

Investment opportunities in Ukraine's Organic Fertilizers Sector

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This presentation has been prepared by Green Life LLC (the “Consultant”) based on information provided by Uniflor Ukraine LLC (the “Company”) regarding the construction of an eco-innovative, large-scale plant for the production of organic fertilizers and substrates in Ukraine (hereinafter referred to as the “Project”).

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Goal

Construction of an eco-innovative plant for the production of "Parostok"©® organic fertilizer in various formulation types and substrates on the territory of Ukraine.

Project values

Healthy family, healthy nature, healthy planet.

Product

The product is marketed under the trademark "Parostok"® and includes various formulations of organic fertilizers and over 20 types of substrates, including specialized variants designed as both Soil Revitalizers for arid zones and Soil Restorers for degraded soils.

Production Place

Ukraine, with its well-developed agricultural sector, shortage of quality fertilizers, and the urgent need to restore over 30% of arable land in the post-war period, represents an attractive location for organic fertilizer production. Post-war recovery creates significant investment opportunities in both the agricultural sector and environmental projects. The "Parostok"® project holds strong potential for attracting investment and contributing to the sustainable development of Ukraine's agriculture and food security.

Planned location: Kyiv and Volyn regions.

Project Cost

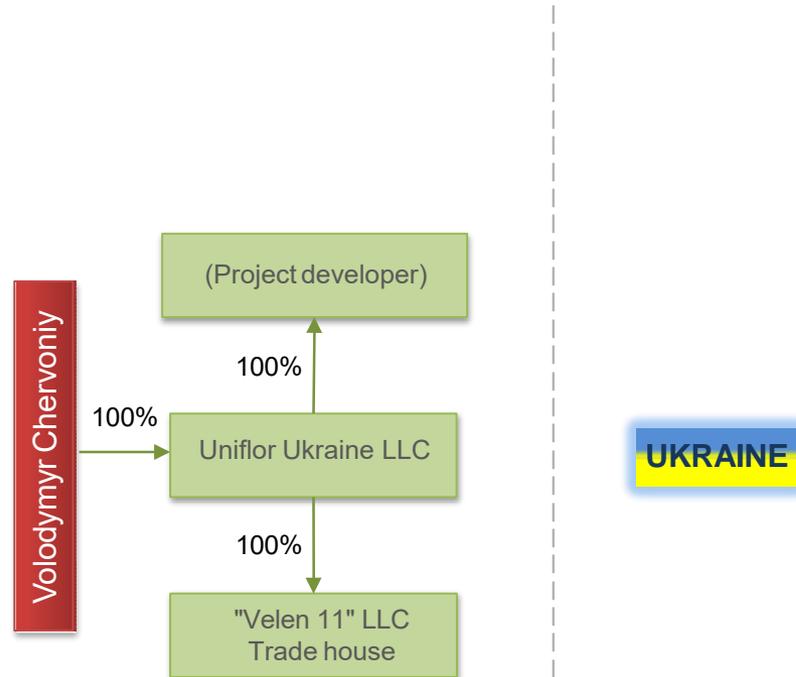
Total Project Cost: EUR 199.8 million

Investment required for Phases 1–3: EUR 129.1 million

Uniflor Ukraine LLC

- ✓ Established by Volodymyr Chervony in 2011;
- ✓ Location: Andriivka village, Bucha district, Kyiv region, 08013 Ukraine
- ✓ Main activity: production of organic fertilizers and substrates;
- ✓ Existing intellectual property assets;
- ✓ Own trademark «Parostok»®;
- ✓ Own license for production of the OF;
- ✓ Own ISO certificate;
- ✓ Authorization granted by the Ministry of Environmental Protection and Natural Resources of Ukraine and the Ministry of Agriculture and Rural Development of Poland for circulation within the EU.;
- ✓ Exporting countries: Poland, EU;
- ✓ The operational production facility was destroyed due to the Russian occupation.
- ✓ International Diplomas and Awards

Scheme 1 “Uniflor Ukraine” LLC Structure



Profile

Volodymyr Chervonyi

President of the corporation "Ukrzelenbud"
Owner of "Uniflor Ukraine" LLC.
Academician of the Economic Academy of
Ukraine
60 years old, 37 years of experience in the agricultural
sector 27 years of experience in management positions.
The owner of patents.
Expert in the field of agriculture and "green" economy.



