



MINISTRY OF ECONOMY,
ENVIRONMENT AND AGRICULTURE
OF UKRAINE



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HANDBOOK ON **PUBLIC ASSETS IN UKRAINE**

Investing in Ukraine's Transformation —
From State Assets to Private Growth

2026



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DISCLAIMER

This Handbook on Public Assets in Ukraine has been prepared by the Kyiv School of Economics Institute (KSE Institute) with the support of the British Embassy, as an analytical and informational publication designed to support private investors, financial institutions, development partners, and other stakeholders seeking to understand and engage with Ukraine's public asset management and privatisation landscape.

The information, data, legal descriptions, and sector analyses contained in this Handbook are based on publicly available sources, regulatory and legislative documents, data provided by state institutions, and other materials considered reliable at the time of preparation. While reasonable efforts have been made to ensure the accuracy, completeness, and currency of the content, the KSE Institute makes no representations or warranties, express or implied, regarding the accuracy, timeliness, or fitness for any particular purpose of the information presented herein. Given the dynamic nature of Ukraine's legislative environment, ongoing reconstruction efforts, and active conflict conditions, certain data and legal provisions may have changed since the time of publication.

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The views, assessments, and sector analyses expressed in this publication represent the positions of the KSE Institute's research team and do not necessarily reflect the official position of the Government of Ukraine or the Government of the United Kingdom any state authority, or any international or bilateral partner that has supported the preparation of this work.

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ACKNOWLEDGMENT

We would like to express our sincere gratitude to all institutions, experts, companies, and advisory teams who contributed to the preparation of this Handbook on Public Assets in Ukraine. This publication reflects a collective effort to make Ukraine's public asset landscape more transparent, accessible, and navigable for private investors, development partners, and international stakeholders engaged in Ukraine's recovery and long-term growth.

We are especially grateful to the Ministry of Economy of Ukraine, all relevant sectoral ministries, regulatory bodies, and state institutions whose data, legal materials, and expert input formed the analytical foundation of this work. Special appreciation goes to Altius Capital (altiusib.com), a leading Ukrainian investment banking and advisory firm for their expert contributions to the sections on sector analysis and capital market participation. Their deep knowledge of Ukraine's M&A and public asset transaction landscape has significantly strengthened the practical value of this publication. We also extend our sincere thanks to SPILNO (spilno.in.ua), a Ukrainian public-private partnership advisory company for their expert

guidance on PPP frameworks, concession models, and public-private collaboration mechanisms, which are central to the investment opportunities described in this Handbook. We are likewise grateful to Geological Investment Group (geogroup.com.ua) for their substantive contributions to the mineral resources and subsoil use sections, and for bringing practitioner-level insight into the regulatory and commercial dimensions of Ukraine's extractive sector.

This project would not have been possible without the invaluable assistance of the UK government and, in particular, the UK International Development.

This Handbook represents a shared commitment to mobilising private capital, fostering transparent and rules-based asset management, and positioning Ukraine as a competitive and investable destination for long-term strategic investment. We thank all contributors for their professionalism, trust, and dedication to Ukraine's economic future.

ALTIVUS

SPILNO

 GEOLOGICAL
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GROUP

PURPOSE AND SCOPE OF THE HANDBOOK

This Handbook on Public Assets in Ukraine has been prepared by the Kyiv School of Economics Institute (KSE Institute) to serve as a comprehensive, practitioner-oriented reference guide for private investors, financial institutions, development partners, legal and financial advisors, and other stakeholders seeking to engage with Ukraine's public asset ecosystem. Its primary purpose is to reduce information asymmetry, clarify the legal and institutional landscape, and provide actionable guidance for those looking to participate in Ukraine's privatisation process, public-private partnerships, subsoil use licensing, and state asset leasing programs.

