseded by non-regulated bilateral contracts along with a set of new market mechanisms including day-ahead, spot and balancing markets as well as a new set of market participants. Ultimately, the market regulator will set tariffs for natural monopolies only, with no regulation of the competitive segments. In the interim, to prevent price shocks for consumers, the regulator introduced temporary price caps for each market. At the same time, the government failed to remove indirect subsidies for households by the time the new market was launched and therefore had to introduce a new mechanism for keeping prices low by mandating the state-owned nuclear and hydroelectric power plants to sell 90% and 20% of their output, respectively, at regulated prices, thus effectively removing these volumes from the competitive market.

STATE REGULATORY BODIES | The state exercises control over the power sector through the following bodies: the Ministry of Energy and Coal Industry (Ministry of Ecology was added), the National Commission for Energy and Utilities Regulation (NERC), Energorynok, Market Operator, Guaranteed Buyer, Ukrenergo (transmission system operator).

CONSUMPTION

ELECTRICITY CONSUMPTION INCREASED BY 2.6% IN 2018 WITH GROWTH SLOWING TO 0.5% Y-O-Y IN 1H19 | Domestic electricity consumption continued to recover in 2018, increasing 2.6% y-o-y to 122 TWh following a 0.4% pickup in 2017 and six consecutive years of decline before that. All consumers but the transportation sector increased consumption. In 1H19, electricity consumption growth decelerated, inching up 0.5% y-o-y to 61.8 TWh. Significantly warmer temperatures in February and March (+4° C and +6° C compared to the respective 2018 monthly averages) allowed for saving on power.

Figure 22. Consumption structure (2018)



EXPORTS

EXPORTS JUMPED BY 19% IN VOLUME TERMS AND 41% IN VALUE TERMS IN 2018 AND ROSE FURTHER IN VALUE IN 1H19 | Ukrainian power exports continued to increase in 2018, up 19% y-o-y to 6.2 TWh (3.9% of total electricity production), driven by CEE demand (+29% to 5.2 TWh), with the remaining supplies (to Moldova) down 16% to 959 GWh. In monetary terms, 2018 electricity exports jumped 41% y-o-y to \$236m. In 1H19, electricity exports to CEE were little-changed y-o-y in volume terms at 2.7 TWh while exports to Moldova dropped 15% to 342 GWh. In monetary terms, though, total exports rose 18% y-o-y to \$19m thanks to higher prices.

GENERATION

HALF OF DOMESTIC GENERATING CAPACITY IS THERMAL | Thermal GenCos accounted for 44% of domestic installed generating capacity in 2018 (21.8 GW out of 50.9 GW), followed by nuclear (13.8 GW, 28%), combined heat and power (CHP), other thermal (6.1 GW, 12%), and hydropower (6.2 TW, 13%) plants. Ukraine also operates 1.7 GW of renewable capacity (3% of total), including 1.2 GW of solar, 389 MW of wind, and 99 MW of biogas/biomass units.

COAL-FIRED POWER PLANTS INCREASED PRODUCTION IN 2018 | Stable deliveries of domestic and imported coal in 2018 allowed coal-fired power plants to quickly regain market share following major coal supply disruptions in 2017 in the wake of Ukraine's decision to sever economic ties with separatist-held territory in the east and the resulting loss of operating industrial assets there (incl. coal mines). Overall in 2018, coal-fired GenCos increased production by 6.3% y-o-y to 47.8 TWh, accounting for 30% of total output (vs. 28.9% in 2017). In 1H19, however, they cut production by 2.7% y-o-y to 23.1 TWh, constrained by higher output of cheaper nuclear power.

Figure 23. Generating capacity (2018)

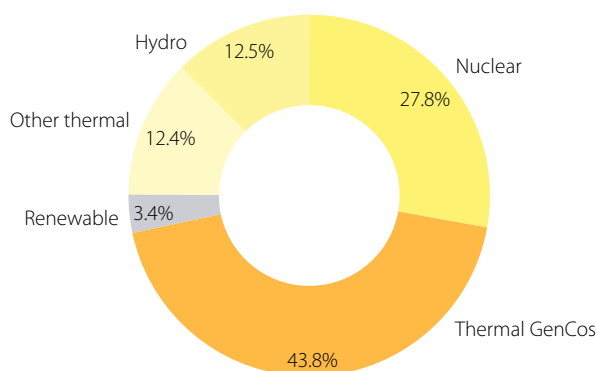


Figure 24. Electricity production (2018)

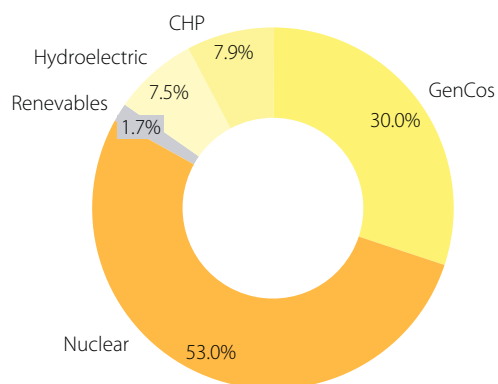
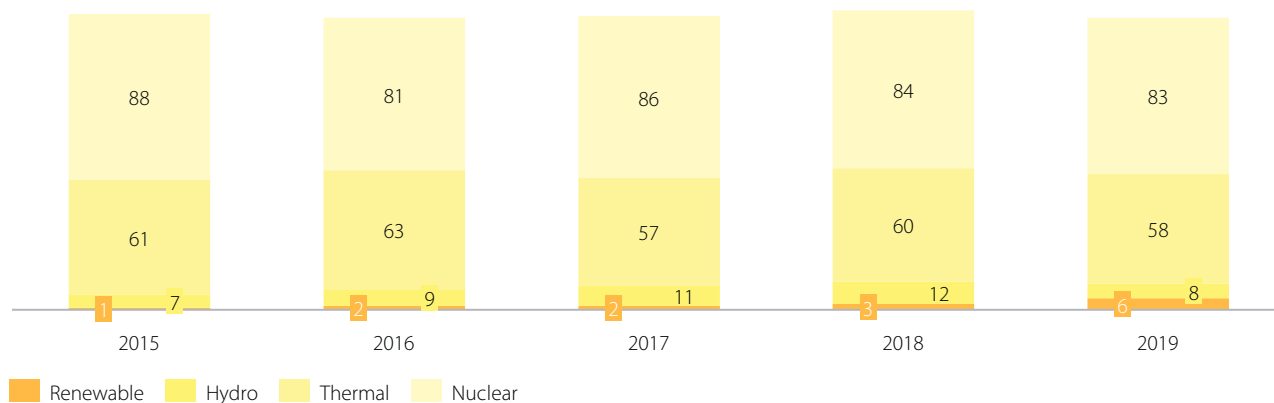


Figure 25. Electricity production in Ukraine (2015-2019E, TWh)



TRANSMISSION AND DISTRIBUTION

STATE-OWNED UKRENERGO OPERATES HIGH VOLTAGE GRID | The national high-voltage grid, with power transmission lines of 220 kV and higher, is owned and operated by state-owned Ukrenerg. The 23,576 km grid includes cross-border transmission lines with 103 substations with total capacity of 63,543 MVA. Ukrenerg balances electricity production with consumption demand, providing dispatching services to market participants, and ensures synchronized operations with Europe's UCTE. The high-voltage grid connects to regional low-voltage transmission systems, which are owned by distributing companies and deliver electricity to end customers. As part of the power market reform launched this year, Ukrenerg also operates a balancing market, which handles power volumes not covered by the bilateral, day-ahead and intraday markets. Ukrenerg's tariff includes a special surcharge to cover higher renewable tariffs. Regional power distributors or oblenergos supply customers in their respective areas (usually one oblenergo per province), with the capital Kyiv served by Kyivenergo. Oblenergos own and operate c. 1 million kilometers of 0.4-110 kV grids, transformer substations and switching and metering equipment. Until recently, oblenergos acted as both power distributors (natural monopoly) and suppliers (competitive segment) in their regions. Starting in January 2019, each oblenergo was split into two independent companies, the natural-monopoly distributor, providing power distribution services to consumers connected to its grid, and the supplier, charged with supplying households at subsidized prices and competing for industrial/commercial customers with other suppliers.

OBLENERGOS ACCOUNTED FOR 80% OF WHOLESALE ELECTRICITY PURCHASES BEFORE LATEST REFORM | Prior to the 2019 unbundling, oblenergos accounted for c. 80% of electricity purchases from Energorynok. In 2018, they bought 109 TWh (flat y-o-y) at an average price of \$44.2/MWh (+13% y-o-y), and paid 99.3% of their bills. Other power suppliers purchased 33 TWh at \$55/MWh on average. With the introduction of competitive power supplies this year, oblenergos' share of purchases shrank to a mere 9%, the volume covering their technical needs (i.e. grid losses). The major buyers became Universal Service Providers (previously part of oblenergos), which supply households and small commercial customers, and independent suppliers, with a combined 85% share of total power sales. The remainder was sold to exporters and pumped storage hydropower plants.

CONSUMERS PAID 97% OF THEIR ELECTRICITY BILLS IN 2018 | In 2018, local customers bought 99.7 TWh of electricity (flat y-o-y) at an average price of \$70/MWh (+13% y-o-y), though the collection rate dropped by 1.1pp to 97.3%, bringing total electricity debt to \$1.2bn.

TARIFFS

WHOLESALE ELECTRICITY PRICING | Prior to 2H19, electricity pricing in Ukraine originated at Energorynok. The wholesale market operator bought electricity from generators, calculated the blended price and added dispatching and high-voltage transmission fees along with payments to the state budget and subsidies to cover below-cost supplies to households. Under this system, tariffs for nuclear and hydropower plants and most CHP producers were normally revised on an annual basis, factoring in their fuel costs, OPEX and CAPEX needs and adding a profit margin. These producers did not compete with each other, following instructions from the energy system dispatcher. CHP plants responded to shifts in demand for heat and hot water, and their electricity output increased along with higher demand during the heating season. Renewables enjoyed preferential treatment with EUR-linked tariffs and state-guaranteed purchases of all their output.

Figure 26. Wholesale power tariff structure (2018)

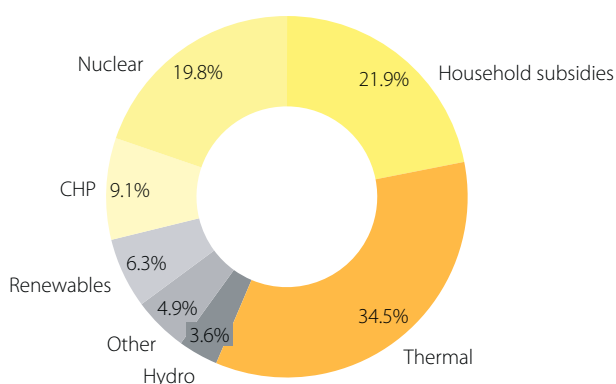
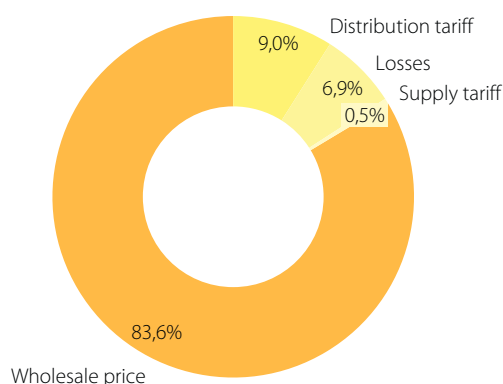


Figure 27. Commercial tariff structure (2018)



THERMAL GENCOS AND LARGE CHP PLANTS OPERATED AS MARGINAL PRODUCERS |

Thermal GenCos and selected CHP operated as marginal producers, covering all remaining demand after accounting for nuclear, hydro, renewables and CHP. In addition, thermals were awarded special fees based on their ability to increase or cut output. While GenCos' price bids mostly covered their fuel costs, the special fees were supposed to cover all other costs. Historically, NERC used these fees to change thermal GenCo tariffs so as to set the average Energorynok price at a desired level and thereby indirectly control final electricity prices and thus inflation. While this closely resembled the cost-plus method, sometimes the regulator went as far as to approve below-cost tariffs.

NEW PRICE FORMULA INTRODUCED IN 2016 |

NERC launched a new pricing mechanism for the wholesale electricity market in 2016, linking the production tariff for coal-fired power plants to the API2 index, the benchmark price reference for coal imported into northwestern Europe (12-month average, CIF Amsterdam-Rotterdam-Antwerp or ARA), corrected for transportation costs. The rationale was to minimize the scope for non-market price regulation and make coal imports economically feasible. In addition, with the reference coal price being USD-denominated, GenCos received a hedge against hryvnia devaluation. Still, with numerous other variables (e.g. production and consumption structure), thermal tariffs remained volatile.

THE PRICING METHOD WAS NEGATIVELY PERCEIVED AND WAS ABOLISHED WITH NEW MARKET'S LAUNCH IN 2H19 |

This pricing method, dubbed Rotterdam+, was widely criticized by electricity consumer associations and opposition politicians as a corrupt scheme intended to benefit thermal GenCos and higher prices for end-consumers. As a result, Rotterdam+ came to be widely perceived by the general public as one of the main pillars of high tariffs, though in reality it had no direct impact on subsidized electricity prices for households and only affected industrial and commercial tariffs. While the above formula reduced the scope for arbitrary manipulation with thermal GenCo tariffs, it was abolished with the transition to the new power market model and new pricing mechanisms in July 2019.

Figure 28. Electricity sales to Energorynok (volume; 1H19)

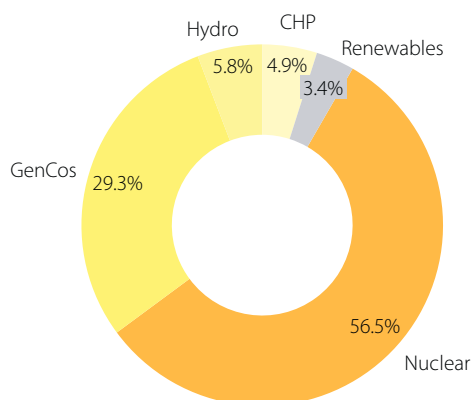
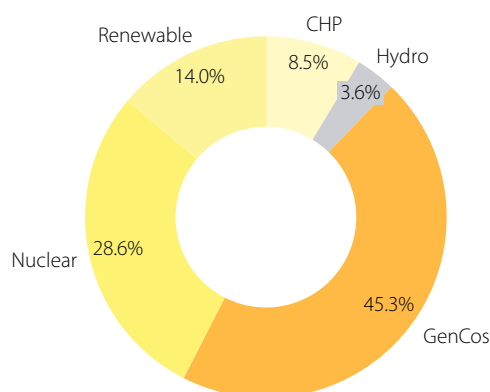


Figure 29. Electricity sales to energorynok (value; 1H19)

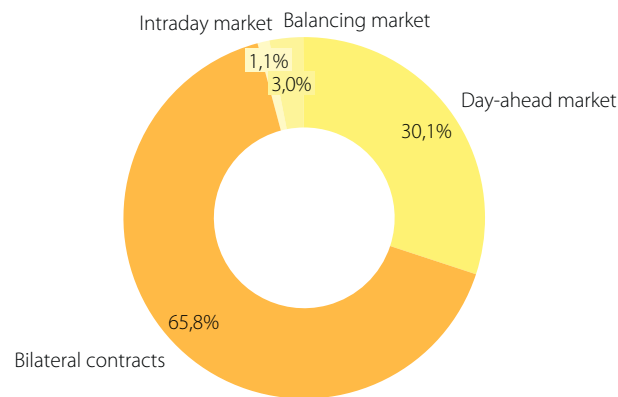


SECTOR REFORMS

ENERGY MARKET REFORM GRADUALLY ROLLED OUT IN 2019 TO GRADUALLY PHASE OUT REGULATED ELECTRICITY TARRIFS |

The power market in Ukraine has historically been heavily regulated, both in its monopoly segment (e.g. power transmission and distribution) and competitive markets (power generation). The legal groundwork, laid with the passage of the law "On Electric Energy Market" in 2017, introduced a competitive electricity supply market as of January 2019 and electricity generation segment from July 2019. The legislation provided for full liberalization of the competitive segments (power supply and generation) and non-discriminatory access to power grids operated by natural monopolies. The law abandoned the prior single-buyer model (Energorynok) and introduced by a range of trading tools such as bilateral contracts, day-ahead and intraday markets, a balancing market to regulate demand-supply mismatches, and an auxiliary services market (frequency regulation, reserves, etc.).

Figure 30. Electricity sales by market (June 2019)



OBLENERGOS SEPARATED THEIR SUPPLY AND DISTRIBUTION SEGMENTS | Pursuant to this law, power distributors spun off their supply segments, creating separate companies, by the end of 2018. Oblenergos continued to own their distribution networks as well as receivables from existing customers and payables to Energorynok.

RAB TARIFFS | National Energy and Utilities Regulatory Commission (NKREKP) introduced the so-called RAB tariffs. They will apply to all operators of the electricity distribution system (oblenergos), starting from 2021.

What is a RAB tariff? RAB (Regulatory Asset Base) tariff is a method of tariff setting frequently used around the world to incentivize development and modernization of infrastructure.

How does it work? Companies that operate electricity distribution networks will receive a higher, fixed tariff rate. They therefore will be incentivized to lower their operating costs in the long-term by investing in modernization and efficiency.

Everybody wins as a result: investors will quickly return their investments and receive a guaranteed profit, consumers – better services, and the State – an updated infrastructure.

What will happen to electricity prices? Analysts estimate that due to RAB regulation, excluding inflation and other costs, oblenergo's tariffs will grow by 14-15% next year.



INDUSTRY energy

PRIVATIZATION SCALE large

ASSETS VALUE UAH 8.42B

SHARE FOR PRIVATIZATION 78%

GENERAL OVERVIEW

Centrenergo is a 78.3% state-owned company that generates electricity in industrially advanced regions of Ukraine, including Kyiv (Trypilska), Kharkiv (Zmiivska), and territory under control in Donetsk region (Vuhlehirska). It consists of three combined heat-and-power plants (CHPs) with total production capacity of 7,690 MW and a maintenance company "Remenergo", which is in charge of equipment repairs for CHPs. Centrenergo facilities account for about 15% of total power generated in Ukraine. In 2016, 78.3% of company's shares were transferred to State Property Fund. The assignment of an investment adviser to the Centrenergo has not been completed. The company is audited by Baker Tilly since 2014. The company has a supervisory board that consists of five people, including three representatives of the State Property Fund, and two representatives of other shareholders.

OPERATING OVERVIEW

In 2018, Centrenergo generated 20% of power produced by all CHPs in Ukraine. The company's installed capacity only reached 31% which implies significant potential for increasing market share. In 2019 Centrenergo decreased the average tariff from 1.9 to 1.3 UAH/kWh. In the last five years, the company has changed the mix of raw materials it uses. Initially, 39% of company's generating capacity were gas-fired and 61% were coal-fired. 45% of the company's total generating capacity was operating on anthracite, and therefore highly dependent on it. In 2014 due to military conflict in the sourcing region, it became in short supply, which resulted in decrease of electricity output and search for substitution options starting from 2017. As of 2019, the company successfully became independent from anthracite.

As of 2018, the company employs 6,765 workers, and from 2017 to 2018 the number of employees mostly remained unchangeable, while average monthly salary increased by 15%

OPERATING SUMMARY	2017	2018
Output (GWh)	6,284	8,685
Growth (% y-o-y)	-36%	38%
Market Share	—	5.40%
Tariff (UAH/kWh)	1.93	1.85
Growth (% y-o-y)	61%	-4%
Capacity Utilization rate (%)	—	12.90%
Average Monthly Salary (UAH)	12,221	14,094
Number of Employees	6,832	6,765

FINANCIAL OVERVIEW

While revenue grew by 33% in 2018 as compared to 2017, the cost of sales increased by 68% in the same period. This resulted in Gross margin of 3% in 2018 as compared to 23% in 2017. The main stream of revenue comes from the production and sale of electricity (UAH 14,509m or 99% of total revenue in 2018). The twofold increase in COGS as compared to revenue resulted in net income decrease by 74%. (499m UAH in 2018 and 1,891m UAH in 2017).

INCOME STATEMENT (m UAH)	2017	2018
Revenue	10,919	14,509
COGS	8,390	14,108
Gross Profit	2,529	401
EBITDA	2,748	1,037
Depreciation	296	310
Operating Profit	2,452	727
Net Financial Income / (Loss)	(105)	(110)
Profit/(Loss) Before Taxes	2,347	617
Corporate Income Tax	(456)	(118)
Net Income/(Loss)	1,891	499
Dividends paid	201	1383

The book value of assets decreased by a UAH 1.65b (-16.4% y-o-y) to UAH 8.42b in 2018 driven by a UAH 1.71b decrease in current assets (30% of total assets), which were mainly comprised of inventories (43%) including fuel (72%), accounts receivable (36%), cash & cash equivalents (18%) and other current assets (3%) and by a UAH 69m increase in fixed assets (70% of total assets), which represented by PP&E (88%) including specialized machinery and equipment (53%), buildings and facilities intended for electricity production (34%) and vehicles (13%), and other fixed assets (12%).

On the liabilities side, current liabilities decreased by UAH 835m (-32% y-o-y) to UAH 1.77b in 2018, represented 71% of total liabilities and consists of accounts payable (72%) and other current liabilities (28%). Non-current liabilities made up the remaining 29% of total liabilities and consists of provisions (84%), deferred tax liabilities (10%) and other non-current liabilities (6%).

BALANCE SHEET (m UAH)	2017	2018
Total Assets	10,074	8,423
Fixed assets	5,849	5,916
PP&E	5376	5,203
Investment Property	-	-
Current Assets	4,225	2,508
Inventories	2,203	1,083
Accounts Receivable	904	908
Cash & Cash Equivalents	1,075	465
Total Liabilities & Equity	10,074	8,423
Total Liabilities	3,188	2,488
Accounts Payable	1,720	1,281
Short-term Debt	-	-
Long-term Debt	-	-
Equity	6,886	5,936
RATIOS	2017	2018
Sales Growth (% y-o-y)	2%	33%
EBITDA Growth (% y-o-y)	132%	-62%
Net Income Growth (% y-o-y)	389%	-74%
EBITDA Margin (%)	25.17%	7.15%
Net Income Margin (%)	22.54%	3.54%
ROE (%)	27.46%	8.41%
ROA (%)	20.27%	5.40%
Debt/Equity (%)	46%	42%
Net Debt/EBITDA (x)	-0.39	-0.45



INDUSTRY energy

PRIVATIZATION SCALE large

ASSETS VALUE UAH 6B

SHARE FOR PRIVATIZATION 65%

GENERAL OVERVIEW

Kharkivoblenergo is a 65% state-owned company that distributes electricity and provides commercial metering services. The company has six district sales offices in Kharkiv, 28 offices in the Kharkiv region and three high voltage power districts. It is one of the largest power distributors in Ukraine that serves the highly industrialized Kharkiv region (area: 31,400 sq.km; households: 2.8m). It owns a 39,234 km grid with 8,487MVA of transformer capacity. The company's largest consumers are water and heating utilities ("Kharkivvodokanal", "Kharkivski teplovi merezhi"), municipal transportation enterprises ("Miskelektrotransservis") and machinery plants ("Turboatom" and "Electrotyazhmash", "Kharkivskiy traktorny zavod", "Malyshev Factory). 65% of the company's shares were transferred to the State property fund. The remaining shares are distributed between Garenisia Enterprises Limited (29.80%) and other shareholders (5.20%). The company has a supervisory board that consists of 7 people, including five representatives of the State Property fund and two representatives of Garenisia Enterprises Limited.

OPERATING OVERVIEW

In 2018, Kharkivoblenergo sold 6.375 TWh of electricity to its customers, or 1.9% y-o-y. The company owns 288 substations with voltage 35-150 kV and 10,877 substations with voltage 6-10 / 0,4 kV. The largest debtors of Kharkivoblenergo are public companies such as "Kharkivvodokanal", "Kharkivski teplovi merezhi" and "Miskelektrotransservis". Average tariff for electricity procurement from "Energoynok" in 2018 accounts for 1.202 UAH/kWh (excl. VAT). In 2018 average tariff increased by 16.6% compared to 2017. By the end of 2018, the company has debt to Energoynok of 434m UAH.

As of 2018, the company employs 6,443 workers, and from 2017 to 2018 the number of employees decreased by 2%, while average monthly salary increased by 25%.

OPERATING SUMMARY	2017	2018
Electricity sales, m kWh	6,258	6,375
Growth (% y-o-y)	0.2%	1.9%
Average tariff for consumers, UAH/kWh	1.41	1.60
Growth (% y-o-y)	20%	12.8%
Grid losses, %	12.4%	12.5%
Number of Employees	6,581	6,443
Average Monthly Salary (UAH)	8,156	10,185

FINANCIAL OVERVIEW

While revenue grew by 14% in 2018 as compared to 2017, fully represented by distribution of electricity, the cost of sales increased by 21% at the same period, which resulted in gross margin decrease by 5.6ppt to negative 0.8% from positive 4.8%. Company's bottom line decreased by 10 times from UAH 30m in 2017 to UAH 0.3m in 2018 due to negative operating results of UAH 20m.

INCOME STATEMENT (m UAH)	2017	2018
Revenue	7,948	9,057
COGS	(7,567)	(9,132)
Gross Profit/(Loss)	381	(75)
EBITDA	247	334
Depreciation	231	353
Operating Profit/(Loss)	16	(20)
Net Financial Income/(Loss)	13	13
Profit/(Loss) Before Taxes	30	(7)
Corporate Income Tax	1	7
Net Income/(Loss)	31	0.3
Dividends paid	-	-

The book value of assets increased by UAH 418m (+7.5% y-o-y) to UAH 5.99b in 2018 driven by a UAH 702m increase in Current assets (45% of Total assets), which were consisted of accounts receivable (89%), cash & cash equivalents (3%), inventories (2%) and other (6%) and by a UAH 284m decrease in Fixed assets, which made up the 55% of Total assets and mostly represented by PP&E (99%), including buildings and facilities (80%), specialized machinery and equipment (17%) and other (3%).

On the liabilities side, Current liabilities increased by UAH 474m (+35% y-o-y) to UAH 1.83b in 2018, represented a 85% of Total liabilities and consists of accounts payable (72%), other current liabilities (19%) and accrued expenses (9%). Non-current liabilities decreased by UAH 21m to UAH 324m, made up the remaining 15% of Total liabilities and mostly consists of deferred tax liabilities.

BALANCE SHEET (m UAH)	2017	2018
Total Assets	5,570	5,988
Fixed assets	3,581	3,297
PP&E	3,555	3,266
Investment Property	-	-
Current Assets	1,989	2,691
Inventories	43	58
Accounts Receivable	1,780	2,398
Cash & Cash Equivalents	65	92
Total Liabilities & Equity	5,570	5,988
Total Liabilities	1,701	2,155
Accounts Payable	942	1,310
Short-term Debt	-	-
Long-term Debt	1	1
Equity	3,869	3,834

RATIOS	2017	2018
Sales Growth (% y-o-y)	17%	14%
EBITDA Growth (% y-o-y)	64%	35%
Net Income Growth (% y-o-y)	131%	-99%
EBITDA Margin (%)	3.11%	3.69%
Net Income Margin (%)	0.39%	0.00%
ROE (%)	0.80%	0.01%
ROA (%)	1.05%	0.00%
Debt/Equity (%)	44%	56%
Net Debt/EBITDA (x)	-0.26	-0.27

ZAPORIZHIA- OBLENERGO



INDUSTRY energy

PRIVATIZATION SCALE large

ASSETS VALUE UAH 3.1B

SHARE FOR PRIVATIZATION 60.3%

GENERAL OVERVIEW

Zaporizhiaoblenergo is a 60.3% state-owned company that distributes electricity in the Zaporizhia region (area: 27,200 sq.km.; households: 1.8m). The company is a natural monopolist in the region in the power distribution sector. The region is one of the most favorable for the development of electricity production from alternative sources, in particular solar, wind and hydro generation. The company owns over 37,300 km of grid connections with voltage of 154-0.4 kV, including 21 districts of electric grids and department of maintenance and building repair and repairing units. The largest consumer groups are households, industrial, municipality and non-industrial objects. The company provides services to 759 thsd households and industrial consumers in the following sectors: metallurgy, chemicals, machinery, agriculture, gas. Key industrial consumers are: Zaporizhia ferroalloy plant, Zaporizhstal, Dnipropetsstal, Zaporizhkoks, Ukrainian graphite, etc. In 2018, 60.3% of the company's shares were transferred to the State Property Fund. The remaining shares are distributed between: Leks Perfecta Limited (16.52%), Bikontia Enterprises Limited (12.31%) and other shareholders (10.92%). The assignment of an investment adviser to the Zaporizhiaoblenergo has not been completed. Financial statements of the company were audited by Aval Audit in 2019. The company has a supervisory board that consists of 7 people, including four representatives of the State Property fund, three representatives of Leks Perfecta Limited.

OPERATING OVERVIEW

In 2018, Zaporizhiaoblenergo sold 8,220.1 GWh of electricity to its customers (6.8% of total power distribution in Ukraine). The company's 2018 grid losses were 783 kWh. The largest debtors are Zaporizhzhya Titanium and Magnesium Plant and SE "Silicon Polymer". Average tariff for electricity procurement from "Energorynok" in 2018 accounts for 1.157 UAH/kWh (excl. VAT). By the end of 2018, the company's debt to SE "Energorynok" amounts to UAH 827 million. It was restructured with a planned maturity in 2022. Additionally, there are potential tax (VAT) penalties in the amount of UAH 292 million (as of October 2019). Zaporizhiaoblenergo employs 4,407 workers as of 2018, and from 2017 to 2018 the number of employees decreased by 19.8%, while average monthly salary increased by 22%.

OPERATING SUMMARY	2017	2018
Power distribution volume, mGWh	8,127	8,220
Growth (% y-o-y)	0.0%	1.2%
Average tariff for consumers, UAH/kWh	1.29	—
Growth (% y-o-y)	—	—
Grid losses, %	8.77%	8.69%
Number of Employees	3,499	3,297
Average Monthly Salary (UAH)	8,203	10,570

FINANCIAL OVERVIEW

In 2018, total revenue declined by 23.5% y-o-y to UAH 6bn while cost of goods sold dropped 25% in UAH terms. As a result, gross profit rose to UAH 147m from UAH 38m in 2017. Growth of gross profit was more than offset by the sharp 3x fold increase in net financial losses compared to 2017. However, net losses decreased to UAH 12m from UAH 14m in 2017.

INCOME STATEMENT (m UAH)	2017	2018
Revenue	8,047	6,154
COGS	(8,009)	(6,008)
Gross Profit/(Loss)	38	147
EBITDA	94	213
Depreciation	80	81
Operating Profit/(Loss)	14	132
Net Financial Income/(Loss)	(34)	(139)
Profit/(Loss) Before Taxes	(20)	(8)
Corporate Income Tax	6	(4)
Net Income/(Loss)	(14)	(12)
Dividends paid	-	-

The book value of assets increased by UAH 829m (+37.1% y-o-y) to UAH 3.06b in 2018 driven by a UAH 654m increase in current assets (66% of total assets), which were consisted of accounts receivable (96%), inventories (3%) and cash & cash equivalents (1%) and by a UAH 175m increase in fixed assets, which made up the remaining 34% of total assets, mostly represented by PP&E (72%), long-term accounts receivable (19%) and incomplete capital investment (8%).

On the liabilities side, current liabilities increased by UAH 992m (+72% y-o-y) to UAH 2.37b in 2018, representing 88% of total liabilities and consists of accounts payable (90%) and other current liabilities (10%). Long-term liabilities decreased by UAH 156m to UAH 326m, made up the remaining 12% of total liabilities including long-term debt (92%) and deferred tax liabilities (8%).

BALANCE SHEET (m UAH)	2017	2018
Total Assets	2,234	3,063
Fixed assets	861	1,037
PP&E	771	751
Investment Property	0.4	0.5
Current Assets	1,372	2,026
Inventories	41	44
Accounts Receivable	1,322	1,953
Cash & Cash Equivalents	9	30
Total Liabilities & Equity	2,234	3,063
Total Liabilities	1,860	2,696
Accounts Payable	1,211	2,132
Short-term Debt	-	-
Long-term Debt	462	300
Equity	373	367

RATIOS	2017	2018
Sales Growth (% y-o-y)	-19%	-24%
EBITDA Growth (% y-o-y)	64%	125%
Net Income Growth (% y-o-y)	-1532%	-17%
EBITDA Margin (%)	1.17%	3.46%
Net Income Margin (%)	-0.18%	-0.19%
ROE (%)	-3.78%	-3.19%
ROA (%)	-1.11%	-0.44%
Debt/Equity (%)	498%	735%
Net Debt/EBITDA (x)	4.80	1.27

KHMELNYTSK- OBLENERGO



INDUSTRY energy

PRIVATIZATION SCALE large

ASSETS VALUE UAH 2.4B

SHARE FOR PRIVATIZATION 70%

GENERAL OVERVIEW

Khmelnyskoblenergo is a 70% state-owned company that distributes electricity in Khmelnytskyi region (area: 21,000 sq.km.; households: 1.4m). The company owns over 34,000 km of grid connections, including 21 regional sub-divisions and 7,705 transformer stations with the capacity of 3,341 MVA. The largest consumer groups are households (40.4%) industrial (31.1%) and non-industrial objects (12.0%). The company provides services to 550 thsd households and 20.1 thsd commercial and industrial consumers. 70% of the company's shares were transferred to the State property fund. The remaining shares are distributed between other shareholders. The assignment of an investment adviser to the Khmelnytskoblenergo has not been completed. Financial statements of the company were audited by BDO in 2018. The company has a supervisory board that consists of 7 people, including five representatives of the State Property fund and two representatives of VS Energy International Ukraine.

OPERATING OVERVIEW

In 2018, Khmelnytskoblenergo sold 2.188 TWh of electricity to its customers, which resulted in 2,780m UAH revenue. Volume of the net electricity supply is strongly seasonal. During Autumn-Winter season load on the grid has a significant increase due to higher consumption, which subsequently results in a deficit.

As of 2018, the company employs 3,183 workers, and from 2017 to 2018 the number of employees decreased by 8%, while average monthly salary increased by 30%.

OPERATING SUMMARY	2017	2018
Electricity sales,m kWh	2,176	2,188
Growth (% ,y-o-y)	—	0.56%
Average tariff for consumers, UAH/kWh	1.29	1.29
Average tariff for enterprises, UAH/kWh	2.14	2.48
Number of Employees	3,472	3,183
Average Monthly Salary (UAH)	7,943	10,317

FINANCIAL OVERVIEW

While Khmelnytskoblenergo's revenue, fully generated from production and sale of electricity, increased by 13.1% in 2018, the cost of sales increased by 15.9% in the same period. As a result, gross profit margin deteriorated by 1.8ppt y-o-y to 2.1% in 2018, compared to 4.5% in 2017. The company's 2018 EBITDA and net income remained unchanged in y-o-y terms at UAH 230m and 43m respectively, implies EBITDA margin of 8.3% (-0.91ppt y-o-y) and net margin of 1.5% (-0.24ppt y-o-y).

INCOME STATEMENT (m UAH)	2017	2018
Revenue	2,459	2,780
COGS	(2,349)	(2,722)
Gross Profit/(Loss)	110	58
EBITDA	225	230
Depreciation	144	198
Operating Profit/(Loss)	82	32
Net Financial Income/(Loss)	(23)	19
Profit/(Loss) Before Taxes	59	51
Corporate Income Tax	(15)	(8)
Net Income/(Loss)	44	43
Dividends paid	-	-

The book value of assets increased by UAH 61m (+2.5% y-o-y) to UAH 2.46b in 2018 driven by a UAH 85m increase in current assets (16% of total assets) which were consisted of accounts receivable (64%), inventories (23%) and cash & cash equivalents (13%) and by a UAH 24m decrease in fixed assets (84% of total assets) which were fully represented by PP&E including buildings and facilities (75%), specialized machinery and equipment (20%) and other fixed assets (5%).

On the liabilities side, current liabilities increased by UAH 75m to UAH 388m in 2018, which made up the 64% of total liabilities and represented by account payable (87%) and other current liabilities (13%). Long-term liabilities decreased by UAH 24m to UAH 216m representing a 36% of total liabilities fully comprised of deferred tax liabilities.

BALANCE SHEET (m UAH)	2017	2018
Total Assets	2,397	2,457
Fixed assets	2,082	2,059
PP&E	2,077	2,053
Investment Property	-	-
Current Assets	314	399
Inventories	68	92
Accounts Receivable	192	254
Cash & Cash Equivalents	54	52
Total Liabilities & Equity	2,397	2,457
Total Liabilities	554	604
Accounts Payable	282	336
Short-term Debt	-	-
Long-term Debt	-	-
Equity	1,843	1,853

RATIOS	2017	2018
Sales Growth (% y-o-y)	27%	13%
EBITDA Growth (% y-o-y)	146%	2%
Net Income Growth (% y-o-y)	413%	-2%
EBITDA Margin (%)	9.17%	8.26%
Net Income Margin (%)	1.78%	1.54%
ROE (%)	2.37%	2.31%
ROA (%)	3.22%	1.77%
Debt/Equity (%)	30%	33%
Net Debt/EBITDA (x)	-0.24	-0.23

MYKOLAYIV- OBLENERGO



INDUSTRY energy

PRIVATIZATION SCALE large

ASSETS VALUE UAH 1.2B

SHARE FOR PRIVATIZATION 70%

GENERAL OVERVIEW

Mykolayivoblenergo is a 70% state-owned company that provides services of power transmission and distribution to consumers in the Mykolaiv region (area: 24,600 km.sq., households: 1.2m). The company is a natural regional monopolist in the power distribution sector. The region itself has a powerful multi-sectoral industry, agro-industrial complex and developed infrastructure. The company owns a 24,709 km distribution network with voltage of 154-0.4 kV and 6,000 transformer substations. The company's largest consumers are "Zorya-mashproekt", "Ukrhimtransamiak", "Ukrtransnafta", "Snigurivka", "Dikerhoff Cement Ukraine", "Black Sea Shipyard", "Bandurskiy oil extraction plant". In 2018, 70% of the company's shares were transferred to the State Property Fund. The remaining shares of 30% are owned by other shareholders. The assignment of an investment adviser to the Mykolayivoblenergo has not been completed. Company reports in compliance with IFRS since 2012 has been audited by "PFK Ukraine" in 2018. The company has a supervisory board that consists of 7 people, including five representatives of the State Property Fund and two representatives of "VS Energy International Ukraine"

OPERATING OVERVIEW

Mykolayivoblenergo provides its services to more than 500,000 consumers: 40% households, 12% - transit, 23% industry players, 13% - municipality and 12% - commercial. In 2018, Kharkivoblenergo sold 2.609 TWh of electricity to its customers, or 1.6% y-o-y (2.2% of market share). The company's 2018 grid losses accounted for 13.5%. As of 31/12/2018 the company has debt to Energorynok of 217m UAH, which was restructured with a maturity of 2023.

