

SOFTWARE DEVELOPMENT BRANCH IN UKRAINE

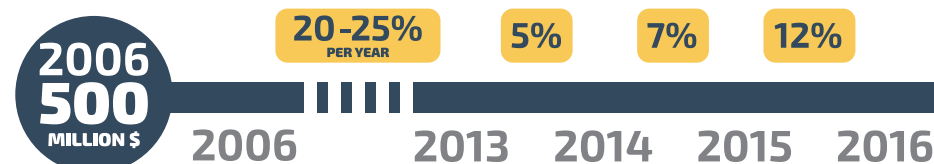
IT UKRAINE IN WORLD'S RATINGS

- Eclance** TOP 3 IT FREELANCERS
- Gartner** TOP 30 OUTSOURCING LOCATIONS
- Bloomberg** TOP 50 WORLD'S INNOVATIVE ECONOMIES

EXPORT

- 70% - USA
- 7% - GERMANY
- 7% - GREAT BRITAIN
- 7% - OTHER COUNTRIES OF THE EU
- 5% - ISRAEL
- 4% - OTHERS

EXPORT OF COMPUTER SERVICES



GROWTH RATE OF EXPORT

2021
FORECASTED
INDUSTRY
VOLUME
7 BILLION \$

THE VOLUME OF THE WORLD'S
SOFTWARE DEVELOPMENT
MARKET - 300 BILLION \$

0,9% OF THE WORLD'S
MARKET

2015
INDUSTRY
VOLUME
2,5 BILLION \$

INDUSTRY SPECIFICS

- IT IS THE INTERNATIONAL PRESTIGE OF UKRAINE AS A TECHNOLOGICAL COUNTRY
- IT IS AN EXPORT INDUSTRY THAT DOESN'T CONSUME NATURAL RESOURCES
- IT CREATES THE MIDDLE CLASS IN UKRAINE
- IT DOESN'T REQUIRE HUGE INVESTMENTS - CREATION OF A WORKPLACE IN IT COSTS \$3-5 THOUSAND
- IT IS PURE EXPORT, ALMOST DOESN'T REQUIRE IMPORT OF THE RESOURCES, ENERGY SOURCES OR EXPENSIVE MACHINERY
- IN THE COST STRUCTURE OF SOFTWARE DEVELOPMENT 80% IS THE DEVELOPERS' PAYMENT

GROWTH FACTORS

- ▲ AVAILABILITY OF QUALIFIED SPECIALISTS
- ▲ RELATIVELY LOW COST OF SOFTWARE DEVELOPMENT
- ▲ CULTURAL PROXIMITY
- ▲ TECHNOLOGICAL EXCELLENCE OF IT SOLUTIONS, DEVELOPED IN UKRAINE

DECREASE FACTORS

- ▼ OUTFLOW OF QUALIFIED PERSONNEL
- ▼ WAR AND POLITICAL INSTABILITY
- ▼ GRADUAL GROWTH OF THE COST OF SOFTWARE DEVELOPMENT
- ▼ LACK OF UKRAINE'S SYSTEMATIC INDUSTRY DEVELOPMENT POLICY

RISK FOR THE DEVELOPMENT

1. ACTIVATION OF MILITARY ACTIONS
2. ILLEGAL INSPECTIONS AND OTHER ACTIONS OF SECURITY FORCES
3. ABRUPT CHANGES IN TAX LEGISLATION
4. DEGRADATION OF THE EDUCATION SYSTEM

TAXES

- 💰 UAH 1 BILLION - INCOME TAX
- 💰 UAH 1,6 BILLION - DEVELOPER'S TAX
- 💰 UAH 8 BILLION - VAT (VALUE-ADDED TAX) ON GOODS AND SERVICES ACQUIRED BY WORKERS IN THE INDUSTRY

IT SPECIALISTS

- ▲ AVERAGE AGE - 27 YEARS OLD
- ▲ AVERAGE INCOME - 1500\$ PER MONTH
- ▲ AMOUNT OF SPECIALISTS - 90 000 X 3-4 WORKSPACES IN OTHER INDUSTRIES
- ▲ + 16 000 IT ALUMNI EVERY YEAR

*data according to the estimation by "IT Ukraine", Gartner, Everest Group, UADN, Ukrstat