The Handbook is structured around four interconnected parts. Part I maps the state footprint in Ukraine's economy profiling key state-owned enterprises and examining eleven priority sectors with significant public asset presence, including energy, transport, banking, defence, industry, mineral resources, agriculture, forestry, communal infrastructure, cultural heritage, and research and development. Part II describes the principal mechanisms through which private

capital can engage with public assets: privatisation, public-private partnerships, subsoil use permits and production sharing agreements, and asset leasing. Part III provides a practical step-by-step guide for investors on how to participate in each of these mechanisms, covering eligibility requirements, procedural steps, and post-transaction considerations. Part IV outlines the institutional framework: the key state bodies, their mandates, and their roles in the decision-making chain relevant to investors.

The Handbook covers assets at the national, regional, and communal levels, reflecting the full breadth of Ukraine's public asset landscape. While it provides detailed legal and procedural information currently at the time of publication, it is intended as an orientation and navigation tool rather than a substitute for professional legal or financial advice. Given the pace of legislative reform associated with Ukraine's EU accession process and post-war reconstruction agenda, readers are encouraged to verify the currency of specific provisions with qualified advisors before making investment or transactional decisions.

HOW TO USE THIS HANDBOOK

This Handbook has been designed to be used both as a sequential read and as a modular reference guide, depending on the reader's needs and level of familiarity with Ukraine's public asset landscape.

For first-time readers and new market entrants, we recommend beginning with the Key Definitions and Terminology section, followed by Part I, which provides essential context on the scale and composition of state ownership in Ukraine's economy. Understanding the sectoral landscape and the logic of state presence across industries will help frame the investment and participation opportunities described in subsequent parts.

For investors with a specific sector in mind, Chapter 2 of Part I is organised by sector and can be read independently. Each sector chapter follows a consistent structure: a sector overview, profiles of key state-owned enterprises and assets and a dedicated subsection on how private capital can participate. Readers may navigate directly to the sector of their interest without reading the Handbook cover to cover.

For those focused on transaction mechanics and deal execution, Part II provides a detailed overview of the four principal participation mechanisms: privatisation, public-private partnerships, subsoil use permits and

production sharing agreements, and asset leasing, including their legal frameworks, applicable asset categories, and participation models. Part III then translates these frameworks into step-by-step procedural guides for each mechanism, covering eligibility, registration, auction participation, and post-transaction steps.

For those seeking to understand the regulatory and institutional environment, Part IV profiles the key state institutions involved in public asset management and privatisation, clarifying their mandates and their relevance to investors at each stage of the process.

Throughout the Handbook, cross-references are provided where topics intersect across parts and chapters. Legal references cite the applicable Ukrainian legislation in force at the time of publication. Where data or market conditions are time-sensitive, readers are advised to consult the referenced sources directly or seek updated guidance from the relevant state institutions or qualified advisors.

A glossary of key definitions and terminology is provided at the outset of the Handbook to ensure a common understanding of the legal, financial, and institutional terms used throughout the text.

KEY DEFINITIONS AND TERMINOLOGY

This glossary defines the abbreviations and key terms used throughout the Handbook. Each abbreviation is also expanded on first use within each chapter.