As of 2018, the company employs 3,297 workers, and from 2017 to 2018 the number of employees decreased by 5.7%, while average monthly salary increased by 29%.

OPERATING SUMMARY	2017	2018
Electricity sales, m kWh	2,568	2,610
Growth (% y-o-y)	-0.4%	1.6%
Grid losses, %	13.6%	13.5%
Number of Employees	3,499	3,297
Average Monthly Salary (UAH)	8,203	10,570

FINANCIAL OVERVIEW

While revenue grew by 13% in 2018 as compared to 2017, the cost of sales increased by 17% in the same period. This resulted in lower gross margin of 3% in 2018, compared to 6% in 2017. The main stream of revenue fully represented by distribution of electricity. Increase in operating profit by 16% in 2018 leads to net income increase by 44% in 2018.

INCOME STATEMENT (m UAH)	2017	2018
Revenue	3,297	3,740
COGS	(3,089)	(3,623)
Gross Profit/(Loss)	208	117
EBITDA	107	114
Depreciation	63	63
Operating Profit/(Loss)	44	51
Net Financial Income/(Loss)	(19)	(18)
Profit/(Loss) Before Taxes	25	33
Corporate Income Tax	(8)	(9)
Net Income/(Loss)	17	24
Dividends paid	-	-

The book value of assets increased by UAH 72m (+6.2% y-o-y) to UAH 1.24b in 2018 driven by a UAH 2m increase in fixed assets (76% of total assets), which were mostly represented by PP&E (97%), including buildings and facilities (65%), specialized machinery and equipment (33%) and other (2%), and by a UAH 70m increase in current assets, which made up the remaining 24% of total assets and were comprised of accounts receivable (63%), inventories (21%) and other current assets (14%).

On the liabilities side, current liabilities increased by UAH 110m (+18% y-o-y) to UAH 719m in 2018, represented a 80% of total liabilities and consists of accounts payable (68%), accrued expenses (19%), other current liabilities (8%) and short-term debt (5%). Long-term liabilities decreased by UAH 49m (-21% y-o-y) to UAH 178m, made up the remaining 20% of total liabilities and mostly consists of other non-current liabilities.

BALANCE SHEET (m UAH)	2017	2018
Total Assets	1,164	1,236
Fixed assets	943	944
PP&E	893	915
Investment Property	-	-
Current Assets	221	292
Inventories	53	62
Accounts Receivable	147	183
Cash & Cash Equivalents	8	6
Total Liabilities & Equity	1,164	1,236
Total Liabilities	835	897
Accounts Payable	364	489
Short-term Debt	40	35
Long-term Debt	222	174
Equity	329	339

RATIOS	2017	2018
Sales Growth (% y-o-y)	13%	13%
EBITDA Growth (% y-o-y)	5%	7%
Net Income Growth (% y-o-y)	31%	44%
EBITDA Margin (%)	3.25%	3.06%
Net Income Margin (%)	0.50%	0.64%
ROE (%)	5.02%	7.02%
ROA (%)	2.23%	1.99%
Debt/Equity (%)	254%	264%
Net Debt/EBITDA (x)	2.37	1.78

TERNOPIL- OBLENERGO



INDUSTRY energy

PRIVATIZATION SCALE large

ASSETS VALUE UAH 941M

**SHARE FOR
PRIVATIZATION** 51%

GENERAL OVERVIEW

Ternopiloblenergo is a 51% state-owned company that distributes electricity in the Ternopil region (area: 13,800 sq.km.; households: 1.1m). The company owns over 23,800 km of grid connections with a total transformer capacity of 4,382 MV-A, including 18 districts of electric grids. The largest consumer groups are households (53.5%) industrial (13.7%), municipality (12.7%) and non-industrial objects (20.1%). The company provides services to 400 thsd households and 20.1 thsd industrial consumers (mainly agri and food sector). In 2018, 51% of the company's shares were transferred to the State Property Fund. The remaining shares are distributed between: Bikontia Enterprises Limited (24.98%), Larva Investments limited (15.10%), other shareholders (8.93%). The assignment of an investment adviser to the Ternopiloblenergo has not been completed. Financial statements of the company were audited by "Capital" audit company in 2018. The company has a supervisory board that consists of 10 people, including four representatives of the State Property fund, two representatives of Bikontia Enterprises Limited, two representatives of Larva Investments limited and two representatives of UA Energy Distribution Holding.

OPERATING OVERVIEW

In 2018, Ternopiloblenergo sold 1.3 TWh of electricity to its customers, which resulted in 1,979m UAH. The company's 2018 grid losses were 17.71%. The total depreciation of fixed assets is 61.2%. Average tariff for electricity procurement from "Energorynok" in 2018 accounts for 0.98 UAH/kWh (excl. VAT). In 2018 average tariff increased by 6.1% compared to 2017. Seasonal fluctuations in electricity consumption reach 50%.

Ternopiloblenergo employs 2,161 workers as of 2018, and from 2017 to 2018 the number of employees decreased by 4.2%, while average monthly salary increased by 25%.

OPERATING SUMMARY	2017	2018
Electricity sales, m kWh	1,260	1,280
Growth (% y-o-y)	—	0.56%
Grid losses, %	17.35%	17.71%
Volume of electricity procurement, m kWh	1,518	1,517
Number of Employees	2,257	2,161
Average Monthly Salary (UAH)	7,139	8,946

FINANCIAL OVERVIEW

While Ternopiloblenergo's revenue, which mainly comes from the distribution of electricity, grew by 13.1% in 2018 as compared to 2017, the cost of sales increased by 15.4% in the same period. As a result, gross profit margin deteriorated by 1.8ppt y-o-y to 6.8% in 2018, compared to 8.6% in 2017. The company's 2018 EBITDA and net income remained unchanged in y-o-y terms at UAH 140m and 49m respectively, implies EBITDA margin of 6.7% (-0.95ppt y-o-y) and net margin of 2.4% (-0.29ppt y-o-y).

INCOME STATEMENT (m UAH)	2017	2018
Revenue	1,837	2,078
COGS	(1,678)	(1,937)
Gross Profit/(Loss)	159	141
EBITDA	141	140
Depreciation	70	74
Operating Profit/(Loss)	71	66
Net Financial Income/(Loss)	(3)	(4)
Profit/(Loss) Before Taxes	68	62
Corporate Income Tax	(19)	(13)
Net Income/(Loss)	49	49
Dividends paid	-	-

The book value of assets increased by UAH 92m (+10.9% y-o-y) to UAH 941m in 2018 driven by a UAH 80m increase in fixed assets (84% of total assets) which were mostly represented by PP&E (95%), including buildings and facilities (68%), specialized machinery and equipment (23%) and other fixed assets (9%), and UAH 12m increase in current assets (16% of total assets), which were comprised of accounts receivable (87%), inventories (8%) and cash & cash equivalents (5%).

On the liabilities side, current liabilities (91% of total liabilities) increased by UAH 63m (+31.4% y-o-y) to UAH 262m in 2018, which were mostly represented by accounts payable (98%). Long-term liabilities decreased by UAH 1m to UAH 26m and made up the remaining 9% of total liabilities mainly represented by provisions (83%) and other long-term liabilities (17%).

BALANCE SHEET (m UAH)	2017	2018
Total Assets	849	941
Fixed assets	707	787
PP&E	678	749
Investment Property	3	3
Current Assets	142	154
Inventories	10	12
Accounts Receivable	120	133
Cash & Cash Equivalents	12	8
Total Liabilities & Equity	849	941
Total Liabilities	226	288
Accounts Payable	193	260
Short-term Debt	5	-
Long-term Debt	7	4
Equity	622	653

RATIOS	2017	2018
Sales Growth (% y-o-y)	30%	13%
EBITDA Growth (% y-o-y)	85%	-1%
Net Income Growth (% y-o-y)	757%	1%
EBITDA Margin (%)	7.68%	6.73%
Net Income Margin (%)	2.65%	2.36%
ROE (%)	7.81%	7.51%
ROA (%)	8.36%	5.48%
Debt/Equity (%)	36%	44%
Net Debt/EBITDA (x)	0.04	-0.01

KRYVYI RIH CHP



INDUSTRY energy

PRIVATIZATION SCALE large

ASSETS VALUE UAH 3.5B

SHARE FOR PRIVATIZATION 100%

GENERAL OVERVIEW

Kryvyi Rih CHP is a 100% state-owned company that produces and supplies heat energy with a total production capacity of 1,406 Gcal/h in Dnipro region (area: 32,000 sq.km.; households: 3.2m). The company owns and operates 6 district gas boilers, equipped with 31 steam and hot water boilers of ten types with 382,208 km of heating networks. Kryvyi Rih CHP facilities account for about 3% of total power generated in Ukraine. Concorde Consulting, a subsidiary of Concorde Capital, was assigned as an investment advisor for this object in the privatization process. Financial statements of the company were audited by BDO in 2018. The company has a supervisory board that consists of 5 people that represents the State Property Fund.

OPERATING OVERVIEW

The company's installed capacity only reached 1,406 Gcal/h. Key suppliers of raw materials are "Ukrainian gaz" (natural gas), "Naftogaz Ukraine" (natural gas), "Kryvorizhgaz" (distribution of gas), "DTEK Dniiproblenergo" (electricity), "Kryvbasvodokanal" (water).

By the end of 2018, depreciation of fixed assets accounts for 50%, which indicates that there's a strong need in renovations of equipment.

Kryvyi Rih CHP employs 1,127 workers as of 2018, and from 2017 to 2018 the number of employees mostly remained unchangeable, while average monthly salary increased by 13%.

OPERATING SUMMARY	2017	2018
Output, Gcal	889.22	941.81
Growth (% y-o-y)	—	5.84%
Volume of realization, Gcal	632.0	665.7
Growth (% y-o-y)	—	5.33%
Average tariff (UAH/Gcal)	1508	1508
Growth (% y-o-y)	5.7%	0.0%
Number of Employees	1,125	1,127
Average Monthly Salary (UAH)	7,599	8,621

FINANCIAL OVERVIEW

Kryvyi Rih CHP continues selling the thermal energy it produced at below the cost and in 2018 reported a slight increase of 1.5% in revenue, while the cost of sales increased by 12.1%, at the same time. As a result losses on EBITDA level increased by 37.9%, to UAH 145m, and the company reported UAH 299m of net losses (vs. UAH 307m in 2017).

INCOME STATEMENT (m UAH)	2017	2018
Revenue	758	769
COGS	(1,128)	(1,264)
Gross Profit/(Loss)	(370)	(495)
EBITDA	(105)	(145)
Depreciation	235	234
Operating Profit/(Loss)	(340)	(379)
Net Financial Income/(Loss)	35	32
Profit/(Loss) Before Taxes	(305)	(347)
Corporate Income Tax	(2)	48
Net Income/(Loss)	(307)	(299)
Dividends paid	-	-

The book value of assets increased by UAH 206m (+6.3% y-o-y) to UAH 3.5b in 2018 driven by a UAH 371m increase in current assets (66% of total assets) which were represented by accounts receivable (79%), other current assets (14%), cash and cash equivalents (5%) and a UAH 165m decrease in fixed assets (34% of total assets) which mainly comprised of PP&E (98%) including buildings and facilities (89%) and specialized machinery and equipment (10%).

On the liabilities side, current liabilities increased by UAH 578m to UAH 3.95b in 2018, which made up the 96% of total liabilities, and mostly consisted of accounts payable (94%) and other current liabilities (6%). Long term liabilities decreased by UAH 73m to UAH 150m, and represented the remaining 4% of total liabilities, and fully consists of deferred tax liabilities.

BALANCE SHEET (m UAH)	2017	2018
Total Assets	3,292	3,498
Fixed assets	1,357	1,192
PP&E	1,347	1,172
Investment Property	-	-
Current Assets	1,935	2,306
Inventories	7	29
Accounts Receivable	1,673	1,812
Cash & Cash Equivalents	27	13
Total Liabilities & Equity	3,292	3,498
Total Liabilities	3,599	4,104
Accounts Payable	3,093	3,706
Short-term Debt	-	-
Long-term Debt	-	-
Equity	(306)	(606)
RATIOS	2017	2018
Sales Growth (% y-o-y)	18%	1%
EBITDA Growth (% y-o-y)	-473%	38%
Net Income Growth (% y-o-y)	-456%	3%
EBITDA Margin (%)	-13.90%	-18.90%
Net Income Margin (%)	-40.56%	-38.85%
ROE (%)	-100.35%	-49.36%
ROA (%)	-17.05%	-8.80%
Debt/Equity (%)	-1174%	-678%
Net Debt/EBITDA (x)	0.26	0.90



INDUSTRY energy

PRIVATIZATION SCALE large

ASSETS VALUE UAH 1.6B

SHARE FOR PRIVATIZATION 99.9%

GENERAL OVERVIEW

Dnipro CHP is a 99.9% state-owned company that generates electricity and supplies steam, hot water and air conditioning in the Dnipro region (area: 32,000 sq.km.; households: 3.2m). The company owns 18 boilers, 6 pressure-reducing cooling stations, condensate pumps and line pumps. Installed capacity for electricity generation accounts for 61.6 MW, for heating - 500 Gcal-h, including pressure-reducing cooling stations with capacity of 187 Gcal-h. Its sales market comprises of two key purchasers: electricity market and heating network of Kamianske City Council "Teplomerezhi". The company has a supervisory board that consists of 5 people that represents the State Property Fund.

OPERATING OVERVIEW

In 2018, Dnipro CHP sold 63 GWh of electricity directly to Energorynok, heating power was sold according to direct contracts with "Teplomerezhi". Natural gas is one of the key raw materials for electricity and heating production, which the company procures from Naftogaz Ukraine. Volume of the heating power supply is strongly seasonal. During Autumn-Winter season load on the grid has a significant increase due to higher consumption, which subsequently results in a deficit.

As of 2018, the company employs 382 workers, and from 2017 to 2018 the number of employees decreased by 4.5%, while average monthly salary increased by 21%.

OPERATING SUMMARY	2017	2018
Output of electricity, GWh	67.9	70.4
Growth (% y-o-y)	-4%	3.7%
Output of heating, thsd Gcal	170.7	180.7
Growth (% y-o-y)	-6.9%	5.9%
Average procurement price of natural gas for electricity production, UAH/thsd m3 (excl. VAT)	8,488	8,071
Growth (% y-o-y)	—	-5.2%
Average procurement price of natural gas for heating power production, UAH/thsd m3 (excl. VAT)	5,933	6,381
Growth (% y-o-y)	—	7.6%
Number of Employees	400	382
Average Monthly Salary (UAH)	6,815	8,264

FINANCIAL OVERVIEW

In 2018 Dnipro CHP generated UAH 456m (+18.3%, y-o-y) in revenues, while the cost of sales increased by 12.5% in the same period. This resulted in gross margin improvement from negative 3.7% in 2017 to positive 1.4% in 2018. The revenue comes from two streams including the production and sale of thermal energy (UAH 311m or 68.3% of total revenue in 2018), and electricity (140m UAH or 30.7% of total revenue in 2018). Improvement of output electricity capacities (from 2017 y-o-y negative 11.1% to 2018 y-o-y 5.4%) refined the company's performance and resulted in net income increase by 39.9% from UAH 2m to UAH 2.8m.

INCOME STATEMENT (m UAH)	2017	2018
Revenue	385	456
COGS	(400)	(450)
Gross Profit/(Loss)	(14)	6
EBITDA	5	5
Depreciation	2	3
Operating Profit/(Loss)	2	2
Net Financial Income/(Loss)	0.3	0.2
Profit/(Loss) Before Taxes	2	3
Corporate Income Tax	(0.4)	0.2
Net Income/(Loss)	2	3
Dividends paid	-	-

The book value of assets increased by UAH 389m (+32% y-o-y) to UAH 1.6b in 2018 driven by a UAH 1.1b increase in fixed assets (74% of total assets) due to overdue of 1.1b accounts receivable, represented 91% of fixed assets. This occurred a 705m decrease in current assets, that made up the remaining 26% of total assets including accounts receivable (58%), cash & cash equivalents (13%) and other current assets (27%).

On the liabilities side, current liabilities increased by UAH 834m (+114% y-o-y) to UAH 1.56b, made up the 93% of total liabilities, and mostly consisted of accounts payable (73%) and other current liabilities (27%). Long-term liabilities represented 7% of total liabilities and fully comprised of other long-term liabilities amounted UAH 115m.

BALANCE SHEET (m UAH)	2017	2018
Total Assets	1,217	1,606
Fixed assets	87	1 181
PP&E	54	61
Investment Property	-	-
Current Assets	1,130	425
Inventories	6	7
Accounts Receivable	1,016	246
Cash & Cash Equivalents	40	55
Total Liabilities & Equity	1,217	1,606
Total Liabilities	1,290	1,677
Accounts Payable	979	1,137
Short-term Debt	3.2	3.2
Long-term Debt	0.1	115
Equity	(73)	(72)
RATIOS	2017	2018
Sales Growth (% y-o-y)	7%	18%
EBITDA Growth (% y-o-y)	1,031%	13%
Net Income Growth (% y-o-y)	17%	40%
EBITDA Margin (%)	1.17%	1.12%
Net Income Margin (%)	0.52%	0.61%
ROE (%)	-2.75%	-3.92%
ROA (%)	0.26%	0.20%
Debt/Equity (%)	-1771%	-2344%
Net Debt/EBITDA (x)	-8.86	11.57

SEVERODONETSK CHP



INDUSTRY energy

PRIVATIZATION SCALE large

ASSETS VALUE UAH 808M

SHARE FOR PRIVATIZATION 100%

GENERAL OVERVIEW

Severodonetsk CHP is a 100% state-owned company that produces electricity, supplies steam, hot water and conditioned air with a total electric production capacity of 61.6 MW, total heat production capacity of 350 Gcal/h in Lugansk region (area: 26,700 sq.km.; households: 2.2m). The company owns and operates 18 boilers and 6 reduction and cooling devices. with 382,208 km of heating networks. Severodonetsk CHP provides heat energy and distribution of electrical energy to local consumers, budgetary and other consumers of Severodonetsk. Electrical energy is sold on the wholesale market of electrical energy of Ukraine by SE "Energorynok". Heat energy is sold to consumers under direct contracts. The assignment of an investment adviser to Severodonetsk CHP has not been completed. Financial statements of the company were audited by Audit Ukraine in 2018.

OPERATING OVERVIEW

Severodonetsk CHP energy production account for 60% of total power generated in Severodonetsk. In the market of electricity in Ukraine, the share of Severodonetsk CHP is about 0.1%.

As of 2019, the company employs 470 workers, and from 2018 to 2019 the number of employees decreased by 5.8%, while average monthly salary increased by 15.4%.

OPERATING SUMMARY	2018	2019
Output, thsd Gcal	213	215
Volume of realization, thds Gcal	169	157
Average tariff (excl. VAT), UAH/Gcal	1,370	1,374
Output, m kWh	150	176
Volume of realization, m kWm	120	143
Average tariff (excl. VAT), UAH/kWh	3.33	1.93
Number of Employees	499	470
Average Monthly Salary (UAH)	8,663	9,998

FINANCIAL OVERVIEW

Severodonetsk CHP continues selling the thermal energy it produced at below the cost and in 2018 reported a 45% increase in revenue, while the cost of sales increased by 47.3% at the same time, which lead to negative gross margin deterioration by 2.1ppt from 23.6% in 2017 to 25.8% in 2018. Due to sharp increase in operating expenses, the company reported a 1.6x fold increase in net loss from UAH 84m to UAH 220m in y-o-y terms.

INCOME STATEMENT (m UAH)	2017	2018
Revenue	437	633
COGS	(541)	(797)
Gross Profit/(Loss)	(103)	(163)
EBITDA	(34)	(173)
Depreciation	46	46
Operating Profit/(Loss)	(80)	(219)
Net Financial Income/(Loss)	(0)	(0)
Profit/(Loss) Before Taxes	(80)	(219)
Corporate Income Tax	(4)	(1)
Net Income/(Loss)	(84)	(220)
Dividends paid	-	-

The book value of assets decreased by UAH 65m (-7.5% y-o-y) to UAH 808m in 2018 driven by a UAH 26m decrease in fixed assets (60% of total assets), which mostly represented by PP&E (96%) and by a UAH 39m decrease in current assets (40% of total assets), represented by accounts receivable (72%), other current assets (22%), inventories (4%), and cash & cash equivalents (2%).

On the liabilities side, current liabilities increased by UAH 155m (+21% y-o-y) to UAH 885m, represent 91% of total assets and consists of accounts payable (83%) and other current liabilities (17%). Non-current liabilities made up the remaining 9% of total assets including deferred tax liabilities (83%) and long-term debt (17%).

BALANCE SHEET (m UAH)	2017	2018
Total Assets	873	808
Fixed assets	508	482
PP&E	498	461
Investment Property	-	-
Current Assets	365	326
Inventories	12	14
Accounts Receivable	310	236
Cash & Cash Equivalents	18,8	6,3
Total Liabilities & Equity	873	808
Total Liabilities	823	972
Accounts Payable	601	739
Short-term Debt	-	-
Long-term Debt	15	15
Equity	50	(164)

RATIOS	2017	2018
Sales Growth (% y-o-y)	24%	45%
EBITDA Growth (% y-o-y)	-83%	403%
Net Income Growth (% y-o-y)	-65%	162%
EBITDA Margin (%)	-7.85%	-27.27%
Net Income Margin (%)	-19.19%	-34.74%
ROE (%)	-169.15%	133.91%
ROA (%)	-14.14%	-26.19%
Debt/Equity (%)	1660%	-592%
Net Debt/EBITDA (x)	0.10	-0.05

KHERSON CHP



INDUSTRY energy

PRIVATIZATION SCALE large

ASSETS VALUE UAH 533M

SHARE FOR PRIVATIZATION 99.9%

GENERAL OVERVIEW

Kherson CHP is a 99.9% state-owned company that generates electricity and supplies heat in the Kherson region (area: 28,500 sq.km.; households: 1m). The company owns 8 central and 56 individual heat lines, 110 heating connection points, 4 booster and transfer pumping stations. Installed capacity for electricity generation accounts for 80 MW, for heating - 567 Gcal-h. The largest consumer groups are households (40.4%) industrial (31.1%) and non-industrial objects (12.0%). The company provides services to 550 thsd households and 20.1 thsd commercial and industrial consumers. Financial statements of the company were audited by "Auditorska dopomoga" in 2019. The company has a supervisory board that consists of seven people, including five representatives of the State Property fund and two representatives of VS Energy International Ukraine.

OPERATING OVERVIEW

In 2018, Kherson CHP sold 70.4 GWh of electricity to its customers with an average price of 2.56 UAH/kWh. Electricity was sold directly to Energorynok, heating power was sold according to direct contracts with consumers (households, municipalities, etc). Natural gas is one of the key raw materials for electricity and heating production, which the company procures from Naftogaz Ukraine.

Volume of the net electricity supply is strongly seasonal. During Autumn-Winter season load on the grid has a significant increase due to higher consumption, which subsequently results in a deficit.

As of 2018, the company employs 504 workers, and from 2017 to 2018 the number of employees remained unchangeable, while average monthly salary increased by 34%.

OPERATING SUMMARY	2017	2018
Output of electricity, GWh	59.8	63.04
Growth (% y-o-y)	-11.1%	5.4%
Output of heating, thsd Gcal	302.1	325.6
Growth (% y-o-y)	-9.9%	7.8%
Average procurement price of natural gas for electricity production, UAH/thsd m3 (excl. VAT)	8,488.1	8,071.2
Growth (% y-o-y)	—	-5.2%
Average procurement price of natural gas for heating power production, UAH/thsd m3 (excl. VAT)	5,933.4	6,381.5
Growth (% y-o-y)	—	7.6%
Number of Employees	504	504
Average Monthly Salary (UAH)	8,903	11,924

FINANCIAL OVERVIEW

In 2018, Kherson CHP reported revenue of UAH 414m, up 7.3% y-o-y with a negative gross margin of 15.9%. The company continues selling electricity, at below the costs, mainly from the production and sale of thermal energy (UAH 233m or 67% of total revenue in 2018) and electricity (UAH 180m or 33% of total revenue in 2018). As a result losses on EBITDA level increased by 2x fold, to UAH 81m, and the company reported UAH 100m of net losses (vs UAH 82m in 2017).

INCOME STATEMENT (m UAH)	2017	2018
Revenue	385	414
COGS	(452)	(479)
Gross Profit/(Loss)	(66)	(66)
EBITDA	(54)	(81)
Depreciation	18	17
Operating Profit/(Loss)	(72)	(98)
Net Financial Income/(Loss)	(4)	(2)
Profit/(Loss) Before Taxes	(76)	(99)
Corporate Income Tax	(6)	(1)
Net Income/(Loss)	(82)	(100)
Dividends paid	-	-

The book value of assets increased by UAH 79m (+17.3% y-o-y) to UAH 533m in 2018 driven by a UAH 64m increase in current assets (72% of total assets) which were represented by accounts receivable (68%), other current assets (25%) and inventories (6%), and UAH 15m increase in fixed assets (28% of total assets), which were mainly comprised of PP&E (80%) including buildings and facilities (53%), specialized machinery and equipment (31%) and other fixed assets (20%).

The liabilities side was fully represented by Current liabilities, which increased by UAH 180m (+24.6% y-o-y) to UAH 908m in 2018 including accounts payable (82%) and other current liabilities (18%).

BALANCE SHEET (m UAH)	2017	2018
Total Assets	454	533
Fixed assets	133	148
PP&E	119	119
Investment Property	-	-
Current Assets	321	385
Inventories	19	23
Accounts Receivable	207	262
Cash & Cash Equivalents	25	1
Total Liabilities & Equity	454	533
Total Liabilities	729	908
Accounts Payable	576	741
Short-term Debt	-	-
Long-term Debt	-	-
Equity	(275)	(375)

RATIOS	2017	2018
Sales Growth (% y-o-y)	11%	7%
EBITDA Growth (% y-o-y)	53%	-50%
Net Income Growth (% y-o-y)	37%	-23%
EBITDA Margin (%)	-14.03%	-19.56%
Net Income Margin (%)	-21.17%	-24.25%
ROE (%)	29.70%	26.72%
ROA (%)	-21.26%	-20.32%
Debt/Equity (%)	-265%	-242%
Net Debt/EBITDA (x)	0.45	0.02

ODESA CHP



INDUSTRY energy

PRIVATIZATION SCALE large

ASSETS VALUE UAH 1.03B

SHARE FOR PRIVATIZATION 99.99%

GENERAL OVERVIEW

Odesa CHP is 99.9% state owned company that produces heat and electricity for the needs of Odessa with total installed capacity for electricity generation of 68 MW, capacity of thermal power supply of 505 Gcal/h and capacity of the boiler room of 274 Gcal/h. The company is licensed to produce heat and electricity for the needs of Odessa city, providing more than 300,000 residents with thermal energy. Key consumers is households, budget organizations and other consumers. Odesa CHP located in the northern part of the city, near the sea commercial port and has a railway connection, the area of the territory is 117 hectares. The company was audited by Capital Group in 2019.

OPERATING OVERVIEW

In 2019, Odesa CHP sold 44.5 GWh of electricity and 310 Gcal of heating. Electricity was sold directly to Energorynok, heating power was sold according to direct contracts with consumers (households, municipalities, etc.).

Natural gas is one of the key raw materials for electricity and heating production, which the company procures from Naftogaz Ukraine.

Volume of the net electricity supply is strongly seasonal. During Autumn-Winter season load on the grid has a significant increase due to higher consumption, which subsequently results in a deficit.

As of 2019, company employs 328 workers with average salary of UAH 9,696. In 2018, because of to the liquidation procedure of the enterprise, employees were not accounted.

OPERATING SUMMARY	2018	2019
Output of electricity, GWh	54	44.5
Growth (% y-o-y)	—	-17.6%
Output of heating, thsd Gcal	358	310
Growth (% y-o-y)	—	-13.4%
Average tariff of electricity supply, UAH/Kw	2.71	2.69
Growth (% y-o-y)	—	-0.007%
Average tariff of heating power supply, UAH/Gcal	956	1,142
Growth (% y-o-y)	—	-19.4%
Number of Employees	—	328
Average Monthly Salary (UAH)	—	9,696

FINANCIAL OVERVIEW

Odesa CHP's revenue decreased by 9% in 2019 as compared to 2018, with a decreased cost of sales by 12% at the same period. Streams of revenue come from the production and sale of thermal energy (78.9%) and electricity (21.1%). Decreasing of other operating revenues of UAH 242m in 2018 to UAH 46m in 2019 led to operating loss of UAH 47m in 2019, which resulted in negative bottom line of UAH 53m.

INCOME STATEMENT (m UAH)	2018	2019
Revenue	496	453
COGS	(505)	(445)
Gross Profit/(Loss)	(9)	9
EBITDA	96	(33)
Depreciation	6	14
Operating Profit/(Loss)	90	(47)
Net Financial Income/(Loss)	0	(4)
Profit/(Loss) Before Taxes	90	(51)
Corporate Income Tax	(79)	(2)
Net Income/(Loss)	11	(53)
Dividends paid	-	-

The book value of assets increased by UAH 171mln (+19.9% y-o-y) to UAH 1.03bn in 2019 driven by a UAH 169.4mn increase in current assets (87% of total assets), which were represented by accounts receivable (79%) inventories (6%), fully represented by raw materials, cash equivalents (1%) and other current assets (14%) and by a UAH 1.6mln increase in fixed assets, which made up the remaining 13% of total assets and were comprised of PP&E (78%) including specialized machinery and equipment (70%), buildings and facilities (29%), vehicles (1%) and other fixed assets (22%).

On the liabilities side, total liabilities is almost fully represented by current liabilities, which increased by UAH 208mn (+13% y-o-y) to UAH 1.77bn in 2019 and were represented mainly by accounts payable (89%) and other current liabilities (11%).

BALANCE SHEET (m UAH)	2018	2019
Total Assets	859	1,030
Fixed assets	131	133
PP&E	100	104
Investment Property	-	-
Current Assets	728	897
Inventories	52	54
Accounts Receivable	468	711
Cash & Cash Equivalents	97	10
Total Liabilities & Equity	859	1,030
Total Liabilities	1,568	1,801
Accounts Payable	1,437	1,581
Short-term Debt	-	-
Long-term Debt	-	-
Equity	(710)	(771)

RATIOS	2018	2019
Sales Growth (% y-o-y)	6%	-9%
EBITDA Growth (% y-o-y)	-143%	-135%
Net Income Growth (% y-o-y)	-105%	-570%
EBITDA Margin (%)	19.38%	-7.34%
Net Income Margin (%)	2.29%	-11.77%
ROE (%)	-0.21%	0.86%
ROA (%)	0.40%	-1.01%
Debt/Equity (%)	-200%	-183%
Net Debt/EBITDA (x)	-0.08	0.33

MYKOLAYIV CHP



INDUSTRY energy

PRIVATIZATION SCALE small

ASSETS VALUE UAH 255M

SHARE FOR PRIVATIZATION 100%

GENERAL OVERVIEW

«Mykolayiv» CHP is a 99.9% state-owned company that produces electricity and heat located in the Mykolaiv region. Total installed capacity of heat production accounts for 410 Gcal/h; of electricity production - 40 MW. The company supplies electricity to more than 39,000 consumers. Sales of thermal energy to consumers (Gcal): households - 81.25%, non-industrial objects - 13.73%, other consumers - 5.32%. The company was audited by Valcont-Audit in 2019.

OPERATING OVERVIEW

The company mainly works on natural gas, which is supplied by Naftogas Ukraine. In the 2019, production volumes of heating power was 244 thsd Gcal, and of electricity – 62m kWh.

Tariffs for thermal energy:

- For budgetary institutions - 1526.87 UAH / Gcal with VAT;
- For households (central heating) - UAH 1,524.04 / Gcal with VAT;
- For households (housing cooperatives) - UAH 1,502.60 / Gcal with VAT;
- For religious organizations - UAH 1,526.35 / Gcal with VAT;
- For other consumers - UAH 1,526.60 / Gcal with VAT.

By the end of 2019, the company's debt to SE "Energorynok" amounts to UAH 34m. As of 2019, the company employs 462 workers.

FINANCIAL OVERVIEW

In 2018 Mykolaivska TEC reported revenue of UAH 414m, up 24% y-o-y with a negative gross margin deterioration by 11ppt. y-o-y to 6.6%, as costs increase outpaced revenue growth. The company was loss making in 2017 and 2018 both at the EBITDA and bottom line level.

INCOME STATEMENT (m UAH)	2017	2018
Revenue	321	397
COGS	(377)	(423)
Gross Profit/(Loss)	(56)	(26)
EBITDA	(56)	(36)
Depreciation	5	6
Operating Profit/(Loss)	(61)	(41)
Net Financial Income/(Loss)	4	3
Profit/(Loss) Before Taxes	(57)	(38)
Corporate Income Tax	-	-
Net Income/(Loss)	(57)	(38)
Dividends paid	-	-

The book value of assets increased by UAH 26m (+11.5% y-o-y) to UAH 255m in 2018 driven by a UAH 31m increase in current assets (88% of total assets), which were represented by accounts receivable (62%), other current assets (25%), cash & cash equivalents (9%) and inventories (4%) and by a UAH 5m decrease in fixed assets, which made up the remaining 12% of total assets and were mainly comprised of PP&E (91%).

The company's liabilities fully represented by current liabilities increased by UAH65m (+21% y-o-y) to UAH 373m including accounts payable (95%) and other current liabilities (5%).

BALANCE SHEET (m UAH)	2017	2018
Total Assets	229	255
Fixed assets	35	30
PP&E	32	27
Investment Property	-	-
Current Assets	194	226
Inventories	10	9
Accounts Receivable	115	140
Cash & Cash Equivalents	21	20
Total Liabilities & Equity	229	255
Total Liabilities	308	373
Accounts Payable	293	354
Short-term Debt	-	-
Long-term Debt	-	-
Equity	(79)	(117)

RATIOS	2017	2018
Sales Growth (% y-o-y)	17%	24%
EBITDA Growth (% y-o-y)	4%	-37%
Net Income Growth (% y-o-y)	-3%	33%
EBITDA Margin (%)	-17.50%	-8.94%
Net Income Margin (%)	-17.86%	-9.65%
ROE (%)	72.53%	32.66%
ROA (%)	-21.10%	-15.82%
Debt/Equity (%)	-390%	-318%
Net Debt/EBITDA (x)	0.38	0.57

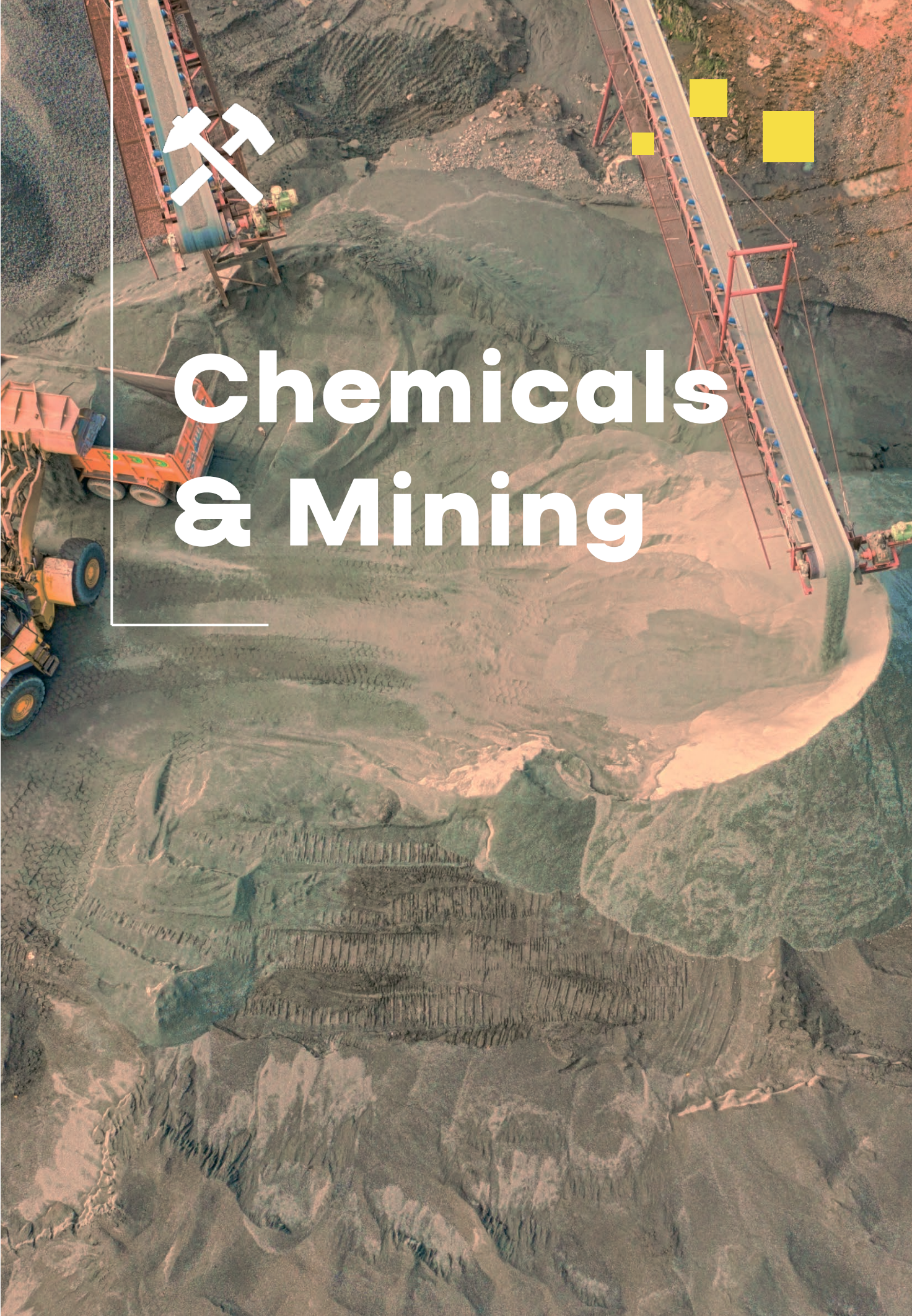


Table 2. Other SOEs in Electricity sector

Enterprise Name (UKR)	Enterprise Name (ENG)	Code	Privatization Scale
ДП зовнішньоекономічної діяльності Укрінтеренерго	SE Foreign Economic Activity Ukrinterenergo	19480600	Small



Chemicals & Mining



SECTOR OVERVIEW



Ukraine has the seventh largest volume of proven coal reserves in the world. Its estimated 34.4b tonnes of coal constitute 3% of the world's reserves. Most of the deposits are thermal coal, while coking coal accounts for about 30%. The main deposits are in the Donets'k, Dnipro and Lviv-Volyn coal basins, as well as in the Dnipro-Donets'k and Zakarpattya coal-bearing basins. Deposits are characterized by their great depth, (typically 500 to 1 000 meters) and thin reservoirs (typically 0.8–1.0 meters).

