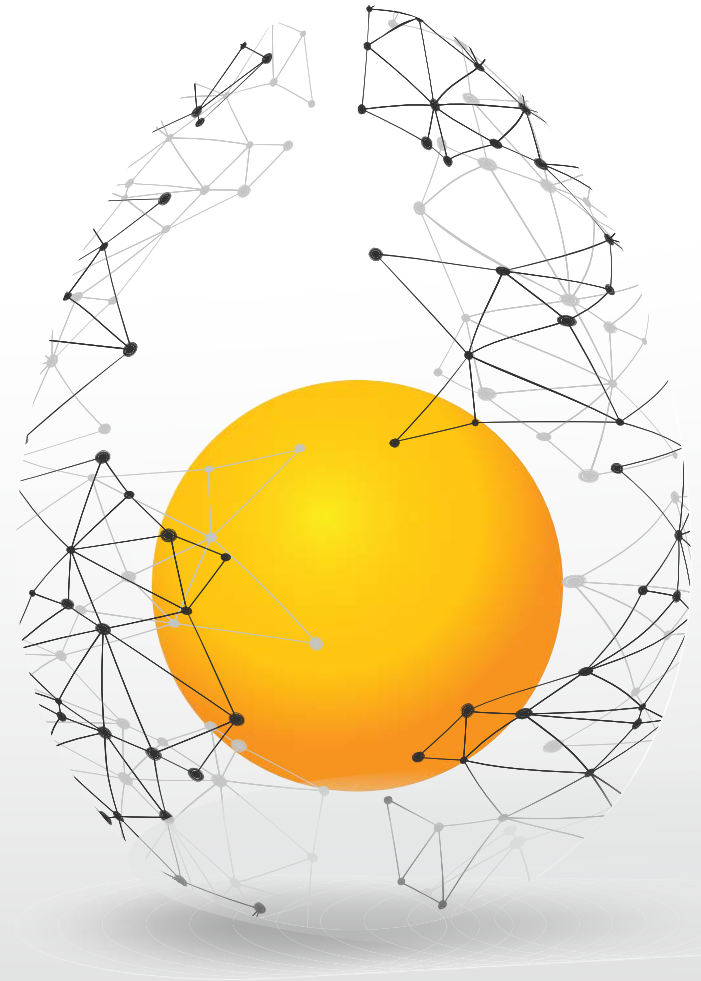


Operations Update

• Q1 2018



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- 2 Outlook for 2018
- 3 Market overview



Section 1

Operations Update for Q1 2018



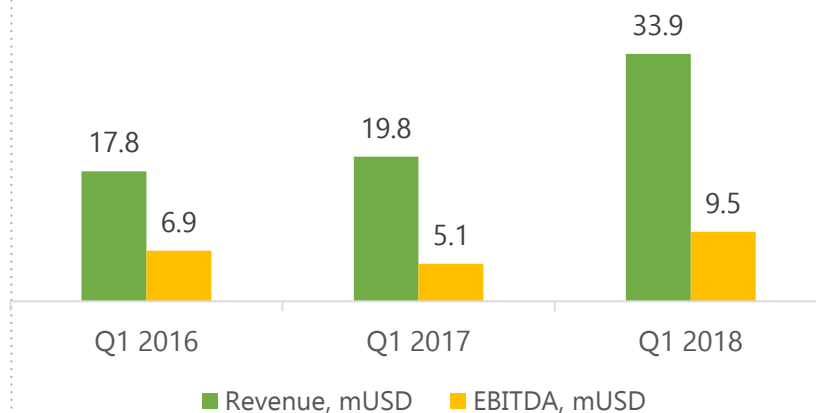
Key highlights Q1 2018

- The Group produced 386 million eggs, out of which 139 million eggs were processed (+40% YoY).
- The Group continues to increase its export volumes, in particular to EU countries.
- Trading activities keep growing in volume and as of 31 Mar 2018 the share of traded shell eggs in total shell eggs sales reached 32%.