AMCU	Antimonopoly Committee of Ukraine. Ukraine's competition authority; its clearance is a standard condition for large privatisation transactions that meet merger-notification thresholds.
ARMA	Asset Recovery and Management Agency. The state agency that traces, seizes and manages assets linked to sanctioned persons and criminal proceedings before they pass to the State Property Fund for sale.
CAP	Common Agricultural Policy. The European Union's framework of agricultural subsidies and rural-development support.
CEE	Central and Eastern Europe. The regional peer group against which Ukrainian sectors are benchmarked.
CRMA	Critical Raw Materials Act. EU Regulation 2024/1252 establishing a framework for a secure and sustainable supply of critical raw materials.
DBFOM	Design-Build-Finance-Operate-Maintain. A concession model in which a private partner designs, builds, finances, operates and maintains an asset.
DSO	Distribution System Operator. A company that owns and operates a regional electricity distribution network.
EBRD	European Bank for Reconstruction and Development. An international financial institution active as a lender and transaction adviser in Ukrainian reform and privatisation.
EIB	European Investment Bank. The European Union's lending institution, a co-financier of Ukrainian infrastructure and reconstruction.
ENTSO-E	European Network of Transmission System Operators for Electricity. The body coordinating Europe's electricity transmission operators, with which Ukraine's grid is synchronised.
ESCO	Energy Service Company. A company that finances and delivers energy-efficiency improvements, recovering its investment from the resulting savings.
ETS	Electronic Trading System. The electronic auction system used to sell and lease public assets, operated through Prozorro.Sale.
EUDR	EU Deforestation Regulation. The European Union regulation restricting imports of commodities linked to deforestation.
FATF	Financial Action Task Force. The intergovernmental body whose listings of high-risk jurisdictions bear on bidder eligibility.
FSC	Forest Stewardship Council. An international certification scheme for responsibly managed forests.
GTSOU	Gas Transmission System Operator of Ukraine. The unbundled, EU-certified operator of Ukraine's gas transmission network.
IFC	International Finance Corporation. The private-sector arm of the World Bank Group, active as a transaction adviser and financier in Ukraine.
IFI	International Financial Institution. A multilateral lender such as the IMF, World Bank, EBRD, IFC or EIB.
IPC	Integral Property Complex. An operating business sold or leased as a single going concern, including its assets and rights
JSC	Joint-Stock Company. A corporate form into which state and municipal enterprises are being converted under mandatory corporatisation.

KSE	Antimonopoly Committee of Ukraine. Ukraine's competition authority; its clearance is a standard condition for large privatisation transactions that meet merger-notification thresholds.
LLC	Limited Liability Company. A corporate form available for state, communal and private entities.
NAAS	National Academy of Agrarian Sciences. The state agricultural research network and land custodian.
NASU	National Academy of Sciences of Ukraine. The principal state scientific research network.
NBU	National Bank of Ukraine. Ukraine's central bank and banking regulator; its qualifying-holding approval is mandatory for bank acquisitions.
NEURC	National Energy and Utilities Regulatory Commission. The independent regulator of energy and utility tariffs and licensing.
NJSC	Distribution System Operator. A company that owns and operates a regional electricity distribution network.
NPP	Nuclear Power Plant. State-owned nuclear generation, operated by Energoatom and closed to privatisation.
OCDS	Open Contracting Data Standard. The open-data standard under which Prozorro.Sale publishes auction data.
PPP	Public-Private Partnership. A long-term contractual arrangement governed by the PPP Law in which a private partner invests in, and bears risk on, a public asset or service.
PSA	Production Sharing Agreement. A contract under which the state and an investor share output from subsoil use, governed by a dedicated law.
RNBO	National Security and Defence Council. The constitutional body advising the President on national security; its sanctions decisions trigger asset seizure.
SFRA	State Forest Resources Agency. The state body governing forestry, alongside the consolidated operator Forests of Ukraine.
SOE	State-Owned Enterprise. An enterprise owned or controlled by the central government.
SPA	Sale and Purchase Agreement. The contract executed between the buyer and the seller (usually the SPFU) to complete a transaction.
SPFU	State Property Fund of Ukraine. The central government body responsible for managing and privatising state property and for most lease transactions; the sole authorised seller in most processes.
TPP	Thermal Power Plant. Coal- or gas-fired electricity generation, partly state-owned.
UBO	Ultimate Beneficial Owner. The natural person who ultimately owns or controls a bidding entity; disclosure is an eligibility condition.
UDG	Ukrainian Distribution Grids. The state holding through which the state holds stakes in several electricity distribution operators.
UDI	Ukrainian Defence Industry. The state defence-industrial holding, successor to Ukroboronprom, corporatised in 2023.
UMCC	United Mining and Chemical Company. A vertically integrated titanium producer privatised during the war.
UNESCO	United Nations Educational, Scientific and Cultural Organization. The UN agency engaged in protecting Ukrainian cultural heritage.
USPA	Ukrainian Sea Ports Authority. The state authority managing port infrastructure and channels.
VDR	Virtual Data Room. The secure online repository of due-diligence documents opened to qualified bidders in large privatisation.

