

Invest in Ukrainian Milk!



Family Dairy Farms



Family Dairy Farms (FDF) - Ukraine's first-ever investment project promoting and supporting family dairy farms in rural areas. It gives a unique opportunity to invest in this promising industry.

FDF have created an innovative business approach. Nationwide network of family-owned dairy farms will supply dairy producers with high-quality farmers milk at premium prices while bringing entrepreneurship into the rural areas.

Goals



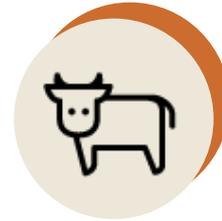
> 5 000 farms by
2027



20 000 new jobs by
2030



100 regional clusters
created to support
farms



~10%
share of Ukraine's
dairy market



A community of
socially responsible
investors



The background features a solid orange color with several large, rounded, organic shapes in yellow and a dark green. The yellow shapes are located in the top-left and bottom-center areas, while the dark green shape is in the bottom-right. The word "Background" is centered in white text.

Background

Project Founders



Ukrmilkinvest is one of the largest dairy companies in Rivne oblast

- Over 10 years in operation
- 1,500 livestock
- around 1800 hectares land-bank



Ukrainian Coop Federation is an institution created to encourage family dairy farms to form cooperatives

Project Steps

Launch

2007-2009

- Ukmilkinvest and Organic Milk cluster incorporated
- International expertise researched
- Large dairy farm with over **1,000** cows set up

Developing Business Model

2016-2017

- Family Dairy Farms project developed
- UNDP grant obtained
- First family farm in Rivne Oblast set up

Testing Business Model

2018

- **10 family** dairy farms set up in **3 regions** in Western Ukraine

Scale Up

2019-2021

- Investment program launched
- **102 family dairy farms** set up by Jul.2021
- **2 cooperatives** of family farms established