Tab. 1

Responsibility in "Uniflor Ukraine" LLC	Achievements, titles
Director for Science and Innovation Activities	Expert on microbiology of soils, agrochemistry, ecology, food quality and safety
Counselor for chemistry activities	Doctor of Chemical Sciences, Professor, Member of the Academy of Sciences of New York, Winner of the Soros Foundation Prize
Advisor on agrochemistry and plant management	Doctor of Agricultural Sciences
Advisor on microbiology of soil, molecular ecology, biotechnology, biochemistry and phytopathology	Doctor of Biological Sciences, Professor, Corresponding Member of NAS of Ukraine
Adviser on flower and ornamental plant growing and forestry	Doctor of Agricultural Sciences, Professor. Academician of the Forestry Academy of Sciences of Ukraine
Advisor on bioeconomy and agricultural management	Academician of the NAAS of Ukraine, Professor, Doctor of Economics
Adviser on biosafety and veterinary medicine	Doctor of Veterinary Sciences, Professor, Corresponding Member of NAAS of Ukraine

- ✓ Maidanivka village,
Bucha district, Kyiv region,
07824 Ukraine;
- ✓ Possible purchase of a land
plot for the construction of a
plant near the railway;
- ✓ Favorable climatic conditions
for the year-round production
cycle;
- ✓ Developed infrastructure;
- ✓ Developed logistics:
proximity to railways and
highways;
- ✓ Long-term availability of raw
materials from the regional
agricultural sector;
- ✓ Maximum assistance of
central and local authorities;
- ✓ Strong support from central
and local authorities

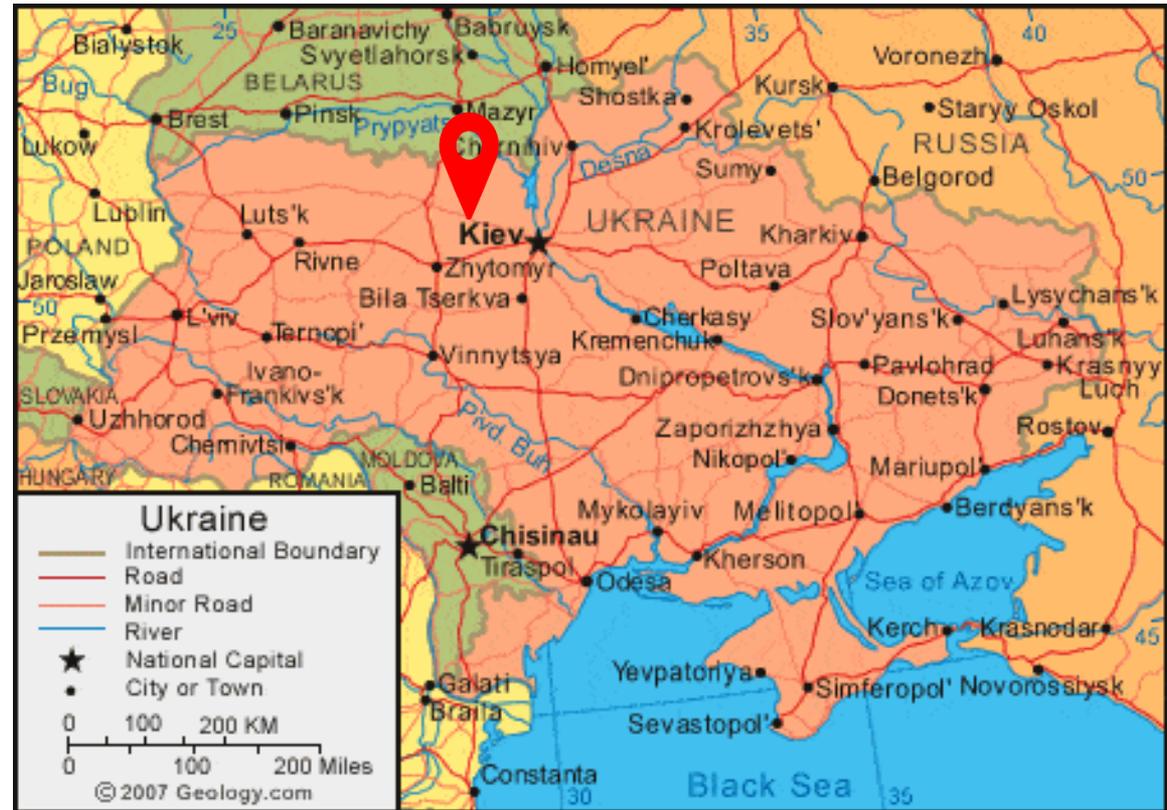
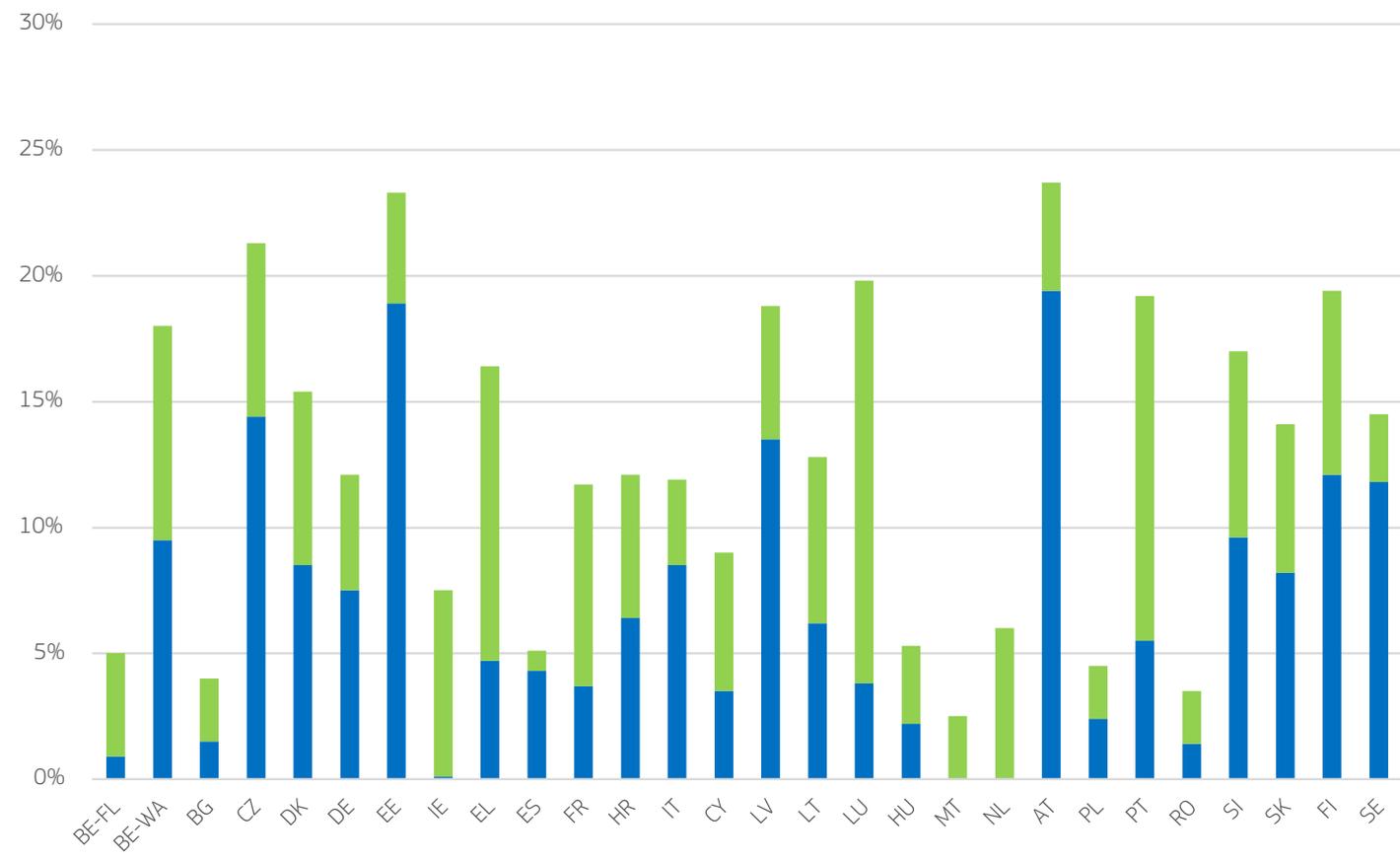


