MHP SE – A LEADING INTERNATIONAL AGRO-INDUSTRIAL COMPANY

MHP: INVESTORS DAY
27 SEPTEMBER 2019, LONDON
AGENDA

9:00AM – 12:00PM
STRATEGY OVERVIEW

12:00 – 13:00
LUNCH

13:00 – 16:00
1X1 MEETINGS
YURIY KOSYUK, FOUNDER AND CEO

GENERAL STRATEGY OVERVIEW
MHP is a Leading International Agro-Industrial Company

Key highlights in 2019

1. Efficient poultry producer in Ukraine and EU¹

   February 2019
   Acquired Perutnina Ptuj in Balkans

   2019
   Vinnytsia Complex (Line 3) is 100% operational

   ✔️
   Rapidly expanding footprint with operations in Ukraine and the Balkans, supported by partnerships in Slovakia and Netherlands, as well as a sales office in the UAE

Next stages of our growth

1. Development and remodelling of the markets, changing trading channels where MHP is present

2. Transformation: people, products, industrialization of clients

3. Optimization of human productivity

4. Organic growth through:
   - construction of best in class and greenfield poultry complexes both in Ukraine and in the EU (based on PP);
   - M&As

Sources: Company information
Note: (¹): 9.0 million heads of chicken processed per week – MHP and PP together (2): % of FY 2018 sales
MHP’s Vision: Transformation

What Transformation Means?

#1 cost efficient Company
MHP has and maintains the best in class and industry cost efficiency in production across all business segments

Industrialization of the clients
MHP strives to proactively unveil and be in advance of consumers’ needs

Leadership
Global efficient protein producer, an integrator/consolidator in the EU

PAST

MHP sold products: whole bird, chicken parts

Clients bought products and cut/prepare what customers require

FUTURE

MHP will sell products required by customers

Clients will be a market place, will get higher IRR and/or incomes

MHP is changing the model of the business/cooperation with its clients

MHP is proposing not a product, but a solution advantageous for the client

Clients will have less production units, less people, less risks AND will get additional profits and have easier management
MHP’s Vision: Optimization of Human Productivity

What **Optimization** Means?

**Purpose:** MHP requires highly-motivated and efficient people

MHP is keen to attract, hold, motivate and inspire people with unique skills

**Means:** Digitalization and automatization of processes

**Results:**

- less employees by 60% in HQ
- deep expertise based on trials and errors approach, well-developed skills
- focused and dedicated specialists, “changers” and “experimentalists”
Balanced and Focused Growth Strategy for each Business Segment

MHP

- **MHP targets:**
  - To be an efficient and successful player in consolidation/integration of poultry assets in the EU
  - To be a “game-changer” in poultry industry
  - Helicopter view approach: to transfer successful cases from one market to another
  - To manage efficiently production assets and costs
  - Supply chain efficiency: market targeting and diversification of exports
  - Industrialization of partners: to create solutions to grow sales in poultry and poultry products category together with retail partners
  - Organic expansion and growth through construction of green-field poultry complexes both in Ukraine and in the EU
  - To grow contribution of value-add products

- **MHP Grain growing:**
  - Sustainable optimisation of existing 370,000 ha landbank aiming to increase profitability through innovation into new techniques and best practices
  - Subject to favourable conditions and political reform, MHP is open to purchase land throughout Ukraine at the right price

- **MHP Sustainable development:**
  - Use of co-generation technology and alternative energy sources
  - Modern technologies with sustainable approach
  - Develop animal welfare management and “Antibiotic Free” programme
SERGEY IVANOV,
COMMERCIAL DIRECTOR

COMMERCIAL & MARKETING STRATEGY
Ukrainian Chicken Meat Market

- Real GDP growth accelerated in 2019 and forecasted at 3-4% in the next 2-3 years
- Meat consumption is growing on the back of its positive correlation to disposable income growth
- Chicken meat is the main driver of meat consumption growth in Ukraine
- African swine fever complicated epizootic conditions in Ukraine constrain pork production
- Sizable import as opportunity for substitution

Domestic market currently provided good prospects for volume and profitability increase