Expand

2021-2022

- Create up to **1,000 family** dairy farms

Expand

2022-2027

- Create up to **5,000 family** dairy farms

Current Status

*As of July 2021



102
participating
farms



43
farms under
construction



55
farms selected, ready for
investment



363
applications from
farmers under
consideration



269
private
investors
attracted



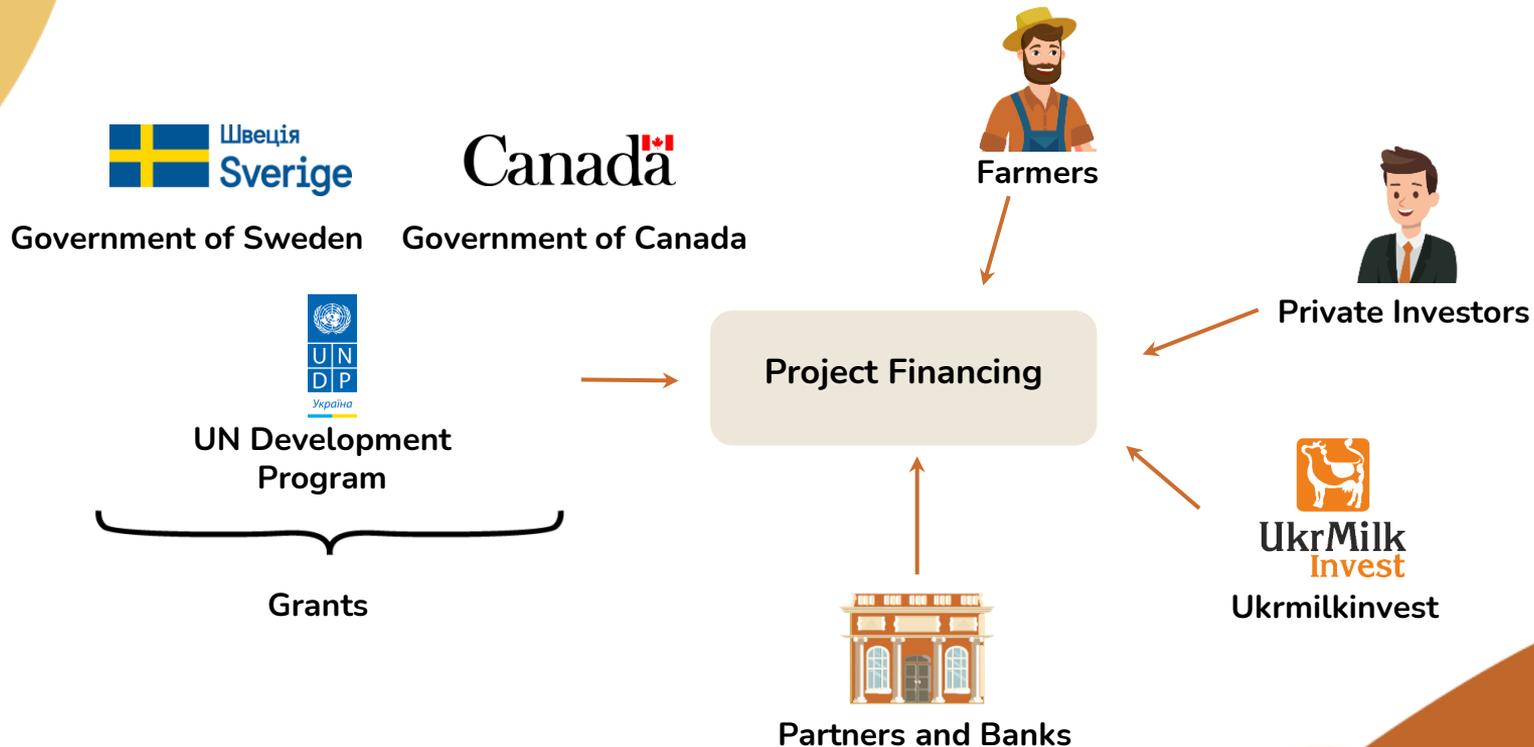
**Up to 2,6 mln.
EURO**
invested



512 250 EURO
of profits re-invested

Financing

€2,6 mln invested as of Jul. 2021





Dairy Market in Ukraine



With consumption of dairy products twice as little as in the rest of Europe, Ukraine has a potential for growth



New quality standards for dairy products will require milk producing companies to shift their purchases of milk from individual suppliers to those providing high quality product. Dairy production industry will require new technology.



Ukraine ranks among the world's Top-5 countries with the lowest milk production cost*, which gives us competitive advantage on the international markets



As the world milk market is projected to grow by 250 mln. tonnes by 2030*, Ukraine has a real chance to become a prominent global player