Fig. 1 – Share of total UAA receiving CAP support for organic farming



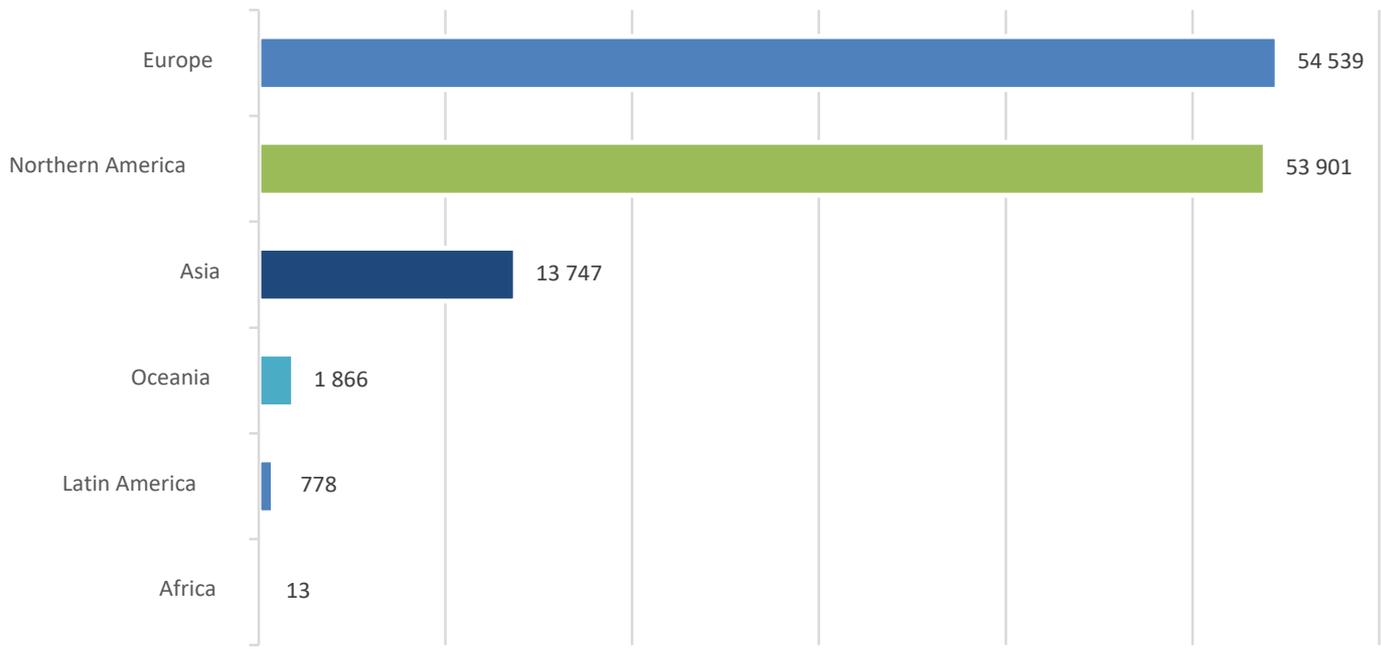
Target: Share of total UAA receiving CAP support for organic farming (2027) Baseline: Share of total UAA receiving CAP support for organic farming (2018)