EXECUTIVE SUMMARY

Ukraine owns a large public assets portfolio, and it is opening them to private capital faster than at any time since independence. The central state holds over 3,000 enterprises and corporate stakes; another 14,000 communal enterprises, run by 1,469 territorial communities, supply water, heating, urban transport and other everyday services. The value is concentrated in the sectors most countries guard closely: nuclear and hydropower, electricity transmission, gas infrastructure, railways, ports, several large banks, and parts of heavy industry. For an investor, this is the starting point - most of the country's significant opportunities are attached, in one way or another, to something the state currently owns.

over 3,000

state enterprises and corporate stakes

14,000

communal enterprises

Three pressures are moving these assets toward the market at the same time. Reform has been underway for a decade, bringing governance, transparency and financial reporting closer to OECD and EU standards, and the 2025 corporatisation reform turns state and municipal enterprises into joint-stock companies that are far easier to invest in. EU accession is rewriting Ukrainian law sector by sector. And reconstruction has put a number on the cost of waiting: the energy sector alone needs around **EUR 77 billion to rebuild**, a bill no government can carry on its own. Russia's full-scale invasion made state enterprises more important for keeping the country running, but it also made the argument for private money harder to defer.

The sectoral picture rewards a close look.

- Energy carries the heaviest state presence: a **14 GW** nuclear fleet supplying over half the country's electricity, **23,400 km** of transmission lines now synchronised with the European grid, and **31 bcm** of underground gas storage, the largest in Europe.
- Transport spans roughly **20,000 km** of railway wired into the EU network, **47,700 km** of state roads, the Boryspil hub and the national ports authority.
- Banking is the most state-heavy of all: five state banks hold **52%** of system assets, with PrivatBank alone at about **EUR 18 billion** and a **23%** market share.
- Defence has grown from emergency spending into a genuine industry, output rising from roughly **EUR 1 billion to EUR 11 billion** in four years.
- Mineral resources place Ukraine on the EU's Critical Raw Materials list for titanium, alumina and gallium.
- Agriculture rests on **32.9 million hectares** of arable land, more than Germany and Poland combined, and earned **EUR 20.8 billion** in exports in 2024.
- State forestry runs **6.6 million hectares** under a single operator.
- Industry, communal infrastructure, cultural heritage, research and social assets round out the field.

Access to these assets runs through four routes. Privatisation transfers ownership outright through open auctions on Prozorro.Sale. Public-private partnerships and concessions leave the asset in state hands while a private partner finances and operates it for a fixed term. Subsoil permits and production sharing agreements open access to oil, gas and minerals. Leasing offers a lower-commitment way in. Each is competitive, electronic and, by design, transparent.

The record shows the system works. **Six large-scale deals** closed in 2024 and 2025, including **Hotel Ukraina at EUR 54.5 million** and the **United Mining and Chemical Company at EUR 88 million**, the largest single privatisation in modern Ukrainian history. Every one was transparent, kept the business running, and was won by a Ukrainian-registered company, with foreign capital taking part alongside domestic owners. Another six large assets are due at auction for a combined starting price of about **EUR 300 million**, behind a small-privatisation list of **more than 1,000 objects**. A separate channel sells property confiscated from sanctioned persons, with **26 companies** already cleared for sale. In banking, Sense Bank and UkrGasbank are first in line, with the process set to begin by 31 October 2026.

THE LARGEST SINGLE PRIVATISATION
IN MODERN UKRAINIAN HISTORY

HOTEL UKRAINA

EUR 54.5 MILLION

UNITED MINING AND CHEMICAL COMPANY

EUR 88 MILLION

The risks are real and should not be understated: an active war, regions whose auction prospects depend on the security situation, and a legal framework still in motion. But the direction is settled. Ukraine's reconstruction and its path into the EU both depend on private capital, and the assets being offered are not marginal, they are the country's railways, ports, banks, mines and industrial base. This Handbook is the map. It is not a substitute for legal or financial advice, and because the law is changing quickly, the current position should be confirmed with qualified advisers before any commitment.