* Source: Food and Agriculture Organization of the United Nations





Investment Opportunities

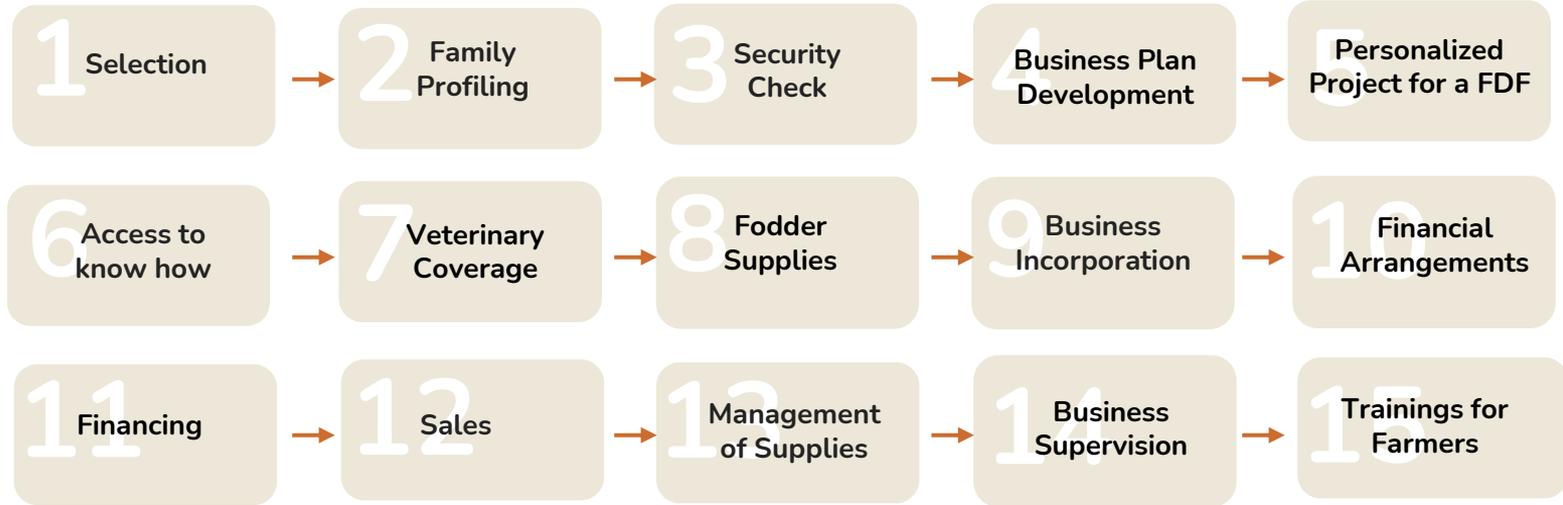
Revenue Sources



How the Business Runs

1. We **carefully select farmers** to join the project. We provide them with livestock, fodder, equipment, technology, and other related services. We train them in farming.
2. Each farm has **15 to 50 cows** - the best profit generating ratio.
3. We create a **comprehensive ecosystem of agribusiness clusters** that produce and sell fodder, provide supervision and veterinary coverage, assist in construction of farms and equipment maintenance, as well as in collection, cooling and sale of milk.
4. Our **logistics operation** ensures that milk is promptly delivered to the largest dairy companies in the region.
5. Strict adherence to the technology standards **guarantee that milk is consistently of the highest quality**. Dairy companies purchase milk at fair prices. All participating dairy farms enjoy stable demand for their produce.

How Dairy Farms Are Created



Financial Data

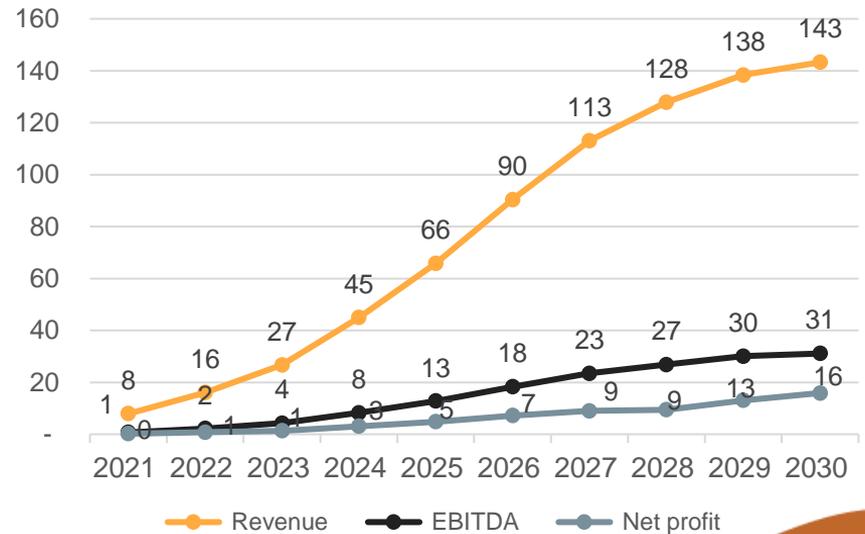
*Financing model developed by Baker Tilly and Lviv Business School Consulting