### MEAT CONSUMPTION PER CAPITA IN UKRAINE, KG

<table>
<thead>
<tr>
<th>Year</th>
<th>Poultry</th>
<th>Pork</th>
<th>Beef</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>11.0</td>
<td>13.0</td>
<td>18.6</td>
<td>29.0</td>
</tr>
<tr>
<td>2006</td>
<td>10.0</td>
<td>10.0</td>
<td>18.0</td>
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<tr>
<td>2011</td>
<td>10.0</td>
<td>12.0</td>
<td>18.0</td>
<td>29.0</td>
</tr>
<tr>
<td>2012</td>
<td>11.0</td>
<td>13.0</td>
<td>18.0</td>
<td>29.0</td>
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<tr>
<td>2013</td>
<td>12.0</td>
<td>14.0</td>
<td>18.0</td>
<td>29.0</td>
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<tr>
<td>2014</td>
<td>24.0</td>
<td>25.0</td>
<td>18.0</td>
<td>29.0</td>
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<tr>
<td>2015</td>
<td>24.0</td>
<td>25.0</td>
<td>18.0</td>
<td>29.0</td>
</tr>
<tr>
<td>2016</td>
<td>24.0</td>
<td>25.0</td>
<td>18.0</td>
<td>29.0</td>
</tr>
<tr>
<td>2017</td>
<td>24.0</td>
<td>25.0</td>
<td>18.0</td>
<td>29.0</td>
</tr>
<tr>
<td>2018</td>
<td>24.0</td>
<td>25.0</td>
<td>18.0</td>
<td>29.0</td>
</tr>
</tbody>
</table>

### POULTRY INDUSTRIAL PRODUCTION, %

- MHP: 70%
- Agroveret: 14%
- Agroprosky: 5%
- Dniprovsky: 4%
- Volynskaya: 4%

### POULTRY FOREIGN TRADE IN UKRAINE, ‘000 MT

- Imports
- Exports

<table>
<thead>
<tr>
<th>Year</th>
<th>Imports</th>
<th>Exports</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>272</td>
<td>133</td>
</tr>
<tr>
<td>2013</td>
<td>176</td>
<td>120</td>
</tr>
<tr>
<td>2014</td>
<td>163</td>
<td>120</td>
</tr>
<tr>
<td>2015</td>
<td>163</td>
<td>120</td>
</tr>
<tr>
<td>2016</td>
<td>241</td>
<td>120</td>
</tr>
<tr>
<td>2017</td>
<td>272</td>
<td>133</td>
</tr>
<tr>
<td>2018</td>
<td>340</td>
<td>133</td>
</tr>
</tbody>
</table>

Source: State Statistics Service of Ukraine, Poultry Producers Union of Ukraine
WINNING WITH CONSUMER: STRONG BRANDS, PRODUCTS AND INSIGHTS

BUILD STRONG BRANDS & STIMULATE FREQUENCY

Rational: The highest Top of Mind awareness among FOOD Brands. Declining quality attributes, unpacked formats still one of the favorite formats to sell product.

- Strengthening quality reassurance for consumer in Nasha Ryaba: all Natural, Recycled packaging.
- Stimulate frequency of consumption via activating new consumption territory (snacking, celebration, barbeque so on).

LEAD IN PREMIUMIZATION & VALUE UP

Rational: Premiumization global trend in FMCG, as well in Meat category with ready to eat (growth +36% vs 2018) and ready to cook solutions.

- Launch Value Adding products in Ready to eat category using appealing story with chefs, clean recipe, new packaging formats.

<table>
<thead>
<tr>
<th>Volumes, t</th>
<th>2018</th>
<th>2019</th>
<th>2023-2024</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ready to eat/Meat processing</td>
<td>356</td>
<td>372</td>
<td>477</td>
</tr>
<tr>
<td>Ready to cook/Convenience food</td>
<td>306</td>
<td>316</td>
<td>367</td>
</tr>
</tbody>
</table>

- Launch of Healthy Chicken Snacks
- Launch of Ready to cook&Eat soups & Bouillions & Other solutions (burgers, sausages etc)
- Digital interaction & E-commerce
- Recycling packs

INSPIRE MILLENNIALS

Rational: Globally the biggest shopper segment (24% in Ukraine), open to experiments, healthier food with climate protection position.
Focus on profitability growth utilizing consumer trend, targeting more prospective channels, proposing new products

**CUSTOMIZED SOLUTIONS**

Rational: Growing MT importance with high share of non-packed product and high trade terms & discounts for price promo

- Activating Category drivers in top Discourter ATB
- Category Management project in biggest chain Silpo

**DRIVE SALES IN HIGH PROFIT CHANNELS - MODERN TRADE AND FRANCHISING**

Rational: MT & Franchising important in profitability channels
Franchising share is decreasing due to old format and shift in consumer behavior; MT rapidly grows