PART I: THE STATE FOOTPRINT IN THE ECONOMY OF UKRAINE

CHAPTER 1.

STATE-OWNED ENTERPRISES (SOES)

Ukraine has one of the largest public asset portfolios in Europe. The state remains a significant owner of strategic enterprises across energy, transport and logistics, banking, natural resources, defence industry, infrastructure, and industrial manufacturing. These assets form the backbone of the country's economy and provide the foundation for many of Ukraine's future investment opportunities.

Today, the Ukrainian state directly owns **more than 3,000**

state-owned more than
3,000 enterprises

enterprises and corporate holdings¹, while local authorities manage approximately **14,000** communal enterprises² that provide essential public services such as water supply, district heating, public transport, waste management, healthcare, education, and municipal infrastructure. Together, these assets represent one of the largest public-sector portfolios in the region.

¹ 2024 Investment Climate Statements: Ukraine

² Vox Ukraine

State ownership is concentrated in sectors that are considered strategic for national security, economic resilience, and public service delivery. Nuclear power generation, electricity transmission, gas infrastructure, railways, major ports, parts of the banking sector, and selected industrial enterprises remain under state control. A relatively small group of large enterprises accounts for the majority of public-sector assets, revenues, and economic activity, while a broader portfolio of smaller entities performs specialised commercial, industrial, infrastructure, and social functions.

Ukraine's approach to public asset management is currently undergoing significant transformation. Over the past decade, successive governments have implemented reforms aimed at strengthening corporate governance, increasing transparency, improving financial reporting, and aligning ownership practices with OECD standards and EU requirements. More recently, the corporatisation reform launched in 2025 established a pathway for state and municipal enterprises to transition into modern corporate structures, improving governance and creating clearer mechanisms for attracting private capital.

The state also remains an important participant in the financial sector, where state-owned banks account for more than half of banking-sector assets and continue to play a significant role in supporting economic

stability, recovery financing, and investment mobilisation. At the same time, many sectors already operate with substantial private participation, and a growing number of state-owned assets are being prepared for privatisation, concession, public-private partnership, or other forms of private investment.

Russia's full-scale invasion has further increased the strategic importance of public assets. State-owned enterprises have played a central role in maintaining critical services, supporting economic resilience, securing energy and logistics infrastructure, and facilitating reconstruction efforts. At the same time, the scale of Ukraine's reconstruction needs has accelerated discussions around privatisation, public-private partnerships, concessions, and other mechanisms designed to attract private capital into sectors historically dominated by the state.

For investors, understanding the role of state ownership in Ukraine is essential. Many of the country's most significant investment opportunities are directly linked to public assets, whether through privatisation, concessions, PPPs, leasing arrangements, joint ventures, or greenfield projects built around existing public infrastructure. The following chapters provide a sector-by-sector overview of where the state remains active and how private capital can participate in Ukraine's economic modernisation, reconstruction, and long-term growth.

Municipal Sector

Alongside the central government's holdings, Ukraine's 1,469 territorial communities (hromadas), created by the 2014-2020 decentralisation reform³, own and operate a parallel network of public assets - municipal or communal enterprises.

The Verkhovna Rada Committee on Economic Development reports 14,056 communal enterprises against 3,116 central state enterprises⁴. Communal enterprises operate across the full range of local public services: district heating and hot water supply, municipal water and sewerage utilities, urban public transport (buses, trolleybuses, trams), waste collection and landfill management, housing maintenance and communal services, local road upkeep, parks and green spaces, and a variety of cultural and social facilities including municipal hospitals, kindergartens, and sports venues. In many smaller cities and towns, the communal water utility or heating company is among the largest employers.