Regarding the chemical sector, for Ukraine it is an indispensable element in ensuring fluent production and development of other industrial fields. The modernisation and further development of the Ukrainian chemical industry will have a major impact on profitability in the agriculture and building industry. The chemical environment in the country has a high export nature and includes key items such as mineral fertilizer (export represents 30 % of the total chemical sector). The chemical sector represents 9% of industrial exports from Ukraine.

COAL MINING SECTOR

UKRAINE BOASTS SEVENTH LARGEST COAL RESERVES GLOBALLY | Ukraine (including separatist-held territory in the eastern regions) boasts the seventh-largest proven coal reserves in the world, estimated at 34 billion tonnes (3.3% of world total). Bituminous coal and anthracite account for 93% of Ukraine's total coal reserves. The country was the 18th largest coal producer globally in 2018, with a 0.4% share of total output, and was the 16th largest in terms of consumption. The largest coal deposits in Ukraine are found in the eastern Luhansk and Donetsk regions (and partly the neighboring Dnipropetrovsk region). Coal is also mined in the western Lviv basin bordering Poland, albeit on a much smaller scale. Unlike most North American and Australian coal producers, Ukrainian mines are underground. In the Soviet time, Ukraine mined 140-190 Mt of coal annually. Around 160 mines operated in the country before the military conflict in the eastern regions began in 2014, increasing production at a CAGR of 3.2% in 2009-2013, to 76 Mt in 2013. Output has since more than halved as much of eastern Ukraine's coal producing area went under separatist control.

Figure 31. Ukraine thermal coal output (MT)

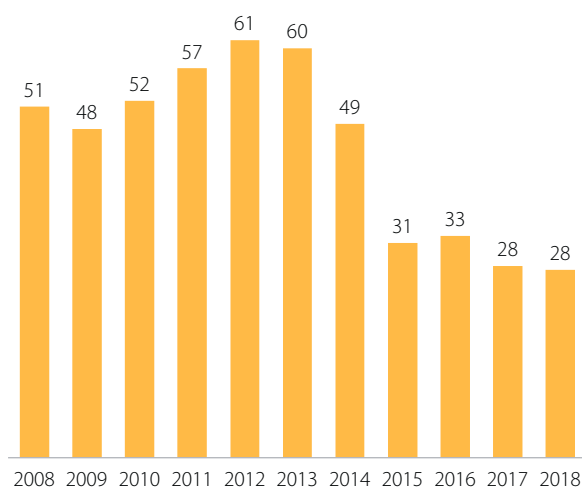
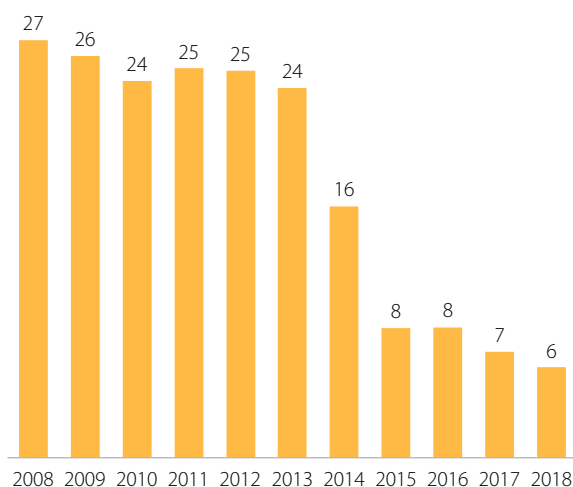


Figure 32. Ukraine coking coal output (MT)



COAL PRODUCTION FELL 5% IN 2018 | Ukraine's production of ROM coal (both thermal and coking) fell by 5% y-o-y to 33.3 Mt in 2018, with coking coal production down 15% to 5.8 Mt and steam coal down 2% to 27.5 Mt. Production at state-owned mines dropped by 15% to 4.1 Mt (incl. coking coal -40% to 560 kt and steam coal -8% to 3.6 Mt). Disregarding the 2017 contribution from mines in separatist-held territory in the east, last year's coal production rose 0.9% y-o-y. However, this estimate lacks in accuracy, as a large private mine stopped reporting its production data to the Energy and Coal Ministry in September. Assuming the latter's monthly output remained in line with the August level of 130 kt, we estimate full-year coal production at 33.8 Mt, up 2% y-o-y (disregarding assets in non-controlled territory).

TWO PRODUCERS ACCOUNT FOR OVER 80% OF TOTAL OUTPUT | DTEK, the largest private coal miner, increased 2018 production by 5.3% y-o-y to 24.1 Mt, or up 1.2 Mt in absolute terms. Its main subsidiary, Pavlohrad Coal, cut output by 130 kt (-0.6%) y-o-y to 20 Mt, or 83% of the group's total production, with the decline offset by two other subsidiaries, Dobropillya Coal and Bilozerska Coal, which boosted output by 41% (+867 kt) and 74% (+478 kt) to 3.0 Mt and 1.1 Mt, respectively. DTEK's monthly production hit a record 2.2 Mt in October-November 2018 but slipped to 2.0 Mt in December (still +0.7% y-o-y). DTEK thus accounted for 69% of total Ukrainian coal production last year, with an 83% share of steam coal mined. Among other private producers, top coking coal miner Pokrovskaya Coal cut output by 9% y-o-y to 4.0 Mt in 2018, accounting for 69% of total coking coal production (and 12% of overall coal mining).

COAL PRODUCTION DROPPED 7% IN 1H19 | In 1H19, total coal production fell 7% y-o-y to 15.3 Mt, with coking coal down 17% to 2.6 Mt and energy coal -5% to 12.7 Mt. State mines cut production by 15% to 1.8 Mt, including 399 kt of coking coal (+65% y-o-y) and 1.4 Mt steam of coal (-25%). DTEK, reported little-changed production in 1H19 (-1% y-o-y to 11.3 Mt), as a 38% plunge at Bilozerska mine (to 288 kt) and 1% drop at Pavlohrad Coal (to 2.2 Mt) were offset by a 15% increase at Dobropillya Coal, to 1,621 kt. Coking coal producer Pokrovskaya Mine increased 1H19 output by 1% y-o-y to 2.2 Mt.

Figure 33. Breakdown of thermal coal production (MT)

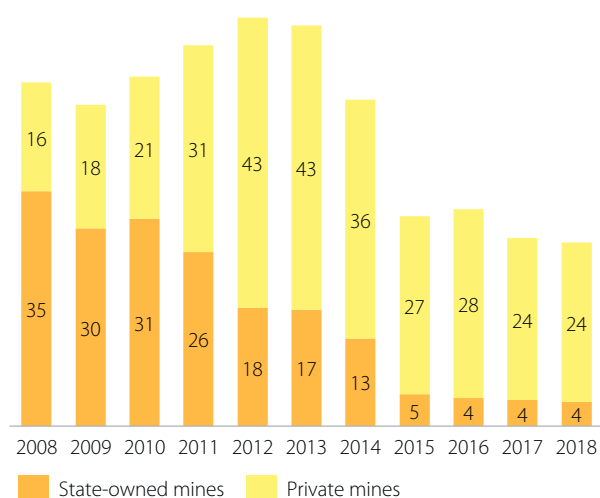
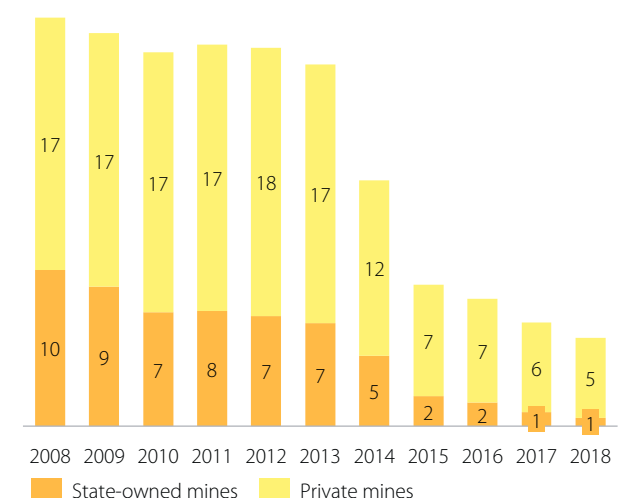


Figure 34. Breakdown of coking coal production (MT)



STATE COAL MINES RELY ON SUBSIDIES | Ukraine's remaining state-owned coal mines are hugely inefficient and reliant on state subsidies. Although local coal prices were linked to foreign benchmarks in 2016, boosting state mines' realized prices, those were still significantly below their production costs. In 2018, realized prices of steam coal sold by state mines averaged UAH 2,036/t (\$74.8/t, +7% y-o-y), below their average production costs of UAH 3,188/t (\$117/t, -4% y-o-y), most of which are cash costs. The government had provided subsidies to cover mines' costs, but this practice was discontinued in recent years. As a result, state mines struggle to pay their basic OPEX (e.g. electricity bills and wages), being among the largest power market debtors along with water utilities.

UKRAINE BECAME A NET IMPORTER OF THERMAL COAL AFTER ANTHRACITE SUPPLIES FROM SEPARATIST REGION STOPPED | The military conflict in the east and resulting loss of coal assets made Ukraine a net importer of thermal coal. The shortage of anthracite, mined solely in Donbas, grew particularly acute, as supply from separatist territory stopped in March 2017. It forced domestic thermal power plants (private and state-owned) to look for substitutes abroad, leading to a surge in anthracite imports. As it became evident that coal supplies from non-controlled territory were highly unlikely to resume, power plants started to convert their anthracite-fired boilers to burn regular steam coal (see electricity market chapter above). The current goal is to minimize dependence on imported anthracite by 2020, but terminating anthracite imports (for power generation) altogether would require significant investments to boost domestic steam coal production by c. 3 Mt p.a. In addition, part of imported anthracite is used as fuel in steelmaking, for pulverized coal injection, and in cement production. But even replacing part of anthracite with regular steam coal is beneficial, as the latter is much easier to find abroad than anthracite.

ANTHRACITE IMPORTS INCREASED 18% Y-O-Y IN 2018 | In 2018, Ukraine imported 3.9 Mt of anthracite (+15% y-o-y), predominantly for thermal power generation, with almost 94% of the total supplied from Russia and the

remaining 6% (down from 20% in 2017) from South Africa. DTEK was the largest importer, bringing 1.1 Mt from its Russian mines, (+18% y-o-y) and 0.5 Mt from elsewhere. The average import price was \$106/t (+8% y-o-y).

BITUMINOUS COAL IMPORTS INCREASED BY 9% ON HIGHER DEMAND FROM METALLURGICAL AND ENERGY SECTORS |

Ukraine also imported 17.2 Mt of bituminous coal (predominantly coking and dual-purpose) in 2018 (+8.7% y-o-y). The average import price was little-changed at \$151/t. Russia remained the largest supplier of this type of coal, with 66% of total imports (+10% y-o-y to 11.4 Mt). Imports from the US continued to accelerate, surging by 42% y-o-y to 4.4 Mt (on top of 74% growth in 2017), taking over 25% of total imports.

RUSSIA CUT COAL DELIVERIES TO UKRAINE WITH JUNE ANTHRACITE SUPPLIES DOWN 37% M-O-M AND COKING COAL IMPORTS DOWN 35% |

In June 2019, Russia imposed further restrictions on trade with Ukraine, with the government banning exports of oil and some petrochemical products and starting to license exports of coal, gasoline, diesel, coke and LPG. In particular, Russia reportedly refused to issue coal export permits for Metinvest and DTEK, forcing DTEK to switch its Luhansk power plant, reliant on coal supplies from Russia, to natural gas in July. For steel makers, the loss of access to Russian coal, in addition to more complicated logistics, implies higher production costs, as Russian coal is up to half as cheap as US or Australian coals (\$126/t vs. \$200/t on US imports in 2018). As a result of the latest Russian curbs, anthracite imports to Ukraine fell by 37% m-o-m to 213 kt in June and coking coal shipments slid 35% to 751 kt. But additional volumes of Russian coal were rerouted via Belarus, with 1H19 deliveries from the country exceeding the full-2018 volume. It is not clear how long Russia's new trade barriers will last but they likely served as further incentive for domestic coal consumers to seek more reliable coal suppliers elsewhere going forward.

CHEMICAL SECTOR

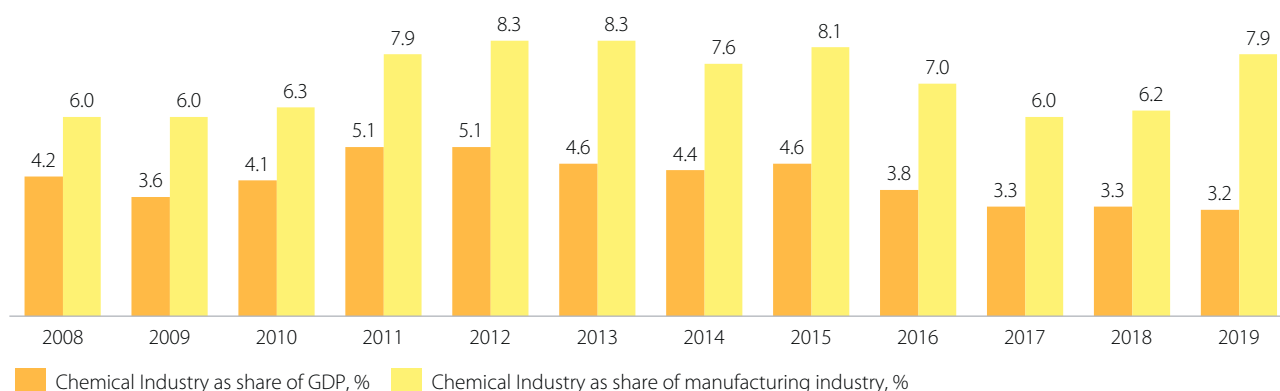
Chemical industry is one of the principal sectors of the Ukrainian economy. It has more than 200 associations and enterprises, producing more than 20 thsd major and 100 thsd auxiliary chemical products. The chemical industry develops and produces a widest variety of products. On one hand the chemical industry produces primary products for other industries such as polymer processing. On the other hand, chemical finished products are being used in the food and pharmaceutical industry, in environmental protection or cosmetics industry.

THE CHEMICAL INDUSTRY ACCOUNTS FOR 4% OF DOMESTIC INDUSTRIAL PRODUCTION |

Chemical enterprises account for 4% of Ukraine's total industrial production. The six largest state-owned companies in the sector together account for 1% of state-owned enterprises' total assets and 3% of total 2013 revenues (13% of assets and 19% of revenues of state-owned manufacturing sector companies). Three enterprises are involved in production and transportation of fertilizers and accounted for 65% of the group's total assets and 97% of revenues in 9M14. The sector is highly dependent on gas supplies to Ukraine (gas being the key input in nitrogen fertilizer production) and global and domestic demand for fertilizers. Based on 9M14 data, the group's return on equity remained negative at -119.0% (vs. the median for all sectors of -12.1%).

THE SHARE OF CHEMICAL INDUSTRY IN GDP DECLINES TO 3.2% IN 2019 | At the same time, the structural share of chemical products in the processing industry increased to 7.9%, which indicates strengthening of the position of the production in the industrial structure. The chemical industry continues to play a significant role in the intersectoral consumption of industrial products.

Figure 35. Share of chemical industry in GDP, %



THE CHEMICAL INDUSTRY HAS A HIGH-LEVEL OF DEMAND AND CONSUMPTION, SIGNIFICANT EXPORT AND DOMESTIC MARKET POTENTIAL |

The chemical industry is basic, system-forming, budget-forming in many cities and regions. The demand and consumption level is up to 22%, in some periods this index can reach 30-34%. At the same time, the loss of reputation and image indicators due to the breakdown of balance sheet, raw material and sales relations is becoming more and more noticeable and critical. The share of chemical products in industrial production decreased in 2012-2018 from 6.2% to 4.8%. In industrialized countries, the share of chemical products in industrial production ranges from 8 to 16%.

THE MAIN INDICATIVE INDICATORS OF THE CHEMICAL INDUSTRY IN 2011-2018 | The increase in output and sales of chemical products (+ 16.5%) was partially split between export and domestic supplies, however, due to more significant absolute indicators of consumption and imports of chemical products, this has not significantly affected the main balance sheet indicators of the domestic chemical market. Consumption of chemical products in 2018 exceeded the level of consumption in 2014 mainly due to imported products, whose share in the domestic market is 76%. The volume of imported chemical products to Ukraine exceeded by almost 11% compared to the year of 2014 (respectively 8.4 and 7.59 billion \$). Growth in the domestic chemical market in 2018 has slowed down compared to previous years, although in nominal terms domestic consumption of chemical products has already reached and crossed the level of 2014.

Figure 36. Export and import in the chemical industry in 2011- 2019 (USD b)

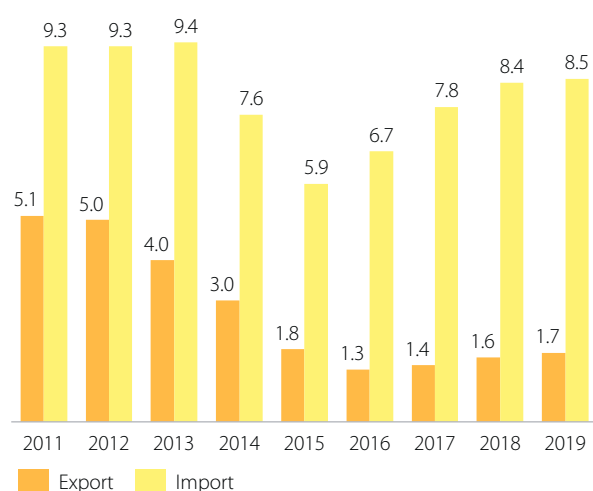
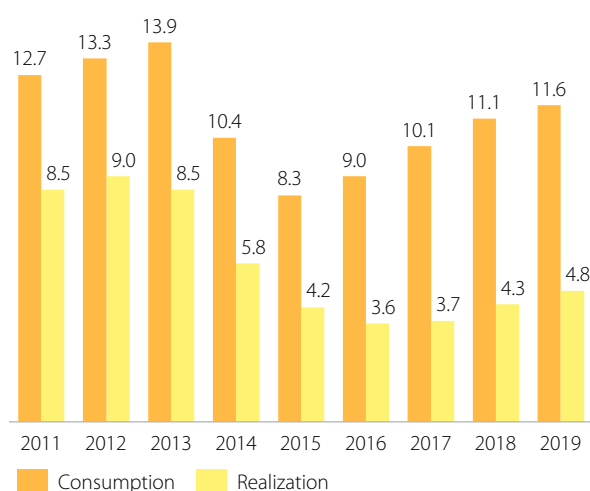


Figure 37. Consumption and realization in the chemical industry (USD b)



ODESA PORTSIDE PLANT



INDUSTRY chemicals and mining

PRIVATIZATION SCALE large

ASSETS VALUE UAH 5.1B

SHARE FOR PRIVATIZATION 99.6%

GENERAL OVERVIEW

Odesa Portside Plant is a 99.6% state-owned nitrogen fertilizer producer and transshipment company located in Odesa region, near the Black Sea coastline. The company has two main service lines: (a) production of ammonia and carbamide and (b) export transshipment of ammonia, carbamide, and methanol produced by third parties/the plant. Odesa Portside Plant consists of two ammonia production units with total annual capacity of 1,100 thsd tons and two carbamide production units with total annual capacity of 860 thsd tons. The company produces 23% of total ammonia output and 18% of total carbamide output in Ukraine and exports 85% of its current production to 30 countries. Pericles Global was assigned as investment advisor for this object in privatization process. The company was audited by EY in 2015-2017 and by Capital Group during 2012-2014 and in 2018.

OPERATING OVERVIEW

In 2019 operational performance of Odesa Portside Plant was improved. Company's operational performance is highly dependent on availability of natural gas. For example, in 2018, there was a temporary production shutdown which was caused by a gas supply shortage due to the supplier's violation of agreement. As a result, ammonia production facilities were used only at 16% of their capacity during 2018, and at 27% for carbamide production. In August 2019, production of ammonia and carbamide was resumed in full capacity after 17 months of suspension.

In 2018, the number of employees at Odesa Portside Plant decreased by 13% compared to 2017, while average monthly salary increased by 26%.

OPERATING SUMMARY (thsd tons)	2017	2018
Ammonia production	249.4	140.5
Ammonia transshipment volume	1,948	2,170
Ammonia storage	—	120
Carbamide production	170.2	178.3
Carbamide transshipment volume	135.2	75
Carbamide storage	—	80
Methanol transshipment volume	—	1,000
Methanol storage	—	36
Number of Employees	3,402	2,962
Average Monthly Salary (UAH)	9,049	11,393

FINANCIAL OVERVIEW

Revenue decreased by 13% in 2018 as compared to 2017, with a decreased cost of sales in the same period. The main stream of revenue comes from ammonia overload and carbamide production (UAH 691m or 53% and UAH 238m or 18% of total revenue in 2018). In 2017 and 2016, four largest partners accounted for 75% and 67% of revenue. Personnel costs (37%), materials (33%), natural gas (27%) mainly constituted COGS in 2018. The twofold decrease of operating loss resulted in net loss decrease by 49% (UAH 750m 2018 and UAH 1,476m 2017). Natural gas supply shortage resulted in gross margin of 8% in 2018 compared to 7% in 2017.

INCOME STATEMENT (m UAH)	2017	2018
Revenue	1,279	1,119
COGS	(1,188)	(1,033)
Gross Profit/(Loss)	92	86
EBITDA	(858)	(390)
Depreciation	158	159
Operating Profit/(Loss)	(1,015)	(549)
Net Financial Income/(Loss)	(316)	(218)
Profit/(Loss) Before Taxes	(1,272)	(767)
Corporate Income Tax	204	17
Net Income/(Loss)	(1,476)	(750)
Dividends paid	-	-

The book value of assets decreased by a UAH 284m (-5.3% y-o-y) to UAH 5.12b in 2018 driven by a UAH 147m decrease in fixed assets (91% of total assets), which were represented by PP&E (77%) including specialized machinery and equipment (69%), buildings and facilities (21%) and vehicles (10%), long-term financial investments (8%) and other fixed assets (15%) and by a UAH 138m decrease in current assets, which made up the remaining 9% of total assets and consists of inventories (60%), including raw materials (83%) and incomplete capital investment (17%), accounts receivable (32%), cash & cash equivalents (2%) and other current assets.

On the liabilities side, current liabilities increased by a UAH 486m (+5% y-o-y) to UAH 10.8b, represented 96% of total liabilities and consists of accounts payable (70%) and other current liabilities (30%). Non-current liabilities made up the remaining 4% of total liabilities and fully consists of deferred tax liabilities.

BALANCE SHEET (m UAH)	2017	2018
Total Assets	5,413	5,128
Fixed assets	4,797	4,649
PP&E	3,748	3,596
Investment Property	12	12
Current Assets	616	478
Inventories	325	289
Accounts Receivable	281	153
Cash & Cash Equivalents	8	11
Total Liabilities & Equity	5,413	5,128
Total Liabilities	10,828	11,297
Accounts Payable	7,568	7,560
Short-term Debt	—	—
Long-term Debt	—	—
Equity	(5,414)	(6,170)

RATIOS	2017	2018
Sales Growth (% y-o-y)	-76%	-13%
EBITDA Growth (% y-o-y)	-74%	-55%
Net Income Growth (% y-o-y)	-62%	-49%
EBITDA Margin (%)	-67%	-35%
Net Income Margin (%)	-115%	-67%
ROE (%)	-27%	-12%
ROA (%)	-26%	-14%
Debt/Equity (%)	—	—
Net Debt/EBITDA (x)	—	—



INDUSTRY chemicals and mining

PRIVATIZATION SCALE large

ASSETS VALUE UAH 3.4B

SHARE FOR PRIVATIZATION 100%

GENERAL OVERVIEW

United Mining and Chemical Company (UMCC) is a 100% state-owned company specializes in development of titanium-zircon deposits and production of rutile, ilmenite and zircon concentrate, and concentrate enrichment services. The company has facilities in three regions: Kyiv, Dnipro and Zhytomyr. Key consumers are producers of industrial minerals and companies that operate on large volumes of titanium raw materials. The company accounts for 3% of worldwide production volumes of titanium-containing substances. KPMG, BDO and Baker McKenzie were assigned as investment advisors for this object in the privatization process. Financial statements of the company were audited by Baker Tilly in 2017.

OPERATING OVERVIEW

90% of company's production is exported to Western Europe, Middle East, North and South America, CIS region. Due to the relatively high share of production that is being exported, the company is highly dependent on external economical conditions.

There's a stable demand on the production of UMCC on the world market of mineral production.

As of 2018, the company employs 5,435 workers, and from 2017 to 2018 the number of employees decreased by 4.3%, while average monthly salary increased by 29%.

OPERATING SUMMARY	2017	2018
Production of ilmenite concentrate	336.3	349.2
Growth (% y-o-y)	—	3.8%
Share on Ukrainian market, %	—	55%
Production of rutile concentrate	53.1	38.9
Growth (% y-o-y)	—	-26.7%
Share on Ukrainian market, %	—	90%
Production of zirconium concentrate	27.2	20.4
Growth (% y-o-y)	—	-25%
Share on Ukrainian market, %	—	95%
Number of Employees	5,679	5,435
Average Monthly Salary (UAH)	6,791	8,762

FINANCIAL OVERVIEW

In 2018, UMCC's revenue mainly generated from production & processing of ilmenite concentrate (43% on avg.), rutile concentrate (30% on avg.), zirconium concentrate (22% on avg.) and other (5%), increased by 12.5% in y-o-y terms, while the cost of sales increased. Still it didn't result in higher EBITDA which reduced by 29.7% to UAH 789m and net income halved to UAH 115m, which implies EBITDA margin of 24.6% (-15ppt.) and net margin of 3.6% (-12ppt.).

INCOME STATEMENT (m UAH)	2017	2018
Revenue	2,856	3,214
COGS	(1,679)	(2,116)
Gross Profit/(Loss)	1,177	1,098
EBITDA	1,123	789
Depreciation	242	220
Operating Profit/(Loss)	880	569
Net Financial Income/(Loss)	(329)	(349)
Profit/(Loss) Before Taxes	551	221
Corporate Income Tax	(108)	(106)
Net Income/(Loss)	444	115
Dividends paid	-	-

The book value of assets increased by UAH 309m (+10.1% y-o-y) to UAH 3.37b in 2018 driven by a UAH 131m increase in current assets (59% of total assets), which were represented by inventories (51%), accounts receivable (34%), cash & cash equivalents (13%), and UAH 178m increase in fixed assets (41% of total assets), which were mainly comprised of PP&E (92%) including buildings and facilities (45%), specialized machinery and equipment (20%), vehicles (16%) and other (19%).

On the liabilities side, long-term liabilities increased by UAH 434m to UAH 546m in 2018, which made up the 54% of total liabilities, and mostly consisted of provisions (97%). Current liabilities decreased by UAH 122m to UAH 473m representing a 46% of total liabilities, including accounts payable (53%), accrued expenses (45%) and other current liabilities (2%).

BALANCE SHEET (m UAH)	2017	2018
Total Assets	3,065	3,374
Fixed assets	1,219	1,397
PP&E	1,114	1,280
Investment Property	-	-
Current Assets	1,845	1,977
Inventories	752	1,005
Accounts Receivable	919	678
Cash & Cash Equivalents	158	264
Total Liabilities & Equity	3,065	3,374
Total Liabilities	707	1,018
Accounts Payable	200	250
Short-term Debt	-	-
Long-term Debt	-	-
Equity	2,358	2,355

RATIOS	2017	2018
Sales Growth (% y-o-y)	17%	13%
EBITDA Growth (% y-o-y)	9%	-30%
Net Income Growth (% y-o-y)	-31%	-74%
EBITDA Margin (%)	39.31%	24.56%
Net Income Margin (%)	15.54%	3.57%
ROE (%)	18.82%	4.88%
ROA (%)	26.27%	3.57%
Debt/Equity (%)	30%	43%
Net Debt/EBITDA (x)	-0.14	-0.33

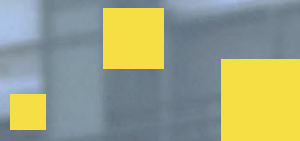


Table 3. Other SOEs in Chemicals & Mining sector

Enterprise Name (UKR)	Enterprise Name (ENG)	Code	Privatization Scale
ДП Вугільна компанія Краснолиманська	SE Coal mining company Krasnolymanska	31599557	Large
ПАТ Сумихімпром	JSC Sumykhimprom	05766356	Large
ДП Київторф	SE Kyivtorf	02968177	Small
ДП Рівнеторф	SE Rivnetorf	02968193	Small
ДП Сумиторф	SE Sumitorf	02968208	Small
ДП Поділляторф	SE Podillyatorf	02968875	Small
ДП Чернігівторф	SE Chernihivtorf	02968220	Small
ДП Волиньторф	SE Volyntorf	00426302	Small
ДП Житомирторф	SE Zhytomyrtorf	02968154	Small
ДП Одеський нафтопереробний завод	Odesa Oil Refinery SE	41864238	Small
ДП Костянтинівський державний хімічний завод	SE Konstantinovsky State Chemical Plant	05766362	Small
ДП Мурафський кар'єр	SE Murafsky quarry	00371943	Small
ДП Піщанський кар'єр	SE Sand Quarry	00371989	Small
ДП Закупнянський кар'єр	SE Zakupnyansky Quarry	00373735	Small
ДП Нігинський кар'єр	Niginsky Quarry SE	00373741	Small
ДП Солотвинський солерудник	Solotvyno Salt Mine SE	00383544	Small
Долинський солевиварювальний комбінат	Dolyna salt-boiling plant	00383567	Small
ДП Генічеський солезавод	SE Genichesky salt factory	00383596	Small
ДП Геройське дослідно-промислове підприємство	SE Heroic Research and Industry Enterprise	00383604	Small
ДП Новояворівське державне гірничо-хімічне підприємство Сірка	SE Novoyavorivsk State Mining and Chemical Enterprise Sulfur	34509953	Small
ДП Солевиварювальний Дрогобицький завод	SE Drohobych Saltworks	38831368	Small
ВАТ Житомирський завод хімічного волокна	JSC Zhytomyr Chemical Fiber Plant	00206256	Small
АТ Запорізький виробничий алюмінієвий комбінат	JSC Zaporizhzhya Production Aluminum Plant	00194122	Small
Запорізьке ДП Кремнійполімер	Zaporizhia SE Kremniypolymer	00203625	Small
ПрАТ Укрзахідвуглебуд	PJSC Ukrzakhidvuglebud	00177158	Small
Українське ДП Укрметал	Ukrainian SE Ukrmetal	01886649	Small
Українське ДП Укрхім	Ukrainian SE Ukrhim	01886678	Small
ДП Міндобрива	SE Fertilizers	05805369	Small
ДП Чорметавтоматика	SE Chormetavtomatika	05838481	Small
ЄМК структурного підрозділу дільниці допоміжних виробництв ДП Червоненський завод продтоварів	SPC structural subdivision section of auxiliary productions SE Chervonensky food factory	—	Small
ЄМК ДП Полупанівський кар'єр	SPC SE Polupanivsky quarry	—	Small
ДП Смоли	SE Smoly	30168850	Small

Table 3. Other SOEs in Chemicals & Mining sector (cont.)

Enterprise Name (UKR)	Enterprise Name (ENG)	Code	Privatization Scale
ДП Черкаський державний завод хімічних реактивів	Cherkasy State Plant of Chemical Reagents	00205104	Small
Відокремлений підрозділ Шахта Бужанська ДП Волиньвугілля	Separate subdivision Buzhanskaya Mine SE Volyn Coal	00176259	Small
ПАТ Нафтопереробний комплекс Галичина	JSC Oil refining complex Galicia	00152388	Small



Machinery



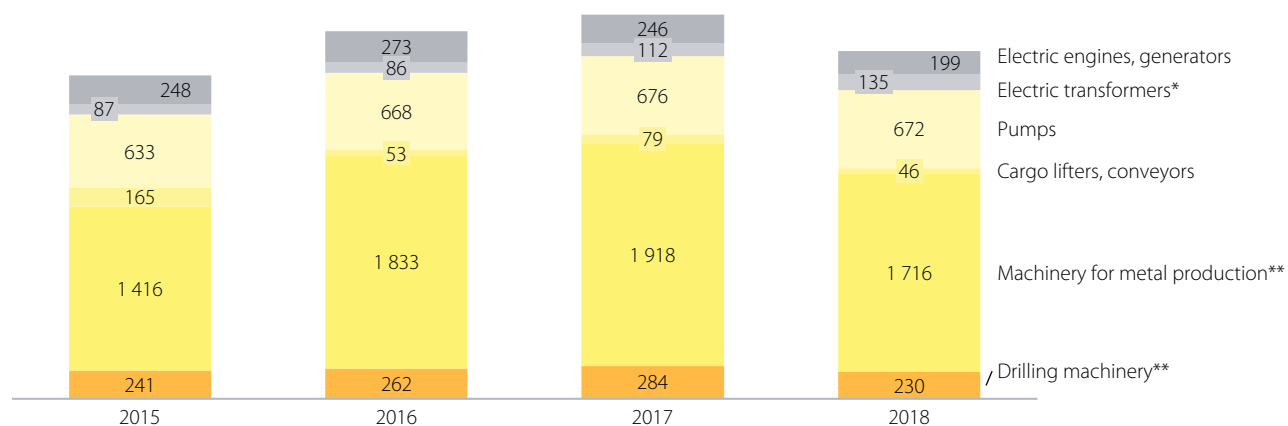
SECTOR OVERVIEW



Machine building is one of Ukraine's largest industrial sectors with a 6.9% share of 2018 industrial production. Its lowest share was 6.1% in 2016 due to the military conflict on the East of Ukraine, Russian restrictions on Ukrainian imports (particularly machinery products) and overall economic recession. In fact, since 2016, the industry started to show positive signs with 27% CAGR during 2016-2018.

Although many enterprises in sub-industries, including the production of railcars, automobiles, aircraft engines and partly power machinery, are mostly privatized, the state's role is still significant. For instance, Turboatom, a state-owned enterprise, is a unique manufacturer of turbine equipment for power plants, while Electrovazhmash produces electric generators and hauling equipment in the global market.

Figure 38. Production of selected heavy machinery items (m units, ths kg)



Note: *units; **kg.

MOST POWER MACHINERY PRODUCERS REMAIN EXPORT-ORIENTED | Power machinery is one of the industrial sub-sectors that has succeeded in preserving its production capacity post-Soviet Union collapse both in terms of fixed assets and historically qualified engineering labor, and retained its status as a regional and global player. Most power machinery producers remain export-oriented (in 2018, 75% products were exported) because there is still limited demand in Ukraine since industry's sizable capacity surpasses domestic demand and partly because of domestic economic downturns including the fact of Russia being the major contractor up until the conflict started.

Figure 39. Sales of machinery products, 2010-2018

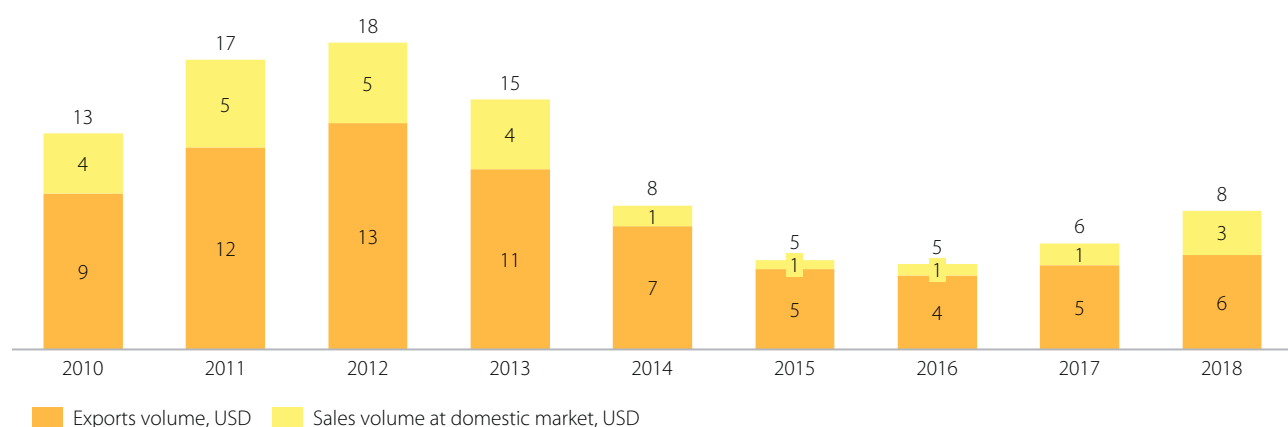
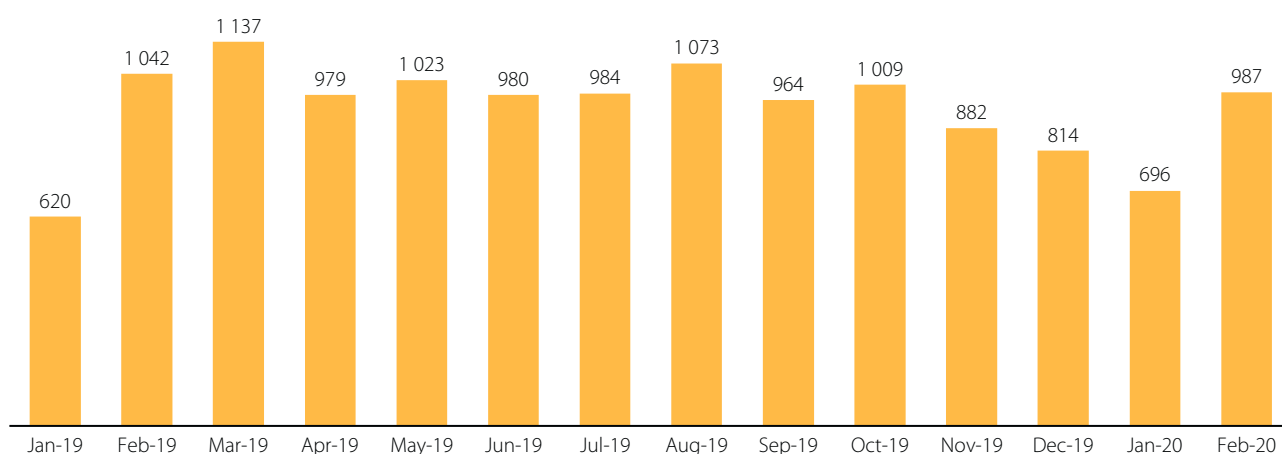


Figure 40. Production of electric engines and generators (thsd. units)



TURBOATOM AND ELECTROVAZHMASH ARE THE LARGEST POWER MACHINERY PRODUCERS AMONG TOP STATE-OWNED ENTERPRISES |

Turboatom produces turbine equipment for thermal, nuclear and hydroelectric power generating plants. By supplying over 10% of the world's nuclear power generating capacity, the company is the world's fourth-largest turbine producer. In Ukraine, the company's turbines operate at 40% of thermal power plants, 85% of nuclear power plants and 95% of hydropower plants. Turboatom's current capacity allows for the annual production of steam and hydro turbines with a total generating capacity of 8 GW and 2 GW, respectively. The company supplies its products to 45 countries globally. Since its founding in 1935, Turboatom has delivered over 165 turbines with a total capacity of 65 GW to 110 nuclear plants; 400 turbines for thermal power plants (63 GW); and 530 turbines for 115 hydropower plants (39 GW). Its major competitors are Russian Power Machines, Siemens, Alstom, ABB, Shanghai Electric.