- Stimulate Category Drivers in MT – Frequency and Size of Purchase with promo & products
- Step by Step transfer to packed chicken for Modern Trade customers using strong category stories
- Franchising channel upgrade with new business model and Consumer Solutions

**HORECA**

Rational: HoReCa – small but growing channel, consumption “out of home” is growing HoReCa channel is highly marginal

- Launch of Specially developed for HoReCa products & range
- Use Market HoReCa leaders as ambassadors for roll out
- Launch Cooking processing Centers

* Net of by-products
GLOBAL TRENDS IN MEAT CONSUMPTION AND INTERNATIONAL TRADE

**GLOBAL PROTEIN PRODUCTION TRENDS**

Million tonnes / year

- Total: 314 million t/year
- Poultry: 126 million t/year

POULTRY CONSUMPTION FORECAST

Kg / capita

- Resilient consumption outlook in key targeted markets

GLOBAL MEAT IMPORT

Million tons

- Poultry world trade volumes are growing ahead of other types of meat

Source: (1) Dataset: OECD-FAO Agricultural Outlook; (2) USDA PSD Online Data; (3) MENA: Egypt, Iran, Israel, Saudi Arabia
### Export Markets

#### Key Export Strategy:
- Keep diversified export sales structure
- “Right product for the right market” approach
- Open new prospective markets with focus for more customized products rather than simple commodity (Japan, Singapore)
- Utilise logistic preferences

**H1 2019**

- Middle East: 33%
- Northern Africa: 12%
- EU: 16%
- CIS: 4%
- Africa: 3%
- Asia: 3%

**Export sales volumes:**
- H1 2019 – 190,000t
- H1 2018 – 133,000t

**Growth:** 43%
**Countries:** 68

#### MHP Export Sales Split by Geography

<table>
<thead>
<tr>
<th>Region</th>
<th>2018</th>
<th>2019</th>
<th>2023-2024</th>
</tr>
</thead>
<tbody>
<tr>
<td>CIS</td>
<td>42</td>
<td>55</td>
<td>64</td>
</tr>
<tr>
<td>SSA</td>
<td>33</td>
<td>60</td>
<td>51</td>
</tr>
<tr>
<td>MENA</td>
<td>97</td>
<td>120</td>
<td>160</td>
</tr>
<tr>
<td>Europe</td>
<td>102</td>
<td>105</td>
<td>130</td>
</tr>
<tr>
<td>Asia</td>
<td>14</td>
<td>20</td>
<td>35</td>
</tr>
</tbody>
</table>

**Export sales CAGR:**
- 2015-2019 – 30%
- 2019-2023 – 5%
**DEVELOPMENT OF MENA REGION: 2019 - 2023**

<table>
<thead>
<tr>
<th>Year</th>
<th>2015</th>
<th>2019 E</th>
<th>2023 - 2024</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>48,000t</td>
<td>120,000t</td>
<td>160,000t</td>
</tr>
</tbody>
</table>

12 countries

**Share of sales channels and key pillars of their development**

<table>
<thead>
<tr>
<th>Year</th>
<th>Modern trade 20,000t</th>
<th>Food Service 10,000t</th>
<th>Distributors 90,000t</th>
<th>Modern trade 60,000t</th>
<th>Food Service 30,000t</th>
<th>Distributors 70,000t</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>2023-2024</td>
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**Price growth potential in Food service & modern retail**

**Modern Food Service:**
- Unique products supply to key food service chains, building partnership (KFC, TGI Friday’s, Applebee’s, Wendey’s etc.)
- Production of boneless products produced only from heavy chicken (Americana, Al Beik etc.)
- Focus on different further processed products, mainly ready-to-cook and ready-to-eat

**Modern Trade:**
- Development of existing partners which already entered to MT with different kind of marketing support (ATL, BTL, in-store promo activities, truck branding etc.)
- Entering to MT channel through our partners mainly in KSA to take share on the shelves where MHP is currently not present
**DEVELOPMENT OF THE EU REGION 2019–2023**

<table>
<thead>
<tr>
<th>Year</th>
<th>2015</th>
<th>2019 E</th>
<th>2023 - 2024</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales</td>
<td>27,000t</td>
<td>105,000t</td>
<td>130,000t</td>
</tr>
</tbody>
</table>