From an investment perspective, the municipal sector represents a significant but largely underexplored opportunity. As Ukraine advances reconstruction and infrastructure modernisation efforts, municipal assets are increasingly viewed as potential platforms for public-private partnerships, concessions, leasing arrangements, infrastructure investment, and selective privatisation. Water utilities, district heating systems, waste management facilities, urban transport networks, and municipal real estate are expected to attract growing interest from both domestic and international investors seeking long-term infrastructure opportunities.

³ Cabinet of Ministers of Ukraine

⁴ Verkhovna Rada Committee on Economic Development

CHAPTER 2.

KEY SECTORS WITH SIGNIFICANT STATE PRESENCE

2.1

Energy

14 GW

nuclear capacity places Ukraine among the largest fleets in Europe and the world.

Ukraine operates one of Europe's largest energy systems, including a nuclear fleet that supplies more than half of electricity generation, 31 bcm of underground gas storage capacity, the largest in Europe, and a transmission network synchronised with ENTSO-E. While strategic assets remain state-owned, the sector offers significant opportunities for private investment in renewable energy, storage, gas production, distribution, and reconstruction-related infrastructure. Recovery needs of the sector according to the latest RDNA is EUR 77 billion.

Private capital already participates in coal-fired power generation, renewables, distribution and gas production.

THE STATE'S ENERGY PORTFOLIO

NUCLEAR INSTALLED CAPACITY

14 GW*

Energatom - 100% state

*6 GW occupied

HYDRO & PUMPED-STORAGE

5.8 GW⁵

Ukrhydroenergo - 100% state, 13 plants

STATE-CONTROLLED THERMAL

7.69 GW*

Centrenergo - 72% state, 3 TPPs

*Damaged

TRANSMISSION LINES

23,400 km

Ukrenergo - 100% state, ENTSO-E member

CROSS-BORDER CAPACITY

2,450 MW

EU import capacity as of May 2026

UNDERGROUND GAS STORAGE

31 bcm

Largest in Europe - Naftogaz, 100% state

STATE GAS PRODUCTION SHARE

~80%

Ukrigasvydobuvannya - dominant upstream

DIST. HEATING COVERAGE

36%

Households served; 74% in major cities

⁵ As of 2021. Exact available capacity is not disclosed publicly following major attacks. Kakhovka hydroelectric power plant (343 MW) was destroyed in 2023.

SECTOR OVERVIEW

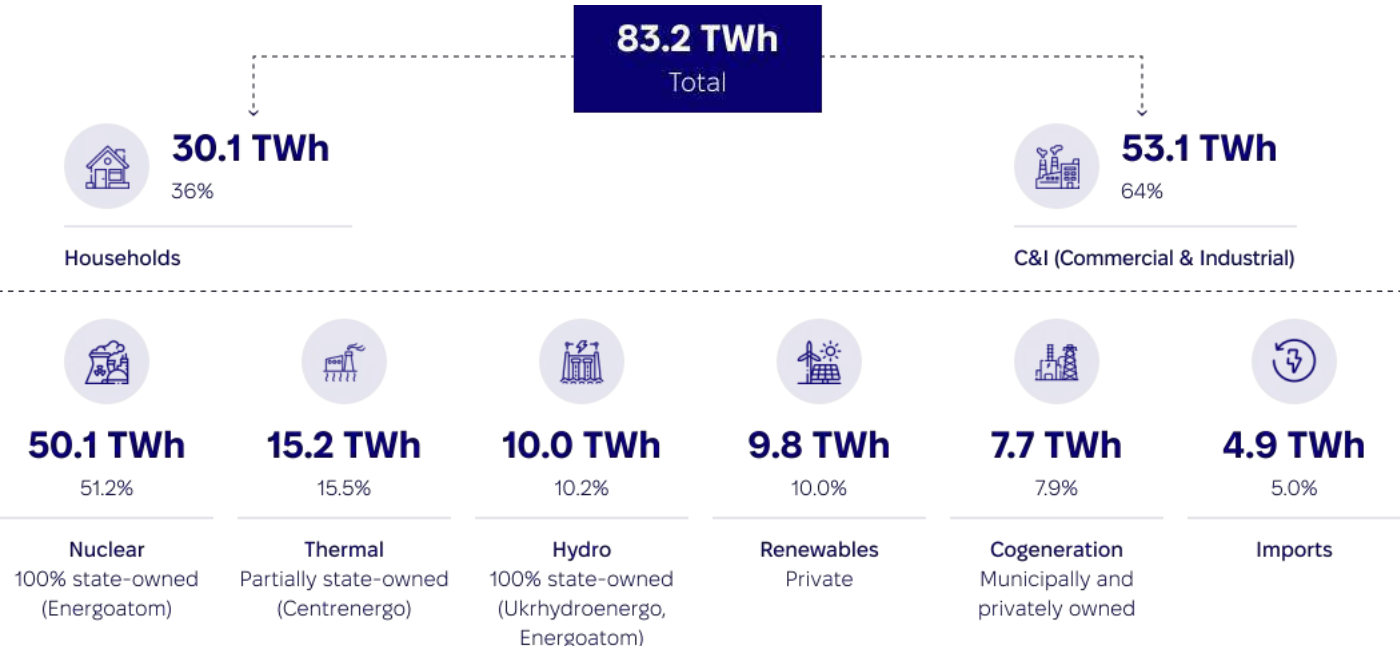
Ukraine’s energy sector is one of the sectors with the strongest state presence in the economy. The state owns or controls the core strategic infrastructure: nuclear and large-scale hydropower generation, part of thermal generation, electricity transmission and part of distribution, gas transmission, underground gas storage, major gas production assets, gas supply. Private companies are active in renewable generation, electricity supply and trading, parts of distribution, oil products, equipment supply, EPC, energy services, and increasingly in battery storage and distributed generation.