Electrovazhmash was spun off from Turboatom due to its core business being electric machinery. The plant produces hauling equipment for mines and railways (around 60-70% of revenues) as well as turbo and hydro generators (up to 30%). The company has limitations in terms of producing large-capacity generators.

Domestic power machinery producers face largely identical challenges. Historically close ties with Russia and other CIS countries that helped the companies survive post-Soviet Union collapse are now a major obstacle. Considering that producing turbines or other heavy machinery product takes several years contracts signed in previous years still support production at some reasonable level. Companies have also been working to increase local sales but their potential is still quite limited.

In terms of diversifying and expanding into new markets, the most realistic are those, where the companies are already present (CIS ex-Russia, emerging markets, including India, Mexico, etc.). Such expansion would require additional investments into sales and marketing force to bid for new contracts and find partners outside of Russia. Exports to the EU are also potentially feasible but will take more time to establish due to certification issues. Ukraine also exports a lot of machinery products to the EU, though this is mostly harnessing equipment and other components to the automotive industry, the local demand in heavy machinery is limited and competition is tight.

ELECTROVAZHMASH



INDUSTRY machinery

PRIVATIZATION SCALE large

ASSETS VALUE UAH 1.8B

SHARE FOR PRIVATIZATION 100%

GENERAL OVERVIEW

Electrovazhmash is a 100% state-owned manufacturer and supplier of turbogenerators, hydrogenerators, large DC machines, traction electrical equipment for urban and railway electric transport, located in Kharkiv region. It is one of the largest enterprises in the CIS in its field, having various types of specific equipment for machine building as well as facilities for testing and R&D. According to the State Statistics Service of Ukraine company's market share in 2018 was circa. 7.3% of total electrical equipment production in Ukraine, which resulted in a 2.3b UAH revenue. KPMG was assigned as an investment advisor for this object in the privatization process. The company has been audited by KPMG in 2017 and by BDO in 2018.

OPERATING OVERVIEW

Electrovazhmash is an export-oriented plant since 2/3 of its production is being exported to 50 countries worldwide. The enterprise operates according to the requirements of international standards ISO 9001 and IRIS. Additionally, "Electrovazhmash" adopted a new labor protection standard in December 2019. The plant was one of the first in Ukraine to introduce the most recent standard of the Occupational Safety Management System - ISO 45001: 2018.

Recently the plant adopted a five-day workweek due to an increase in demand on its production and need in an expansion of production volume. From September 2015 till March 2020 the plant was operating within four days per week. As of 2018, the company employs 3963 workers, and from 2017 to 2018 the number of employees decreased by 8%, while average monthly salary increased by 40% to 7,194 UAH.

FINANCIAL OVERVIEW

While revenue grew by 63% in 2018 as compared to 2017, the cost of sales increased by 71% in the same period. This resulted in lower gross margin of 14% in 2018, comparing to 18% in 2017. The main stream of revenue comes from the production and sale of traction equipment (1,345m UAH or 57%), turbo-hydro- generators (928m UAH or 40%) and Services (928m UAH or 3%). The decrease in operating profit by 33% comparing to 2017 figures resulted in net income decrease by 52% (4m UAH in 2018 and 9m UAH in 2017).

INCOME STATEMENT (m UAH)	2017	2018
Revenue	1,437	2,342
COGS	(1,185)	(2,025)
Gross Profit/(Loss)	252	317
EBITDA	128	92
Depreciation	38	32
Operating Profit/(Loss)	91	61
Net Financial Income/(Loss)	(81)	(55)
Profit/(Loss) Before Taxes	9	5
Corporate Income Tax	(1)	(1)
Net Income/(Loss)	9	4
Dividends paid	-	-

The book value of assets increased by UAH 201m (+12.8% y-o-y) to UAH 1.76b in 2018 driven by a UAH 195m increase in current assets (84% of total assets), which were represented by inventories (54%), including WIP (54%), raw materials (21%), finished goods (14%) and, accounts receivable (36%), cash equivalents (6%) and other current assets (4%) and by a UAH 6m increase in fixed assets (16% of total assets), which made up the remaining 16% of total assets and were comprised of PP&E (80%) including specialized machinery and equipment (41%), buildings and facilities (34%), and incomplete capital investments (20%).

On the liabilities side, total liabilities is fully represented by current liabilities, which increased by UAH 213m (+17% y-o-y) to UAH 1.5b in 2018 and were represented mainly by trade accounts payable (58%) and short-term bank loan (40%).

BALANCE SHEET (m UAH)	2017	2018
Total Assets	1,567	1,768
Fixed assets	270	276
PP&E	223	220
Investment Property	-	-
Current Assets	1,297	1,492
Inventories	687	806
Accounts Receivable	383	540
Cash & Cash Equivalents	159	94
Total Liabilities & Equity	1,567	1,768
Total Liabilities	1,290	1,503
Accounts Payable	621	878
Short-term Debt	632	597
Long-term Debt	-	-
Equity	277	265

RATIOS	2017	2018
Sales Growth (% y-o-y)	-7%	63%
EBITDA Growth (% y-o-y)	-34%	-28%
Net Income Growth (% y-o-y)	35%	-52%
EBITDA Margin (%)	8.93%	3.94%
Net Income Margin (%)	0.59%	0.18%
ROE (%)	3.08%	1.56%
ROA (%)	0.60%	0.25%
Debt/Equity (%)	465%	567%
Net Debt/EBITDA (x)	3.68	5.45



INDUSTRY machinery

PRIVATIZATION SCALE small

ASSETS VALUE UAH 230M

SHARE FOR PRIVATIZATION 100%

GENERAL OVERVIEW

Dniprovskiy Electric Locomotive Building Plant (DELBP) is 100% state-owned enterprise, one of the leading enterprises of Ukraine that produces large fleet and industrial electric locomotives of direct and alternating current, located in the Dnipro region. The company has designed and manufactured 40 types of large fleet electric locomotives of direct current, and 18 types of electric locomotives of alternating current. The company consists of four key production complexes and seven manufacturing units.

OPERATING OVERVIEW

The company has a full cycle production of auxiliary machines of direct current, formation of wheel pairs and assembly of electric locomotives. In order to provide energy, the company has a 150/6 kV electrical substation, a central compressor station, a 2.4 / 0.4 kgf / cm² gas distribution point, and a boiler house. The company employs high-qualified specialists and owns equipment that needs minor repairs and modernization.

FINANCIAL OVERVIEW

In 2018, the company's revenue declined by 63% y-o-y to while cost of goods sold dropped by 64%, which leads to slightly gross margin increase to 19.2% in 2018 from 17.8% in 2017. The company was loss making in 2017 and 2018 both at EBITDA and Net income level.

INCOME STATEMENT (m UAH)	2017	2018
Revenue	127	46
COGS	(105)	(38)
Gross Profit/(Loss)	23	9
EBITDA	(61)	(39)
Depreciation	3	3
Operating Profit/(Loss)	(64)	(41)
Net Financial Income/(Loss)	-	-
Profit/(Loss) Before Taxes	(64)	(41)
Corporate Income Tax	-	-
Net Income/(Loss)	(64)	(41)
Dividends paid	-	-

The book value of assets decreased by UAH 21m (-8% y-o-y) to UAH 230m in 2018 driven by a UAH 20m decrease in current assets (56% of total assets) which were represented by inventories (58%) including work-in-progress (63%) and raw materials (33%), accounts receivable (36%) and by a UAH 1m decrease in fixed assets, which made up the remaining 44% of total assets and were mainly comprised of PP&E (54%) and intangible assets (43%) and other fixed assets (3%).

The company's liabilities were fully represented by current liabilities including accounts payable (76%) and other current liabilities (24%).

BALANCE SHEET (m UAH)	2017	2018
Total Assets	251	230
Fixed assets	102	101
PP&E	56	55
Investment Property	-	-
Current Assets	149	129
Inventories	90	75
Accounts Receivable	53	47
Cash & Cash Equivalents	0.1	0.3
Total Liabilities & Equity	251	230
Total Liabilities	194	215
Accounts Payable	147	167
Short-term Debt	-	-
Long-term Debt	-	-
Equity	57	15

RATIOS	2017	2018
Sales Growth (% y-o-y)	-34%	-63%
EBITDA Growth (% y-o-y)	-1103%	-37%
Net Income Growth (% y-o-y)	-2926%	-36%
EBITDA Margin (%)	-48%	-83.2%
Net Income Margin (%)	-50.5%	-88.6%
ROE (%)	-113%	-267%
ROA (%)	-22.8%	-17.1%
Debt/Equity (%)	341%	1391%
Net Debt/EBITDA (x)	0.00	0.01

RADIORELE PLANT



INDUSTRY machinery

PRIVATIZATION SCALE small

ASSETS VALUE UAH 220M

SHARE FOR PRIVATIZATION 100%

GENERAL OVERVIEW

Radiorele plant is one of the biggest companies in Ukraine that produces electrical control and distribution equipment, located in Kharkiv region. Total area of the building accounts for 49,027.2 sq.m. List of products manufactured by the company includes more than 50 types of relays. In particular, the company produces electromagnetic low-current relays, including: electrothermal relays, relay of industrial automation and electromagnetic relays for special purposes. Products of Radiorele are used in industrial automation, control systems, aircrafts and on-board equipment, telecommunication information systems, television, refrigeration equipment, medicine, etc.

OPERATING OVERVIEW

As of 2018, the company employs 373 workers, and from 2017 to 2018 the number of employees decreased by 20%, while average monthly salary increased by 27% to 3,799 UAH.

FINANCIAL OVERVIEW

In 2018, decrease of revenue by 23% to UAH 26m and contracted by 30% costs from UAH 25m to UAH 17m led to gross margin increase by 7.5ppt from 25.5% in 2017 to 33% in 2018. However, due to high operating expenses and missed ability to secure a part of the company's net loss through financial income, as in 2017, the Radiorele plant's net losses widened to UAH 0.4m from UAH 0.2m in 2017.

INCOME STATEMENT (m UAH)	2017	2018
Revenue	33	26
COGS	(25)	(17)
Gross Profit/(Loss)	9	9
EBITDA	2	2
Depreciation	3	2
Operating Profit/(Loss)	(0.3)	(0.2)
Net Financial Income/(Loss)	0.3	-
Profit/(Loss) Before Taxes	0	(0.2)
Corporate Income Tax	(0.2)	(0.2)
Net Income/(Loss)	(0.2)	(0.4)
Dividends paid	-	-

The book value of assets increased by UAH 147m (+202% y-o-y) to UAH 220m in 2018 driven by a UAH 152m increase in fixed assets (78% of Total assets), mostly represented by PP&E (93%), intangible assets (7%) and by a UAH 5m decrease in current assets, which made up the remaining 22% of total assets and consists of inventories (84%) including raw materials (41%), finished goods (35%) and work-in-progress (24%), cash & cash equivalents (10%) and accounts receivable (6%).

The company's liabilities fully represented by current liabilities including accounts payable (78%), accrued expenses (17%) and other current liabilities (5%).

BALANCE SHEET (m UAH)	2017	2018
Total Assets	73	220
Fixed assets	20	172
PP&E	7	159
Investment Property	-	-
Current Assets	53	48
Inventories	39	40
Accounts Receivable	1	3
Cash & Cash Equivalents	13	5
Total Liabilities & Equity	73	220
Total Liabilities	1	1
Accounts Payable	1	1
Short-term Debt	-	-
Long-term Debt	-	-
Equity	71	219

RATIOS	2017	2018
Sales Growth (% y-o-y)	-18%	-23%
EBITDA Growth (% y-o-y)	-39%	2%
Net Income Growth (% y-o-y)	-140%	81%
EBITDA Margin (%)	6.51%	8.56%
Net Income Margin (%)	-0.63%	-1.48%
ROE (%)	-0.30%	-0.18%
ROA (%)	-0.11%	-0.26%
Debt/Equity (%)	2%	1%
Net Debt/EBITDA (x)	-5.93	-2.15

BILSHOVYK PLANT



INDUSTRY machinery

PRIVATIZATION SCALE large

ASSETS VALUE UAH 360M

SHARE FOR PRIVATIZATION 100%

GENERAL OVERVIEW

PSJC The First Kyiv Machine-building Plant former soviet machine building factory "Bilshovyk" has more than 130 years history. In the end of the 19th century it was one of the biggest providers of steam machines for Ukrainian sugar production industry. Further in soviet times it was renovated to provide equipment to army and chemical industry. Today the plant manufactures unique large-sized equipment, machines and production lines for the rubber processing, coal, chemical, agricultural industries and provides areas that are not used in production process for rent.

PSJC The First Kyiv Machine-building Plant is 100% state-owned company. The decision to include SOE in privatization list was made in March 2020.

OPERATING OVERVIEW

One of the key features of the plant is its location. Main operational facilities are in the central part of Kyiv and has access to one of the busiest streets. Total area of facilities is about 300 ths sq.m., and in rent 60 ths sq.m. Company's subsidiaries is Zdorovia, Standart, Zhavshivmash, Industriia, Tranzyt. The most important direction of the enterprise's work is the production of equipment for tire enterprises, in particular for the formation and vulcanization of tires for the production of rubber mixing equipment, as well as long-term cooperation with enterprises of the metallurgical and mining industries.

As of 2018, the company employs 326 workers, and from 2018 to 2019 the number of employees decreased by 10%, while average monthly salary increased by 22% to 6,692 UAH.

FINANCIAL OVERVIEW

In 2019, company reported revenue of UAH 105m, up 10% y-o-y, while cost of sales slightly decreased by a UAH 1m to UAH 47m, which resulted in gross margin increase by a 5.7ppt. to 55.8% in 2019 from 50.1% in 2018. As a result losses on EBITDA level decreased by 70%, to UAH 5m, and the company reported UAH 20m of net losses (vs UAH 31m in 2018).

INCOME STATEMENT (m UAH)	2018	2019
Revenue	96	105
COGS	(48)	(47)
Gross Profit/(Loss)	48	59
EBITDA	(17)	(5)
Depreciation	6	6
Operating Profit/(Loss)	(24)	(11)
Net Financial Income/(Loss)	(7)	(9)
Profit/(Loss) Before Taxes	(31)	(20)
Corporate Income Tax	0	0
Net Income/(Loss)	(31)	(20)
Dividends paid	-	-

The book value of assets increased by UAH 9.2mn (+2.6% y-o-y) to UAH 371mn in 2019 driven by a UAH 6.9mn increase in current assets (25% of total assets), which were represented by inventories (66%), including work-in-progress (54%), raw materials (30%) and finished goods (16%), accounts receivable (30%), cash equivalents (2%) and other current assets (2%) and by a UAH 2.3mn increase in fixed assets, which made up the 75% of total assets and were mostly consisted of comprised of PP&E.

On the liabilities side, total liabilities is fully represented by current liabilities, which increased by UAH 30.2mn (+9% y-o-y) to UAH 356.5mn in 2019 and were represented mainly by accounts payable (97%) and other current liabilities (3%).

BALANCE SHEET (m UAH)	2018	2019
Total Assets	361	371
Fixed assets	276	279
PP&E	273	275
Investment Property	-	-
Current Assets	85	92
Inventories	52	60
Accounts Receivable	29	28
Cash & Cash Equivalents	2	2
Total Liabilities & Equity	361	371
Total Liabilities	327	357
Accounts Payable	312	345
Short-term Debt	-	-
Long-term Debt	-	-
Equity	34	14

RATIOS	2018	2019
Sales Growth (% , y-o-y)	—	10%
EBITDA Growth (% , y-o-y)	—	-69%
Net Income Growth (% , y-o-y)	—	-35%
EBITDA Margin (%)	-18.11%	-5.04%
Net Income Margin (%)	-32.71%	-19.34%
ROE (%)	0.58%	0.33%
ROA (%)	-1.10%	-0.39%
Debt/Equity (%)	-200%	-183%
Net Debt/EBITDA (x)	0.47	2.04

SUDMASH PLANT



INDUSTRY machinery

PRIVATIZATION SCALE small

ASSETS VALUE UAH 75M

SHARE FOR PRIVATIZATION 100%

GENERAL OVERVIEW

Kherson Plant Sudmash is 100% state-owned company. Company provides manufacture of hydraulic cylinders of a wide range of sizes and purposes: ship (including for warships), for armored, construction, industrial and agricultural machinery, and for repair work to restore their efficiency. The plant also specializes in the manufacture of ship equipment: boat beams, lifting devices, winches, rectangular windows, anchors, high pressure hoses and more.

OPERATING OVERVIEW

The main assets of the plant consist of three industrial buildings, equipped with all necessary equipment and communications, two production sites, warehouses. The plant is connected by the railway branch and located in city Kherson. As of 2018, the company employs 39 workers, and from 2017 to 2018 the number of employees decreased by 33%, while average monthly salary increased by 47% to 6,261 UAH.

FINANCIAL OVERVIEW

In 2018 company reported revenue of UAH 1.6m, down 81% y-o-y while cost of sales decreased by 59% at the same period. The company have positive EBITDA due to high depreciation, however company reported net loss of UAH 0.43m in 2018

INCOME STATEMENT (m UAH)	2017	2018
Revenue	8	2
COGS	(6)	(2)
Gross Profit/(Loss)	3	(1)
EBITDA	6	11
Depreciation	5	12
Operating Profit/(Loss)	1	(1)
Net Financial Income/(Loss)	0	1
Profit/(Loss) Before Taxes	1	(0)
Corporate Income Tax	0	0
Net Income/(Loss)	1	(0)
Dividends paid	-	-

The book value of assets slightly decreased by UAH 0.4mn (-0.5% y-o-y) to UAH 75mn in 2018 driven by a UAH 11.6mn decrease in fixed assets (54% of total assets), which were represented by PP&E (68%) and intangible assets (32%) and by a UAH 11.3mn increase in current assets, which made up the remained 46% of total assets and were represented by inventories (92%) including work-in-progress (75%), finished goods (20%) and raw materials (5%), accounts receivable (2%), and other current assets (6%).

On the liabilities side, total liabilities mostly represented by current liabilities (99%), which increased by UAH 1mn (+14% y-o-y) to UAH 8mn in 2019 and were represented by accounts payable (87%) and other current liabilities (13%).

BALANCE SHEET (m UAH)	2017	2018
Total Assets	75	75
Fixed assets	52	41
PP&E	39	28
Investment Property	-	-
Current Assets	23	34
Inventories	20	31
Accounts Receivable	1	1
Cash & Cash Equivalents	0	0
Total Liabilities & Equity	75	75
Total Liabilities	7	8
Accounts Payable	6	7
Short-term Debt	-	-
Long-term Debt	-	-
Equity	68	67

RATIOS	2017	2018
Sales Growth (% y-o-y)	141%	-81%
EBITDA Growth (% y-o-y)	-827%	85%
Net Income Growth (% y-o-y)	2161%	-144%
EBITDA Margin (%)	70.35%	690.54%
Net Income Margin (%)	12.13%	-28.37%
ROE (%)	-0.02%	0.01%
ROA (%)	0.03%	-0.01%
Debt/Equity (%)	-200%	-183%
Net Debt/EBITDA (x)	-1.41	-1.02



Table 4. Other SOEs in Machinery sector

Enterprise Name (UKR)	Enterprise Name (ENG)	Code	Privatization Scale
АТ Турбоатом	JSC Turboatom	05762269	Large
ПАТ Азовмаш	JSC Azovmash	30832888	Large
ПрАТ «Харківський електротехнічний завод «Трансв'язок»	Transvvyazok Plant	01056735	Large
ДП Харківський електромеханічний завод	SE Kharkiv Electromechanical Plant	05405575	Small
ДП Мелітопольський завод ПДРОМАШ	SE Melitopol plant HYDROMASH	00240106	Small
ДП Дніпровський електровозобудівний завод	SE Dnieper Electric Locomotive Plant	32495626	Small
ДП Дослідний завод Інституту імпульсних процесів і технологій Національної академії наук України	SE Research Plant Institute of Pulse Processes and Technologies National Academy of Sciences of Ukraine	05410381	Small
ДП Госпрозрахунковий науково-технологічний центр газотермічних покриттів ДЕЛЬТА	SE Self-supporting scientific and technological center of gas-thermal coatings DELTA	25293090	Small
Мале підприємство ЛІТМАШ	Small enterprise LITMASH	13692011	Small
ВАТ Коломийський завод сільськогосподарських машин	OJSC Kolomyia Plant of Agricultural Machinery	00238180	Small
ПрАТ Іста-Центр	PJSC Ista-Center	23073489	Small
ДП Керченський судноремонтний завод	SE Kerch Shipyard	01124997	Small
Науково-виробниче об'єднання Електроважмаш	Electrovazhmash Research and Production Association	05793577	Small
ЄМК колишнього ДП Трансмаш	SPC former SE Transmash	20281076	Small
ДП Львівське конструкторське бюро	SE Lviv Design Bureau	00130044	Small
ДП Особливе конструкторське бюро ЕЛМІС	SE Special design bureau ELMIS	20473002	Small
ДП Електронмаш	SE Electronmash	14312789	Small
ДП Вінницький авіаційний завод ВІАЗ	Vinnytsia Aircraft Plant VIAZ	01128475	Small
ДП Запорізький автомобільний ремонтний завод	SE Zaporizhzhya Automobile Repair Plant	08011078	Small
ПрАТ Чернівецький радіотехнічний завод	PJSC Chernivtsi Radio Engineering Plant	14314682	Small
ДП Тячівський завод Зеніт	SE Tyachiv Plant Zenith	14307908	Small
Білопільський завод Факел	Belopil Plant Facel	14314788	Small
ДП Завод Електропобутприлад	SE Plant Electropobutprilad	21432011	Small
Підприємство Малинівський державний машинобудівний завод	Enterprise Malinovsky State Machine-Building Plant	30136017	Small
ДП Радіореє	SE Radiorelay	32153757	Small
ДП Південний державний науково-виробничий центр Прогрес	SE Southern State Research and Production Center Progress	22492239	Small
Спеціалізоване управління з ремонту засобів автоматизації і систем управління Орггазремавтоматика	Specialized management for repair of automation means and control systems Orggazremavtomatika	05794418	Small

Table 4. Other SOEs in Machinery sector (cont.)

Enterprise Name (UKR)	Enterprise Name (ENG)	Code	Privatization Scale
ДП Харківський електромеханічний завод-електромашини	SE Kharkiv Electromechanical Plant-Electric Machines	32868017	Small
ДП Дослідний машинобудівний завод	SE Experimental Machine-Building Plant	35426517	Small
Тернопільське державне обласне підприємство Агропромтехніка	Ternopil State Regional Enterprise Agropromtekhnika	00910082	Small
ДП Волинський обласний виробничо-технічний центр стандартизації, метрології та якості продукції Quality	SE Volyn Regional Production and Technical Center for Standardization, Metrology and Product Quality	05500405	Small
ДП Харківський завод транспортного устаткування	SE Kharkiv Plant of Transport Equipment	14309764	Small
ДП Укрметалургізотоп	SE Ukrmetalurgizotop	00193683	Small
ДП Коростишівський завод Реммашторф	SE Korostyshiv plant Remmashtorf	02968160	Small
ДП Івано-Франківський котельно-зварювальний завод	SE Ivano-Frankivsk Boiler and Welding Plant	07552205	Small
ЄМК малого науково-виробничого об'єднання Домен	SPC small research and production association Domain	14215773	Small
Державне спеціалізоване підприємство Бакор	Bakor State Specialized Enterprise	13400282	Small



Transport

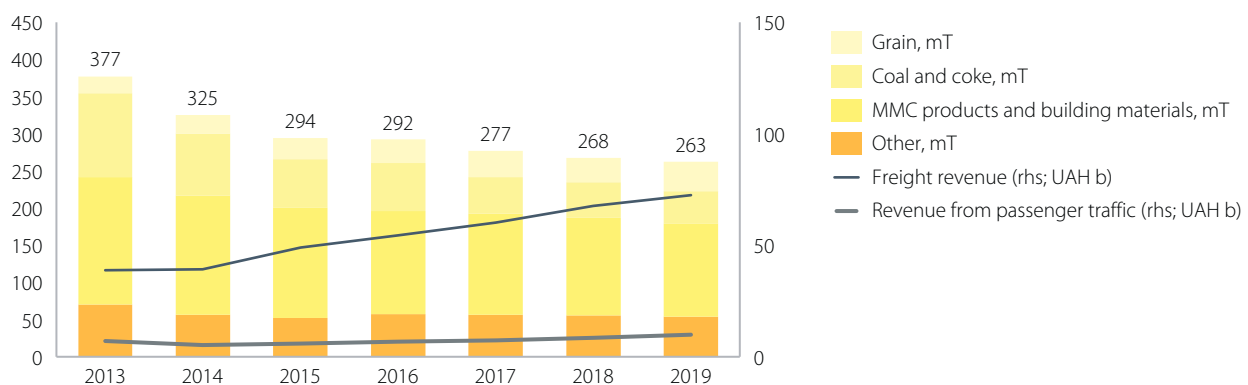
SECTOR OVERVIEW



GENERAL OVERVIEW

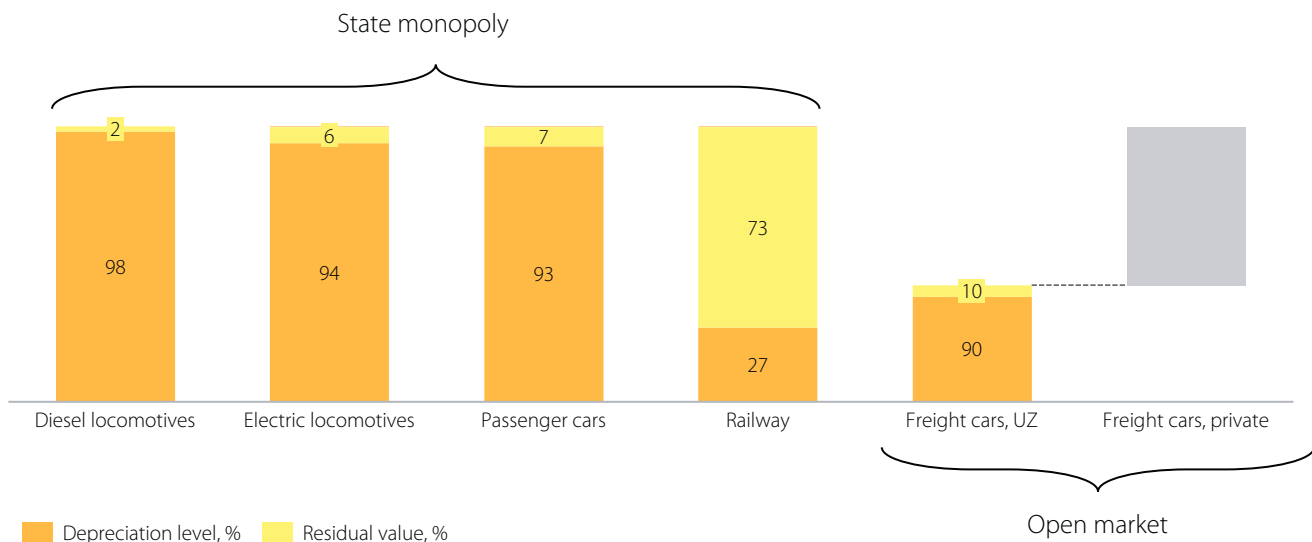
THE KEY REVENUE SOURCE OF RAIL SEGMENT IS FREIGHT TRANSPORTATION (88%) | Since 2013, the revenue has been increasing twice, despite the gradual decline in transportation amount that is affected by the price increase. The structure of transportation is being changed – for instance, coal transportation has decreased by 2.5 since 2013, while grain transportation has grown twice during the same period. The key factors of these changes were the conflict on the East and the increase of grain yield. It is expected that freight transportation will be declined by 5% just in 1H 2020 because of economy slowdown.

Figure 41. Breakdown of rail freight transportation, 2013-2019



MAJORITY OF RAIL ASSETS ARE CRITICALLY DEPRECIATED | It negatively impacts the pricing, quality, speed, and safety. The problem is on such a large scale that private enterprises are trying to solve it on their own. For instance, the share of private freight cars was 58% in 2019 and they are in a way better condition (41% have been bought or renovated during 2017-2019). The privatization of this market as well as the opening of private freight transportation will help to modernize the assets through the injection of private capital. According to market experts, to modernize Ukraine's national rail operator, Ukrzaliznytsia, USD 30-60b are needed by 2030.

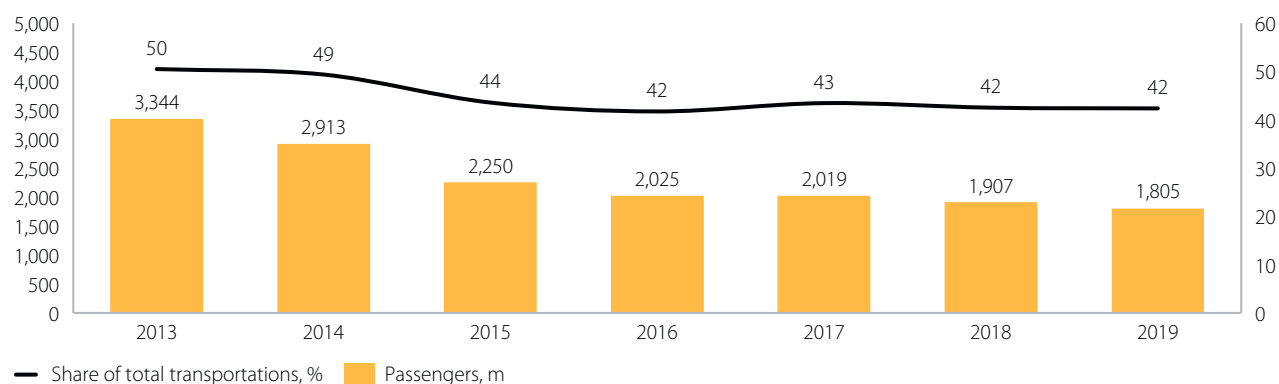
Figure 42. Breakdown of rail freight transportation, 2013-2019



THE NUMBER OF PASSENGERS TRANSPORTED BY ROAD TRANSPORT HAS DECREASED TWICE SINCE 2013

The key factor of such a decrease were cheap alternative types of transportation as well as low roads quality. Ridership decreased by 16% in 1Q 2020.

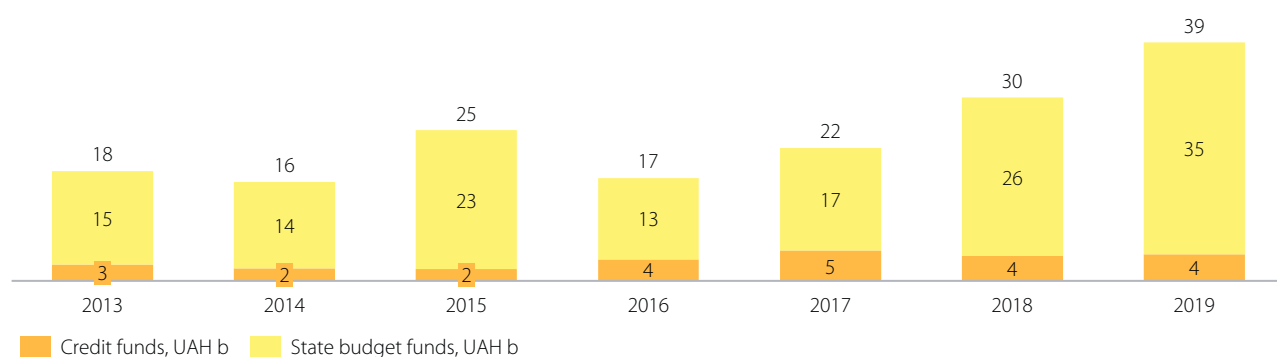
Figure 43. Passengers transported by road transport, 2013-2019



STATE EXPENDITURES FOR ROAD REPAIR AND CONSTRUCTION HAS INCREASED TWICE SINCE 2013

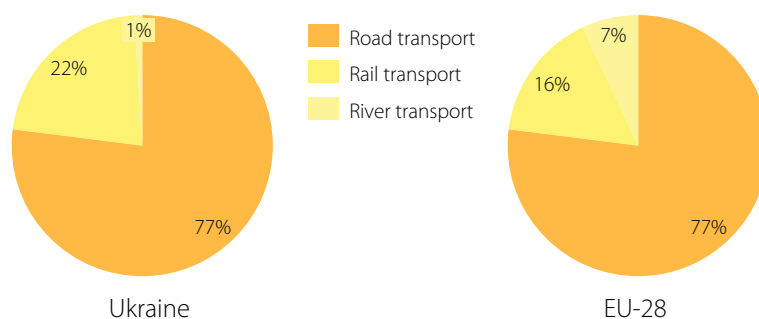
At the same time, inefficient usage of resources due to imperfect technologies, corruption and overload results in slow improvements and low quality of road infrastructure.

Figure 44. State budget expenditures on road reconstruction, 2013-2019



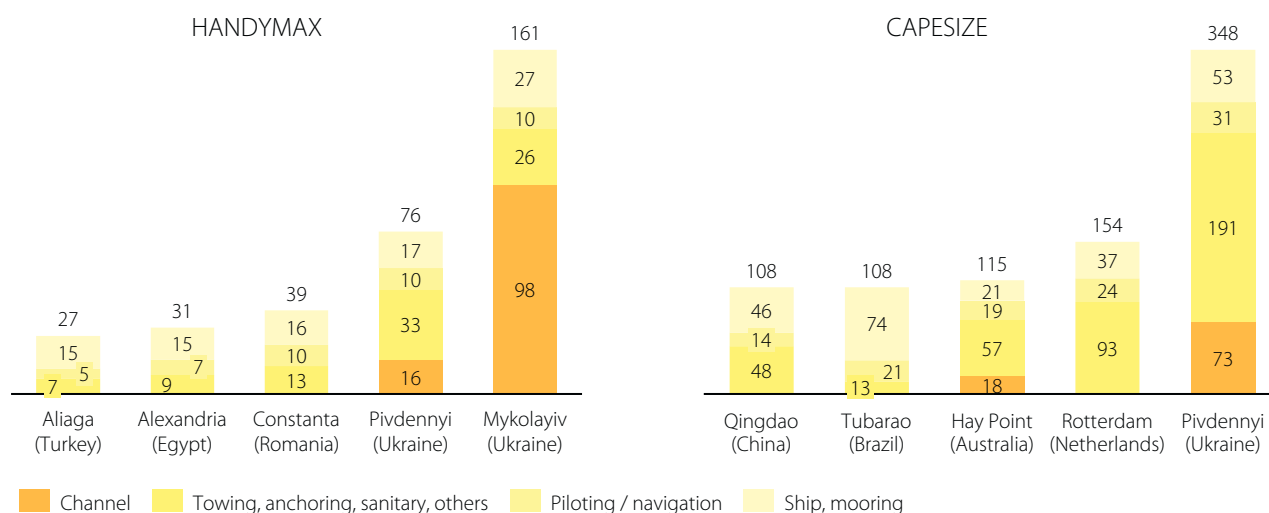
DOMESTIC RIVER TRANSPORT INDUSTRY IS UNDERUSED | The cost of domestic river transportation sector is higher comparing to rail transportation sector. Hence, rail transportation is currently overloaded and is not able to provide sufficient capacity for domestic needs. Unlike in the EU, domestic river transportation is cheaper than rail, but due to imperfect legislation, domestic river transport sector is uncompetitive. Therefore, the domestic rail sector is overloaded.

Figure 45. Transport breakdown in Ukraine and EU, 2018



UKRAINIAN PORTS ARE AMONG THE MOST EXPENSIVE BOTH IN THE BLACK SEA REGION AND IN THE WORLD | Fees for the world's most common dry cargo vessels Handymax and Capesize (carrying coal, ore, ferrous and non-ferrous metals, grain) exceed the world analogues more than twice. At the same time, the fees do not improve the water infrastructure/services due to their misuse (transfer of dividends to the budget, administrative costs).

Figure 46. Port fees, USD ths., 2018



SEA PORTS SECTOR

UKRAINE'S PORT POTENTIAL IS A KEY PLAYER AMONG OTHER COUNTRIES IN THE BLACK SEA AND AZOV SEA REGION | Ukraine has 13 seaports with the total handling capacity of 149 Mt of mixed and bulk cargoes, 42 Mt of liquid cargoes, 40 Mt of container cargoes (3.5m twenty-foot equivalent units), and 1 million passengers. Key points are:

- The largest ports are Odesa, Illichivsk and Pivdenniy, all located in the northwestern part of the Black Sea. In 2019, they accounted for 70% of Ukraine's total seaport cargo turnover.
- Three other ports (Mykolayiv, Kherson and smaller Oktyabrsk) are located at the estuaries of the Dnipro and Pivdenniy Buh rivers.
- In the Azov Sea region, Ukraine has two ports, Mariupol and Berdiansk. In previous years, these ports benefited from their proximity to the industrialized Donbas region, shipping coal, iron ore and steel. However, in 2014, cargo turnover at Mariupol port declined by 16% y-o-y due to the ongoing military conflict in Donbas. In 2019, the cargo turnover increased by 10.1% y-o-y.