Key performance indicators

	Units	Q1 2017	Q1 2018	% growth
Poultry flock:				
Total flock	mln	7.7	7.7	0%
Laying hens	mln	6.7	6.5	-3%
Production:				
Shell eggs	mln	404	386	-4%
Dry egg products	tons	587	772	31%
Liquid egg products	tons	2 131	3 395	59%
Processing:				
Shell eggs	mln	99	139	40%

Financial indicators



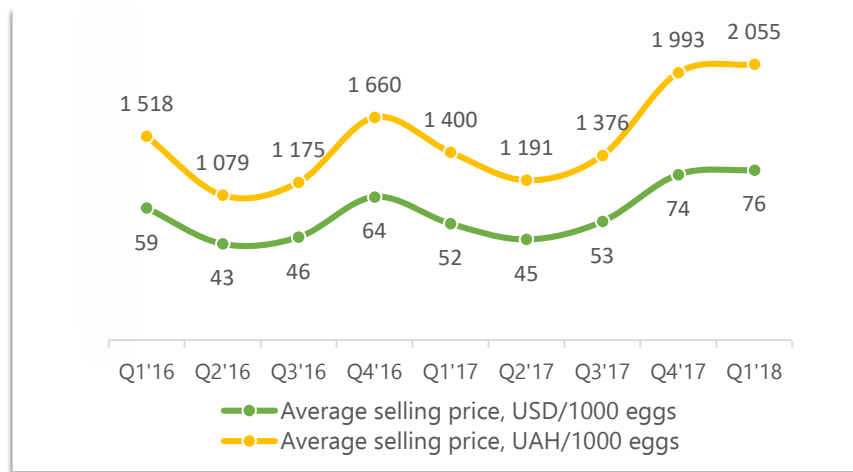
Net debt position

	31 Mar 2017	31 Mar 2018
Cash and cash equivalents, mUSD	18.0	27.4
Total debt, mUSD	15.6	14.1
Net debt, mUSD	-2.4	-13.3

Operations update. Egg segment

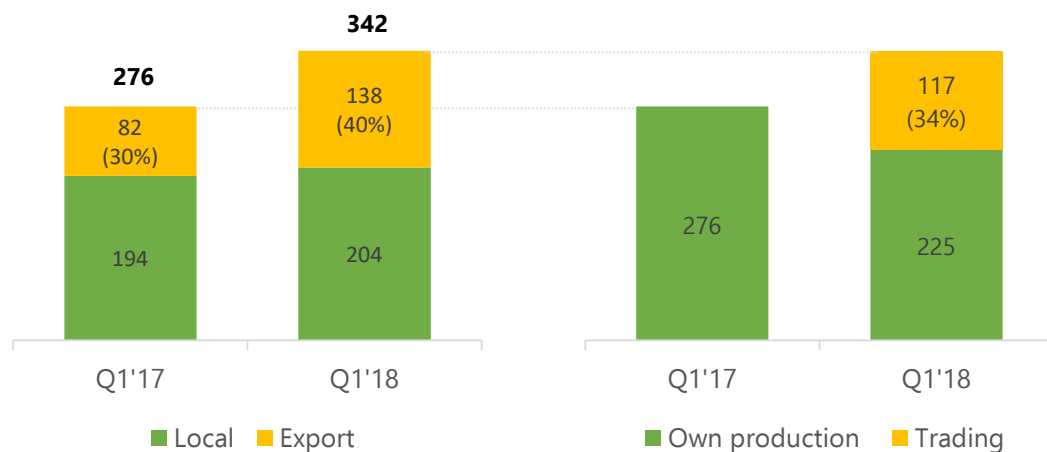
- As of 31 March 2018 both total and laying flock remained unchanged in YoY terms and equaled to 7.7 mln and 6.5 mln hens respectively.
- Egg production amounted to 386 mln eggs.
- Sales volume increased by 24% YoY to 342 mln eggs partially through the egg trading, which totaled to 117 mln eggs.
- The volume of shell eggs exported went up by 68% YoY to 138 mln eggs and resulted in the export share of 40%.