**Key pillars of the EU strategy**

- UA poultry quota is expected to increase from 20,000t to 70,000t from 2020
- We proactively developed own trading company as well as customer ground for volume expansion:
  - developing MHP sales force in EU. Currently we sell 50% of quota volume through MHP entity
  - making direct contracts with final industry, HORECA and retail customers, proposing tailor made products and strengthening sustainability of our margins
- Eastern Europe: developing sales in higher margin retail channel in Slovakia (30% currently, up to 50% during the next 2 years)
- Western Europe: we focus on HORECA and Industry players who call for high quality products

- New UK/UA agreement is under discussion in view of the forthcoming BREXIT. In case of hard BREXIT Ukraine will be the only opportunity for UK to get imported fresh chicken with substantial volume outside of EU. UK government has already declared the agreement with UA as top priority

**Strengthening our control over value chain by direct management of trading activities in EU is expected to add additional 3%-5% EBITDA from EU import revenue to MHP P&L**
QUESTIONS?
LET’S DISCUSS
MAXIM PYSAREV, COO

POULTRY PRODUCTION STRATEGY OVERVIEW
LATEST UPDATE ON MHP’S POULTRY OPERATIONS:

12M 2018: Launch of Production Line 3 on Vinnytsia (July 2018) + 3 rearing sites

H1 2019: 2 additional rearing sites commissioned

H2 2019 / H1 2020: 2 additional rearing sites expected to launch

- Line 3 of the Vinnytsia Poultry Complex was launched with record speed 15,000 birds/hour
- We utilise slaughtering lines with 120% of nominal capacity thanks to high expertise and know-how implemented by our specialists
- Production of chicken meat at Myronivska Poultry Complex increased by 15% during 2017-2019 driven by and increased speed of slaughtering line and production of heavier chickens
- Line 4 of the Vinnytsia Poultry Complex postponed until 2021-2022 with focus on MHP’s European assets
- Remaining CAPEX of US$ 200-220 million to be invested into the Vinnytsia Poultry Complex during 2021-2023

POULTRY PRODUCTION INCREASE SCHEDULE (‘000 tonnes)

Sources: Company information
EFFICIENT PRODUCTION 2019 - 2023

Hatchability dynamics, %

Feed conversion ratio, per tonne

Livability dynamics, %

Flocks growing under the program «Antibiotic Free»
COST EFFICIENCY INSTRUMENTS

Lean System
- involving each employee in the business optimization process and maximizing customer focus
- attempts to make obvious what adds value, through reducing everything else

Bank of Ideas
- allows to create a bank of ideas (15 ideas currently) generated by MHP’s employees to improve efficiency of management systems and to motivate employees for changes
- implemented ideas bring employees financial motivation and cost efficiency for MHP

Alternative Energy Projects
- allows to deepen vertical integration, increase waste management control and cost efficiency of poultry production

Implementation of international standard requirements ISO 50001:2018 Energy management system
- allows to create clear-cut and easy-to-understand energy management measures (water, gas, electricity), which are focused on continuous improvement of energetic characteristics at the enterprise
Thanks to big scales of our chicken rearing sites we are able to utilize all advantages of digitalization which are not available for small farmers.

Knowledge and experience of technologists – decisions taken, results of experiments; production results

Unified information platform

“Artificial Intelligence” - identifying dependencies and making the decisions by the system, which based on accumulated experience and goals of optimization

COST EFFICIENCY INSTRUMENTS

DIGITALIZATION – AN EFFICIENT WAY TO INCREASE PRODUCTIVITY
COST EFFICIENCY OUTCOMES

Results of Lean system – 2018-2019

- 6% increase in daily slaughter
- the volume of production of packaged products increased by 8.6%
- increased yield of MDM by 30%
- calibrated carcass production increased by 15%

Reducing gas consumption by 15% (US$ 1.7 million), due to

- project kick-off «Virtual zootechnician»;
- working with microclimate on tangible temperature in poultry house, which will reduce poultry house temperature of 0.5 to 0.7 degrees Celsius;
- use of radiant heaters instead of gas generators;
- energy saving, due to reduction of lightning consumption in poultry houses by 3.5 times due to the replacement of fluorescent lamps with LEDs

Reduction of spare parts remains up to 15%, due to

- implementation of repair management system (maintenance and repair);
- organization of centralized spare parts warehouse.