PORTS IN CRIMEA HAD A MINOR SHARE IN THE TOTAL CARGO TURNOVER | Another five seaports are located in Crimea that has been occupied by Russian since March 2014. These ports are much smaller compared to those in mainland Ukraine - in 2013, they accounted for a mere 5% of total freight turnover at Ukrainian seaports.

Figure 47. Map of Ukrainian seaports



VOLUME OF CARGO HANDLED BY UKRAINIAN PORTS INCREASED BY 18.5% IN 2019 | In 2019, Ukrainian ports processed 160 Mt of cargo – up from 135 Mt in 2018. The share of exports increased from 73% in 2018 to 75.6% in 2019 (primarily due to higher exports of grain and iron ore), while the share of transit fluctuated and slightly decreased in 2018 because oil and oil product flows shifted to Russian ports.

Figure 48. Ukraine port turnover structure by market (Mt), 2015-2019

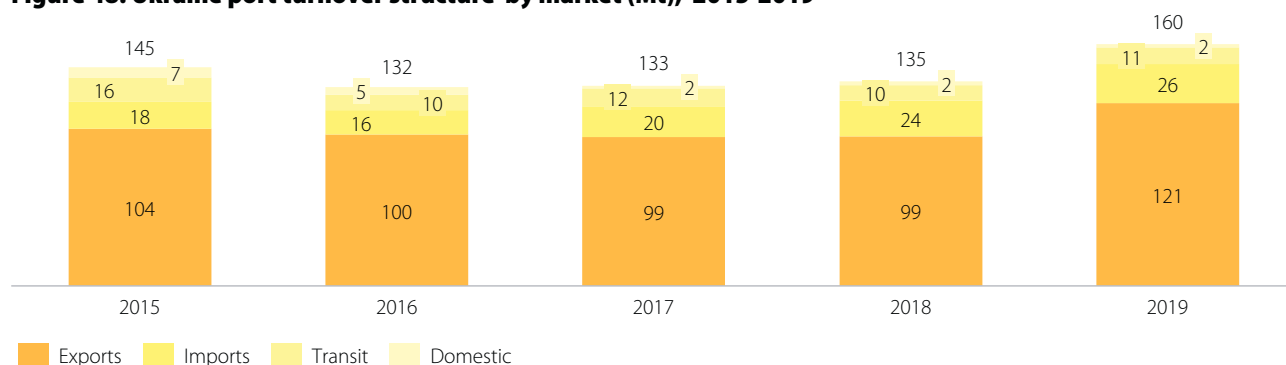
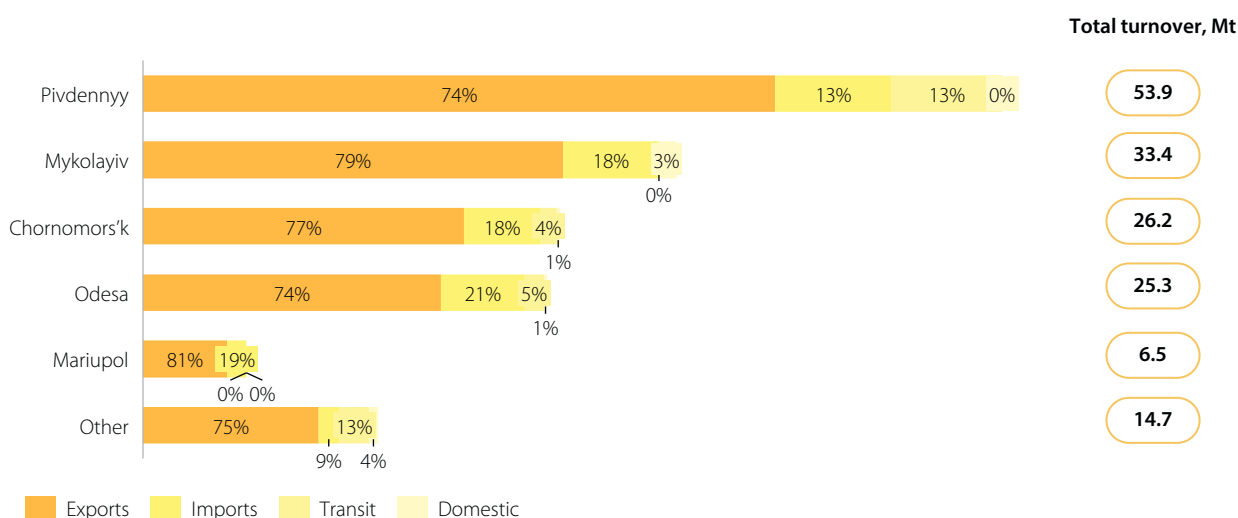


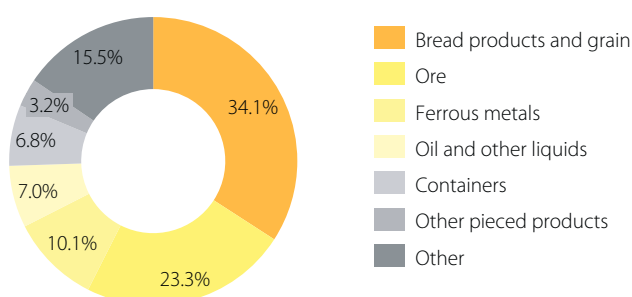
Figure 49. Ukraine ports freight turnover breakdown by market, 2019



PIVDENNYI IS THE LARGEST UKRAINIAN SEA PORT THAT HANDLED 33.6% OF UKRAINIAN CARGO IN 2019 | Pivdennyi was the largest Ukrainian port by cargo turnover in 2019 with 53.9 Mt handled (33.6% of Ukraine's total). Pivdennyi is the deepest port in Ukraine (draft up to 18.5 meters) and the only one capable of accommodating Capesize vessels. Other relatively deep-water ports are Odesa, Chornomors'k and Mykolayiv — they can accommodate Panamax vessels. Odesa and Chornomors'k are also home to the main container terminals in Ukraine.

BREAD AND GRAIN PRODUCTS WAS THE BIGGEST CARGO CATEGORY IN UKRAINIAN FREIGHT TURNOVER IN 2019 | State-owned companies primarily transship bread products and grain (34.1% of total volume in 2019), ore (23.3%) and ferrous metal (10.1%), oil and other liquids (7%), containers (6.8%), and other.

Figure 50. Breakdown of freight turnover at Ukrainian ports by product type, 2019



UST-DUNAISK SEAPORT



INDUSTRY transport

PRIVATIZATION SCALE small

ASSETS VALUE UAH 39M

SHARE FOR PRIVATIZATION 100%

GENERAL OVERVIEW

Ust-Dunaisk merchant seaport is situated in the southern part of Zhebriyanskiy Bay of the Black Sea, adjacent to the Ochakov mouth of the Danube River. The company is located on 5 land plots with the total area of 207.1491 ha. The port specializes in transshipment of cargoes from sea-going to river-going vessels in view of transportation via the Danube and vice-versa. The port renders handling, transport and forwarding services for transit, foreign trade and coastal shipping cargo, as well as storage service. It provides reception, safe harborage and handling of lighters, barges and their accumulation for further transportation. The port's cargo turnover consists primarily of bulk cargoes: ore, ore concentrates, grains.

OPERATING OVERVIEW

As of November 1, 2019 the company owns 46 real estate objects, 36 vessels and other vehicles, floating berths. Real estate objects are located in 3 locations: 2 in Vylkove (Kiliya region) and 1 in Kiliya. Ice conditions occur only during severe winters, usually in the middle of December or the first half of January. Normally, the port gets free of ice in the second half of February or in early March. The port's sea approach channel is 7 km long and leads to three anchorages for large tonnage ships where passable depths have been lost by present time. Another connecting channel, of 1.5 km long, leads from the port's harbour into the Prorva Channel.

In 2019, company processed 70.8 thsd. tones of cargo, including 51.2 thsd. tones of grain, 10.6 thsd. tones of chemicals and 9 thsd. tones of oil products.

As of 2019, the company employs 77 workers, and from 2018 to 2019 the number of employees decreased by 5%, and average monthly salary decreased by 4.4%.

OPERATING SUMMARY	2018	2019
Total volumes of cargo processing, thsd. tones	51.1	70.8
Volumes of export cargo processing, thsd. tones	29.3	51.2
Volumes of import cargo processing, thsd. tones	—	10.6
Volumes of domestic cargo processing, thsd. tones	21.8	9.0
Number of Employees	81	77
Average Monthly Salary (UAH)	7,150	6,833

FINANCIAL OVERVIEW

In 2018 company reported revenue of UAH 2.6m, down 51% y-o-y while cost of sales decreased by 15% at the same period. The company was loss making in 2018 both at the EBITDA (UAH 2.4m) and bottom-line level (UAH 3.1m).

INCOME STATEMENT (m UAH)	2017	2018
Revenue	5.3	2.6
COGS	-8.2	-7.0
Gross Profit/(Loss)	-2.9	-4.4
EBITDA	1.3	-2.4
Depreciation	0.8	0.7
Operating Profit/(Loss)	0.5	-3.1
Net Financial Income/(Loss)	0.0	0.0
Profit/(Loss) Before Taxes	0.5	-3.1
Corporate Income Tax	-0.1	0.0
Net Income/(Loss)	0.4	(3.1)
Dividends paid	-	-

The book value of assets slightly decreased by UAH 0.4mn (-1% y-o-y) to UAH 39mn in 2018 driven by a UAH 1.1mn decrease in current assets (5% of total assets), which were represented by accounts receivable (68%) inventories (29%), including raw materials (96%) and finished goods (4%), cash equivalents (1%) and other current assets (2%) and by a UAH 0.7mn increase in fixed assets, which made up the 95% of total assets and were fully consisted of PP&E.

On the liabilities side, total liabilities is almost fully represented by current liabilities (96%), which increased by UAH 1.5mn (+82% y-o-y) to UAH 3.27mn in 2018 and were represented mainly by accounts payable (95%) and other current liabilities (5%).

BALANCE SHEET (m UAH)	2017	2018
Total Assets	40	39
Fixed assets	37	37
PP&E	36	37
Investment Property	-	-
Current Assets	3	2
Inventories	1	1
Accounts Receivable	2	1
Cash & Cash Equivalents	1	0
Total Liabilities & Equity	40	39
Total Liabilities	2	3
Accounts Payable	1	3
Short-term Debt	-	-
Long-term Debt	-	-
Equity	38	36

RATIOS	2017	2018
Sales Growth (% y-o-y)	64%	-51%
EBITDA Growth (% y-o-y)	-776%	-284%
Net Income Growth (% y-o-y)	38%	-848%
EBITDA Margin (%)	24.51%	-92.06%
Net Income Margin (%)	7.74%	-118.17%
ROE (%)	-0.01%	0.05%
ROA (%)	0.01%	-0.06%
Debt/Equity (%)	-200%	-183%
Net Debt/EBITDA (x)	-6.21	4.50

SKADOVSK SEAPORT



INDUSTRY transport

PRIVATIZATION SCALE small

ASSETS VALUE UAH 21M

SHARE FOR PRIVATIZATION 100%

GENERAL OVERVIEW

Skadovsk merchant seaport is a 100% state owned company located in the Kherson region. Key service lines include maintenance of water transport, extraction of sand, gravel, clay and kaolin, non-specialized wholesale trade and other types of retail trade. The company owns and operates 55 real estate objects, vehicles, equipment, machinery, furniture and inventory. Potential destinations that can be reached from the port include Turkey, Georgia, Romania and Bulgaria. Its projected transshipment capacity accounts for 1850 thsd. tons

OPERATING OVERVIEW

There are two property complexes that are considered under privatization process: 1) complex for processing of ferry, container - piece cargoes, bulk cargoes; 2) Horla reloading complex.

Complex for processing of ferry, container - piece cargoes, bulk cargoes specializes in the processing of rolling vessels (Ro-Ro type) and transshipment of general, bulk cargo. It includes 3 ships ("Engineer Kapustin", "Skadovsk" and "Nikolay Ivanchenko"), open warehouses (total area - 33,911 sq.m.), covered warehouses (total area - 937 sq.m.) and 11 units of reloading equipment with load capacity from 1.5 tons to 21 tons. Horla reloading complex specializes in handling bulk, liquid and other types of cargoes. It includes 2 cranes with load capacity of 5/6 tons and a warehouse with a total area of 1376.2 sq.m. Additionally the port owns power station, substation and pumping station. The port is available for vessels up to 120 m in length, with the draft not exceeding 5.0 m in favorable weather conditions.

OPERATING SUMMARY	2017	2018
Total volumes of cargo processing, thsd. tones	20.9	8.4
Volumes of export cargo processing, thsd. tones	2.8	2.5
Volumes of import cargo processing, thsd. tones	1.1	1.1
Volumes of domestic cargo processing, thsd. tones	17.0	4.8
Number of Employees	60	53
Average Monthly Salary (UAH)	3,912	—

FINANCIAL OVERVIEW

In 2018 company reported revenue of UAH 1m, down 57% y-o-y while cost of sales decreased by 60% at the same period. The company was loss making in 2018 both at the EBITDA (UAH 2.4m) and bottom-line level (UAH 2.4m).

INCOME STATEMENT (m UAH)	2017	2018
Revenue	2	1
COGS	(4)	(2)
Gross Profit/(Loss)	-3	-1
EBITDA	(3)	(2)
Depreciation	1	0
Operating Profit/(Loss)	(4)	-
Net Financial Income/(Loss)	-	(2)
Profit/(Loss) Before Taxes	3	(2)
Corporate Income Tax	0	0
Net Income/(Loss)	3	(2)
Dividends paid	-	-

The book value of assets slightly decreased by UAH 0.5mn (-2.3% y-o-y) to UAH 21mn in 2018 driven by a UAH 0.5mn decrease in fixed assets (86% of total assets), which almost fully represented by PP&E. Current assets made up the remained 14%, which were represented by accounts receivable (72%), inventories (5%), cash & cash equivalents (3%) and other current assets (20%).

On the liabilities side, total liabilities represented by current liabilities (51%), which increased by UAH 1.9mn (+24% y-o-y) to UAH 356.5mn in 2019 and were represented mainly by accounts payable (70%) and other current liabilities (30%), and by non-current liabilities, which represented 49% of total liabilities

BALANCE SHEET (m UAH)	2017	2018
Total Assets	22	21
Fixed assets	19	18
PP&E	19	18
Investment Property	-	-
Current Assets	3	3
Inventories	0.1	0.1
Accounts Receivable	2	2
Cash & Cash Equivalents	0	0
Total Liabilities & Equity	22	21
Total Liabilities	18	20
Accounts Payable	7	7
Short-term Debt	0.1	0.1
Long-term Debt	-	-
Equity	4	2

RATIOS	2017	2018
Sales Growth (% y-o-y)	-48%	-57%
EBITDA Growth (% y-o-y)	19%	-23%
Net Income Growth (% y-o-y)	-186%	-176%
EBITDA Margin (%)	-173%	-307%
Net Income Margin (%)	176%	-307%
ROE (%)	-0.06%	0.04%
ROA (%)	0.11%	-0.05%
Debt/Equity (%)	-200%	-183%
Net Debt/EBITDA (x)	2.63	4.55



Table 5. Other SOEs in Transportation sector

Enterprise Name (UKR)	Enterprise Name (ENG)	Code	Privatization Scale
Чорноморське головне морське агентство Інфлот	Black Sea Chief Maritime Agency Inflat	01180568	Small
Державна судноплавна компанія Укртанкер	Ukrtanker State Shipping Company	20959963	Small
ДП Чорноморсько-Азовське виробничо-експлуатаційне управління морських шляхів	SE Black Sea-Azov production and operational management of sea routes	01125637	Small
Державне спеціалізоване автотранспортне підприємство Державного комітету телебачення і радіомовлення України	State Specialized Motor Transport Enterprise State Committee for Television and Radio Broadcasting of Ukraine	04653207	Small
ДП Підприємство із забезпечення нафтопродуктами	SE Enterprise for the supply of petroleum products	03482347	Small
ДП Літинський автобусний парк	SE Lityn Bus Park	14349640	Small
Тернопільське державне авіаційне підприємство Універсал-Авіа	Ternopil State Aviation Enterprise Universal-Avia	14044113	Small
Державна авіаційна компанія Херсон-Авіа	Kherson-Avia State Aviation Company	01130696	Small
ДП Одесазовніштранс	SE Odesazovnishtrans	01860650	Small
ДП Бориспільське державне госпрозрахункове підприємство Старт	SE Boryspil State Self-supporting Enterprise Start	13704777	Small
ЄМК Комплекс з агентування суден	SPC Ship Agency	—	Small
ЄМК ДП Укрспецобладнання	SPC SE Ukrspetsobladnannia	—	Small



Real Estate



SECTOR OVERVIEW



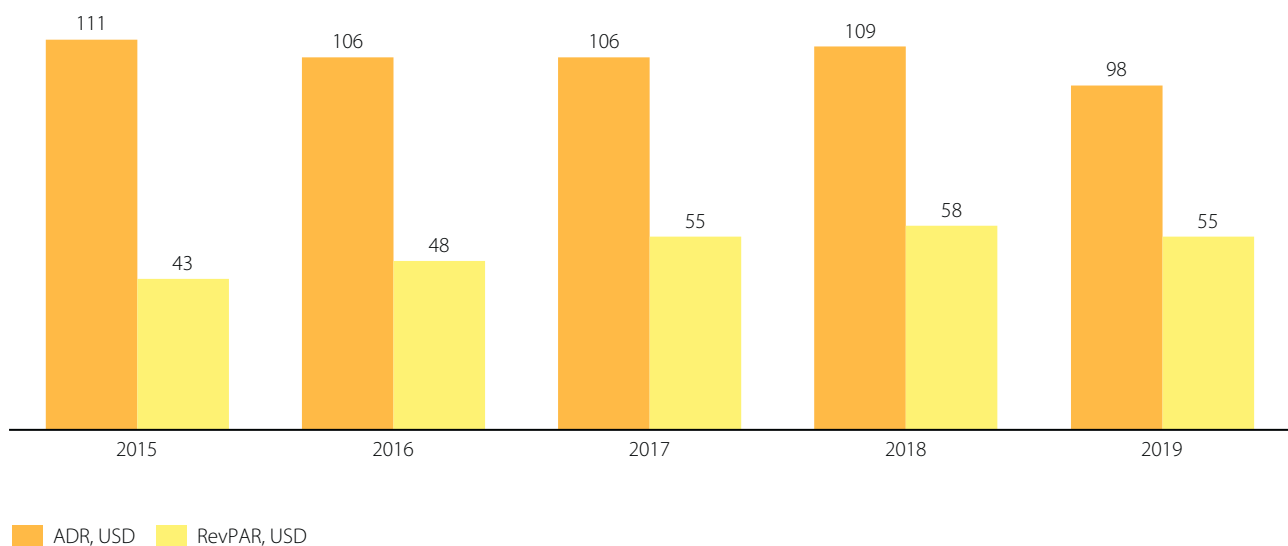
KYIV HOTEL MARKET

In 2019 demand grew by 7.3% y-o-y (calculated as the number of hotel rooms sold), supported by a positive shift in Travel & Tourism Competitiveness Index (up by 10 places since 2017 to 78th position in the global rating).

Average hotel occupancy on the market increased by 3.3 pp y-o-y to 56.2%, as passenger traffic at Boryspil International Kyiv Airport posted an impressive 21.1% y-o-y growth and number of foreign tourists in Kyiv added 26.6% to 1.55mio in January-September 2019 (vs January-September 2017).

Average daily rate of the quality hotel stock reached \$98.2 (-9.9% y-o-y), whilst revenue per available room constituted \$55.2 (-4.2% y-o-y).

Figure 51. Selected KPIs of Kyiv Quality Hotel Stock



Key current trends on the Kiev hotel market include development of economy and mid-scale hotels, futuristic and capsule hotels, apart-hotels, as well as development of apartments as a separate segment. For instance, capsule hotel GettSleep Boryspil was delivered in 2019 at Boryspil Airport with 56 rooms. Additionally, futuristic capsule hotel network Monotel opened 2 hotels in the city center. Another new format delivery in 2019 was represented by travelers' hub Globe Runner, which offered dorms, hostel rooms and apartments at one place.

REDEVELOPMENT PROJECTS

Growing trend of brownfield sites redevelopment into modern commercial real estate on the Ukrainian market is proven by an impressive track record of such cases. Interest from investors has been increasing, given a great number of benefits of reconstruction and conversion of the existing abandoned facilities, namely:

- Favorable location (a lot of industrial facilities during the Soviet period were built in city centers or close to them);
- Utilities already present on-site;
- Can be relatively easy converted to other use – especially in case of industrial buildings (ceiling height, column spacing, etc.), and at lower cost;
- Developed infrastructure around;
- Preferable from environmental point of view (i.e. it is better to redevelop abandoned plant rather than to cut the forest);

However, there are also some downsides to brownfield investments. For example, costs can be increased during the construction process in case contaminants are found, which may require long and expensive removal. Sometimes obsolete facilities may include architectural monuments requiring special authorization for reconstruction, that also can be time- and cost-consuming. Moreover, such sites may belong to historical districts, putting restrictions on height of the building, its style and other characteristics. Nevertheless, advantages of brownfield investments usually outweigh disadvantages, especially in case of beneficial locations, which can compensate even in case of the higher cost of redevelopment. Furthermore, such projects have positive social and economic impact, as new jobs are created, and the appearance of the district is improved.

Table 6. Redevelopment of Former Industrial Premises into Commercial Real Estate Properties

City	Property Name	Type of Building	Address	GLA, sqm	Former Use	Delivery*
Kyiv	Kooperativ	Coworking	23A Sichovyh Striltsiv St.	4 600	Zhovten Book Factory	2019
Kyiv	True Office	Coworking	1/32 Nimetska St.	1 200	Radar Plant	2019
Kyiv	Illynskiy	Business Center	8 Illinska St.	37 100	Lastivka Knitting Factory	2008
Kyiv	Forum Business City	Business Center	13 Mykoly Pymonenka St.	28 000	Kyiv Shoe Factory	2002
Kyiv	Unit.City	Innovation Park	3 Dorohozhytska St.	18 900	Kyiv Motorcycle Plant	2019
Kherson	Fabrika	Shopping Center	18 Zalaehershe St.	65 500	Kherson Cotton Factory	2012
Cherkasy	Lubava	Shopping Center	208/1 Shevchenka Blvd	18 000	Lubava Knitting Factory	2013
Kyiv	Horizon Office Park	Business Center	4 Mykoly Hrinchenka St.	16 000	Rosa Knitting Factory	2006
Kyiv	Protasiv	Business Center	2/1 Mykoly Hrinchenka St.	42 600	Rosa Knitting Factory	2016
Kyiv	Cosmopolite	Shopping Center	6 Vadyma Hetmana St.	65 000	First Kyiv Machinery Plant	2009
Kyiv	Renaissance	Business Center	24 Bulvarno-Kudriavska St.	14 500	Book Factory	2006
Kharkiv	Ecopolis	Multifunctional Ecosystem	275 Moskovskiy Avenue	550 000	Kharkiv Tractor Plant	2032
Kyiv	Platformal Phase	Business Center	3 Korolenkivska St.	19 500	Voronin Knitting Factory	2020
Kyiv	Creative States of Arsenal	Coworking	8 Moskovska St.	4 100	Arsenal Plant	2020
Kyiv	M8	Business Center	8B Moskovska St.	11 000	Arsenal Plant	2020
Kyiv	Zoranyi	Business Center	31/33 Moskovska St.	7 800	Zoranyi Cinema	2020
Kyiv	Lukianivskiy	Shopping Center	7 Dehtiarivska St.	47 000	Tram depot	2021

*actual or expected delivery year of the last phase.

There have been a lot of successful cases of redevelopment of industrial facilities into office buildings, including reconstruction of Rosa Knitting Factory into Protasiv Business Center and Lastivka Knitting Factory into Illynskiy Business Center among others. Fast-growing flexible office providers also start to look at former industrial sites, given the recent opening of Kooperativ coworking in the building of Zhovten Book Factory and expected delivery of Creative States of Arsenal in former Arsenal Plant.

Retail sector can also benefit from brownfield redevelopment, as confirmed, among others, by Cosmopolite Mall and Fabrika SC on the sites of First Kyiv Machinery Plant and Kherson Cotton Factory, respectively. Among upcoming

regional brownfield investments, noteworthy is Ecopolis mixed-use development (multifunctional ecosystem for business) in Kharkiv, which is to be constructed in five phases on the territory of former Kharkiv Tractor Plant in 2020-2032. Thus, investors see the opportunities of redevelopment projects not only in Kyiv, but also in other cities of Ukraine, given limited quality supply on commercial real estate markets in the regions.

In addition to commercial real estate, residential is also a popular sector for redevelopment projects. Depending on the location and characteristics of the property and market factors, a brownfield site often can be redeveloped for uses ranging from single-family residences, multi-family residentials or townhouses even to student housing assets. The use of brownfield or previously developed land for residential projects in Kiev has successful cases, including Comfort Town located on the site of the former Kyiv factory Vulkan, Galaktyka (former dairy factory Galakton), Unit.Home and Fayna Town. Renovation of industrial zones primarily involves the demolition of old structures and development of a qualitatively new residential and public space. With the adoption of long-term programs for the development of urban space and the establishment of mechanisms of cooperation between government and business, Ukraine can easily replenish the world experience of successful development of former industrial territories and brownfields, turning its into modern real estate.

PRESIDENT HOTEL



INDUSTRY real estate

PRIVATIZATION SCALE large

ASSETS VALUE UAH 319M

SHARE FOR PRIVATIZATION 100%

GENERAL OVERVIEW

President Hotel is a 100% state-owned enterprise located in the historical center of Kyiv. The hotel was completely renovated in 2012 and is included in a top-5 ranking of 4-stars hotels in Kyiv. It's currently offering five different types of rooms as well as a wide range of conference halls with a total area exceeding 2,500 sq.m. Also, the hotel offers a full range of services for event-management: 17 diverse multi-purpose halls, with the capacity ranging from 10 to 465 guests, in order to host large-scale conferences, presentations, banquets or drink receptions with all necessary technical equipment, as well as all kinds of catering services. Concorde Consulting was assigned as an investment advisor for this object in the privatization process.

OPERATING OVERVIEW

The main type of President Hotel's operating activity is the leasing of own real estate, movable and immovable property, and other inventory objects mainly represented by the 12-story building with 374 rooms (46% of total area), belonging to different categories – from Business Class Rooms to Presidential Suite, and open-air and underground parking lots (13% of total area), 17 congress hall and 6 universal conference rooms for banquets (14% of total area), and other facilities (27%) including restaurants, a business center, SPA center, and a beauty salon. Since 2009, the complex of the President Hotel has been leased for 25 years to the LLC "KVADR" Building Company.

Monthly average hotel occupancy is 12,000 guests.

OPERATING SUMMARY	2018	2019
Hotel rooms	374	374
<i>sq.m</i>	18,798	18,798
Conference rooms & banquet halls	7	7
<i>sq.m</i>	2,690	2,690
Parking area (sq.m)	2,484	2,484
Total area (sq.m)	33,019	33,019
Number of Employees	7	9
Average Monthly Salary (UAH)	11,737	14,199

FINANCIAL OVERVIEW

Revenue in 2018 was generated mainly from leasing of own real estate (Hotel complex), movable and immovable property, and other inventory objects. Increase in gross profit margin by 20p.p. to 71% in 2018 vs 2017 was mainly caused by COGS decrease by 48%. The twofold increase of corporate income tax resulted in net income decrease by 11% (12m UAH in 2018 and 13m UAH in 2017).

INCOME STATEMENT (m UAH)	2017	2018
Revenue	47	41
COGS	(23)	(12)
Gross Profit/(Loss)	24	30
EBITDA	28	28
Depreciation	12	12
Operating Profit/(Loss)	15	16
Net Financial Income/(Loss)	0.064	-
Profit/(Loss) Before Taxes	15	16
Corporate Income Tax	(2)	(4)
Net Income/(Loss)	13	12
Dividends paid	-	-

The book value of assets slightly decreased by UAH 1m (-0.3% y-o-y) to UAH 319m in 2018 driven by a UAH 3m decrease in current assets (15% of total assets), which mostly represented by accounts receivable (92%), cash & cash equivalents (7%) and inventories (1%) and by a UAH 2m increase in fixed assets (85% of total assets), which consists of PP&E (90%), mostly represented by buildings and facilities (98%) with lasting 2% of specialized machinery and equipment and long-term accounts receivable (10%).

On the liabilities side, non-current liabilities increased by UAH 3.3m (+13% y-o-y) to UAH 28.3m, represent 82% of total liabilities and fully consists of deferred tax liabilities. Current liabilities made up the remaining 18% of total liabilities and mostly consists of accounts payable (95%).

BALANCE SHEET (m UAH)	2017	2018
Total Assets	320	319
Fixed assets	269	271
PP&E	232	243
Investment Property	-	-
Current Assets	51	48
Inventories	0.4	0.3
Accounts Receivable	49	44
Cash & Cash Equivalents	1	3
Total Liabilities & Equity	320	319
Total Liabilities	30	35
Accounts Payable	2	6
Short-term Debt	-	-
Long-term Debt	-	-
Equity	289	284

RATIOS	2017	2018
Sales Growth (% ,y-o-y)	-14%	-11%
EBITDA Growth (% ,y-o-y)	22%	0%
Net Income Growth (% ,y-o-y)	150%	-11%
EBITDA Margin (%)	59.55%	67.07%
Net Income Margin (%)	28.83%	28.88%
ROE (%)	4.64%	4.21%
ROA (%)	4.24%	3.75%
Debt/Equity (%)	11%	12%
Net Debt/EBITDA (x)	-0.05	-0.12

HOTEL DNIPRO



INDUSTRY real estate

PRIVATIZATION SCALE small

ASSETS VALUE UAH 249.4M

SHARE FOR PRIVATIZATION 100%

GENERAL OVERVIEW

Hotel "Dnipro" is located in the city center of Kyiv, in close proximity to governmental quarters and key historical and cultural places. It features 186 rooms, two restaurants, two bars, SPA, and three conference halls with a total area of 181 sq.m. It comprises of 2,831 sq.m. of total area, including 12 floors and a basement. Currently the hotel leases 634 sq.m. to cafe-bar and grocery and jewelry stores.

OPERATING OVERVIEW

There are six room categories in the hotel: budget, economy, standard, junior suite and suite. Each group has at least two configurations in terms of area, starting from 19 sq.m. to 56 sq.m., excluding the bathroom.

As of 2019, the average daily rate of the hotel was 43 EUR, with an average occupancy rate of 52%.

As of 2018, the company employs 167 workers, and from 2017 to 2018 the number of employees slightly increased by 1.8%, while average monthly salary increased by 30%.

OPERATING SUMMARY	2017	2018
Hotel rooms	186	186
sq.m	4,400	4,400
Conference & meeting rooms	4	4
sq.m	181	181
Parking area (sq.m)	1,580	1,580
Total area (sq.m)	12,829	12,829
Number of Employees	164	167
Average Monthly Salary (UAH)	7,087	9,260

FINANCIAL OVERVIEW

Revenue in 2018 was generated mainly from leasing of own real estate (Hotel complex), movable and immovable property, and other inventory objects, and grew by 11% in 2018 as compared to 2017, while the cost of sales increased by 5% in the same period. This resulted in gross margin improvement to 19.6% in 2018 from 14.7% in 2017. The company's 2018 EBITDA and net income remained unchanged in y-o-y terms at UAH 3m and UAH 0.12m respectively, which implies EBITDA margin of 5.1% (-0.6ppt y-o-y) and net margin of 0.2% (flat y-o-y).

INCOME STATEMENT (m UAH)	2017	2018
Revenue	53	59
COGS	(45)	(47)
Gross Profit/(Loss)	8	12
EBITDA	3	3
Depreciation	3	3
Operating Profit/(Loss)	0.1	0.2
Net Financial Income/(Loss)	0.03	(0.05)
Profit/(Loss) Before Taxes	0.14	0.16
Corporate Income Tax	(0.03)	(0.03)
Net Income/(Loss)	0.12	0.13
Dividends paid	-	-



The book value of assets slightly increased by UAH 1m (+1% y-o-y) to UAH 249m in 2018 driven by a UAH 1.3m increase in fixed assets (96% of total assets), which were mostly represented by intangible assets (61%) and PP&E (38%), including buildings and facilities (90%), vehicles (4%) and other (6%) and by a UAH 0.7m increase in current assets, which made up the remaining 4% of total assets and were comprised of accounts receivable (38%), cash & cash equivalents (35%) and inventories (19%).

On the liabilities side, current liabilities (79% of total liabilities) increased by 2.3m (+37% y-o-y) to UAH 8m in 2018, consists of accounts payable (69%) and other current liabilities (31%). Long-term liabilities decreased by UAH 0.3m, representing 21% of total liabilities including other long-term liabilities.

BALANCE SHEET (m UAH)	2017	2018
Total Assets	248	249
Fixed assets	238	240
PP&E	90	91
Investment Property	-	-
Current Assets	9	10
Inventories	2	2
Accounts Receivable	4	4
Cash & Cash Equivalents	3	4
Total Liabilities & Equity	248	249
Total Liabilities	9	11
Accounts Payable	2	6
Short-term Debt	-	-
Long-term Debt	3	2
Equity	239	239

RATIOS	2017	2018
Sales Growth (% , y-o-y)	25%	11%
EBITDA Growth (% , y-o-y)	-210%	3%
Net Income Growth (% , y-o-y)	-118%	14%
EBITDA Margin (%)	5.70%	5.29%
Net Income Margin (%)	0.22%	0.22%
ROE (%)	0.05%	0.06%
ROA (%)	0.04%	0.05%
Debt/Equity (%)	4%	4%
Net Debt/EBITDA (x)	-0.18	-0.41

HOTEL SLOVIANSKYI



INDUSTRY real estate

PRIVATIZATION SCALE small

ASSETS VALUE UAH 58M

SHARE FOR PRIVATIZATION 100%

GENERAL OVERVIEW

Hotel Slovianskiy is 100% state-owned company, located in Novgorod-Siversky, Chernihiv region. It features 30 rooms of different classes, disco bar, billiards, sauna and gym. The hotel's conference room seats up to 40 people, equipped with everything you need for conferences, business meetings, corporate and private events. Based on the hotel there is a restaurant with two halls - large, for 100 seats and small, for 30 seats. The hotel is 2 km from the bus station. The distance to Chernihiv is 171 km.

OPERATING OVERVIEW

The property complex includes premises with a total area of 4883.9 m², of which 4752.7 m² for the facility of the hotel Slovianskiy, 131.2 m² for the boiler room and garage.

Average daily rate for double room 500 UAH, room for 4 persons 1960 UAH, president luxe room – 2660 UAH.

As of 2019, the company employs 21 workers, and from 2018 to 2019 the number of employees increased by 5%, while average monthly salary increased by 31.6%.

OPERATING SUMMARY	2018	2019
Hotel rooms	30	30
sq.m	793.5	793.5
Occupancy, beds	1,804	2,608
Total area (sq.m)	4,884	4,884
Number of Employees	20	21
Average Monthly Salary (UAH)	3,083	4,059

FINANCIAL OVERVIEW

In 2019 company reported revenue of UAH 5m, down 60% y-o-y while cost of sales decreased by 28% at the same period. The company was loss making in 2019 both at the EBITDA (UAH 10m) and bottom-line level (UAH 15m).

INCOME STATEMENT (m UAH)	2018	2019
Revenue	2	3
COGS	(6)	(7)
Gross Profit/(Loss)	(4)	(5)
EBITDA	(0)	(1)
Depreciation	5	5
Operating Profit/(Loss)	(6)	(6)
Net Financial Income/(Loss)	0	0
Profit/(Loss) Before Taxes	(5)	(6)
Corporate Income Tax	0	0
Net Income/(Loss)	(5)	(6)
Dividends paid	-	-



The book value of assets decreased by UAH 5.4mn (-8.6% y-o-y) to UAH 58mn in 2019 driven by a UAH 5.4mn decrease in fixed assets, which almost fully represented total assets, and almost fully consisted of PP&E.

On the liabilities side, total liabilities fully represented by current liabilities, which increased by UAH 0.3mn (+80% y-o-y) to UAH 8.7mn in 2019 and were represented by other current liabilities (58%) and accounts payable (42%).

BALANCE SHEET (m UAH)	2018	2019
Total Assets	63	58
Fixed assets	63	58
PP&E	63	58
Investment Property	-	-
Current Assets	0.2	0.1
Inventories	0.2	0.1
Accounts Receivable	0.0	0.0
Cash & Cash Equivalents	-	-
Total Liabilities & Equity	63	58
Total Liabilities	1	1
Accounts Payable	1	1
Short-term Debt	-	-
Long-term Debt	-	-
Equity	62	57

RATIOS	2018	2019
Sales Growth (% , y-o-y)	2%	27%
EBITDA Growth (% , y-o-y)	3%	73%
Net Income Growth (% , y-o-y)	-6%	6%
EBITDA Margin (%)	-16.85%	-22.93%
Net Income Margin (%)	-268%	-224%
ROE (%)	0.10%	0.09%
ROA (%)	-0.19%	-0.11%
Debt/Equity (%)	-200%	-183%
Net Debt/EBITDA (x)	24.17	18.63



Table 7. Other SOEs in Real estate sector

Enterprise Name (UKR)	Enterprise Name (ENG)	Code	Privatization Scale
ДП Львівський дослідний завод Національної академії наук України	SE Lviv Research Plant National Academy of Sciences of Ukraine	03534423	Small
ПАТ Машинобудівне виробниче об'єднання Опіон	JSC Machine-Building Production Association Orion	14309913	Small
АТ Укрнафтопродукт	JSC Ukrnaftoproduct	00018201	Small
ДП Айвазовське	Aivazovske SE	04792883	Small
ДП Інститут азотної промисловості і продуктів органічного синтезу	SE Institute of Nitrogen Industry and Organic Synthesis Products	33968601	Small
ДП Сільськогосподарське підприємство Більковецьке	SE Agricultural Enterprise Bilkovetske	00481653	Small
ДП Одеське обласне об'єднання шовківництва Облшовк	SE Odesa Regional Association of Silkworms Oblshovk	00702587	Small
ДП Агроінвест	SE Agroinvest	37354558	Small
ДП Лубенське агроторгове підприємство	SE Lubny agro-trading enterprise	39802083	Small
ДП НДІ Еротрон	SE RESEARCH INSTITUTE OF RECEIVING ELECTRONIC RADIATION TUBES EROTRON	14314601	Small



Agri & Food

SECTOR OVERVIEW



Agriculture has a core role in Ukrainian foreign trade. Ukraine is a net exporter of agri-food products, with agri-food exports accounted for 44% in total Ukrainian exports in 2019. Agricultural exports have been the largest export category since 2013. In 2017, its share was almost 2x larger than that of the 2nd largest export category (ferrous and nonferrous metals). In dollar terms, in 2017, agricultural exports and imports continued to grow, demonstrating 16% and 10% growth, respectively. Net positive balance from foreign trade with agricultural goods reached USD 13.5 billion, beating its previous record set in 2016 by more than USD 2 billion.