Electricity sector

Ukraine’s electricity market is formally structured around competitive generation, supply and trading, while transmission and distribution remain regulated

natural monopolies. Total electricity consumption exceeds 83 TWh, of which around 64% is attributable to the non-regulated C&I segment.⁶

■ UKRAINE’S ANNUAL ELECTRICITY CONSUMPTION

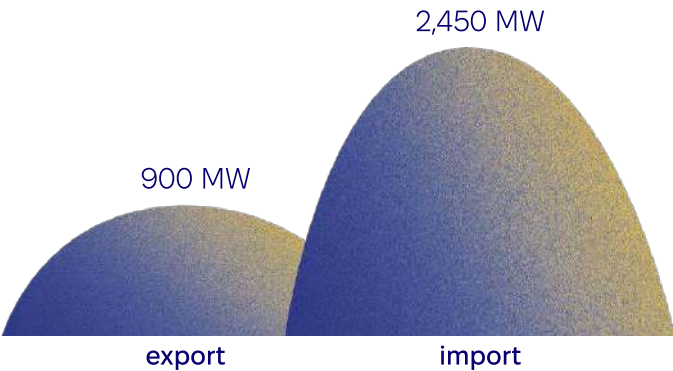


Source: NEURC (2025), GDU (2025)

Generation is the segment with a strong state footprint. State-owned companies account for nearly two thirds of Ukraine’s electricity production, mainly through nuclear generation, large hydropower and pumped-storage. Private companies are active mainly in renewable generation, coal-fired generation, and increasingly in battery storage and distributed generation.

Transmission is fully state-controlled and regulated. The national power transmission system is operated by **Ukrenergo**, which manages 23.4 thousand km of transmission lines and more than 100 high-voltage substations of 220–750 kV⁷. **Ukrenergo** is also the key institutional link between Ukraine and the European

electricity system after synchronisation with ENTSO-E. As of May 2026, allowed cross-border capacity stood at 2,450 MW for imports and 900 MW for exports.⁸