Source: DG AGRI, based on approved CAP strategic plans.

https://agriculture.ec.europa.eu/system/files/2023-04/agri-market-brief-20-organic-farming-eu_en.pdf



Fig.2 Organic retail sales by region, 2021 (million EUR) (Source: Fibl)



https://agriculture.ec.europa.eu/document/download/a400dd14-572a-41ed-86e5-46e84f8a4e0f_en?filename=organic-action-plan-report-sept23_en.pdf

Fig.3 Organic area, 2022 (Eurostat)

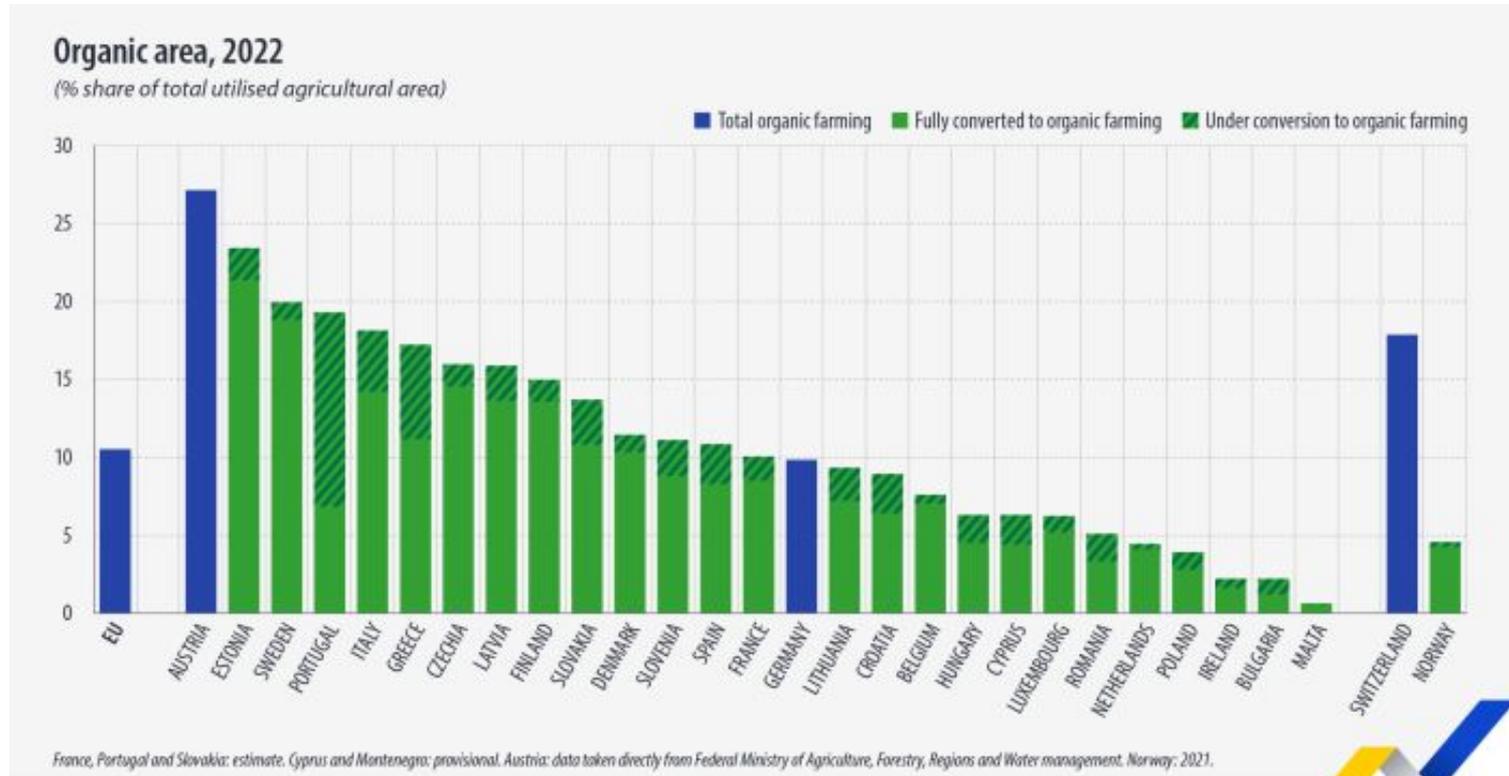
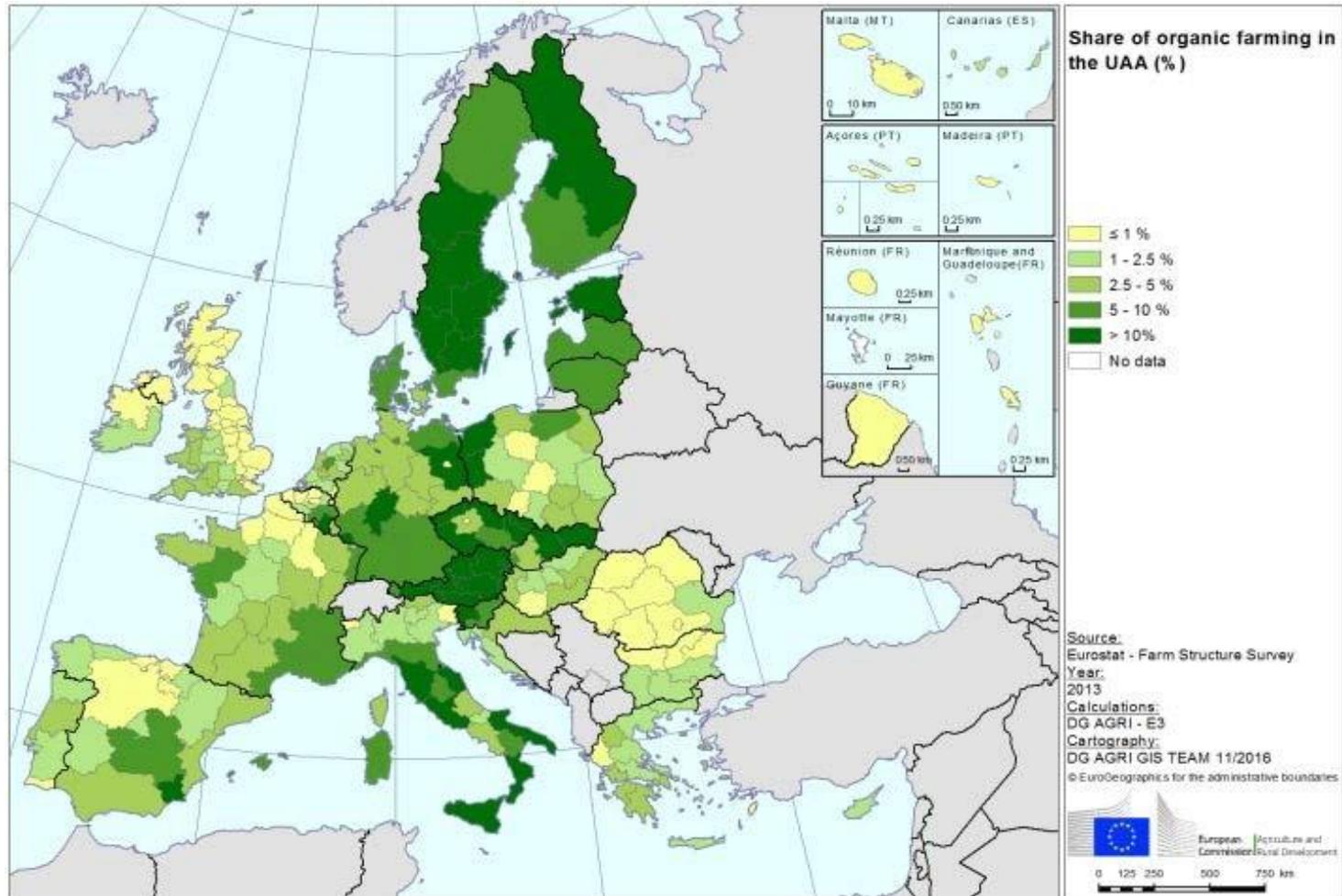
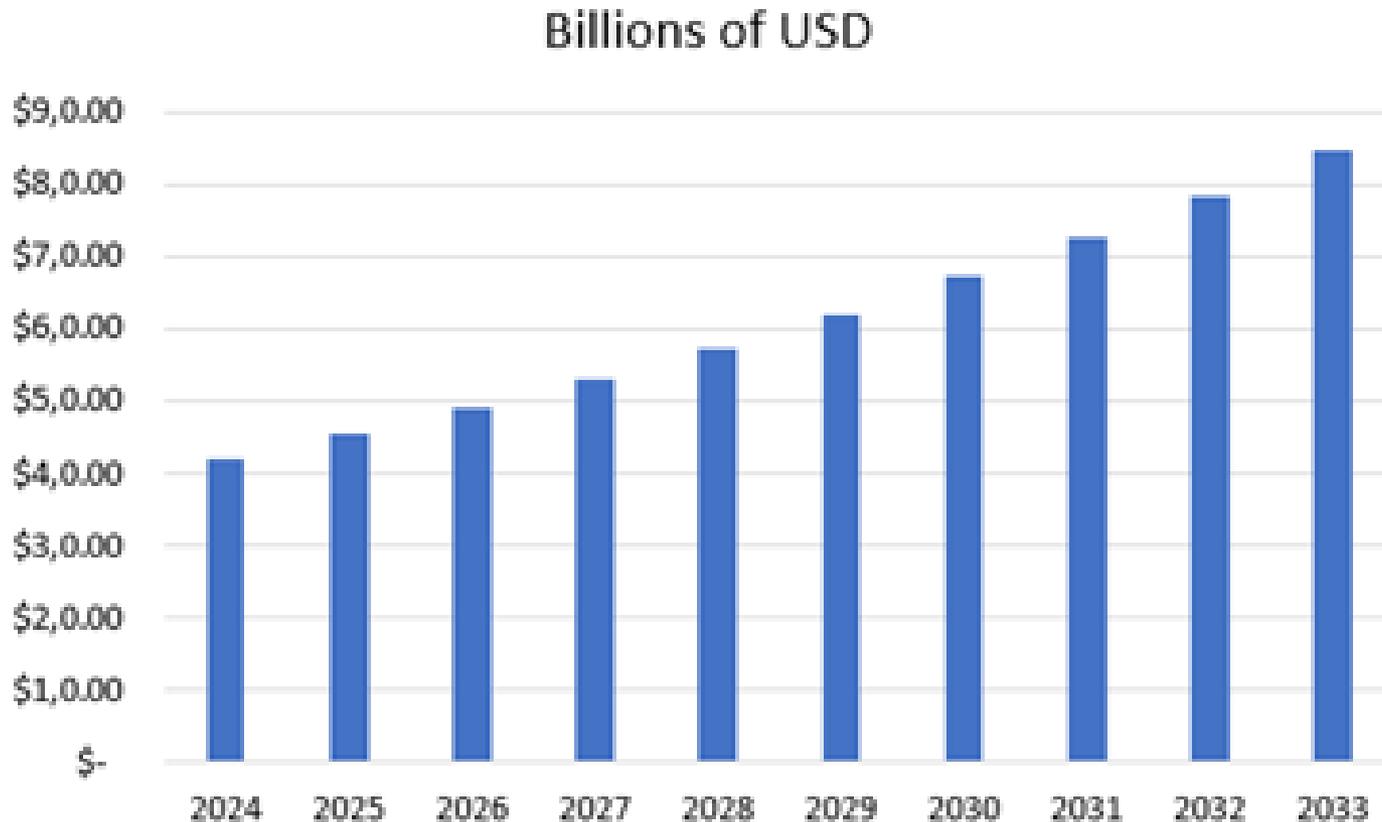