AGRICULTURAL LAND MARKET

ABOUT 25% OF AGRICULTURAL LAND IN UKRAINE IS STATE-OWNED | Land reform in Ukraine, as in many other former Soviet republics, has progressed very slowly after the country declared its independence in 1991. Restructuring of Soviet-era farms did not begin until 1999, when farms started signing lease contracts based on land deeds (certificates) distributed among employees of former state and collective farms. Each deed was allocated a land parcel and delimited. The size of land plots allocated in a given region depended on land availability and the region's households, ranging from 1.1 ha in the mountainous Ivano-Frankivsk region to 8.7 ha in Luhansk, with the national average totaling 4 ha. Some 31 Mha, or 75% of total agricultural land, is currently privately owned and the remaining 25% or 10 Mha is state-owned. Some 19.4 Mha of farmland currently being leased in Ukraine, accounting for c. 70% of total operated arable land. The term of lease contracts ranges from 7 years (the minimum set by law) to 50 years. Most of the private farmland lease contracts (62%) had a term of 7 to 14 years.

Figure 52. Breakdown of Agricultural Land by Type

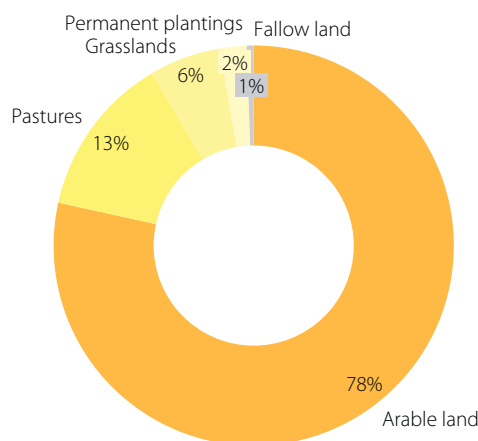
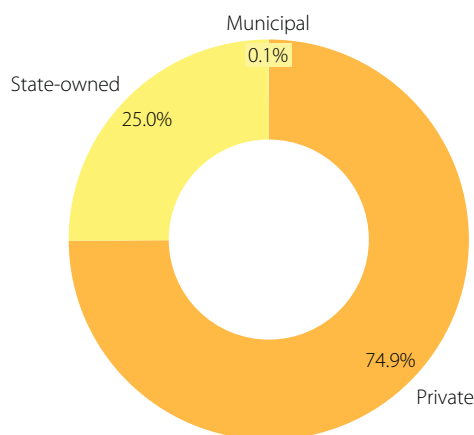


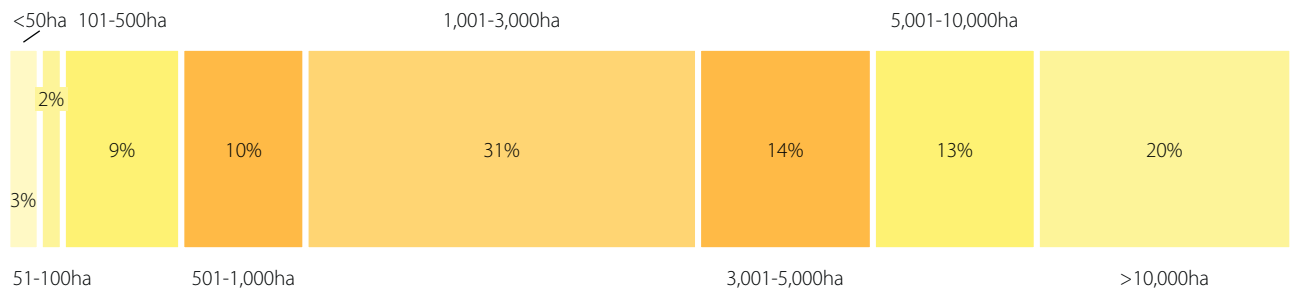
Figure 53. Breakdown of Agricultural Land by Ownership



THE AGRICULTURAL LAND MARKET TO BE OPENED IN JULY 2021 | President Volodymyr Zelensky has reiterated the new administration's plans to carry out farmland reform in order to open up a market for 40 Mha of agricultural land. On Nov. 13, 2019 Parliament has passed a bill on the farmland market at first reading. In fact, after numerous of drawbacks and discussions, the draft law was approved by the Parliament on March 31, 2020 and further signed by the President on April 28, 2020. The to-be market will be opened starting July 1, 2021. According to the lawmakers, the delay can be explained as an effort to launch the land market after the COVID-19 crisis and related economic instability. Among features of the market model are: (a) the land ownership per hand is limited both in terms of per hand ownership and to private individuals (businesses are expected to acquire land after two years since the market opening (b) foreigners are prohibited from the land purchase, and this restriction is effective at least until the national referendum; (c) the state land is not allowed for selling for two years.

LARGE OPERATORS CONTROL AN EST. 20% OF LEASED ARABLE LAND | According to the latest available official statistics, there were 49,208 farming companies in Ukraine as of late 2018 (mostly privatized Soviet-era farms), their combined land bank totaling 20.0 Mha. Large holding companies account for an est. 20% of total arable land, with the smallest company in this group leasing over 10,000 ha.

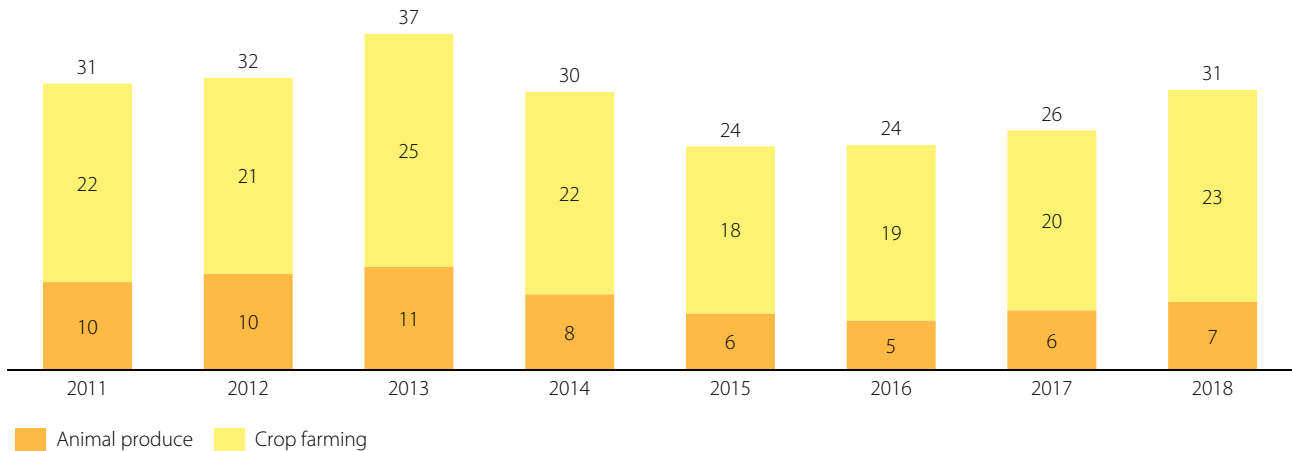
Figure 54. Breakdown of Leased Land by Operated Acreage (Nov. 1, 2018)



AGRICULTURAL PRODUCTION

CROP FARMING DOMINATES AGRICULTURAL OUTPUT IN UKRAINE | Agricultural output in Ukraine reached UAH 848bn or \$31.2bn in 2018. Thanks to vast endowment with land resources, crop farming historically dominated local agricultural industry, accounting for 74% of agricultural output in 2018. Grains (wheat, corn and barley) and oilseeds (sunflower, soybeans and rape) are the key crops cultivated in Ukraine, accounting for 78% of crop output in 2018 and 58% of total agricultural output. In turn, animal farming accounted for only 24% of total agricultural output in Ukraine.

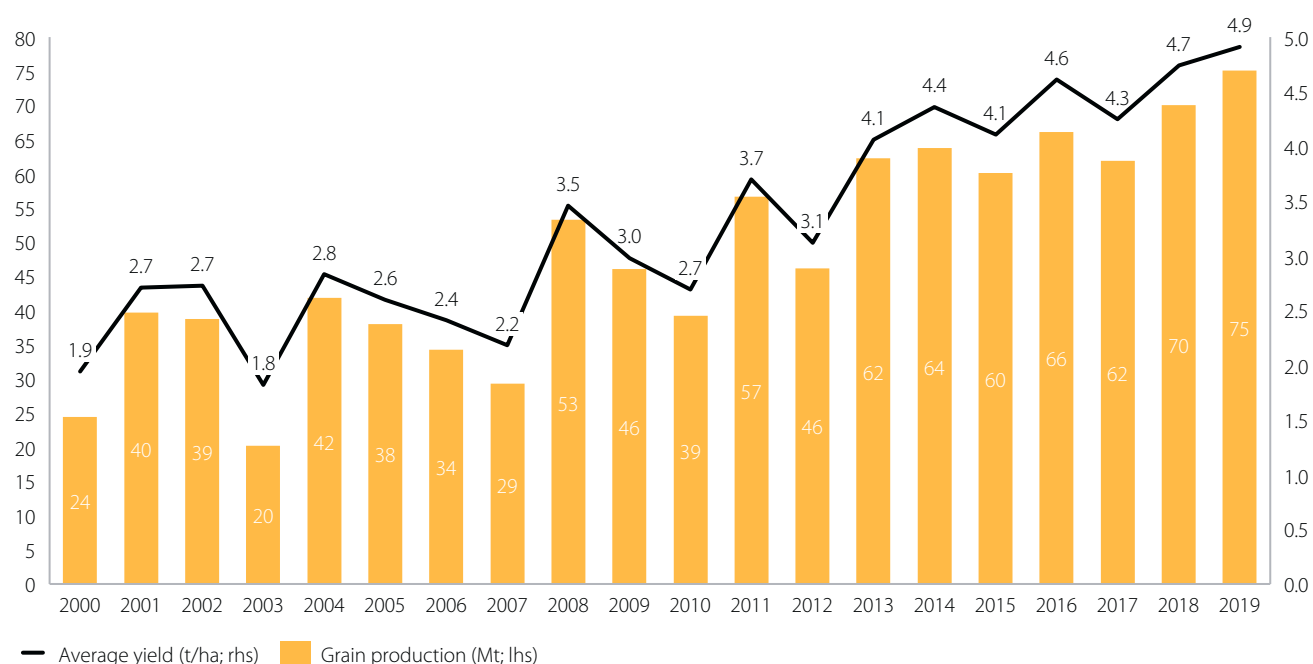
Figure 55. Agricultural Output in Ukraine (USD b)



GRAIN YIELDS IN UKRAINE HAVE BEEN VOLATILE AND DEPENDENT ON WEATHER | Grain yields in Ukraine are heavily dependent on weather conditions and as such are volatile, with low fertilizer application and scarcity of modern equipment and farming techniques continuing to constrain yield growth. Still, Ukraine enjoyed record harvests in 2018 and 2019 thanks to exceptionally favorable weather. Last year, wheat yielded 4.2 t/ha on average (winter wheat (98% of total acreage) at 4.2 t/ha and spring wheat at 4.0 t/ha). This was above the 1990 (late Soviet era) level of 4.0 t/ha when fertilizer consumption was some 30% higher.

Ukraine’s grain harvest stood at about 75 Mt in 2019, up 7% y-o-y from 70 Mt in 2018 and a new record high, reporting an average yield of 4.9 t/ha, up 4% y-o-y.

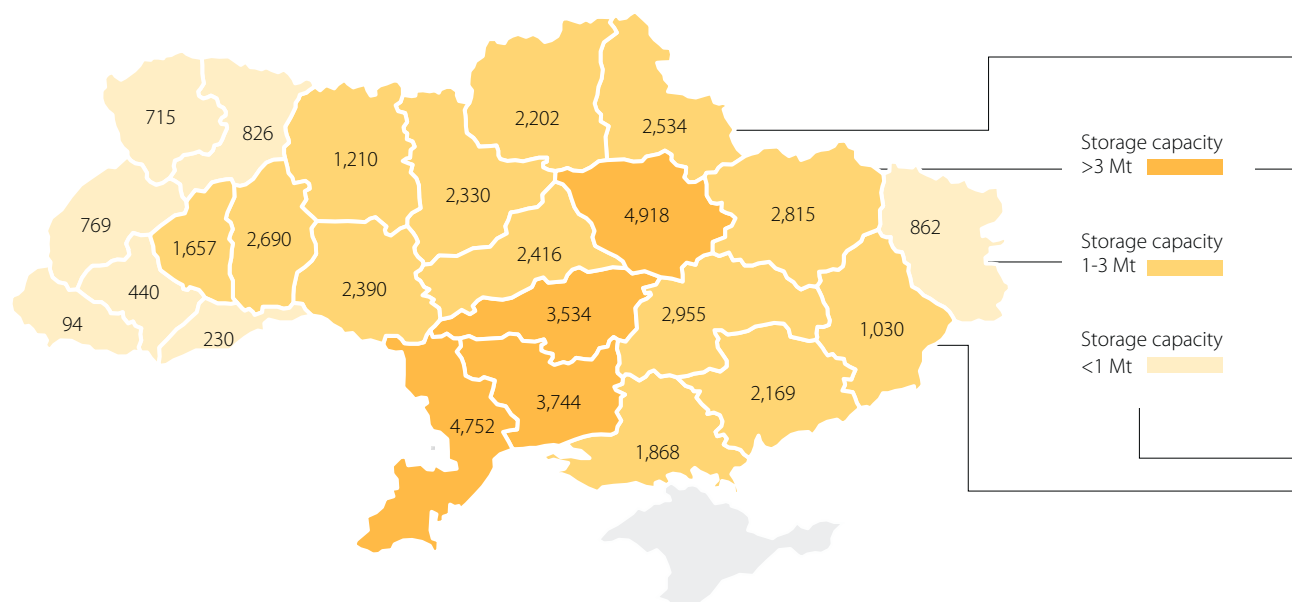
Figure 56. Grain Production and Yields in Ukraine in clean weight terms (after cleaning and drying)



GRAIN STORAGE CAPACITY

GRAIN STORAGE CAPACITY IN UKRAINE TOTALS 42 MT, WHILE ANNUAL HARVESTS HAVE RANGED FROM 75-95 MT | Ukraine's certified grain storage capacity totaled 42 Mt in 2019. Considering that Ukraine's grain and oilseed harvests have ranged from 60-75 Mt and 17-21 Mt, respectively, over the past five years, the existing certified storage capacity can provide for immediate storage of 45-55% of annual production. This implies Ukraine needs an additional 15-30 Mt of capacity to secure immediate storage of its entire grain and oilseed harvest. At the same time, experts estimate total grain storage capacities in Ukraine at about 51 Mt, including certified inland and port grain storages, as well as small granaries

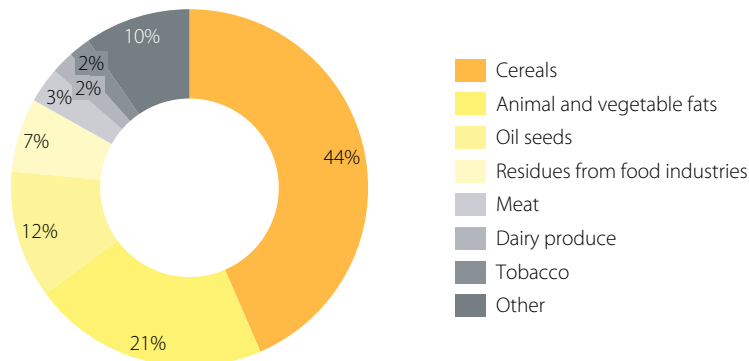
Figure 57. Certified Grain Storage Facilities in Ukraine, ths tons (2019)



FOOD AND AGRICULTURE EXPORTS

AGRICULTURAL EXPORTS DOMINATED BY GRAIN AND OILSEED CROPS, AS WELL AS VEGETABLE OIL | Ukraine's exports of food and agricultural produce reached \$22.1bn in 2019, up 19% y-o-y, accounting for 44% of total exports of goods in Ukraine (+4.9pp y-o-y). Similarly to the structure of agricultural production, exports was also dominated by grain and certain oilseed crops (soybeans and rapeseed, see chart below). With almost entire sunflower seed harvest being processed in Ukraine, sunflower oil and meal also accounted for considerable portion of food and agriculture exports last year.

Figure 58. Ukraine's exports of food and agricultural produce breakdown (2019)



UKRAINE EXPORTED RECORD 49 MT OF GRAIN IN 2018/19 MY | Ukraine exported a record 49.5 Mt of grain in 2018/19 MY (July 2018-June 2019), up 24% y-o-y and above the previous record high of 44.3 Mt reported in 2016/17 MY. The exported volume included 15.6 Mt of wheat (-9% y-o-y), 3.6 Mt of barley (-17%) and 29.8 Mt of corn (+68%). TOP-5 importers of Ukrainian wheat in 2018/2019 MY are Indonesia, Egypt, Philippines, Bangladesh and Morocco and they're taking more than 55% share in total exporting volume. As for corn, TOP-5 importers in 2018/19 MY (Spain, Netherlands, China, Egypt, Turkey) are taking 58% of total export volume.

UKRAINE IS FORECAST TO BE THE 5TH LARGEST WHEAT EXPORTER GLOBALLY IN 2019/20 MY AND THE 4TH LARGEST COARSE GRAIN EXPORTER | The United States Department of Agriculture (USDA) forecasts Ukraine will export 20.5 Mt of wheat in 2019/20 MY, accounting for 11.2% of projected global wheat exports over the period (+2.0ppt y-o-y). According to the USDA, global coarse grain exports will hit 208.3 Mt in 2019/20 MY, with Ukraine projected to account for 17.4% of the total (36.2 Mt; +4% y-o-y on another record high harvest), being the fourth largest exporter.

Figure 59. Global Wheat Exporters (volume; 2019/20E MY)

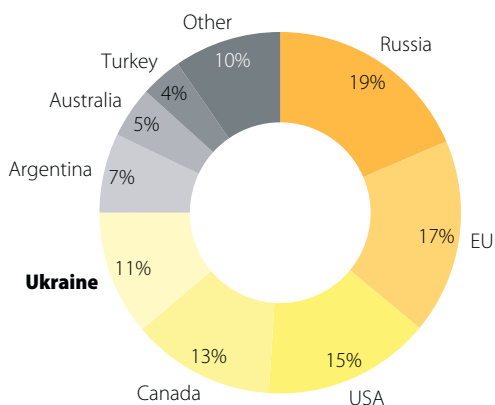
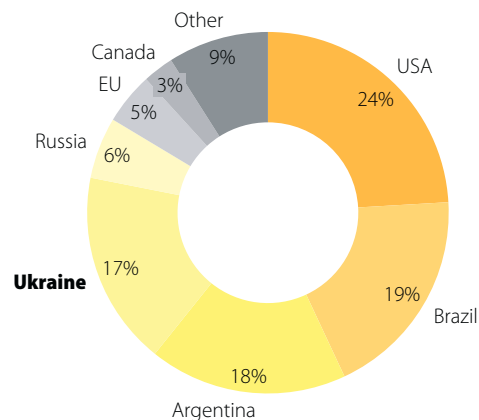


Figure 60. Global Coarse Grain Exporters (volume; 2019/20E)



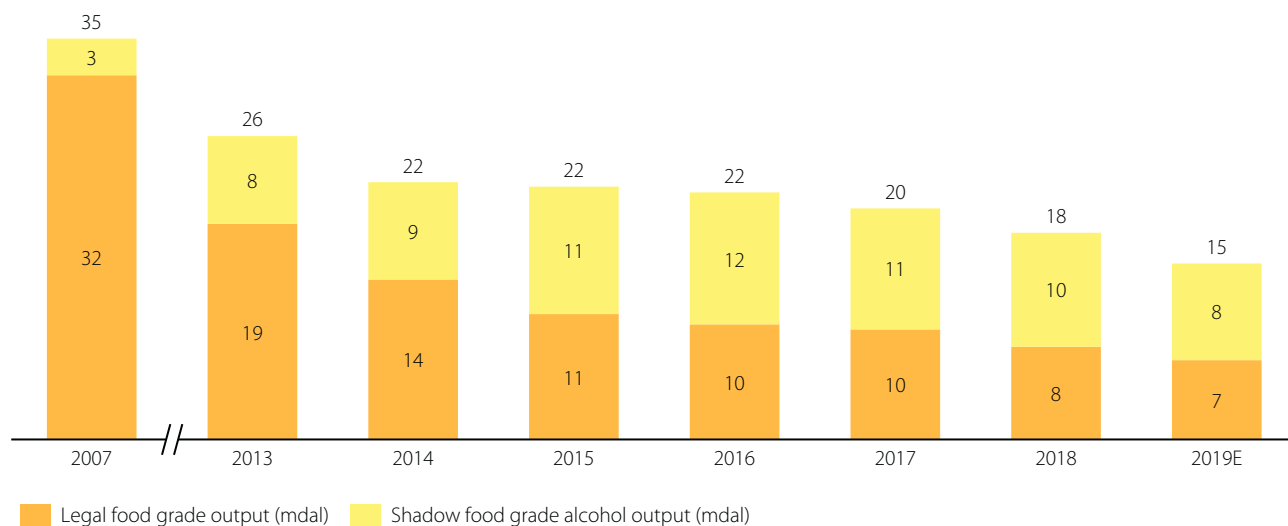
UKRAINE EXPORTED 6.0 MT OF SUNFLOWER OIL IN 2018/19 MY | Sunflower oil exports from Ukraine rose by 14% y-o-y to 6.0 Mt in 2018/19 MY (Sept 2018-Aug 2019) amid record high sunflower seed harvest in Ukraine, reconfirming its position as the largest sunflower oil exporter globally with a 54% market share.

ETHYL ALCOHOL PRODUCTION

ETHYL ALCOHOL PRODUCTION TO BE DEMONOPOLIZED IN 2020 | Ukraine's ethyl alcohol market was monopolized by the State, with 41 domestic distilleries operated by holding company Ukrspyrty and 38 operated by Concern Ukrspyrty. In December 2019 President Volodymyr Zelensky has signed a bill on demonopolization of the ethyl alcohol industry. According to the bill, starting from Jul. 1, 2020 private producers would be able to obtain a license for spirit production. In turn, government plans to privatize all 78 distilleries operated by Ukrspyrty concern, with first 36 production sites to be auctioned already in 2020.

AND AS SHADOW ALCOHOL PRODUCTION EXCEEDS OFFICIAL OUTPUT VOLUMES | In 2019, Ukrainian distilleries produced 6.9 million dekaliters (mdal) of food grade ethyl alcohol (-15% y-o-y). At the same time, Ministry for Development of Economy, Trade and Agriculture of Ukraine estimates that shadow ethyl alcohol production totaled 8.4 mdal in 2019, accounting for 55% of total production

Figure 61. Ukraine Food Grade Ethyl Alcohol Output Breakdown



IVANO-FRANKIVSKIY GRAIN COMPANY



INDUSTRY agri & food

PRIVATIZATION SCALE small

ASSETS VALUE UAH 70M

SHARE FOR PRIVATIZATION 100%

GENERAL OVERVIEW

Ivano-Frankivsky Grain company produces flour and cereals, located in Ivano-Frankivsk region. Additionally, the company provides services in warehousing, production of animal feed, breeding of sheep and goats, etc. Total elevator capacity reached 79,400 tons.

OPERATING OVERVIEW

Operating capacity of facilities are:
 Total processing capacity – 37 tons per hour.
 Autoload power – 120 tons per day.
 Capacity of the feed mill – 50 tones per day.
 Railway loading capacity – 240 tones per day.
 Grain dryer capacity – 32 tones per hour.
 Grain auto-receiving line capacity – 2000 tones per hour.

As of 2018, the company employs 63 workers, and from 2017 to 2018 the number of employees decreased by 27.5%, while average monthly salary increased by 1.8% to 7,185 UAH.

FINANCIAL OVERVIEW

Ivano-Frankivskiy Grain company's 2018 net sales decreased by 65.6% y-o-y to UAH 14m, while the cost of sales reduction by 72.4% resulted in gross margin improvement by 15ppt. from 24.3% in 2017 to 39.3% in 2018. The company reported negative EBITDA of UAH 0.7m, while the bottom line fell to a net loss of UAH 2m, driven by the fall in gross profit by 44.4% y-o-y to UAH 6m.

INCOME STATEMENT (m UAH)	2017	2018
Revenue	42	14
COGS	(31)	(9)
Gross Profit/(Loss)	10	6
EBITDA	2.1	(0.7)
Depreciation	1	1
Operating Profit/(Loss)	1	(2)
Net Financial Income/(Loss)	-	-
Profit/(Loss) Before Taxes	1	(2)
Corporate Income Tax	(0.2)	-
Net Income/(Loss)	1	(2)
Dividends paid	-	-

The book value of assets slightly decreased by UAH 1m (-1.4% y-o-y) to UAH 70m in 2018 driven by a UAH 1m decrease in fixed assets (80% of total assets) which were fully represented by PP&E.

Current assets made up the remaining 20% of total assets and were mainly comprised of accounts receivable (81%), inventories (12%), cash & cash equivalents (2%).

The liabilities were fully represented by current liabilities, precisely by accounts payable.

BALANCE SHEET (m UAH)	2017	2018
Total Assets	71	70
Fixed assets	57	56
PP&E	57	56
Investment Property	-	-
Current Assets	14	14
Inventories	5	2
Accounts Receivable	8	11
Cash & Cash Equivalents	0,4	0,2
Total Liabilities & Equity	71	70
Total Liabilities	17	18
Accounts Payable	17	18
Short-term Debt	-	-
Long-term Debt	-	-
Equity	54	53

RATIOS	2017	2018
Sales Growth (% y-o-y)	13%	-66%
EBITDA Growth (% y-o-y)	55%	-132%
Net Income Growth (% y-o-y)	242%	-292%
EBITDA Margin (%)	5.02%	-4.72%
Net Income Margin (%)	2.08%	-11.60%
ROE (%)	1.59%	-3.15%
ROA (%)	0.45%	-2.34%
Debt/Equity (%)	31%	32%
Net Debt/EBITDA (x)	-0.20	0.35

DUNAYEVETSKIY GRAIN COMPANY



INDUSTRY agri & food

PRIVATIZATION SCALE small

ASSETS VALUE UAH 80M

SHARE FOR PRIVATIZATION 100%

GENERAL OVERVIEW

Dunayevetskiy Grain company is 100% state-owned company provides grain elevation services. Facility located in Khmelnytskyi region, village Dunaevetsy. Current location of the elevator allows the reception and shipment of grain by railway through the railway station "Dunaevetsy", with a capacity of 1600 tonnes / day. The last audit was done in 2019 by internal management department of Ministry of agriculture.

OPERATING OVERVIEW

Company's facility includes two elevators with capacity 27 and 89 thsd tons, 122 different real estate objects and land by total area of 27,29 ha. The total capacity of simultaneous storage is 117.6 thousand tons. Type of storage: concrete silos 89 thousand tons and floor warehouses 28.6 thousand tons. The enterprise has a grain dryer (5 DSP-32) with a capacity at removal of 10% of moisture on corn makes 120 t / ton (type of fuel - gas). Auto-acceptance of grain is carried out by 3 lines with a throughput capacity of 3000 t / day, auto-shipment - 1000 t / day. Grain company is also equipped with own laboratory to provide quality check of grains.

As of 2019, the company employs 160 workers, and from 2018 to 2019 the number of employees decreased by 14%, while average monthly salary increased by 55.7% to 10,352 UAH.

FINANCIAL OVERVIEW

Dunayevetsky Grain company's net sales increased by 22% from UAH 67m in 2018 to UAH 82m in 2019, while cost of sales increased by 23%, which resulted in slightly gross margin decrease by 0.2 ppt. from 7.9% to 7.7%. The company reported negative EBITDA of UAH 2m, while net financial income increase by UAH 0.6m, which resulted in net income increase by 33% to UAH 3m in 2019.

INCOME STATEMENT (m UAH)	2018	2019
Revenue	67	82
COGS	(62)	(76)
Gross Profit/(Loss)	5	6
EBITDA	(3)	(2)
Depreciation	5	5
Operating Profit/(Loss)	0.4	1.0
Net Financial Income/(Loss)	1.8	2.4
Profit/(Loss) Before Taxes	2	3
Corporate Income Tax	0	-1
Net Income/(Loss)	2	3
Dividends paid	-	-

The book value of assets slightly increased by UAH 0.4mn (+0.5% y-o-y) to UAH 80mn in 2019 driven by a UAH 1.8mn increase current assets (51% of total assets), which were represented by accounts receivable (60%), cash & cash equivalents (29%), inventories (10%) including raw materials (40%) and finished goods (60%) and other current assets. Fixed assets decreased by a UAH 1.4mn to UAH 39mn (49% of total assets), represented by PP&E (81%) and other fixed assets (19%).

On the liabilities side, total liabilities represented by current liabilities (47%), which slightly decreased by UAH 0.1mn (-1% y-o-y) to UAH 12.5mn in 2019 and were represented mainly by other current liabilities (87%) and accounts payable (13%). Non-current liabilities made up the 53% of total assets and fully represented by long-term debt.

BALANCE SHEET (m UAH)	2018	2019
Total Assets	79	80
Fixed assets	41	39
PP&E	33	32
Investment Property	-	-
Current Assets	39	40
Inventories	5	4
Accounts Receivable	23	24
Cash & Cash Equivalents	11	12
Total Liabilities & Equity	79	80
Total Liabilities	27	27
Accounts Payable	3	2
Short-term Debt	-	-
Long-term Debt	14.4	14.4
Equity	52	53

RATIOS	2018	2019
Sales Growth (% y-o-y)	-22%	22%
EBITDA Growth (% y-o-y)	-165%	-23%
Net Income Growth (% y-o-y)	7%	33%
EBITDA Margin (%)	-4.61%	-2.90%
Net Income Margin (%)	2.95%	3.20%
ROE (%)	-0.04%	-0.04%
ROA (%)	0.07%	0.05%
Debt/Equity (%)	-200%	-183%
Net Debt/EBITDA (x)	2.63	4.55

NOVOPOKROVSKIY GRAIN COMPANY



INDUSTRY agri & food

PRIVATIZATION SCALE small

ASSETS VALUE UAH 186M

SHARE FOR PRIVATIZATION 100%

GENERAL OVERVIEW

Novopokrovskiy Grain company is 100% state-owned company, provides transshipment, cereal cleaning, drying, shipment and storage services and accepts barley, wheat, corn, sunflower, legumes. The facility located in Kharkiv region, village Novopokrovka. Current location of the elevator allows the reception and shipment of grain by railway through the railway station " Eskhar ". Company was transferred to the State Property Fund in Jul 2018. The decision to include it in privatization list was made Apr 2018. The last audit was done in 2019 by Capital Group audit company.

OPERATING OVERVIEW

Novopokrovskiy includes linear elevator, 92 different real estate objects and land by total area of 17,29 ha. The total capacity of simultaneous storage is 54 thousand tons. The elevator uses grain dryers DSP-32 and DSP-50. Their capacity is 82 t / h at 10% of moisture drying. There are also supplementary equipment - separators BSH-100 and SPO-50, with a capacity of 100 t / h. The elevator is equipped with automatic loading line with a capacity of 1800 tons / day. The capacity of automatic unloading is 640 t / day. Company has the possibility of railway shipment through Eskhar railway station with a capacity of unloading near 1640 tons / day. Grain company is also equipped with own laboratory to provide quality check of grains.

As of 2019, the company employs 257 workers, and from 2018 to 2019 the number of employees decreased by 29.6%, while average monthly salary increased by 230% to 17,669 UAH.

FINANCIAL OVERVIEW

Novopokrovskiy Grain company's net sales decreased by 42% y-o-y, down to UAH 67m in 2019 from UAH 115m in 2018, while cost of sales decreased by 40% at the same period to UAH 66m. This resulted in gross margin decrease by 2.7ppt to 1.8% from 4.5% in 2018. In 2019, company reported net losses of UAH 18m vs. UAH 52m net losses in 2018.

INCOME STATEMENT (m UAH)	2018	2019
Revenue	115	67
COGS	(110)	(66)
Gross Profit/(Loss)	5	1
EBITDA	(50)	(16)
Depreciation	2	2
Operating Profit/(Loss)	(52)	(18)
Net Financial Income/(Loss)	-	-
Profit/(Loss) Before Taxes	(52)	(18)
Corporate Income Tax	0	0
Net Income/(Loss)	(52)	(18)
Dividends paid	-	-

The book value of assets slightly decreased by UAH 4.4mn (-2.4% y-o-y) to UAH 182mn in 2019 driven by a UAH 4.4mn decrease in fixed assets (58% of total assets), which were represented by PP&E (95%) and other fixed assets (5%). Current assets made up the remained 42% of total assets and were represented by accounts receivable (93%), inventories (6%) including raw materials (68%), work-in-progress (29%) and finished goods (3%) and other current assets (1%).

On the liabilities side, total liabilities mostly represented by current liabilities (99%), which increased by UAH 16.6mn (+16% y-o-y) to UAH 120.6mn in 2019 and were represented mainly other current liabilities (80%) and accounts payable (20%). Non-current liabilities made up the remained 1% of total assets and fully represented by long-term debt.

BALANCE SHEET (m UAH)	2018	2019
Total Assets	186	182
Fixed assets	110	105
PP&E	104	100
Investment Property	-	-
Current Assets	77	77
Inventories	4	4
Accounts Receivable	70	71
Cash & Cash Equivalents	2	0
Total Liabilities & Equity	186	182
Total Liabilities	105	122
Accounts Payable	7	24
Short-term Debt	-	-
Long-term Debt	1	1
Equity	81	60

RATIOS	2018	2019
Sales Growth (% y-o-y)	-48%	-42%
EBITDA Growth (% y-o-y)	-1615%	-67%
Net Income Growth (% y-o-y)	-10517%	65%
EBITDA Margin (%)	-43.47%	-24.51%
Net Income Margin (%)	-45.29%	-27.36%
ROE (%)	0.96%	0.30%
ROA (%)	-1.82%	-0.35%
Debt/Equity (%)	-200%	-183%
Net Debt/EBITDA (x)	0.16	0.66

MYROGOSHCHANSKY

AGRARIAN



INDUSTRY agri & food

PRIVATIZATION SCALE small

ASSETS VALUE UAH 27M

SHARE FOR PRIVATIZATION 75%

GENERAL OVERVIEW

Myrogoshchanskiy agrarian is an agricultural enterprise with 75,74% state share. The company specializes on growing of cereals, legumes, sunflower and breeding of dairy cattle, horses, pigs. Company accounts for buildings and equipment used for economic activities: 74 buildings in 4 villages, agricultural machinery (tractors, combines) - 39 units, vehicles -31 units, incl. trucks - 23 units, cars - 8 units. Agricultural equipment - 16 units.

OPERATING OVERVIEW

Total area of facilities are:

- village Myrohoshcha persha – 28,778 sq.m., including granaries (7,145 sq.m.), cowsheds (5,357 sq.m.), garages (5,086 sq.m.), warehouses (2,119 sq.m.), calves (1,686 sq.m.), feed mills (1,243 sq.m.), slaughterhouse (71.6 sq.m.) and other facilities (6,067 sq.m.);
- village Kostianets – 5,615 sq.m., including pigsties (5,184 sq.m.) and other facilities (431 sq.m.);
- village Myrohoshcha druha – 811.8 sq.m., including mill (445.9 sq.m.) and shop (365.9 sq.m.);
- village Mokre – stable, 391 sq.m..

As of 2019, the company employs 41 worker, and from 2018 to 2019 the number of employees decreased by 43%, while average monthly salary increased by 22% to 4,754 UAH.

FINANCIAL OVERVIEW

In 2019 company reported revenue of UAH 5m, down 60% y-o-y while cost of sales decreased by 28% at the same period. The company was loss making in 2019 both at the EBITDA (UAH 10m) and bottom-line level (UAH 15m).

INCOME STATEMENT (m UAH)	2018	2019
Revenue	11	5
COGS	(11)	(8)
Gross Profit/(Loss)	(0)	(4)
EBITDA	(1)	(10)
Depreciation	5	5
Operating Profit/(Loss)	(6)	(15)
Net Financial Income/(Loss)	(1)	-
Profit/(Loss) Before Taxes	(6)	(15)
Corporate Income Tax	0	0
Net Income/(Loss)	(6)	(15)
Dividends paid	-	-



The book value of assets decreased by UAH 11.5mn (-30% y-o-y) to UAH 27mn in 2019 driven by a UAH 7.3mn decrease in fixed assets (65% of total assets), which were represented by PP&E (97%) and other fixed assets (3%) and by a UAH 4.2mn decrease in current assets (5% of total assets), represented by inventories (52%) including raw materials (52%) and finished goods (48%), accounts receivable (23%), cans & cash equivalents (19%) and other current assets (6%).

On the liabilities side, total liabilities fully represented by current liabilities, which increased by UAH 3.9mn (+80% y-o-y) to UAH 8.7mn in 2019 and were represented by other current liabilities (58%) and accounts payable (42%).