Bank of Ideas saved around US$ 0.5 million in 2019

- Applications filed - 183
- In launch - 27

All initiatives finally will results in better production performance and improved efficiency of production units by up to 15% compared to current level, cost will decrease up to 3-5%
YURIY MELNYK, COO

AGRICULTURAL STRATEGY OVERVIEW
5 main crops

Land under highly oleic sunflower: increase to 40,000 ha (136,000 MT) by 2022

Cost efficiency drivers: use of highly productive seeds, innovative crop protection products, macro and micro fertilizers without no costs impact, precision farming, increase in personnel productively and machinery upgrade

MHP cultivates around 370,000 ha

Harvested area, ha

Yields, t/ha (average)

2019

2023
Precision agriculture
- Digitalization
- Geo-mapping
- UAV to monitor sowing results, crops growth progression, active ingredients deficits, crop deceases, yield forecasting
- Artificial intelligence and machine-learning algorithms for real-time analysis, forecasting and facilitation of decision making

Personnel productivity
- Increase productivity of machinery operators – form 235 ha to 500 ha per person
- Increase productivity of agronomic service – from 1,180 ha to 2,000 ha per person
- Increase average size of management clusters in crop growing – up to 8,000-10,000 ha
- Increase scale of service functions

Machinery upgrade
- Increase use of more efficient tractors/harvesters/sprinklers: no major repairs, increased productivity
- Outsource machinery and machinery repairs

STABLE COST PER HECTARE DESPITE LABOR COST INCREASE
Implementation of the best available technologies thanks to big size of our fields and scale of grain growing operation
Current Concept and Land Reform

Current concept: land lease approach

- Average tenor of land rent contracts constant improvement
- Concentration of cultivated land bank close to poultry growing clusters - swap land bank in remote locations (20k ha) to land bank in Vinnytsia and Cherkassy regions (15k ha)
- Further land rent payments growth is expected to be limited by average profitability of local farmers in 2020-2023

Land reform: expectations

Rent payments, 2010-2019

- Land bank of Ukraine
- MHP Land bank

Schedule:
- Submit to parliament a land market bill by Oct. 1, 2019 and pass it by Dec. 1, 2019
- Complete the state land cadaster by Jan. 1, 2020 so as to open up the land market in Oct. 2020
Effect of low corn price in 2019 season will be compensated by lower poultry feed cost during next 12 months
QUESTIONS?
LET’S DISCUSS
SUSTAINABLE AND HIGH PROFITABILITY COMPARED TO EU AND WORLD PEERS

- Exported volumes of chicken almost tripled during the last 5 years
- Export sales grew by 70,000 tons in 2019 and one of the reasons of lower margin in 2019

Strategic focus change from volume growth to profitability

POULTRY SALES VOLUMES

- Export sales CAGR 2015-2019 – 30%
- 2019-2023 – 5%

Revenue EBITDA EBITDA margin

SUPERIOR PROFITABILITY VERSUS PEERS: EBITDA margin

• Export sales CAGR 2019-2023 – 5%
POULTRY SEGMENT DEVELOPMENT

- Poultry segment remains our flagman of EBITDA generation
- Keep 50/50 balance between domestic / export chicken meat sales
- Price improvement on domestic market based on new products and new customer approach, supported by positive macro trends
- Export price growth based on new products and new customer approach in MENA & EU, and opening new markets oriented mostly for value added products (Japan, Singapore)

Relatively stable production cost expected in 2019-2022; effect from productivity growth expected to overcome salary growth

Optimization initiatives potentially can decrease production cost up to 3-5%

![Graph showing Poultry segment development with years 2015 to 2023-2024 and metrics such as EBITDA per 1 kg produced net IAS 41, sales price net VAT, $ per kg - meat w/o by products, export, US$/kg net VAT.]

- FCR: 1.76 → 1.63
- Hatchability: 84% → 84.5%
- Livability: 96.4% → 97.2%

![Pie chart showing Poultry production cost with categories such as grain 26%, protein 21%, salary 15%, utilities 11%, veterinary 5%, and packaging 7%.]
**PROFITABILITY DRIVERS**

**REVENUE 2019-2023**

- Vinnitsa Line 4
- Poultry profitability
- Grain
- PP
- Meat processing

**EBITDA 2019-2023**

- EBITDA margin ≈ 30%

*Including new products & customer approach effect as well as production optimization*
EU: PERUTNINA PTUJ

TRANSACTION OVERVIEW AND RATIONALE:

- Perfect strategic fit with MHP’s model of vertical integration
- Wide portfolio of high value-add products