Fig. 4. Map of share of organic agriculture on regional level of EU, 2022 (Eurostat)



Map 2 a results-based survey of the structure of organic farms, shows the share of the organic segment of the UAA at the regional level of the EU in 2022.

Fig.5 Organic fertilizers market in Europe (forecasted growth +8,14% annually)



<https://www.sperresearch.com/report-store/europe-organic-fertilizer-market.aspx>



The EU policy and legislation, with the help of the 9th Horizon Europe Framework Program for the period 2021-2027, directly regulate and stimulate the development of the organic fertilizer production:

- ✓ Framework Directive on wastes and the cancellation of certain Directives (2008/98 / EC);
- ✓ The Directive on Nitrates of Agricultural Origin (91/676 / EEC);
- ✓ The Directive on Integrated Control and Pollution Prevention (96/61 / EC);
- ✓ The Directive on Integrated Prevention and Control of Pollution (2008/1 / EC);
- ✓ The Directive on Protection of Groundwater from Pollution and Degradation (2006/118 / EEC);
- ✓ The Directive on Hazardous Substances (76/464 / EEC);
- ✓ Water Framework Directive (2000/60 / EC);
- ✓ Action Plan "Efficiency of resource usage: transition to a circular economy" (European Commission, 02.12.2015);
- ✓ Amendments adopted by the European Parliament on 24 October 2017 to the Regulation on CE-Marked Fertilizers (COM(2016)0157)
- ✓ EU Circular Economy Fertilising Products Regulation (EU 2019/1009), Circular Economy Action Plan 2.0 (2020);
- ✓ Soil Thematic Strategy and Soil Monitoring Regulation: Soil Thematic Strategy (COM(2006) 231) and Soil Monitoring Law (2023);
- ✓ European Green Deal;
- ✓ Farm to Fork Strategy;
- ✓ REACH Regulation (Registration, Evaluation, Authorisation and Restriction of Chemicals);
- ✓ EU Bioeconomy Strategy (updated in 2018);
- ✓ Fit for 55 Package (2021);
- ✓ EU Biodiversity Strategy for 2030.