Cumulative
Profits
> 60 mln.
EURO

NPV –
> 5 mln.
EURO

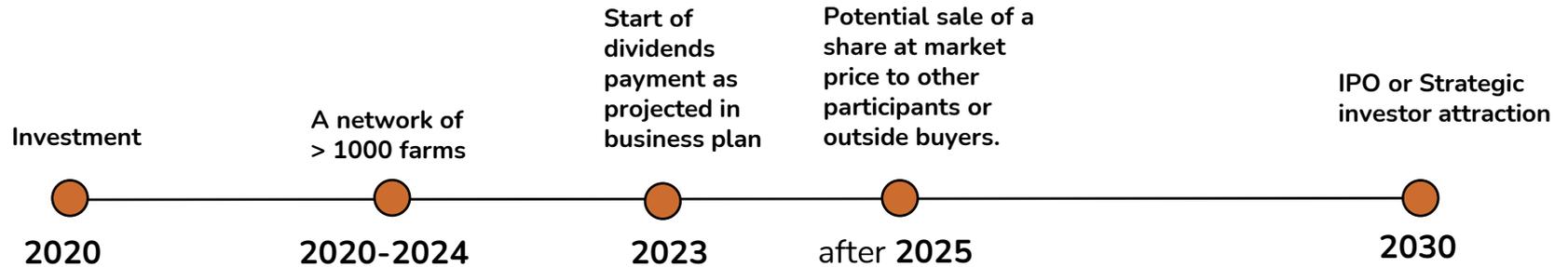
IRR –
25,1%

Financial performance, mln. EURO*

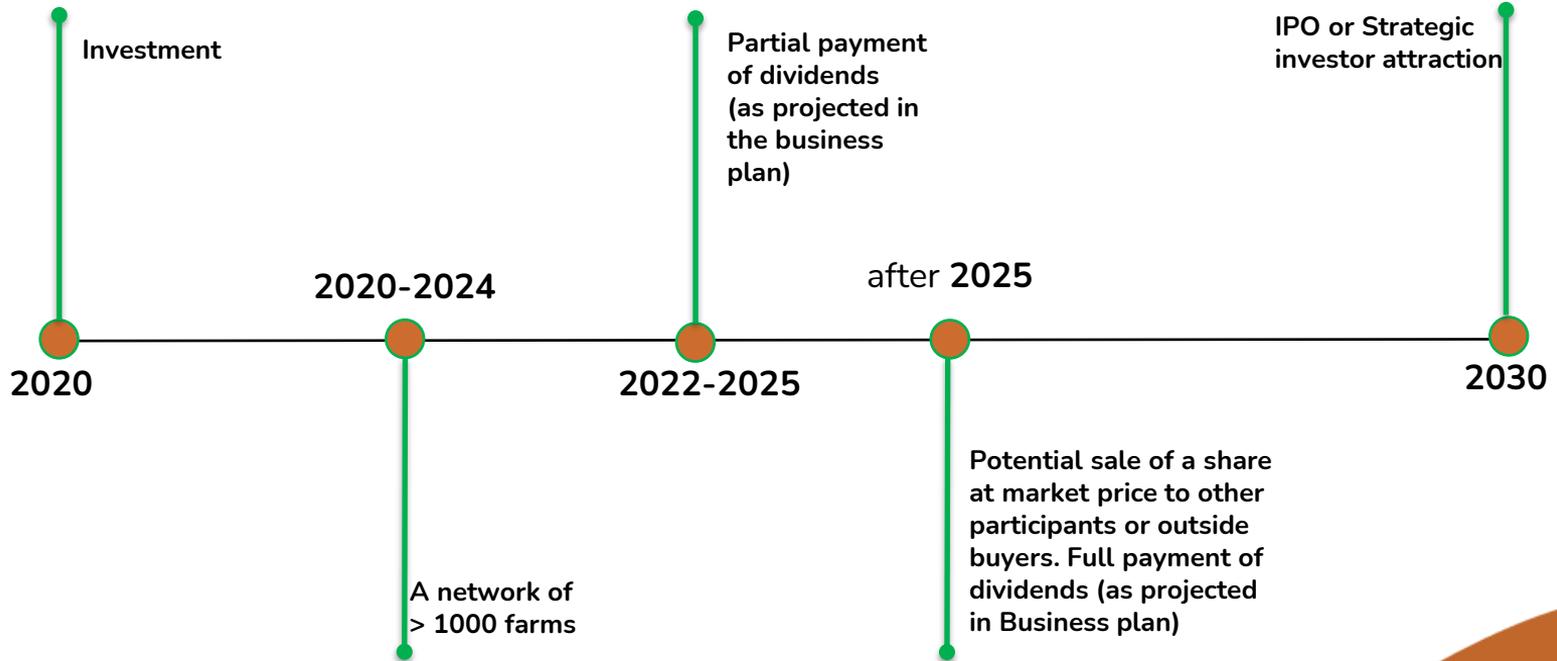


* - all calculations are made in local currency and converted into EURO at forecasted currency rate

