

23 July 2018

Operations Update for the six months ended 30 June 2018

Ovostar Union N.V. (WSE: OVO) (hereinafter the “Company”), a vertically integrated holding company, one of the leading producers of eggs and egg products in Ukraine announces its operating results for the six months ended 30 June 2018.

As at 30 June 2018 total flock equaled to 7.4 mln heads (2017: 7.9 mln. heads). The laying flock totaled to 6.2 mln heads (2017: 6.7 mln heads). The year-on-year decrease is accounted for mostly by the scheduled flock replacement.

In H1 2018 egg production volume was 787 mln eggs (-3% YoY), while the volume of shell eggs sold went up to 679 mln eggs (+31% YoY). The volume of shell eggs exported grew by 58% as compared to H1 2017 and reached 294 mln. eggs, representing 43% of total eggs sales. Average selling price of shell eggs increased by 43% YoY and equaled to 1.856 UAH per egg.

In the reporting period 280 mln. eggs were processed (+18% YoY). The output of dry and liquid egg products reached 1 659 tones (+12% YoY) and 6 071 tones (+22% YoY) respectively.

Sales volume of dry egg products amounted to 1 382 tones (+18% YoY), out of which 980 tones, or 71%, were exported (+30% YoY).

Sales volume of liquid egg products went up by 21% YoY and equaled to 5 867 tones, 50% of which (2 904 tones) were exported, which is by 58% more compared to H1 2017.

Average selling price of dry egg products increased by 22% YoY to 132.98 UAH/kg; average selling price of liquid egg products increased by 31% to 39.44 UAH/kg.

The Company’s CEO Mr. Borys Bielikov commented:

“The Company kept working on further expansion of export markets as well as maintaining its share of the local market, which resulted in good operational performance. Thus the Management is quite satisfied with the results achieved in the first half of 2018.”

Note: All prices in this press release are indicated net of VAT