Tab. 2 Agrochemical Composition of OF Preparative Forms

Index	loose	granular	liquid	gel-like	granulated concentrate
	Content				
Macroelements, not less than	%	%	%	%	%
Nitrogen(N)	2,0	7,5	2,0	16,6	26,6
Phosphorus(P ₂ O ₅)	1,7	5,5	2,2	17,3	27,3
Potassium (K ₂ O)	1,7	5,5	2,5	19,3	29,3
Calcium (Ca)	2,1	7,0	1,0	4,1	8,0
Magnesium (Mg)	0,2	1,5	0,04	0,5	0,5
Microelements, not less than	ppm	ppm	ppm	ppm	ppm
Iron (Fe)	60	90	12	80	500
Cobalt (Co)	12	26	3	30	150
Copper (Cu)	38	65	7,5	65	320
Zinc (Zn)	20	33	1,5	25	120
Manganese (Mn)	24	47	5,5	45	220
Boron (B)	17	29	3,5	30	155
Sulfur (SO ₃)	20	36	4,3	37	65
Humic acids,%, not less than	20	60	60	60	60
Fulvic acids,%, not less than	5	16	22	22	22
pH	6,5 – 7,2	6,5-7,2	7,0-8,0	7,2-8,0	7,2-8,0
Moisture contents	45-55	6-8	98-98,5	40-45	6-8
Organic matter content, C _{org}	17,92	36,4	2,8-4,2	22,5-25,2	33,7-36,5
Dry matter content,%	45	92	1,5	55-60	25
Ash content,%	12 – 35	24-70	1,2-1,5	7-15	12-25
C:N	14-18:1	14-18:1	2,5-3,5:1	20-22,5:1	25:1
Humification factor,%	30 – 40	37-45	3-5	20	30
Bacterial flora, billion CFU in 1g of OF	25 – 27	32-35	-	-	-

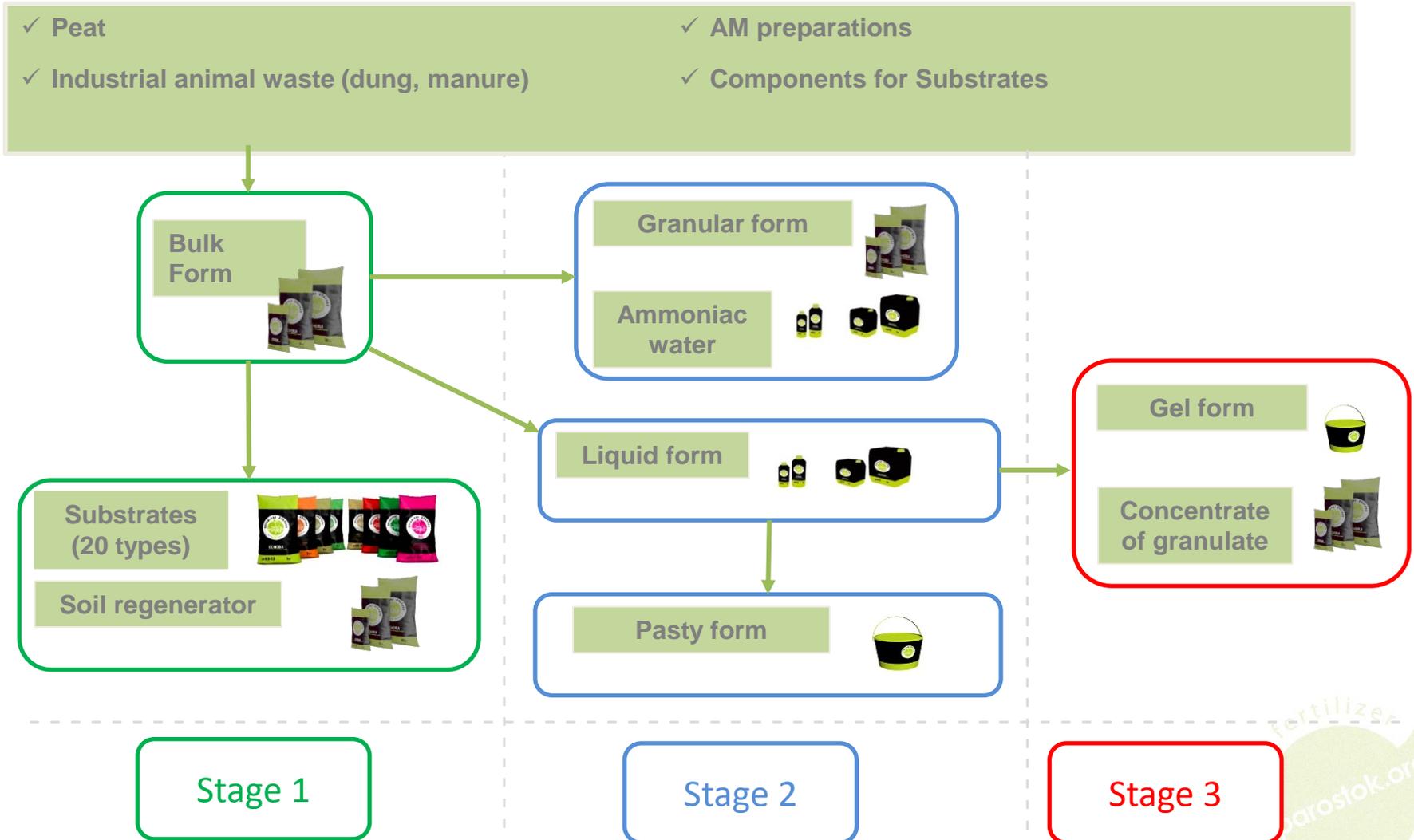
Purpose and functions of the OF:

- ✓ restoration, maintenance, and increase of humus reserves and soil fertility;
- ✓ increase in crop yields;
- ✓ production of agricultural crops of high biological quality;
- ✓ recultivation of soils and creation of a fertile layer in areas unsuitable for agriculture, including arid and depleted soils;
- ✓ .reduction of anthropogenic load on the environment

OF is a highly competitive solution for both conventional and organic

Technical and technological capabilities of the Project – complete adaptability and diversification of production processes to respond to changing market conditions

Scheme 2. Technological Processes in OF Production*



* Each preparative form of the Organic Fertilizer has its own modifications according to and applicable to varieties of soils and plants

Tab. 3

Development Stages of the Full-scale Project

№	Stage name	Term
1	<p>Design, construction permits, Construction, commissioning of production facilities:</p> <ul style="list-style-type: none"> ✓ The basic bulk form of the OF and substrates based on it. <p><i>(The stage can be an independent business or serve as an initial stage in the development of a full-scale Project.)</i></p>	12 months
2	<p>Construction, commissioning of production facilities:</p> <ul style="list-style-type: none"> ✓ Granulated, liquid and pasty preparation forms of the OF. <p>Establishment of the Innovative Biotechnologies Institute.</p>	+ 9 months
3	<p>Construction, commissioning of production facilities:</p> <ul style="list-style-type: none"> ✓ Gel-like preparation forms and concentrate of the granular OF form. 	+ 12 months
4	<p>Organization and implementation of promising areas of business development, namely:</p> <ul style="list-style-type: none"> ✓ Production of biological plant protection products; ✓ Establishment of an ecological exchange. 	+ 9 months

* Optimal and possible terms for implementing the stages of the Project development, which differ from those terms in the business plan (according to the pessimistic scenario).



The total annual production of the basic preparative bulk form is 150 thousand tons

Tab.4 Output of finished products per year, th. tons:

Bulk preparative form	2,4
Granular preparative form	48
Liquid and pasty preparative form	183,1
Pasty preparative form	6,1
Jelly-like preparative form	4,8
Cocentrated granulated preparative form	1,2
Substrates	15,2

Tab.5 Demand for raw materials for the annual program, including, th. tons:

Lowland peat	66,5
Chicken manure	150,8
AM preparations	0,021
Components for Substrates	11,3

The pricing of all preparative forms of the OF is calculated taking into account the marginal interest of dealers, distributors, realtors and agricultural producers.

Tab.6 Cost and profitability of the preparative forms of the OF

Preparative form of the OF	Net cost of production per unit of finished product, €/t	The selling price of organic fertilizer PAROSTOK ©, €/t	Gross profit, €/t
Bulk	28	99	64
Granulated	137	429	260
Liquid	275	2800	2205
Pasty	110	176	53
Substrates	175	350	175
Ammoniac water*			
Jelly-like preparative form**			
CG preparative form*			

* Calculations for these formulations are being updated.

The total cost of the Project is EUR 199.8 million, including:

	Amount (€m)
The total cost of the project:	199,8
CAPEX:	129,1
• Technological equipment	34,6
• Trucks and vehicles	8,3
• Investments in construction and installation works	80,7
• Acquisition of a land plot)	2,2
• Engineering design, project audit, and project management services	3,1
The cost of forming the initial working capital	70,7
Investment costs of the preparatory period <i>(before the beginning of fertilizer production)</i>	4,5

Tab.7

Project Performance Indicators *

Indicators	EUR
Discount rate, %	6,86
Payback period - (PB), months	27
Discounted payback period - (DPB), months	28
Average rate of profit – (ARP), %	54,18
Net Present Value – (NPV)	30 285 157
Profitability index – (PI)	1,49
Internal rate of return – (IRR), %	43,77
Modified internal rate of return – (MIRR) , %	20,22

The annual sales volume after the plant's output to full design capacity is EUR 163.5 million;

Net profit - EUR 104.4 million.

Financing of the Project is being discussed among the interested parties and is expected to be secured through diversified sources, including the involved parties themselves, financial institutions, other funds, and direct investors.

Contacts



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