Average selling prices of shell eggs, net of VAT

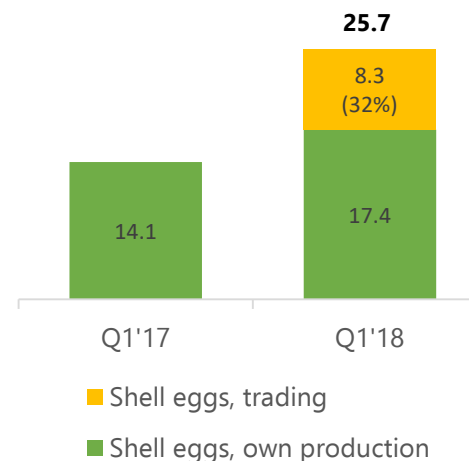


Key indicators:

Shell eggs sales volumes, mln eggs



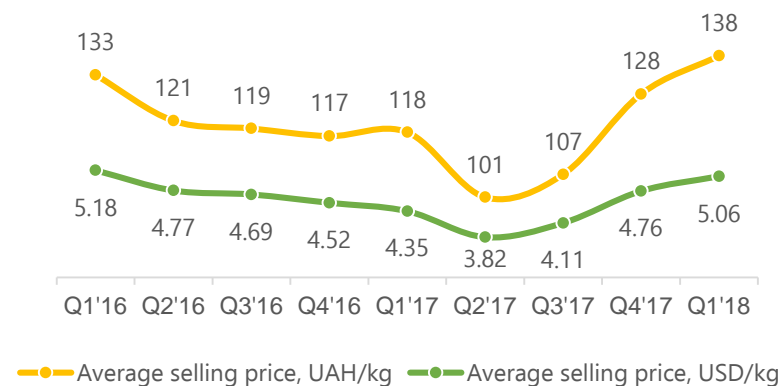
Segment revenues, mUSD



Operations update. Egg products segment

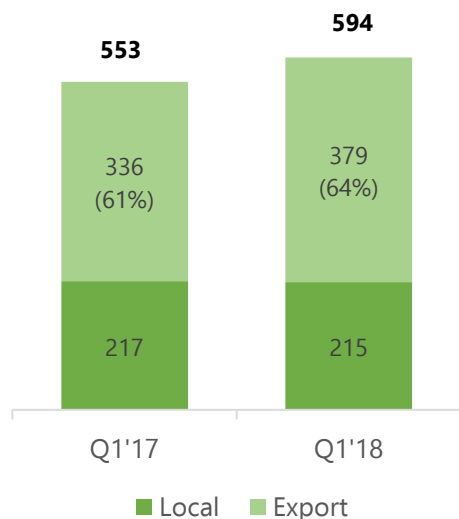
- The volume of shell eggs processed increased by 40% YoY to 139 mln eggs. Production of dry and liquid egg products increased to 771.8 tones (+35% YoY) and 3 394.8 tones (+59% YoY) respectively.
- Sales volume of dry egg products increased by 7% YoY to 594 tons, out of which the export volume went up by 13% to 379 tons. Sales volume of liquid egg products grew by 51% to 3 146 tons, out of which the export volume nearly tripled and reached 1 472 tons.