BALANCE SHEET (m UAH)	2018	2019
Total Assets	38	27
Fixed assets	33	26
PP&E	30	25
Investment Property	-	-
Current Assets	5	1
Inventories	2	1
Accounts Receivable	0.2	0.3
Cash & Cash Equivalents	0.7	0.2
Total Liabilities & Equity	38	27
Total Liabilities	5	9
Accounts Payable	4	4
Short-term Debt	-	-
Long-term Debt	-	-
Equity	34	18

RATIOS	2018	2019
Sales Growth (% y-o-y)	-12%	-60%
EBITDA Growth (% y-o-y)	-185%	-1607%
Net Income Growth (% y-o-y)	-106%	-136%
EBITDA Margin (%)	-5.28%	-223%
Net Income Margin (%)	-5755%	-336%
ROE (%)	0.12%	0.25%
ROA (%)	-0.23%	-0.29%
Debt/Equity (%)	-200%	-183%
Net Debt/EBITDA (x)	13.67	1.07



Table 8. Other SOEs in Agri & Food sector

Enterprise Name (UKR)	Enterprise Name (ENG)	Code	Privatization Scale
ДП Державний Резервний Насіннєвий Фонд України	SE State Seed Reserve Fund	30518866	Small
ДП Тульчинське виробниче підприємство по племінній справі в тваринництві	SE Tulchinsky production enterprise for breeding in animal husbandry	00692239	Small
ДП Апостолівське підприємство по племінній справі в тваринництві	SE Apostolic Enterprise for Breeding in Animal Husbandry	00693233	Small
ДП Софіївське підприємство по племінній справі в тваринництві	SE Sofia Enterprise for Breeding in Animal Husbandry	00693227	Small
ДП Іскра	SE Iskra	00852909	Small
ДП Ліктрави	SE Liktravy	31803446	Small
ДП Волинське обласне сільськогосподарське виробниче підприємство по племінній справі в тваринництві	SE Volyn Regional Agricultural Production Enterprise for Breeding in Animal Husbandry	00692386	Small
ДП Світанок	SE Svitanok	08183514	Small
ДП Благодатне	SE Blagodatne	22994509	Small
Державне насінницьке сільськогосподарське підприємство Вирівське	State Seed Agricultural Enterprise Vyrivske	00729646	Small
ДП Чутове	SE Chutove	00845921	Small
ДП Племпредуктор Степове	SE Steppe Breeder	00854995	Small
ДП Волинська станція луківництва	SE Volyn onion growing station	05281529	Small
ДП Олександрійський шовкорядгосп	SE Alexandria Silk Farm	00700192	Small
ДП Львівське	SE Lvivske	24306494	Small
ДП Понінківське	SE Poninkivske	00412582	Small
ДП Радгосп-завод Виноградівський	SE State Farm-Plant Vynohradivsky	00413765	Small
Агроторгове підприємство радгосп-завод Мукачівський	Agro-trading enterprise state farm-plant Mukachevo	00413794	Small
ДП радгосп-завод Ужгородський	SE State Farm Plant Uzhgorod	00413802	Small
ДП Агропромислова фірма Леанка	Leanka Agro-Industrial Firm SE	00413819	Small
ДП Великолазівський	SE Velykolazovsky	00413825	Small
Агропромислово-торгове підприємство Бобовище	Agro-industrial and trade enterprise Bobovyshche	00413895	Small
ДП Радгосп Виноградна Долина	SE State Farm Vinogradna Dolina	00413995	Small
Радгосп Лісовогринівецький	State farm Lisovohrynivetsky	00481548	Small
ДП Староушицьке	SE Staroushytske	00481554	Small
ДП Світанок	SE Svitanok	00498069	Small
ДП Дніпропетровське обласне підприємство по племінній справі у тваринництві	SE Dnipropetrovsk Regional Enterprise for Breeding in Animal Husbandry		
Облплемпідприємство	ObplplempiSEriyatstvo	00693138	Small
ДП шовкорядгосп Апостолівський	Apostolovsky SE Silk Farm	00693316	Small
Покровська міжрайонна радгосп-фабрика	Pokrovsky interdistrict state farm factory	00694037	Small
ДП шовківничий радгосп Пологівський	SE Silk State Farm Pologivsky	00699276	Small
Манятинська державна сільськогосподарська машинно-технологічна станція	Manyatyn State Agricultural Machine-Technological Station	30048338	Small

Table 8. Other SOEs in Agri & Food sector (cont.)

Enterprise Name (UKR)	Enterprise Name (ENG)	Code	Privatization Scale
ДП Шовкорадгосп Баришівський	SE Baryshivsky silk farm	00699862	Small
ДП Київська обласна коконосушарка	SE Kyiv Regional Coconut Dryer	00699900	Small
Державне сільськогосподарське підприємство Головний селекційний центр України	State Agricultural Enterprise Main Breeding Center Ukraine	00699945	Small
Державний шовкорадгосп Знам'янський	Znamyansky State Silk Farm	00700269	Small
ДП Одеське обласне підприємство по племінній справі в тваринництві	SE Odesa Regional Enterprise for Breeding in Animal Husbandry	00702897	Small
ДП шовкорадгосп Гоголівський	SE Silk Farm Gogolivsky	00703121	Small
ДП державний шовкорадгосп Хорольський	SE State Silk Farm Khorolsky	00703184	Small
ДП державний шовкорадгосп Чутівський	SE State Silk Farm Chutovsky	00703196	Small
Державний Миргородський гренажний завод	State Myrhorod Drainage Plant	00703279	Small
Кременчуцька міжрайонна коконосушарка Міжрайшовк	Kremenchug interdistrict cocoon dryer Mizhrashovk	00703397	Small
ДП шовкорадгосп Шотівський	SE Silk Farm Shotivsky	00709170	Small
ДП Грозинське	SE Grozynske	00724809	Small
ДП Харківське обласне сільськогосподарське підприємство по племінній справі у тваринництві	SE Kharkiv Regional Agricultural Enterprise for Breeding in Animal Husbandry	00725128	Small
ДП Науково-дослідний, виробничий агрокомбінат Пуща-Водиця	SE Research, production agro-industrial complex Pushcha-Vodytsya	00849296	Small
ДП Племінний завод Плосківський	Ploskivsky Breeding Plant	00849652	Small
ДП Монастириське	Monastyryske SE	00914993	Small
ДП Кук	SE Kuk	03747691	Small
ДП шовкогосподарство Кумівське	SE Silk Economy Kumivske	05453686	Small
ДП шовкогосподарство Сахновщинське	SE Sakhnovshchina Silk Farm	05453692	Small
ДП Комінтернівське підприємство по племінній справі у тваринництві	SE Comintern Enterprise for Breeding in Animal Husbandry	22507840	Small
ДП радгосп Колодіївський	SE State Farm Kolodiyivsky	22779099	Small
ДП Дніпровське	SE Dniprovske	22992166	Small
Державне сільськогосподарське підприємство Ключарківське	Klyucharkivske State Agricultural Enterprise	32634597	Small
ДП Сільськогосподарське підприємство Олександрівське	SE Agricultural Enterprise Oleksandrivske	33451887	Small
ДП Сільськогосподарське підприємство Хмельницьке	SE Agricultural Enterprise Khmelnytsky	36280860	Small
ДП Сільськогосподарське підприємство Запорізьке	SE Agricultural Enterprise Zaporizhzhya	36418685	Small
ДП Центр сертифікації та експертизи насіння і садивного матеріалу	SE Center for certification and examination of seeds and planting material	37884028	Small
ДП Радивилівський комбінат хлібопродуктів	SE Radyvyliv kombinat khloboproductiv	00955791	Small
ДП Полтавський комбінат хлібопродуктів	SE Poltava kombinat khloboproductiv	00952166	Small
ДП Неполоковецький комбінат хлібопродуктів	SE Nepolokovets kombinat khloboproductiv	00957152	Small
ДП Ніжинський комбінат хлібопродуктів	SE Nizhyn kombinat khloboproductiv	00952634	Small
ЄМК Ямпільського орендного молокозаводу	SPC of Yampil leased dairy plant	-	Small
ДП Регіональний дослідно-експериментальний комплекс	SE Regional Research and Experimental Complex	33171824	Small
ДП Агроспецсервіс	SE Agrospecservice	34532280	Small
ДП Артемівське агроторгове підприємство	SE Artemivske agrot trading enterprise	37503912	Small
ДП Бердянське агроторгове підприємство	SE Berdyansk Agro-Trading Enterprise	37622497	Small

Table 8. Other SOEs in Agri & Food sector (cont.)

Enterprise Name (UKR)	Enterprise Name (ENG)	Code	Privatization Scale
Червоноодеське державне виробниче сільськогосподарсько-рибоводне підприємство	Krasnooskisk State Production Agricultural and Fish Farm	14110643	Small
Харківський фумігаційний загін	Kharkiv Fumigation Detachment	25779970	Small
ДП Фумігаційний загін	SE Fumigation Detachment	25977026	Small
ДП Фумігаційний загін	SE Fumigation Detachment	32835930	Small
ДП Фумігація	SE Fumigation	33829749	Small
ДП Калинівський експериментальний завод по фракціонуванню олії та жирів	SE Kalinov Experimental Plant for Oil and Fat Fractionation	05459111	Small
ЄМК структурного підрозділу ДП Саратський виноробний завод	SPC structural subdivision SE Saratsky Winery	–	Small
ЄМК структурного підрозділу (горілчаний цех) Бучацького мальтозного заводу	SPC structural subdivision (vodka shop) Buchach Maltose Plant	–	Small
ЄМК структурного підрозділу Чернігівського облдержоб'єднання спиртової та лікеро-горілчаної промисловості Чернігівспиртгорілка ЧЛГЗ Кристал	SPC structural subdivision Chernihiv Regional State Association of Alcohol and Vodka Industry Chernihivspirtgorilka CHLGZ Crystal	–	Small
ЄМК ДП Маріупольський лікеро-горілчаний завод	SPC SE Mariupol distillery	–	Small
ЄМК ДП Артемівський завод шампанських вин	SPC SE Artemivsk Champagne Factory	–	Small
ЄМК Київського заводу шампанських вин	SPC Kyiv Champagne Factory	–	Small
ЄМК Львівського державного лікеро-горілчаного заводу	SPC Lviv State Alcoholic Beverage Plant	–	Small
ЄМК ДП Котовський виноробний завод	SPC SE Kotovsky winery	–	Small
ЄМК ДП Ізмаїльський винзавод	SPC SE Izmail winery	–	Small
ЄМК Болградський виноробний завод	SPC Bolgrad Winery	–	Small
ЄМК Одеський коньячний завод	SPC Odesa Cognac Factory	–	Small
ЄМК Одесавинпром	SPC Odesavinprom	–	Small
ЄМК Одеський завод шампанських вин	SPC Odesa Champagne Factory	–	Small
ЄМК ДП Полтавський лікеро-горілчаний завод	SPC SE Poltava distillery	–	Small
ЄМК ДП Сумський лікеро-горілчаний завод	SPC SE Sumy distillery	–	Small
ЄМК ДП Золотоніський лікеро-горілчаний завод	SPC SE Zolotonosha distillery	–	Small
Державний Кіровоградський сокоекстрактовий завод	State Kirovograd Juice Extract Plant	00378844	Small
ДП Генічеський виноробний завод	SE Genichesk Winery	02127816	Small
ДП Харківський завод шампанських вин	SE Kharkiv Champagne Factory	30590422	Small
ДП Київський виноробний завод	SE Kyiv Winery	32980874	Small
Державне комплексне торговельне підприємство Хрещатик	Khreschatyk State Complex Trade Enterprise	21583968	Small
ДП Яготинський цукровий завод	Yagotyn Sugar Plant	00333339	Small
ДП Широківська державна сільськогосподарська машино-технологічна станція	SE Shirokiv State Agricultural Machine-Technological Station	30355651	Small
Ковельська районна державна сільськогосподарська машинно-технологічна станція	Kovel district state agricultural machine-technological station	30381241	Small
Державне сільськогосподарське підприємство Котиківка	Kotyktivka State Agricultural Enterprise	30923505	Small
Державне спеціалізоване сільськогосподарське підприємство Перлина Полісся	State Specialized Agricultural Enterprise Pearlyna Polissya	32152601	Small
ДП Глухівська льононасіннева станція	SE Glukhiv Flax Seed Station	33872223	Small
ДП Луківська льононасіннева станція	SE Lukivska flax seed station	34435075	Small
ДП Харківцукорзбут	SE Kharkivtsukorzbut	23764023	Small

Table 8. Other SOEs in Agri & Food sector (cont.)

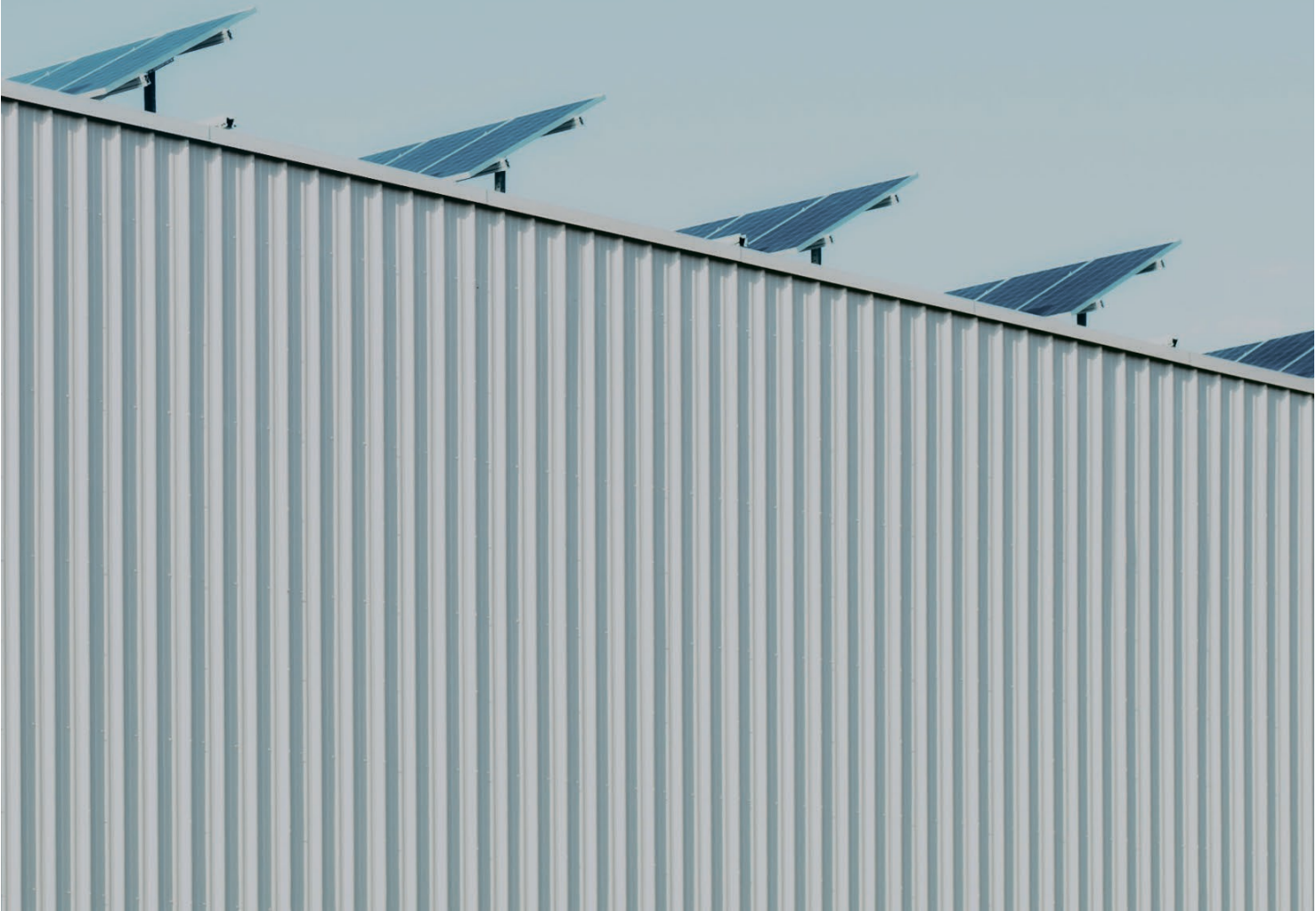
Enterprise Name (UKR)	Enterprise Name (ENG)	Code	Privatization Scale
ДП Браїлівський сокоморсовий завод	SE Brailovsky Juice Plant	00375450	Small
ДП Великоберезнянський консервний завод	SE Velykobereznyansky cannery	00377822	Small
ДП Тересвянський завод продтоварів	Teresvyansk Foodstuffs Plant	00377905	Small
ДП Гайворонський завод безалкогольних напоїв	SE Gaivoronsky plant of soft drinks	00378856	Small
ДП Тернопільська спеціалізована контрольно-насіннева лабораторія по цукрових буряках	Ternopil Specialized Control Seed Laboratory for Sugar Beets	00384549	Small
ДП Сумська спеціалізована контрольно-насіннева лабораторія по цукрових буряках	SE Sumy specialized control and seed laboratory for sugar beets	00385000	Small
ДП Вінницька спеціалізована контрольно-насіннева лабораторія по цукрових буряках	SE Vinnytsia specialized control and seed laboratory for sugar beets	00385034	Small
ДП Кіровоградська спеціалізована контрольно-насіннева лабораторія по цукрових буряках	SE Kirovograd specialized control and seed laboratory for sugar beets	00385069	Small
ДП Виробничий південний біотехнологічний центр	SE Southern Biotechnology Production Center	00415468	Small
ДП Навчально-дослідне господарство Докучаєвське Харківського національного аграрного університету ім. В. В. Докучаєва	SE Educational and Research Farm Dokuchaevske of Kharkiv National Agrarian University named after VV Dokuchaev	00487522	Small
Харківський обласний державний центр експертизи сортів рослин з державною інспекцією з охорони прав на сорти рослин Харківської області	Kharkiv Regional State Center for Examination of Plant Varieties with the State Inspectorate for the Protection of Plant Variety Rights Kharkiv Region	00492629	Small
Лозівське ДП кормових домішок	Lozova SE of Feed Impurities	00686374	Small
ДП Голобська льононасіннева станція	SE Holob Flax Seed Station	00692334	Small
ДП Запоріжшовк	SE Zaporizhshovk	00699218	Small
Оріхівське державне сільськогосподарське племінне підприємство по шовківництву	Orikhiv State Agricultural Breeding Enterprise for Silk	00699299	Small
ДП Надибська льононасіннева станція	SE Nadyb Flax Seed Station	00701932	Small
ДП Кілійське агроторгове підприємство	SE Kiliya agrotrading enterprise	38087271	Small
ДП Овідіополь-Агро	SE Ovidiopol-Agro	39769319	Small
ДП Радгосп Майданівський	SE Maidanivskiy State Farm	20583972	Small
ЄМК Слов'янський солевиварювальний завод N 2	SPC Slavic salt-brewing plant N 2	–	Small
ДП Український карантинний розсадник	SE Ukrainian Quarantine Nursery	35411469	Small
Розплідник дослідних тварин Національної академії наук України	Nursery of experimental animals National Academy of Sciences of Ukraine	22206676	Small
ТОВ Конотоп Компані (вкуп)	Konotop Company LLC (purchase)	23996806	Small
ТОВ Світ ласощів	LLC World of delicacies	03771732	Small
ПрАТ Бориспільське підприємство Сортнасіннеовоч	PJSC Boryspil enterprise Sortnasinneovoch	04685271	Small
ПрАТ Хлібозавод Залізничник	PJSC Zaliznychnyk kombinat khloboproductiv	23050348	Small
ДП Хмельницьке	Khmelnysky SE	31375045	Small
ДП Сільськогосподарське підприємство Прогрес	SE Progress Agricultural Enterprise	20589957	Small
ДП Кільченська державна сільськогосподарська машино-технологічна станція	SE Kilchensky state agricultural machine-technological station	30195706	Small
Макарівське районне ДП по виконанню агрохімічних робіт Бишівagrohim	Makariv district SE for agrochemical works Bishivagrokhim	30240783	Small
Чернігівська державна сільськогосподарська машинно-технологічна станція	Chernihiv State Agricultural Machine-Technological Station	30294332	Small
Котовська державна сільськогосподарська машино-технологічна станція	Kotovsk State Agricultural Machine-Technological Station	30129937	Small

Table 8. Other SOEs in Agri & Food sector (cont.)

Enterprise Name (UKR)	Enterprise Name (ENG)	Code	Privatization Scale
ДП Закарпатський виробничо-технічний центр стандартизації, метрології та якості продукції управління сільського господарства та продовольства	SE Transcarpathian Production and Technical Center for Standardization, Metrology and Product Quality of Agriculture and Food Management	05500457	Small
ДП Черкаський консервний комбінат	SE Cherkasy Cannery	05529691	Small
ДП Дніпропетровська державна сільськогосподарська машинно-технологічна станція	SE Dnipropetrovsk State Agricultural Machine-Technological Station	13463351	Small
ДП Хмельницьке	Khmelnysky SE	14173158	Small
ДП Гвардійське	SE Guards	14304703	Small
ДП Володимирське	SE Volodymyrs'ke	32778065	Small
ДП громадського харчування	SE of public catering	18019365	Small
Мале ДП Моноліт	Small SE Monolith	19386516	Small
ДП Білоцерківське підприємство по племінній справі у тваринництві	SE Bila Tserkva Enterprise for Breeding in Animal Husbandry	19427132	Small
ДП Бориспільське	SE Boryspil	20581252	Small
ДП Полтавська спеціалізована контрольна-насіннева лабораторія по цукрових буряках	SE Poltava specialized control and seed laboratory for sugar beets	23276414	Small
Державне сільськогосподарське підприємство Селекція-Сервіс	State Agricultural Enterprise Selection-Service	24080765	Small
ДП Калуська державна районна агрохімічна лабораторія	SE Kalush State District Agrochemical Laboratory	24687154	Small
Залізецька державна сільськогосподарська машинно-технологічна станція	Zalizetska State Agricultural Machine-Technological Station	25701134	Small



Other SOEs





INDUSTRY other

PRIVATIZATION SCALE large

ASSETS VALUE UAH 430M

SHARE FOR PRIVATIZATION 100%

GENERAL OVERVIEW

Ukragrolisyn is a 100% state-owned company that purchases and leases agricultural machinery, vehicles and equipment in Kyiv region (area: 28,100 sq.km.; households: 1.8m). It's one of the most powerful companies in Ukraine with extensive experience in investing in the agro-industrial complex of Ukraine. The company has a regional network of 25 separate structural units which are not separate legal entities. The company leases equipment in 3 categories: tractors, tillage and sowing machinery and equipment for chemical protection of plants. The assignment of an investment adviser to the company has not been completed. Financial statements of the company were audited by Capital Group in 2018. The company has a supervisory board that consists of 7 people that represents the State Property Fund, Ministry of finance, Ukrainian association of agrarian engineers, Ministry of economic development and Ministry of agrarian policy.

OPERATING OVERVIEW

Equipment is transferred to financial leasing for 3 years under 19% of annual average. The main objective is to facilitate the accelerated updating of fixed assets of agricultural enterprises. In 2018, the Company purchased for its customers 200 items of machinery and equipment worth UAH 143.9m. The Company concluded 169 financial leasing agreements and transferred to lessees 198 units of machinery and equipment worth UAH 1,403m, including 2 combine harvesters worth UAH 10.8m, 93 tractors worth UAH 83.6m, equipment. worth UAH 231.9m and 53 other machinery and equipment worth UAH 325.3m. The negative financial result in the reporting year was influenced by several factors. One of them was undersupplying equipment, namely, in 2018 the Company transferred to the lessee the machinery and equipment with a total value of UAH 1,403m instead of UAH 1,886m planned. As of 2018, the company employs 216 workers, and from 2017 to 2018 the number of employees decreased by 6.5%, while average monthly salary increased by 24.5%.

OPERATING SUMMARY	2017	2018
Number of agreements concluded	1,016	673
Agreements concluded, UAH m	320.6	310.6
Number of equipment purchased for customers	246	200
Equipment purchased for customers, UAH m	150.8	143.8
Depreciation rate of fixed assets	70.54%	73.50%
Residual value of fixed assets, UAH m	21.2	19.3
Number of Employees	231	216
Average Monthly Salary (UAH)	13,703	17,070

FINANCIAL OVERVIEW

As compared to 2018, the company's both revenue and cost of sales grew by 38% implies slight decrease of gross margin from 8.2% in 2017 to 7.9% in 2018. However the operating profit was negative in 2017, the company was able to secure positive net income due to substantial financial income but in 2018 the company's financial income decreased by 16%, which resulted in negative net income of UAH 8m.

INCOME STATEMENT (m UAH)	2017	2018
Revenue	90	125
COGS	(83)	(115)
Gross Profit/(Loss)	7	10
EBITDA	(53)	(50)
Depreciation	3	3
Operating Profit/(Loss)	(56)	(53)
Net Financial Income/(Loss)	49	41
Profit/(Loss) Before Taxes	(7)	(12)
Corporate Income Tax	8	5
Net Income/(Loss)	0,1	(8)
Dividends paid	-	-

The book value of assets decreased by UAH 8.4m (-1.9% y-o-y) to UAH 430m in 2018 driven by a UAH 26.4m increase in current assets (57% of total assets), which were represented by accounts receivable (62%), inventories (30%), and cash & cash equivalents (8%), and decrease in fixed assets by UAH 34.8m from UAH 221m to UAH 186m including long-term receivables (70%), intangible assets (12%) and PP&E(10%).

The company's liabilities were fully represented by current liabilities, including accounts payable (60%) and other current liabilities (40%).

BALANCE SHEET (m UAH)	2017	2018
Total Assets	438	430
Fixed assets	221	186
PP&E	21	19
Investment Property	0.075	0.070
Current Assets	217	243
Inventories	70	72
Accounts Receivable	143	152
Cash & Cash Equivalents	5	19
Total Liabilities & Equity	438	430
Total Liabilities	13	13
Accounts Payable	10	8
Short-term Debt	-	-
Long-term Debt	-	-
Equity	425	417

RATIOS	2017	2018
Sales Growth (% y-o-y)	-36%	38%
EBITDA Growth (% y-o-y)	25%	-5%
Net Income Growth (% y-o-y)	-98%	-6575%
EBITDA Margin (%)	-58.76%	-40.30%
Net Income Margin (%)	0.13%	-6.33%
ROE (%)	0.03%	-1.89%
ROA (%)	0.03%	-1.82%
Debt/Equity (%)	3%	3%
Net Debt/EBITDA (x)	0.09	0.38

INSTITUTE OF TITANIUM



INDUSTRY other

PRIVATIZATION SCALE small

ASSETS VALUE UAH 76M

SHARE FOR PRIVATIZATION 100%

GENERAL OVERVIEW

Institute of Titanium is 100% state-owned company, comprehensive research and design institution in Europe in the field of titanium and magnesium production, primary non-ferrous metallurgy.

Areas of activity of the institute are:

- production of chromium, manganese, nickel, other non-ferrous metals from ores or oxides;
- casting of light non-ferrous metals: semi-finished products from aluminum, magnesium, titanium, zinc; production of light metal castings;
- activities in the field of architecture: consulting in the field of architecture on building design;
- activities in the field of engineering, geology and geodesy, providing consulting services in these areas, etc.

OPERATING OVERVIEW

The complex of assets includes non-residential building with a total area of 3497.26 m², garages with a total area of 355 m² and two production buildings with a total area of 8491.7 m² and 2445.8 m² respectively.

The complex of non-residential buildings consists of:

- an administrative building with a total area of 5657.1 m²,
- power unit with a total area of 750.7 m²,
- power substation with a total area of 112.1 m²,
- laboratory building with a total area of 1984.5 m²,
- a gallery with a total area of 115.0 m², research facility with a total area of 2579.6 m²,
- laboratory building with a total area of 85.4 m²,
- security building with a total area of 15.8 m²,
- a warehouse of non-combustible materials with a total area of 127.3 m²;
- recreation center in Zaporizhia region, village Kanivske with a total land area of 1.0985 hectares.

As of 2018, the company employs 184 workers, and from 2017 to 2018 the number of employees decreased by 13%, while average monthly salary increased by 74% from UAH 4,072 to UAH 7,070.

FINANCIAL OVERVIEW

As compared to 2018, the company's both revenue and cost of sales grew by 39% and 20%, respectively, implies significant increase of gross margin from 4.3% in 2017 to 17.4% in 2018. EBITDA in 2018 was positive, but company make loss both at the operating (UAH 1m) and bottom-line level (UAH 3m).

INCOME STATEMENT (m UAH)	2017	2018
Revenue	18	25
COGS	(17)	(21)
Gross Profit/(Loss)	1	4
EBITDA	(1)	1
Depreciation	2	1
Operating Profit/(Loss)	(3)	(1)
Net Financial Income/(Loss)	(0)	(2)
Profit/(Loss) Before Taxes	(3)	(3)
Corporate Income Tax	0	0
Net Income/(Loss)	(3)	(3)
Dividends paid	-	-

The book value of assets slightly increased by UAH 2.2mn (+3% y-o-y) to UAH 76mn in 2018 driven by a UAH 4.4mn increase in current assets (29% of total assets), which were represented by inventories (72%) including raw materials (55%) and work-in-progress (45%), accounts receivable (23%) and cash & cash equivalents (5%) and by a UAH 2.1mn decrease in fixed assets, which made up the 71% of total assets and were represented by PP&E (95%) and other fixed assets (5%).

On the liabilities side, total liabilities fully represented by current liabilities, which increased by UAH 3.2mn (+39% y-o-y) to UAH 11.4mn in 2018 and were represented by accounts payable (88%) and other current liabilities (12%).

BALANCE SHEET (m UAH)	2017	2018
Total Assets	73	76
Fixed assets	56	54
PP&E	53	51
Investment Property	-	-
Current Assets	18	22
Inventories	12	16
Accounts Receivable	3	5
Cash & Cash Equivalents	2	1
Total Liabilities & Equity	73	76
Total Liabilities	8	11
Accounts Payable	6	10
Short-term Debt	-	-
Long-term Debt	-	-
Equity	65	64

RATIOS	2017	2018
Sales Growth (% y-o-y)	-7%	39%
EBITDA Growth (% y-o-y)	-180%	-215%
Net Income Growth (% y-o-y)	-48%	-6%
EBITDA Margin (%)	-4.21%	3.48%
Net Income Margin (%)	-16.36%	-11.11%
ROE (%)	0.05%	0.04%
ROA (%)	-0.10%	-0.05%
Debt/Equity (%)	-200%	-183%
Net Debt/EBITDA (x)	10.80	-12.56



Table 9. Other SOEs

Enterprise Name (UKR)	Enterprise Name (ENG)	Code	Privatization Scale
АТ Оріана	JSC Oriana	05743160	Large
ПрАТ По виробництву інсулінів Індар	PJSC Indar	21680915	Large
ДП Західний ЕТЦ Держпраці	SE Western ETC of State Labor Service	20774790	Small
ДП Запорізький ЕТЦ Держпраці	SE Zaporizhzhya ETC of State Labor Service	24908201	Small
ДП Придніпровський ЕТЦ Держпраці	SE Prydniprovsky ETC State Labor Service	23369086	Small
ДП Карпатський ЕТЦ Держпраці	SE Carpathian ETC of State Labor Service	20538693	Small
ДП Чорноморський ЕТЦ Держпраці	SE Black Sea ETC of State Labor Service	20950040	Small
ДП Рівненський ЕТЦ Держпраці	SE Rivne ETC of State Labor Service	22560691	Small
ДП Житомирський ЕТЦ Держпраці	SE Zhytomyr ETC of State Labor Service	20405673	Small
ДП Східний ЕТЦ Держпраці	SE Eastern ETC of State Labor Service	21224850	Small
ДП Сумський ЕТЦ Держпраці	SE Sumy ETC of State Labor Service	30175035	Small
ДП Чернігівський ЕТЦ Держпраці	SE Chernihiv ETC of State Labor Service	22825669	Small
ДП Подільський ЕТЦ Держпраці	SE Podolsk ETC of State Labor Service	21324155	Small
ДП Волинський ЕТЦ Держпраці	SE Volyn ETC of State Labor Service	21750544	Small
ДП Центр сертифікації і контролю якості будівництва об'єктів нафтогазового комплексу Держпраці	SE Center for Certification and Quality Control of Construction of Oil and Gas Complexes State Labor Service	13417687	Small
ДП Вінницький ЕТЦ Держпраці	SE Vinnytsia ETC of State Labor Service	21727350	Small
ДП Закарпатський ЕТЦ Держпраці	SE Transcarpathian ETC of State Labor Service	38015558	Small
ДП Тернопільський ЕТЦ Держпраці	SE Ternopil ETC of State Labor Service	22607725	Small
ДП Черкаський ЕТЦ Держпраці	SE Cherkasy ETC of State Labor Service	22800764	Small
ДП Чернівецький ЕТЦ Держпраці	SE Chernivtsi ETC of State Labor Service	23246991	Small
ДП Донецький ЕТЦ Держпраці	SE Donetsk ETC of State Labor Service	23182908	Small
ДП Кіровоградський ЕТЦ Держпраці	SE Kirovograd ETC of State Labor Service	20635031	Small
ДП Полтавський ЕТЦ Держпраці	SE Poltava ETC of State Labor Service	40872122	Small
ДП Державний сертифікаційний центр синтетичних миючих засобів та виробів електронної техніки ЕЛХІМ	SE State Certification Center for Synthetic Detergents and Electronic Products ELCHIM	00244127	Small
ДП Міжрегіональний науково-інженерний центр з сертифікації систем якості, труб, балонів та іншої металопродукції ВНІТІ-ТЕСТ	SE Interregional Scientific and Engineering Center for Certification of Quality Systems, Pipes, Cylinders and Other Metal Products VNITI-TEST	33517806	Small
ДП Львівський науково-дослідний і проектний інститут ЛьвівбудмНДІпроект	SE Lviv Research and Design Institute LvivbudmNDIproekt	05516406	Small
ДП Науково-технічний центр оцінки відповідності у будівництві Будцентр	SE Scientific and Technical Center for Conformity Assessment in Construction Budtsentr	30251613	Small
ДП Дніпропетровський орган з сертифікації залізничного транспорту	SE Dnipropetrovsk body for certification of railway transport	24244451	Small

Table 9. Other SOEs (cont.)

Enterprise Name (UKR)	Enterprise Name (ENG)	Code	Privatization Scale
ДП Центр еколого-експертної аналітики	SE Center for Environmental Expert Analysis	33749517	Small
ДП Орган з сертифікації УКРНДИМЕТ-СЕРТ	SE Certification Body UKRNDIMET-CERT	19471771	Small
ДП Інженерний центр твердих сплавів СВІТКЕРМЕТ	SE Engineering Center of Hard Alloys SVITKERMET	13767921	Small
ДП Одеський спеціальний науково-дослідний і проектно-конструкторський інститут	SE Odesa Special Research and Design Institute	00237630	Small
ДП Харківський науково-дослідний інститут технології машинобудування	SE Kharkiv Research Institute of Mechanical Engineering Technology	14311070	Small
ДП Науково-дослідний інститут АКОРД	SE Research Institute ACORD	14309563	Small
ДП Київський державний науково-дослідний інститут текстильно-галантерейної промисловості	SE Kyiv State Research Institute of Textile and Haberdashery Industry	16287311	Small
ДП Одеський науково-дослідний інститут телевізійної техніки	SE Odesa Research Institute of Television Technology	13884845	Small
ДП Науково-дослідний інститут Гелій	SE Helium Research Institute	14312022	Small
ДП Одеське спеціальне конструкторське бюро прецизійних верстатів	SE Odesa special design bureau of precision machines	00224892	Small
ДП Спеціальне проектно-технологічне бюро виробничих потужностей	SE Special design and technological bureau of production facilities	04880311	Small
ДП Інститут машин і систем	SE Institute of Machines and Systems	19363188	Small
Державний науково-дослідний інститут великогабаритних шин	State Research Institute of Large Tires	00152052	Small
Український державний проектно-технологічний науково-дослідний інститут цивільної авіації Укراеропроект	Ukrainian State Design and Technology Research Institute of Civil Aviation Ukraeroproekt	01131589	Small
ДП Харківський науково-дослідний інститут комплексної автоматизації	SE Kharkiv Research Institute of Complex Automation	14072049	Small
ДП Бюро з стандартизації та нормативного забезпечення на залізничному транспорті	SE Bureau for Standardization and Regulatory Support in Railway Transport	24341869	Small
ДП Орган з сертифікації автоматизованих та автоматичних систем управління та умов процесу перевезень на залізничному транспорті	SE Certification body for automated and automatic control systems and conditions railway transportation process	23460862	Small
ДП Центральний науково-дослідний інститут навігації і управління	SE Central Research Institute of Navigation and Management	23696820	Small
Державна установа Український дім фарфорово-фаянсової промисловості	State Institution Ukrainian House of Porcelain and Earthenware Industry	05468498	Small
ДП Державний науково-дослідний інститут організації і механізації шахтного будівництва	SE State Research Institute of Organization and Mechanization of Mine Construction	40336737	Small
Державне науково-виробниче підприємство Термохолд	State Research and Production Enterprise Termoholod	13691187	Small
ДП Державний інститут праці та соціально-економічних досліджень	SE State Institute of Labor and Socio-Economic Research	00190325	Small
ДП Київський інститут інженерних вишукувань і досліджень Енергопроект	SE Kyiv Institute of Engineering Research and Studies Energoproekt	00113968	Small
ДП УКРЧОРМЕТГЕОЛОГІЯ	SE UKRCHORMETGEOLOGIYA	00193737	Small
ДП Науково-дослідна виробничо-технічна агенція Стратегія регіонального розвитку	SE Research Production and Technical Agency Regional Development Strategy	35829997	Small
ДП Часів-Ярська державна геологорозвідувальна партія	SE Chasiv-Yarskaya State Geological Exploration Party	00193766	Small
ДП Державний проектний інститут по проектуванню підприємств гумової промисловості	SE State Design Institute for Design of Rubber Industry Enterprises	13435260	Small
ДП Скрипаївське навчально-дослідне лісове господарство Харківського національного аграрного університету ім. В. В. Докучаєва	SE Skrypayev Educational and Research Forestry of Kharkiv National Agrarian University named after VV Dokuchaev	00482714	Small
ДП Навчально-дослідне господарство Прогрес Харківської державної зооветеринарної академії	SE Educational and Research Farm Progress of Kharkiv State Zooveterinary Academy	00487545	Small

Table 9. Other SOEs (cont.)