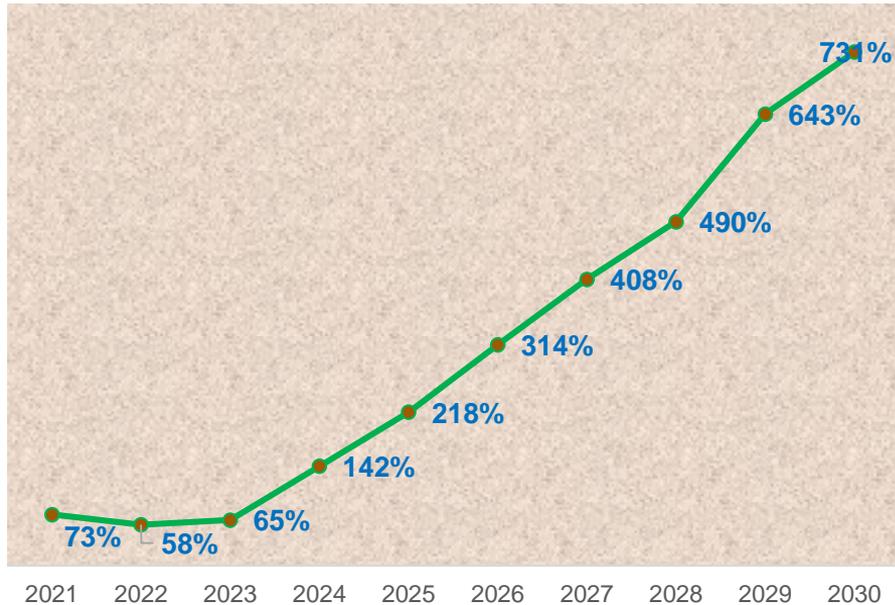
Revenue Distribution Scheme



Revenue Distribution Scheme



Share Price Growth



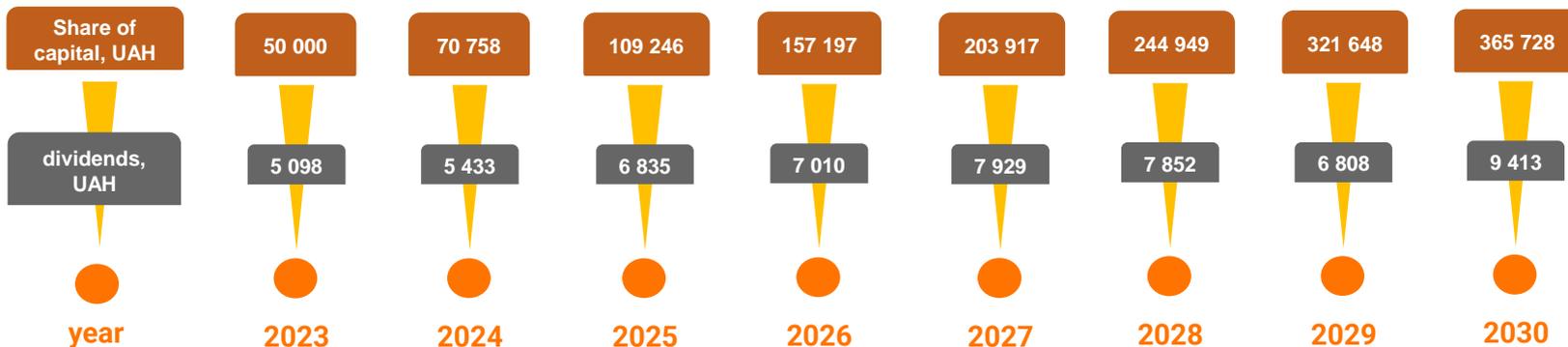
- each share will increase in value as a result of the project's capitalization
- f.e. a **20 000 EURO** investment today will get more than **7 times** increase in value **by 2030** (this is a forecasted multiplier calculated in business plan)