Price on dry egg products, net of VAT

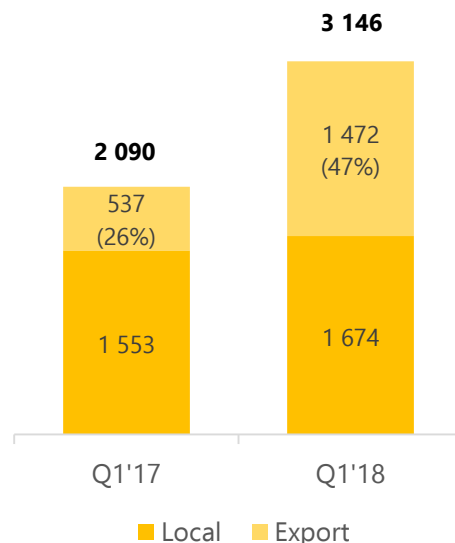


Dynamics in volumes sold and export shares

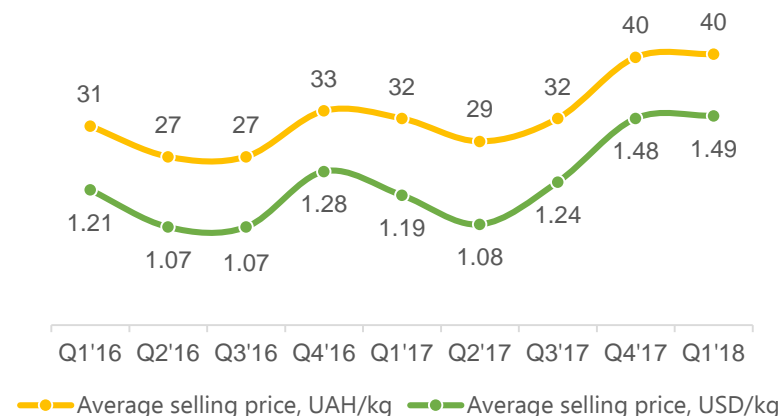
Dry egg products, tons



Liquid egg products, tons



Price on liquid egg products, net of VAT



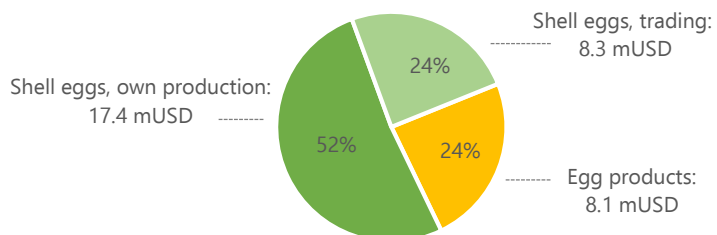
Financial results Q1 2018

- The Group's revenue increased by 71% YoY to mUSD 33.9 from mUSD 19.8 as a result of growth in sales volumes and prices as well as contribution of the egg trading activities to the total turnover.

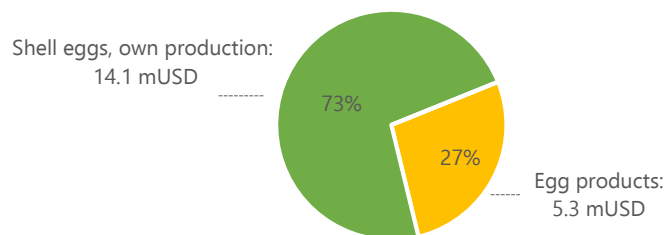
- The export sales more than doubled YoY and reached mUSD 14.4, while the share of export revenue amounted to 43%. In particular, the EU share in revenue went up from mUSD 0.9 to mUSD 4.8, what resulted in 14% share in total revenue for the 1Q 2018.

Revenue structure by segments

Q1'18 total revenue: 33,9 mUSD

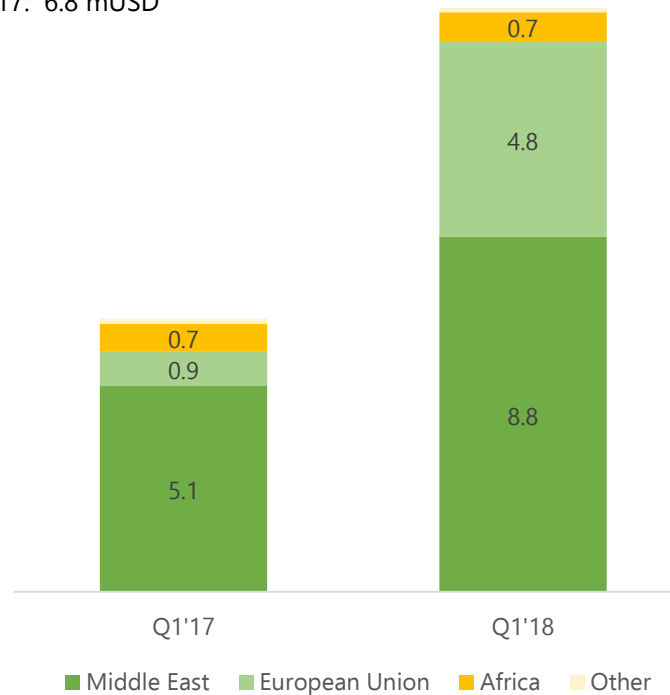


Q1'17 total revenue: 19.8 mUSD



Export revenue by regions, mUSD

*Total export revenue:
Q1'18: 14.4 mUSD
Q1'17: 6.8 mUSD



Financial results Q1 2018

- The gross profit increased by 90% YoY to mUSD 11.2, while the gross profit margin amounted to 33% (1Q 2017: 30%). Overall the market environment has showed a positive dynamics of the selling prices for shell eggs and egg products on both local and export markets.
- The Group's operating profit for the reporting period increased by 99% YoY to mUSD 8.8.
- Along with rising export sales, the transportation costs have been also increasing what resulted in EBITDA of mUSD 9.5, an 85% increase YoY in 1Q 2018.