Normalized EBITDA of H1 2019 is 26% higher year-on-year, mostly thanks to cost optimization effect

Production improvement, profitability and capacity increase make Perutnina’s M&A real IRR and EV/EBITDA significantly better compared to deal evaluation at the deal date

Additional opportunities of regional expansion through green field project

### Perutnina M&A preliminary evaluation

<table>
<thead>
<tr>
<th></th>
<th>EV/EBITDA</th>
</tr>
</thead>
<tbody>
<tr>
<td>PP Enterprise value, EUR m</td>
<td>270</td>
</tr>
<tr>
<td>EBITDA 2018, EUR m</td>
<td>30</td>
</tr>
<tr>
<td>EBITDA 2019E, EUR m</td>
<td>40</td>
</tr>
<tr>
<td>EBITDA 2023E, EUR m</td>
<td>52</td>
</tr>
<tr>
<td>Additional investments, EUR m</td>
<td>50</td>
</tr>
</tbody>
</table>

### Impact on MHP financials (H1 2019)

- **Revenue**
  - MHP standalone: 89%
  - PP: 11%

- **EBITDA**
  - MHP standalone: 94%
  - PP: 6%

- EV/EBITDA
  - PP Enterprise value, EUR m: 270
  - EBITDA 2018, EUR m: 30
  - EBITDA 2019E, EUR m: 40
  - EBITDA 2023E, EUR m: 52
  - Additional investments, EUR m: 50

### Perutnina Ptuj sales volumes

- **Revenue**
  - H1 2018: 132
  - H1 2019: 137
  - 2018: 271
  - 2019: 286
  - 2023-2024: 353

- **EBITDA**
  - H1 2018: 10%
  - H1 2019: 17%
  - 2018: 11%
  - 2019: 13%
  - 2023-2024: 15%

### Perutnina Ptuj Financials, EUR m

- **Revenue**
  - H1 2018: 132
  - H1 2019: 137
  - 2018: 271
  - 2019: 286
  - 2023-2024: 353

- **EBITDA**
  - H1 2018: 10%
  - H1 2019: 17%
  - 2018: 11%
  - 2019: 13%
  - 2023-2024: 15%

- **EBITDA margin - core**
  - H1 2018: 10%
  - H1 2019: 17%
  - 2018: 11%
  - 2019: 13%
  - 2023-2024: 15%
## INVESTMENT PROJECTS & M&A

<table>
<thead>
<tr>
<th>PRIORITY PROJECTS</th>
<th>GEOGRAPHY</th>
<th>CAPEX</th>
<th>PERIOD</th>
</tr>
</thead>
<tbody>
<tr>
<td>VINNITSA LINE 4</td>
<td>Ukraine</td>
<td>US$ 200-220 m</td>
<td>2021-2023</td>
</tr>
<tr>
<td>PERUNINA PTUJ</td>
<td>Balkans</td>
<td>EUR 50-70 m</td>
<td>2019-2021</td>
</tr>
<tr>
<td>ALTERNATIVE ENERGY</td>
<td>Ukraine</td>
<td>US$ 20-50 m</td>
<td>2020-2022</td>
</tr>
<tr>
<td>MODERNIZATION PROJECT</td>
<td>Ukraine</td>
<td>US$ 10 m per year</td>
<td>2020-2023</td>
</tr>
<tr>
<td>R&amp;D PROJECTS</td>
<td>Ukraine &amp; Export</td>
<td>US$ 10-15 m per year</td>
<td>2019-2023</td>
</tr>
</tbody>
</table>

Relatively modest and flexible CAPEX programme during next few years allows us to generate significant free cash flow as source for:

- leverage decrease
- land purchasing after land reform
- potential M&A deals
- dividend payments

Potential M&A ➔ EU

Potential green field ➔ CROATIA

Land purchase ➔ UKRAINE
Eurobonds are our key sources of borrowing due to long terms, bullet repayment and fixed rates

- Target 85-90% of LT debt share in debt portfolio as basement for sustainable financing of business development
- Average interest rate 6.75%
- Focus on improvement of MHP’s credit rating, increasing share of export and profit generated in hard currency outside of Ukraine
- Leverage temporally increased to 2.9 after PP acquisition

LT Debt gives us flexibility for M&A and continuing high dividend payments
QUESTIONS?
LET’S DISCUSS
THANK YOU!

MHP TEAM APPRECIATES YOUR TIME