Example

How will grow the value of your investment of 50 000UAH

Forecast:

- Investment contribution capitalization in value from 2024 till 2030 more than **in 7 times**
- Dividends are planned to pay starting from 2023, projected profitability varies from 11 to 19% annual



Notes:

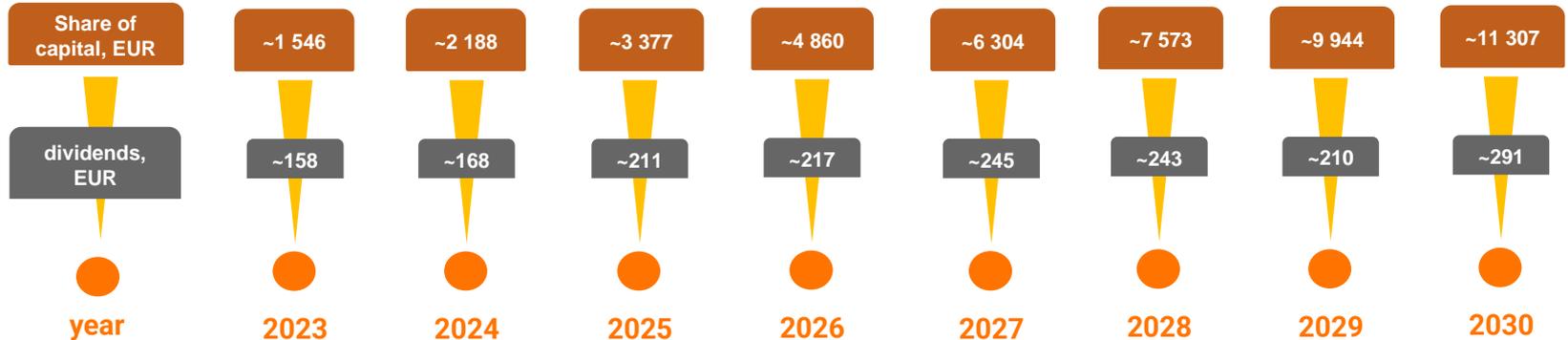
- *the forecast of value growth and dividends' payment are not fixed figures and they are based on projected business plan. They can be changed in case of business plan changes;*
- *for non-residents You need to specify locally what kind of taxes and fees you will need to pay from your private income*

Example

How will grow the value of your investment of 1 546 EUR (the equivalent of UAH 50,000 at the NBU exchange rate as of July 1, 2021)

Forecast:

- Investment contribution capitalization in value from 2024 till 2030 more than **in 7 times**
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Notes:

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Impact Effect

Families unite in a joint business. Jobs are being created in rural areas

Small businesses are set up to support family dairy farms

Livestock declining trend reversed. **10-15%** of livestock currently owned by farmers will be engaged in the project



Economic effect (GDP contribution) > **500 mln. EURO**

Supporting entrepreneurship in rural areas

5,000 family businesses created for next generations

>**100 communities** engaged in project and ecosystem

Legal Structure

Ukrmilinvest Ltd. is a founding company and Project's principal investor.