Enterprise Name (UKR)	Enterprise Name (ENG)	Code	Privatization Scale
ДП Український інститут інженерно-технічних розвідувань для будівництва	SE Ukrainian Institute of Engineering and Technical Exploration for Construction	38488780	Small
ДП Центр будівельного та енергоефективного інжинірингу	SE Center for Construction and Energy Efficient Engineering	36946596	Small
ДП Проектний інститут Дніпродзержинськцивільпроект	SE Project Institute Dniprodzerzhynsk Civil Project	04605711	Small
ДП Державний проектний інститут містобудування Міськбудопроект (м. Полтава)	SE State Design Institute of Urban Planning MiskbuSEroekt (Poltava)	02497967	Small
ДП Центр з сертифікації шин і гумотехнічних виробів СЕПРОШИНАГТВ	SE Center for Certification of Tires and Rubber Products Seproshinagtv	24608516	Small
ДП Розрахунковий центр послуг	SE Settlement center of services	21537419	Small
ДП Центр з сертифікації будівельних матеріалів, виробів та конструкцій	SE Center for certification of building materials, products and structures	25202325	Small
ДП водних шляхів Устьдунайводшлях	SE of Waterways Ustdunayvodshlyakh	31091889	Small
ДП Дніпро-ВДМ	Dnipro-VDM	24433063	Small
ДП Технологічне бюро електроапаратури	SE Technological Bureau of Electrical Equipment	00216875	Small
ДП ПРОМСПЕЦЗВ'ЯЗОК	SE PROMSPETSZYAZOK	00191951	Small
ДП Інформаційно-аналітичне агентство	SE Information and Analytical Agency	31108394	Small
ДП Технічний центр Зазавтотехніка	SE Technical Center Zazavtotehnika	05813452	Small
ДП Навчально-виробничі майстерні	SE Training and production workshops	00274660	Small
ДП Криворізький інститут автоматики	SE Kryvyi Rih Institute of Automation	00230774	Small
Новодністровська державна швейно-трикотажна фабрика	Novodnistrovsk State Garment and Knitwear Factory	25077191	Small
Черкаське державне комерційне житлово-побутове підприємство Житлосервіс	Cherkasy State Commercial Housing Enterprise Zhytloservis	31782788	Small
ДП Енергомонтажний поїзд № 754	SE Power train № 754	01387828	Small
ЄМК колишнього ДП Нефон	SPC former SE Nefon	21028008	Small
ДП ТВК	SE TVK	24971375	Small
ДП дорожнього зв'язку, інформаційного забезпечення та автоматики Укрдорзв'язок	SE of Road Communication, Information Support and Automation Ukrdorzyvazok	05422987	Small
ДП Обухівське будівельно-монтажне управління	SE Obukhov Construction and Assembly Department	25896374	Small
ЄМК ДП з комплектною поставки устаткування Укренергокомплект	SPC SE on complete delivery Ukrenergokomplekt equipment	00132842	Small
ДП Укрпостачпреса	Ukrpostachpress	02471347	Small
ДП Укрекоресурси	SE Ukrecoresursy	20077743	Small
ДП Укроборонресурси	Ukroboronresursi	24967600	Small
Українське ДП по обслуговуванню іноземних та вітчизняних автотранспортних засобів Укрінтеравтосервіс	Ukrainian SE for Maintenance of Foreign and Domestic Vehicles Ukrinteravtoservice	21536845	Small
ДП Дашавський завод композиційних матеріалів	SE Dashavsky plant of composite materials	00152402	Small
Державне виробниче підприємство Скіф	State Production Enterprise Sciph	16284318	Small
Державна установа Дніпропетровськавтотрансервіс	State Institution Dnipropetrovskavtotransservis	30324911	Small
ДП Науково-технічний центр ПЛАЗМОТРОН Інституту електрозварювання ім. Є. О. Патона Національної академії наук України	SE Scientific and Technical Center PLASMOTRON EO Paton Institute of Electric Welding National Academy of Sciences of Ukraine	19026309	Small
Мале виробничо-впроваджувальне підприємство МЕКОЛ	Small production and implementation enterprise MEKOL	14287896	Small

Table 9. Other SOEs (cont.)

Enterprise Name (UKR)	Enterprise Name (ENG)	Code	Privatization Scale
ДП Білоцерківський завод Еталон	SE Bila Tserkva Plant Etalon	05828703	Small
ДП Вінницький завод Кристал	Vinnytsia Crystal Plant	33323245	Small
ДП 171 Чернігівський ремонтний завод	SE 171 Chernihiv Repair Plant	07978157	Small
ДП Ніжинський ремонтний завод інженерного озброєння	SE Nizhyn Repair Plant of Engineering Weapons	08457704	Small
ДП Львівський державний ювелірний завод	SE Lviv State Jewelry Factory	05785017	Small
Спеціальне конструкторсько-технологічне бюро Інституту технічної механіки Національної академії наук України	Special design and technological bureau Institute of Technical Mechanics National Academy of Sciences of Ukraine	03534268	Small
ДП Центр анкерного кріплення	SE Anchor Fastening Center	30540350	Small
ДП Науково-дослідний центр екологічного маркетингу та інжинірингу Національної академії наук України	SE Research Center for Environmental Marketing and Engineering National Academy of Sciences of Ukraine	22101227	Small
ДП Науково-технологічний центр паливно-енергетичних ресурсів Національної академії наук України	SE Scientific and Technological Center of Fuel and Energy Resources National Academy of Sciences of Ukraine	24726003	Small
ДП Центр менеджменту та маркетингу в галузі наук про Землю Інституту геологічних наук Національної академії наук України	SE Center for Management and Marketing in the Field of Earth Sciences Institute of Geological Sciences National Academy of Sciences of Ukraine	30967359	Small
ДП Науково-дослідний центр проблем надкористування ГЕОРЕСУРС	SE Research Center for Subsoil Use Problems GEORESOURCE	32922110	Small
ДП Науково-технологічний центр ПАТОН-БІРМЕНІЯ Інституту електрозварювання ім. Є. О. Патона НАН України	SE Scientific and Technological Center PATON-ARMENIA EA Paton Institute of Electric Welding National Academy of Sciences of Ukraine	31566521	Small
ДП Державний науково-технологічний центр Новітні матеріали і технології порошкової металургії Інституту проблем матеріалознавства ім. І. М. Францевича Національної академії наук України	SE State Scientific and Technological Center Latest Materials and Technologies of Powder Metallurgy Institute of Problems of Materials Science named after IM Frantsevich National Academy of Sciences of Ukraine	31904368	Small
Державне зовнішньоторговельне виробниче підприємство Фірма ІНПАТ	State Foreign Trade Production Enterprise Firm INPAT	21551098	Small
ДП Науково-технічний центр забезпечення якості та сертифікації Сепроз Національної академії наук України	SE Scientific and Technical Center for Quality Assurance and Certification Seproz National Academy of Sciences of Ukraine	24938142	Small
ДП Науково-інженерний центр ПАТОН-АЗОВМАШ Інституту електрозварювання ім. Є. О. Патона Національної академії наук України	SE Scientific and Engineering Center PATON-AZOVMAH EO Paton Institute of Electric Welding National Academy of Sciences of Ukraine	22963331	Small
ДП Науково-виробничий центр ЕЛЕКТРОТЕРМІЯ Інституту електрозварювання ім. Є. О. Патона Національної академії наук України	SE Research and Production Center ELECTROTHERMIA EA Paton Institute of Electric Welding National Academy of Sciences of Ukraine	32156276	Small
ДП Науково-інженерний центр матеріалів для зварювання і наплавлення Інституту електрозварювання ім. Є. О. Патона Національної академії наук України	SE Scientific and Engineering Center of Materials for Welding and Surfacing EO Paton Institute of Electric Welding National Academy of Sciences of Ukraine	32303097	Small
ДП Інспекція та діагностика промислових споруд	SE Inspection and diagnostics of industrial facilities	14283622	Small
ЄМК ДП Науково-технічний центр імунобіотехнології НТК Інститут монокристалів НАН України	SPC SE Scientific and Technical Center of Immunobiotechnology STC Institute of Single Crystals NAS of Ukraine	32709630	Small
Структурний підрозділ філія N 4 санаторію Смерічка ЄМК державного комплексного торговельного підприємства Хрещатик	Structural subdivision branch No. 4 sanatorium Smerichka an SPC state complex trade enterprise Khreschatyk	–	Small
ЄМК Південнодонбаське вантажно-транспортне управління	SPC South Donbass Freight and Transport Department	–	Small
ЄМК промислового залізничного транспорту ДВАТ "Димитроввуглевантажтранс"	SPC of industrial railway transport of DVAT "Dimitrovvuglevantzhtrans"		Small

Table 9. Other SOEs (cont.)

Enterprise Name (UKR)	Enterprise Name (ENG)	Code	Privatization Scale
Державне мале підприємство Інструментально-магнітні композити	State Small Enterprise Instrumental and Magnetic Composites	13694814	Small
Науково-інженерний центр дослідження та виробництва зварних конструкцій Інституту електрозварювання ім. Є. О. Патона Національної академії наук України	Scientific and Engineering Center for Research and Production of Welded Structures Institute of Electric Welding, Ye. O. Paton NAS of Ukraine	16463104	Small
ДП Спеціальне конструкторсько-технологічне бюро Інституту проблем моделювання в енергетиці ім. Г. Є. Пухова Національної академії наук України	SE Special Design and Technology Bureau Institute of Modeling Problems in Energy named after GE Pukhov NAS of Ukraine	13550630	Small
ДП Дослідне конструкторсько-технологічне бюро з інтенсифікації тепломасообмінних процесів Інституту технічної теплофізики НАН України	SE Experimental Design and Technology Bureau for Intensification of Heat and Mass Transfer Processes Institute of Technical Thermophysics NAS of Ukraine	05447496	Small
ДП Науково-виробничий центр Біодизель Інституту технічної теплофізики НАН України	SE Research and Production Center Biodiesel Institute of Technical Thermophysics NAS of Ukraine	35316308	Small
ДП Комплексний інноваційний центр Інституту проблем машинобудування Національної академії наук України	SE Complex Innovation Center Institute of Mechanical Engineering Problems NAS of Ukraine	04591251	Small
ДП Дослідний завод Національного наукового центру Харківський фізико-технічний інститут НАН України	SE Research Plant National Research Center Kharkiv Institute of Physics and Technology NAS of Ukraine	05540178	Small
ДП Екоінформ	SE Ecoinform	16300365	Small
Мале науково-виробниче підприємство ВІДРОДЖЕННЯ	Small research and production enterprise REVIVAL	13696823	Small
ДП Джанкойсько-Сиваський дослідно-експериментальний завод Інституту хімії поверхні ім. О. О. Чуйка Національної академії наук України	SE Dzhankoysko-Sivasky Research and Experimental Plant OO Chuyko Institute of Surface Chemistry NAS of Ukraine	05540184	Small
Мале ДП Інеко	Small SE Ineko	13898592	Small
ДП Науково-дослідний медико-інженерний центр немедикаментозного оздоровлення, реабілітації та терапії НОРТ при Інституті експериментальної патології, онкології, радіобіології ім. Р. Е. Кавецького НАН України	SE Research Medical and Engineering Center for Non-Drug Rehabilitation, Rehabilitation and Therapy NORTH at the RE Kavetsky Institute of Experimental Pathology, Oncology, Radiobiology NAS of Ukraine	19016204	Small
ДП Інститут проблем управління Національної академії наук України	SE Institute of Management Problems NAS of Ukraine	14057736	Small
ДП Науково-експертний центр лікарських засобів, створених на основі нанотехнологій, НАН України	SE Scientific and Expert Center for Drugs Created on the Basis of Nanotechnologies, NAS of Ukraine	36377031	Small
ДП ДИСИТ Національної академії наук України	SE DISIT NAS of Ukraine	13675142	Small
ДП по відновленню основних засобів Академвотресурс НАН України	SE for Restoration of Fixed Assets Akademvotresurs NAS of Ukraine	31237982	Small
Мале підприємство АНСЕРВ	Small enterprise ANSERV	03799676	Small
Дочірнє підприємство Зварювальні технології ХТК ІЕЗ ім. Є. О. Патона НАН України	Subsidiary enterprise Welding technologies STC EEZ named after EO Paton of NAS of Ukraine	31565748	Small
Дочірнє підприємство ФАЗА	Subsidiary company PHASE	13686507	Small
ПрАТ Українська енергозберігаюча сервісна компанія	PJSC Ukrainian Energy Saving Service Company	20077482	Small
ВАТ Херсонський бавовняний комбінат	OJSC Kherson Cotton Mill	00306710	Small
ПрАТ Державний науково-виробничий комплекс заготівлі і збереження аутологічної крові та її компонентів	PJSC State research and production complex of procurement and preservation of autologous blood and its components	32557330	Small
ТОВ Містечко інвалідів	LLC Mistechko Invalidiv	33054220	Small
ДП Український державний центр по випробуванню та прогнозуванню техніки і технологій для сільськогосподарського виробництва	SE Ukrainian State Center for Testing and Forecasting of Machinery and Technologies for Agricultural Production	00470252	Small

Table 9. Other SOEs (cont.)

Enterprise Name (UKR)	Enterprise Name (ENG)	Code	Privatization Scale
ПАТ Нафтохімік Прикарпаття	JSC Naftokhimik Prykarpattia	00152230	Small
АТ Київський науково-дослідний та проектно-конструкторський інститут Енергопроект	JSC Kyiv Research and Design Institute Energoproekt	16392628	Small
ТОВ Інтерприборсервіс (викуп)	LLC Interpriborservice (redemption)	-	Small
ТОВ Представницька фірма Інститут газу	LLC Representative firm Gas Institute	31515477	Small
ПАТ Науково-дослідний інститут прогресивних наукових та технічних досліджень Вектор	JSC Research Institute of Advanced Scientific and Technical Research Vector	14315718	Small
ТОВ Добробуд-партнер	LLC Dobrobud-partner	38972277	Small
АТ Хімтекстильмаш	JSC Khimtekstil mash	14314311	Small
ПАТ ДАК Національна мережа аукціонних центрів	JSC SJSC National Network of Auction Centers	20064284	Small
ПрАТ Страхова компанія Астарт	PJSC Astarta Insurance Company	02308021	Small
ПрАТ Атомпрофоздоровниця	PJSC Atomprofzodorovnytsia	21519858	Small
ЗАТ Спеціалізована акціонерна страхова компанія Спецсімстрах	CJSC Specialized Joint-Stock Insurance Company Spetseximstrakh	30370450	Small
Спільне українсько-швейцарське підприємство у формі товариства з обмеженою відповідальністю Тема	Ukrainian-Swiss joint venture in the form of a limited liability company Tema	19358098	Small
ПрАТ Юенпіком	PJSC Yuenpicom	30412929	Small
ВАТ Тернопільське об'єднання Текстерно	OJSC Ternopil Association Texterno	00306650	Small
ПрАТ Проектно-конструкторський інститут конвеєробудування	PJSC Design and Construction Institute of Conveyor Construction	04601819	Small
ТОВ Науково-виробничо-комерційне мале підприємство Боррікс	LLC Research and production and commercial small enterprise Borrix	19325532	Small
ДП Державна коксохімічна станція	SE State Coke Plant	00189635	Small
Державне спеціалізоване конструкторське бюро автоматизації коксохімічного виробництва	State specialized design bureau for automation of coke production	00190454	Small
Український виробничо-торговельний концерн робітничого постачання підприємств металургії Укрметаллургторгснаб	Ukrainian production and trade concern of labor supply of metallurgical enterprises Ukrmetallurgtorgsnab	00190696	Small
ДП Український республіканський державний трест комплектування підприємств металургії	SE Ukrainian Republican State Trust for Acquisition of Metallurgical Enterprises	00193016	Small
ДП Донецький науково-дослідний інститут чорної металургії	SE Donetsk Research Institute of Ferrous Metallurgy	00193714	Small
Державне науково-проектне підприємство Втриметпроект	State Research and Design Enterprise Vtormetproekt	00193795	Small
ДП Інститут по проектуванню підприємств хімічних реактивів, препаратів та високочистих речовин Діпрохімреактив	SE Institute for the Design of Enterprises of Chemical Reagents, Drugs and High-Purity Substances Diprokhimreaktiv	00206300	Small
Харківський державний загін воєнізованої охорони	Kharkiv state detachment of paramilitary guards	00208054	Small
Дніпропетровський загін воєнізованої охорони	Dnipropetrovsk detachment of paramilitary guards	00208213	Small
ДП Науково-дослідний інститут ХЕМЗ	SE Research Institute HEMZ	00216869	Small
ДП Конструкторсько-технологічний центр верстатобудування	SE Design and Technology Center for Machine Tools	00224834	Small
Одеське спеціальне конструкторське бюро алмазно-розточувальних та радіально-свердлильних верстатів	Odesa special design bureau of diamond boring and radial drilling machines	00224857	Small
ДП Дослідно-конструкторське бюро шліфувальних верстатів	SE Research and Design Bureau of Grinding Machines	00224946	Small
Макарівське державне сільськогосподарське підприємство Сортнасінеовоч	Makariv State Agricultural Enterprise Sortnasinneovoch	00492279	Small

Table 9. Other SOEs (cont.)

Enterprise Name (UKR)	Enterprise Name (ENG)	Code	Privatization Scale
ДП Львівський дослідно-експериментальний завод технологічного обладнання	SE Lviv Research and Experimental Plant of Technological Equipment	00231320	Small
Державний інформаційно-обчислювальний центр Модуль	State Information and Computing Center Module	00276127	Small
ДП КТЦ Агромашсервіс	SE CTC Agromashservice	00277693	Small
ДП Папірприлад	SE Papirprylad	00281051	Small
ДП Інститут підготовки кадрів промисловості	SE Institute of Industrial Training	00301925	Small
Вишнівецьке державне виробничо-торгівельне підприємство Шкіргалантерея	Vyshnivets State Production and Trade Enterprise Leather Goods	00308488	Small
ДП Управління комплектації та поставок устаткування для легкої промисловості і матеріально-технічного постачання	SE Department of Assembly and Supply of Equipment for Light Industry and Logistics	00310858	Small
Державне центральне бюро технічної інформації з легкої та текстильної промисловості України	State Central Bureau of Technical Information on Light and Textile Industry of Ukraine	00311496	Small
ДП ремонтно-будівельне управління N 65	SE Repair and Construction Department N 65	04771220	Small
Державне лісопромислове підприємство Прикарпатліс	Prykarpatlis State Forestry Enterprise	05424822	Small
ДП Будівельник	SE Budivelnik	05389994	Small
ДП спеціальне конструкторсько-технологічне бюро комплексної технології електроремонту	The SE is a special design and technological bureau of complex electrical repair technology	04657101	Small
Державне науково-технічне підприємство Базис	State Scientific and Technical Enterprise Basis	13305511	Small
ДП по матеріально-технічному забезпеченню галузей металургії України	SE for Logistics of Metallurgy of Ukraine	13434195	Small
ДП Промелектромонтаж	SE Promelectromontazh	13438471	Small
Державне науково-виробниче підприємство Версія	State Research and Production Enterprise Version	13676437	Small
Державне науково-виробниче підприємство Дельта	Delta State Research and Production Enterprise	13685815	Small
ДП Державний міжгалузевий медично-інженерний науковий центр	SE State Intersectoral Medical Engineering Research Center	13689411	Small
Мале ДП Елма	Small SE Elma	13692324	Small
Мале ДП Фактор	Small SE Factor	13881284	Small
ДП Промисловий центр інтелектуальної власності	SE Industrial Center of Intellectual Property	14007661	Small
Державне мале підприємство Терноцвіт	Ternotsvit State Small Enterprise	14029384	Small
Державне науково-виробниче підприємство Метенергомаш	Metenergomash State Research and Production Enterprise	14092135	Small
ДП державна зовнішньоторгівельна фірма Херсонсудноімпекс	SE State Foreign Trade Firm Khersonsudnoimpex	14117102	Small
Державне науково-виробниче підприємство Символ	State Research and Production Enterprise Sumvol	14290036	Small
ДП Дослідно-конструкторське бюро Полум'я	SE Research and Design Bureau Polymyia	14307736	Small
Київське державне науково-виробниче об'єднання Славутич	Kyiv State Research and Production Association Slavutych	14310081	Small
ДП техніко-торгівельний центр Електроніка	SE Technical and Trade Center Elektronika	14311028	Small
ДП фірма Творчість	SE Firm Tvorchist'	14311364	Small
ДП Державний проектний інститут Діпроверф	SE State Design Institute Diproverf	14311465	Small
ДП Науково-виробниче об'єднання Шторм	SE Research and Production Association Shtorm	14311593	Small
ДП сервісно-виробничий техно-торгівельний центр комерційний Лорта-сервіс	SE service-production techno-trade center commercial Lorta-service	14311672	Small
Центральне науково-конструкторське бюро обчислювальної техніки	Central Research and Design Bureau of Computer Science	14312967	Small
ДП Центр прикладного магнетизму	SE Centr prykladnogo magnetyzmu	14313659	Small
ДП База відпочинку Янтар	SE Recreation Center Amber	38699843	Small

Table 9. Other SOEs (cont.)

Enterprise Name (UKR)	Enterprise Name (ENG)	Code	Privatization Scale
ДП Науково-дослідний інститут приймальних електронно-променевих трубок Еротрон	SE Research Institute of Receiving Electron Beam Tubes Erotron	14314601	Small
Державне науково-впроваджувальне підприємство Аргус	State Research and Implementation Enterprise Argus	16304446	Small
Державне зовнішньоекономічне підприємство Славутич-сталь	Slavutych-Stal State Foreign Economic Enterprise	16403622	Small
ДП Інформсервіс центр міжгалузевого спеціального зв'язку	SE Informservice a center of intersectoral special communications	16458238	Small
Мале ДП Фобрін	Small SE Fobrin	16469503	Small
ДП Науково-технічний центр Композит	SE Scientific and Technical Center Composite	19160108	Small
ДП Укркольорпром	SE Ukrkolorprom	20242691	Small
ДП громадського харчування	SE of public catering	20258137	Small
ДП відомчої охорони Заслін	SE of Departmental Security Zaslin	20280728	Small
ДП державний науково-дослідний і впроваджувальний центр стандартизації та сертифікації продукції гірничорудної промисловості	SE State Research and Implementation Center for Standardization and Certification of Mining Products	20294989	Small
Державне ремонтно-будівельне підприємство Слов'янськхімремонт	State Repair and Construction Enterprise Slavyanskhimremont	20329110	Small
Дирекція будівництва Державного льонокомбінату м. Самбора	Directorate of Construction State Flax Mill in Sambor	20805467	Small
ДП фірма Оризон-Промжитлобуд	SE Firm Orizon-Promzhitlobud	21387368	Small
Державне зовнішньоекономічне підприємство Укрзовнішдеревпром	State Foreign Economic Enterprise Ukrzovnishderevprom	21578631	Small
ДП міжгалузевий центр впровадження нових технологій Ерідан	SE Intersectoral Center for Implementation of New Technologies Eridan	21609900	Small
ДП торгово-промислове підприємство Радіотехніка	SE Trade and Industrial Enterprise Radio Engineering	22422977	Small
ДП сервісно-виробничий техно-торговельний центр Радіотехніка	SE Service and Production Techno-Trade Center Radiotechnics	22470338	Small
Мале державне будівельне підприємство N 1	Small state construction enterprise N 1	22486569	Small
Державна науково-виробнича фірма Стимул-енергометресурс	State research and production firm Stimulus-energometresurs	22608133	Small
ДП фірма Орizon-інструмент	SE firm Orizon-instrument	22794147	Small
ДП фірма Оризон-Прилад	SE Firm Orizon-Prilad	22794182	Small
ДП Конструкторське бюро спеціальної техніки	SE Design Bureau of Special Equipment	22900939	Small
Державний департамент центр ливарного виробництва	The State Department is a foundry center	22967903	Small
ДП фірма Орizon-Бета	SE Orizon-Beta	23063368	Small
Мале ДП з сертифікації скла та виробів з нього Склосертифікат	Small SE for certification of glass and glass products Glass certificate	23120238	Small
ДП Ремонтно-будівельний трест Рембудматеріали	SE Repair and Construction Trust Rembudmaterialy	23572526	Small
Державне спеціалізоване конструкторське бюро Причал	State Specialized Design Bureau Mooring	23787528	Small
Державний концерн Лорта	State Concern Lorta	23885691	Small
ДП український державний науково-виробничий центр Квант-модуль	SE Ukrainian State Research and Production Center Quantum Module	24594671	Small
ДП Науково-дослідний інститут радіоелектронних систем Квант-радіоелектроніка	SE Research Institute of Radio Electronic Systems Quantum Radio Electronics	24727971	Small
ДП Фінмаш	Finmash SE	24937042	Small
Державне госпрозрахункове підприємство парфумо-косметичних виробів Гермес-Парфум	State self-supporting enterprise of perfume and cosmetic products Hermes-Perfume	25015623	Small

Table 9. Other SOEs (cont.)

Enterprise Name (UKR)	Enterprise Name (ENG)	Code	Privatization Scale
ДП Південний регіональний інформаційно-навчальний центр з питань банкрутства	SE Southern Regional Information and Training Center for Bankruptcy	30174183	Small
ДП Проммаркет	SE Prommarket	30370025	Small
ДП Подорожненський рудник	Podorozhnensky Rudnyk SE	30766042	Small
ДП Головино-сервіс української державної корпорації промисловості будівельних матеріалів Укрбудматеріали	SE Golovino-Service Ukrainian State Corporation of Building Materials Industry Ukrbudmaterialy	30776637	Small
Державна госпрозрахункова установа Агентство з питань банкрутства	State Self-supporting Institution Bankruptcy Agency	31025727	Small
Конструкторське бюро Інформ	Design Bureau Inform	31489877	Small
ДП Науково-дослідний інститут прикладної акустики	SE Research Institute of Applied Acoustics	31807299	Small
ДП Компанія з зовнішньоекономічних зв'язків України Атлас	SE Company for Foreign Economic Relations of Ukraine Atlas	31957907	Small
ДП Завод алюмінієвої фольги	SE Aluminum Foil Plant	33210902	Small
ДП Національний центр впровадження галузевих інноваційних програм	SE National Center for Implementation of Sectoral Innovation Programs	35085931	Small
Державне лізингове підприємство Укравіалізінг	State leasing company Ukravializing	35508086	Small
ДП Державний центр з питань відновлення платоспроможності та банкрутства	SE State Center for Restoration of Solvency and Bankruptcy	36285077	Small
ЄМК ДП Спеціалізований будівельно-монтажний поїзд по зв'язку № 853	SPC SE Specialized construction and assembly train for communication № 853	01388199	Small
ЄМК державного проектно-вишукувальний та науково-дослідний інститут Укренергомережпроект	SPC state design and survey and research institute Ukrenergomerezhproekt	00114092	Small
ЄМК ДП Центр обслуговування наукової та інженерної праці	SPC SE is the Center for Scientific and Engineering Work	14274051	Small
ЄМК ДП Львівський державний інститут з проектування нафтопереробних і нафтохімічних підприємств (Львівдіпронафтохім)	SPC SE Lviv State Institute for Design of Oil Refining and Petrochemical Enterprises (Lvivdipronafthim)	00150113	Small
ЄМК ДП Південно-українське державне виробниче підприємство по інженерним розвідуванням для будівництва	SPC SE South-Ukrainian state production enterprise on engineering reconnaissance for construction	02497938	Small
ЄМК ДП Український державний проектний інститут	SPC SE Ukrainian State Design Institute	02497980	Small
ЄМК ДП Дніпропетровський державний проектний інститут житлового і цивільного будівництва	SPC SE Dnipropetrovsk state design institute of housing and civil construction	02497789	Small
ДП Завод Прапор	SE Plant Prapor	31693892	Small
ЄМК ДП Львівський іподром	SPC SE Lviv Hippodrome	-	Small
ДП Дніпропетровський експериментальний виноробний завод	SE Dnepropetrovsk Experimental Winery	00412174	Small
ДП Проектний інститут Промзернопроект	SE Project Institute Promzernoproekt	16460790	Small
ДП Державний інститут по проектуванню підприємств м'ясної та молочної промисловості Полтавадіпромясомолпром	SE State Institute for Design of Meat and Dairy Industry Poltavadipromyasomolprom	21049938	Small
ДП Ремонтно-будівельна діляниця Агрос	SE Repair and Construction Site Agros	13884006	Small
ДП Український науково-дослідний і проектний інститут харчової промисловості	SE Ukrainian Research and Design Institute of Food Industry	00334422	Small
ДП Державний інститут по проектуванню підприємств по переробці плодовоовочевої продукції Діпроплодоовочгосп	SE State Institute for Design of Enterprises for Processing Fruit and Vegetable Products Diproplodoovochgosp	00334439	Small
ДП Житомирська пересувна механізована колона	SE Zhytomyr Mobile Mechanized Column	00451116	Small

Table 9. Other SOEs (cont.)

Enterprise Name (UKR)	Enterprise Name (ENG)	Code	Privatization Scale
ДП Одеського обласного виробничого об'єднання по бджільництву Одесбджолопром	SE Odesa Regional Production Association for Beekeeping Odesbdzholoprom	00702593	Small
ДП Харківський проектний інститут Промзернопроект	SE Kharkiv Design Institute Promzernoproekt	00932005	Small
ДП Український інститут сільськогосподарських аерофотогеодезичних вишукувань	SE Ukrainian Institute of Agricultural Aerial Photogeodesic Surveys	04685696	Small
Тернопільське ДП Агпропромв'язоксистема	Ternopil SE Agropromvyazoksistema	04763290	Small
ДП Одеська служба з активних впливів на гідрометеорологічні процеси	SE Odesa Service for Active Influences on Hydrometeorological Processes	04778469	Small
ДП Сільськогосподарське підприємство Нива	SE Agricultural Enterprise Niva	05290830	Small
ДП Волинський обласний виробничо-технічний центр стандартизації, метрології та якості продукції	SE Volyn Regional Production and Technical Center for Standardization, Metrology and Product Quality	05500428	Small
ДП Івано-Франківський обласний виробничо-технічний центр стандартизації і метрології Облагростандарт	SE Ivano-Frankivsk Regional Production and Technical Center for Standardization and Metrology Oblagrostandard	05500478	Small
ДП Львівський виробничо-технічний центр стандартизації, метрології та сертифікації	SE Lviv Production and Technical Center for Standardization, Metrology and Certification	05500517	Small
ДП Миколаївський обласний виробничо-технічний центр стандартизації і метрології Агростандарт	SE Mykolaiv regional production and technical center of standardization and metrology Agrostandard	05500523	Small
ДП Рівненський обласний виробничо-технічний центр стандартизації, метрології та якості продукції Облагростандарт	SE Rivne Regional Production and Technical Center for Standardization, Metrology and Product Quality Oblagrostandard	05500569	Small
ДП Тернопільський державний обласний виробничо-технічний центр стандартизації, метрології та якості продукції	SE Ternopil State Regional Production and Technical Center for Standardization, Metrology and Product Quality	05500581	Small
ДП Чернігівський обласний виробничо-технічний центр стандартизації, метрології та якості продукції Чернігівоблагростандарт	SE Chernihiv Regional Production and Technical Center for Standardization, Metrology and Product Quality Chernihivoblagrostandard	05500641	Small
ДП Агрокомплектбуддеталь	SE Agrokomplektbuddetal	13683911	Small
ДП Український метрологічний науково-впроваджувальний центр Зерноприлад	SE Ukrainian Metrological Research and Implementation Center Zernoprilad	13874060	Small
Державне багатопрофільне підприємство Урожай	State multidisciplinary enterprise Harvest	13908422	Small
Державне мале підприємство Водозабір	State small enterprise Water intake	13987151	Small
ДП Науково-виробниче підприємство Плодвинконсерв	SE Research and Production Enterprise Plodvinkonserv	16476928	Small
ДП Спецсервіс	SE Spetssservis	19245951	Small
ДП санаторій Смерічка	SE sanatorium Smerichka	19333477	Small
ДП Первомайський державний науково-інженерний центр з проблем ресурсозбереження та енергозбереження	SE Pervomaisky State Research and Engineering Center for Resource Saving and Energy Saving	20882077	Small
Редакція журналу Новини садівництва	Horticulture News Magazine	21355664	Small
ДП Український науково-виробничий інженерний центр по охороні праці у сільському господарстві Укрсільгоспохоронпраці	SE Ukrainian Research and Production Engineering Center for Occupational Safety in Agriculture Uksilgospohoronpratsi	21603889	Small
Одеське ДП по виробничому і комерційному обслуговуванню цукрових заводів Південькристал	Odesa SE Production and Commercial Maintenance of Sugar Plants Pivdenkrystal	31430598	Small
ДП Дитячий оздоровчий комплекс Орбіта	SE Children's Health Complex Orbita	32156779	Small
ДП Агентство з реструктуризації заборгованості підприємств агропромислового комплексу	SE Agency for debt restructuring of agro-industrial enterprises	32491316	Small
ДП Торговий дім Етанол	Ethanol Trading House	32962829	Small

Table 9. Other SOEs (cont.)

Enterprise Name (UKR)	Enterprise Name (ENG)	Code	Privatization Scale
Донецький обласний державний центр експертизи сортів рослин з державною інспекцією з охорони прав на сорти рослин Донецької області	Donetsk regional state center of examination of plant varieties with the state inspection for protection of plant variety rights of Donetsk region	33863418	Small
ДП Спецагролізинг	SE Special Leasing	37118591	Small
ДП Укragроспецпостач	SE Ukragrospetspostach	37119820	Small
ДП Переяслав-Хмельницьке сільськогосподарське підприємство Селекція-сервіс	SE Pereyaslav-Khmelnytsky agricultural enterprise Selection-service	37644835	Small
ДП Дитячий оздоровчий центр Дніпро	SE Children's Health Center Dnipro	37910052	Small
ДП Криворізький ЕТЦ Держпраці	SE Kryvyi Rih ETC of State Labor Service	31223828	Small
ДП Київський ЕТЦ Держпраці	SE Kyiv ETC of State Labor Service	23510933	Small
ДП Центр підтримки агропідприємств	SE Center for Support of Agricultural Enterprises	37932154	Small
ДП Одеський обласний виробничо-технічний центр стандартизації, метрології та якості продукції Одесоблагростандарт	SE Odesa Regional Production and Technical Center for Standardization, Metrology and Product Quality Odesoblagrostandard	38017466	Small

METHODOLOGY AND DISCLAIMER

Information about SOEs collected by the State Property Fund of Ukraine served as a basis for the analysis presented in this report. Given the large number of SOEs and lack of consistent and quality information, it was not feasible to cover all 568 entities within the Fund's portfolio. Thus, this report covers the TOP 30 SOEs owned and managed by the Fund, with the remaining 538 presented in a summary table layout.

This report was prepared in partnership with Ukraine's leading consulting, investment banking, and law firms. Economy and sectors overview is conducted primarily using the proprietary analysis performed by CIVITTA, Dragon Capital and CBRE Ukraine. The legal-related information is covered by Asters. Company profiles are primarily based on the data provided by the Fund. The list of other external sources used in this report is presented on the following page.

The TOP 30 list itself was compiled using various criteria, including readiness for privatization, availability of data, active (operating) status, book value, the state's share being over 50.1%.

Financial information presented in this report is based primarily on the statutory 2017, 2018 and 2019 annual financial statements of companies. Many of the SOEs are audited, therefore, financial statements presented in this are audited in most cases as well.

To calculate the average monthly salary, the relevant item within the operating expenses (annual salary costs, excluding social payments) was taken from the company's Income Statement and divided by 12 (number of months). The resulting total monthly salary expenses were divided by the average number of employees.

The depth of the analysis presented in this report is significantly limited by the quality and availability of the information currently available on SOEs at the State Property Fund of Ukraine. With the progress of SOE's reform, the fact of final transfer of SOEs to Fund's books, the quality of subsequent issues of this report shall improve.

Although Dnipro Hotel is considered privatized, its profile is kept consciously and serves rather an illustrative function.

A more detailed information on either TOP-30 or non-TOP enterprises can be found on the Fund's dedicated web-portal privatization.gov.ua. By following links included in QR-codes in each profile that will redirect to the web-portal, the up-to-date information per each SOE can be found.

External sources

Ukrainian Economy
World Bank
State Statistics Service
Dragon Capital Estimates
Energy Business

Electricity
Energy and Coal Ministry
Ukrenergo
Energorynok

Machinery
Ukrpromzovnishekspertiza

Transport
Ukrzaliznytsia
Ukravtodor
Meninvest
Ukrainian Sea Ports Administration

Agri & Food
State Agency for Land Resources
Elevatorist.com
Ministry for Development of Economy
Trade and Agriculture of Ukraine
United States Department of Agriculture

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Abbreviations

SPFU, Fund – State Property Fund of Ukraine
ITC – International Trade Center
NBU – National Bank of Ukraine
NERC – The National Commission for State Regulation of Energy and Public Utilities
UNCTAD - United Nations Conference on Trade and Development
FAS - Foreign Agricultural Service
USDA - United States Department of Agriculture
SPC – Sole Property Complex
ETC - Expert & Technical Center
NAS - National Academy of Scientists
CHP - Combined Heat and Power Plant
SE, SOE – State Enterprise, State-owned Enterprise

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CIVITTA is the leading management consultancy from Central Eastern Europe. It employs 500+ consultants in 15 different countries, while operating in over 40 countries in Europe, Asia, and the Americas, resulting in more than 10,000 completed projects. CIVITTA consults private and public sector clients and helps them challenge their own industries by becoming more innovative, efficient and dynamic. Its services range from market research and strategy development to capital attraction and transaction advisory.

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Dragon Capital is a leading Ukrainian group of companies in the field of investment and financial services, offering a comprehensive range of products in equities and fixed income sales, trading and research, investment banking, private equity and asset management to institutional, corporate and private clients. Established in 2000, the company was minority-owned from 2007-2017 by Goldman Sachs, one of the largest global banks. Dragon Capital accounts for the largest share of turnover on the Ukrainian stock market carrying out approximately a third of reported transactions. The company also dominates the Ukrainian debt market, with Dragon Capital's DCM team advising leading corporates and banks on raising debt through local bonds, Eurobonds, structured finance and bilateral debt.

ASTERS

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Asters is the largest Ukrainian law firm (28 partners and 120 associates) with presence in Kyiv, London, Washington D. C. and Brussels. The Firm combines strong transactional and regulatory expertise, as well as significant experience in dispute resolution, which helps to advice on all business aspects in Ukraine. Asters is unique in its combination of established world-class quality, international recognition, strong local roots and deep expertise. Chamber Europe awarded Asters with Ukraine Law Firm of the Year for 2020.

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CBRE Ukraine is a part of CBRE Affiliate Network and consists of approximately 300 professionals, including personnel at the properties under management. Company provides a wide range of services in the field of commercial property: advisory and transaction services, capital markets, integrated facility management services, valuation and advisory services, project management and building consultancy, corporate facility management. CBRE Ukraine offers a broad range of integrated services, including facilities, transaction and project management; property management; investment management; appraisal and valuation; property leasing; strategic consulting; property sales; mortgage services and development services.