Income statement	Q1'2017	Q1'2018
in USD thousands	(unaudited)	(unaudited)
Revenue	19 797	33 854
Revaluation of biological assets	168	(1 543)
Cost of sales	(14 070)	(21 131)
Gross profit	5 895	11 180
SG&A	(1 477)	(2 420)
Other operating income, net	27	65
Operating profit	4 445	8 825
Depreciation	(681)	(677)
EBITDA	5 126	9 502
Finance income/(costs), net	29	(1 396)
Profit before tax	4 299	7 429
Income tax expense	(3)	(100)
Profit for the period	4 296	7 329
Exchange differences	845	7 254
Total comprehensive income	5 141	14 583

- EBITDA margin amounted to 28% (1Q 2017: 26%).
- Over the 3 months 2018 net profit reached mUSD 7.3, a 71% growth YoY (1Q 2017: mUSD 4.3).
- Net cash flow from operating activities during the 1Q 2018 increased by 72% and equaled to mUSD 14.9.

Cash flow statement	Q1'2017	Q1'2018
in USD thousands	(unaudited)	(unaudited)
Net cash flows from operating activities	8 675	14 932
Net cash flows used in investing activities	(3 060)	(3 350)
Net cash flows from/(used in) financing activities	150	160
Net increase/(decrease) in cash and cash equivalents	5 765	11 742



Section 2





Outlook for 2018



Investment program

- In accordance with the Company's Investment program for the years 2018 it is planned to construct 2 poultry houses, 2 rearing houses together with the supportive infrastructure.
- CapEx for the year is estimated to be around USD 15 million.

Projected operations results

		2016	YoY (2017/2016)	2017	YoY (2018/2017)	2018F
 Laying hens flock	mln heads	6.5	+2%	6.6	+9%	7.2
 Shell eggs production	mln eggs	1 479	+12%	1 659	+5%	1 750
 Dry egg products produced	tons	2 252	+44%	3 246	+9%	3 550
 Liquid egg products produced	tons	8 823	+32%	11 602	+12%	13 000

Section 3

Market overview



Egg segment

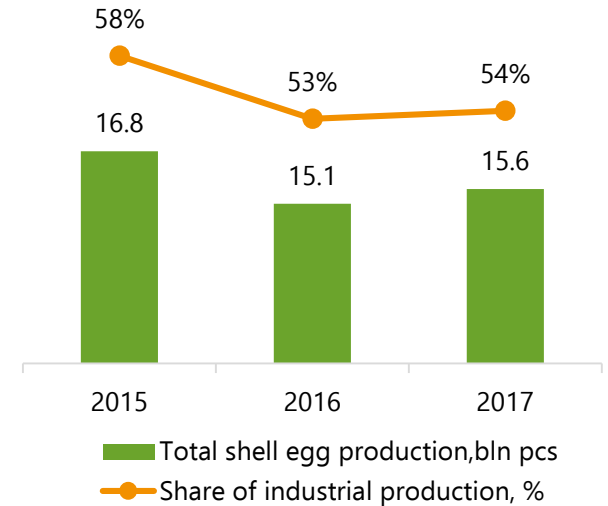
- After significant 14%-decrease in industrial egg production in 2016, the Ukrainian industrial egg production started to show positive dynamics growing by 4% to 8.4 billion eggs
- The structure of egg production is estimated to remain the same in 2017 in comparison with 2016
- The share of Ovostar in industrial egg production was **20%** in 2017

Egg products segment

- In 2017 the total production of egg products increased from 19.1 in 2016 to 21.1 thousand tons mainly due to increase in production of liquid egg products
- The share of Ovostar in production of liquid egg products is expected to be **97%** in 2017
- The share of Ovostar in production of dry egg products was **35%** in 2017

Sources: State Statistics Service of Ukraine, Union of Poultry Farmers of Ukraine

Egg production in Ukraine



Production of egg products in Ukraine