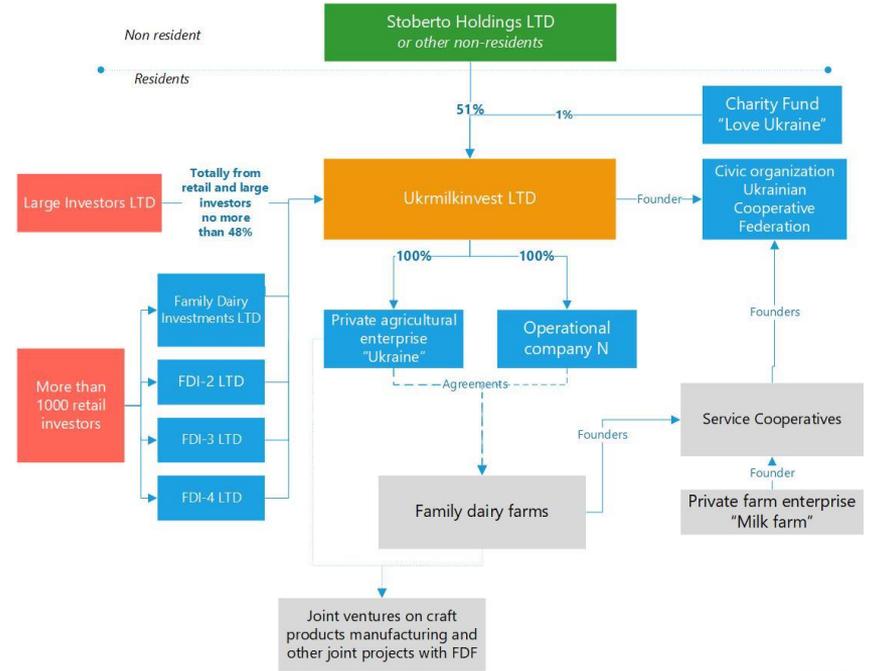
Family Dairy Farms Ltd. is a company specifically set up to attract investment contributions of 50,000\$ or less. Each further investment phase will require a separate company to be set up for the efficient management

Large investors LTD – company for investors that invest more than 50 000\$ Ukrmilinvest Ltd. Foreigners, large investors, can invest directly in Stoberto Holding (Cyprus).

PSP Ukraine is an industrial farm in Rivne oblast, a cluster center to provide veterinary and distribution services to family dairy farms. Separate similar companies could be set up in other oblasts if required.

Ukrainian Coop Federation is an NGO promoting cooperation and farming in Ukraine. Founded by Ukrmilinvest and farming cooperatives.

Love Ukraine Charity Foundation is a charity arm to encourage philanthropists to support the project.



How To Make an Investment



1
Apply on the Website



2
Receive documents from an IR manager



3
Send copies of documents required to enter into a contract



4
Sign and Mail the contracts



5
Make a contribution to the Chartered Capital by a bank transfer



5
Receive an extract from the Register of Participants



7
Greetings! You've become an investor

Team

Our team consists of experts with varied business experience.

With over 10 years in dairy business, our team has a lot to share.

Each member has an extensive experience in implementing large projects to attract investments and set up businesses from scratch.

The project employs up-to-date management practices, technology and tools. We are developing a state-of-the-art IT tool to ensure a comprehensive management.



Partners

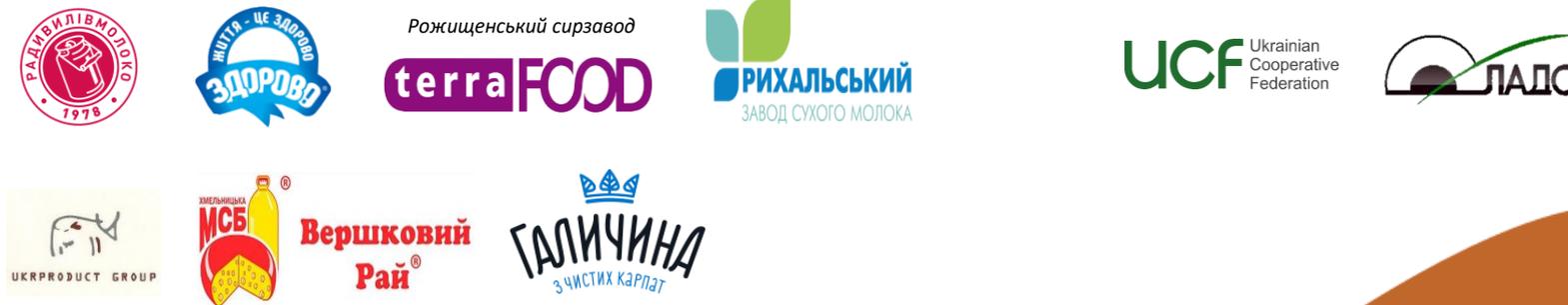
Local government:



International Donors:



Milk Companies:



Invest In Family Dairy Farms

INVESTMENT
DEPARTMENT



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