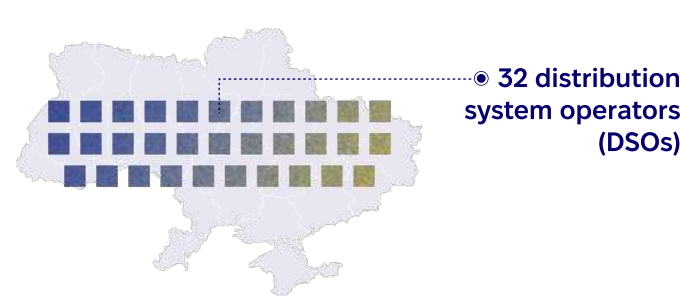


⁶ NEURC

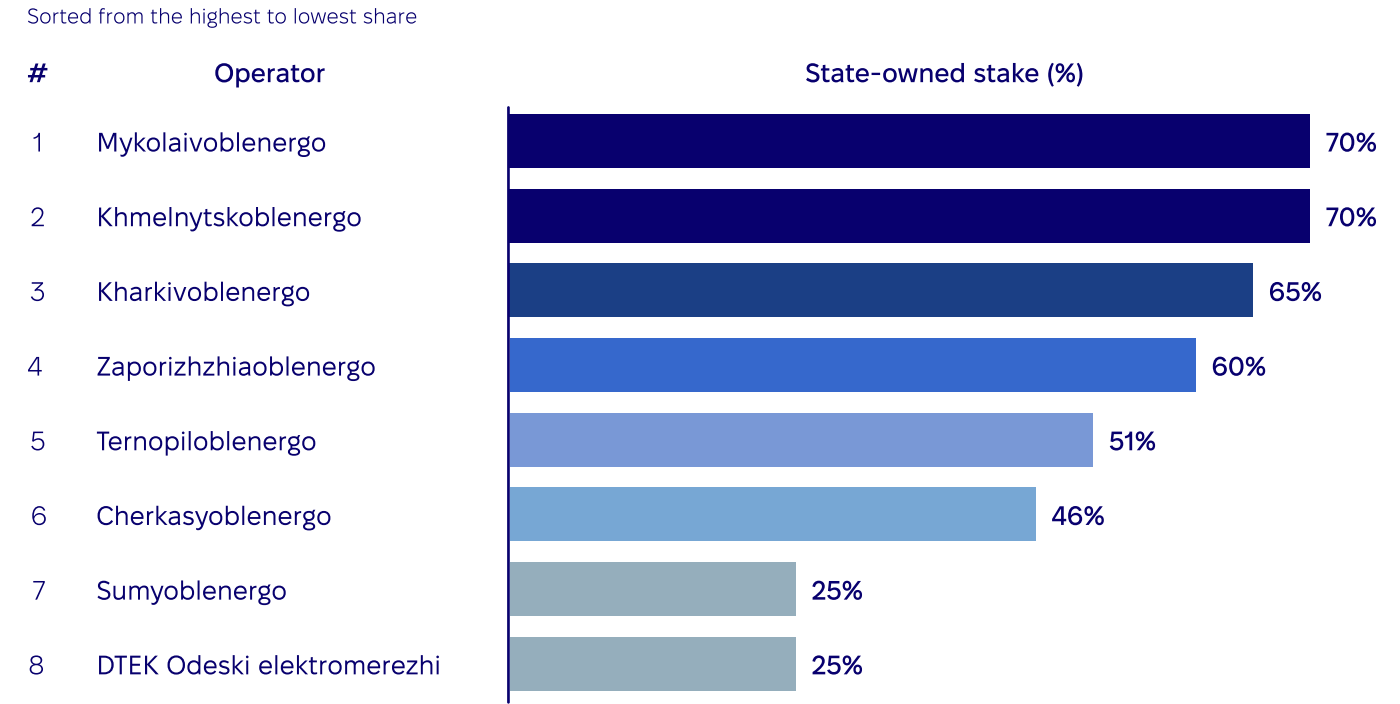
⁷ Including assets on temporarily occupied territories.

⁸ Ukrenergo

Distribution is a regulated regional business with mixed ownership. Ukraine has **32 distribution system operators (DSOs)** operating 818,782 km of distribution networks⁹. The state currently holds stakes in **7 DSOs**, consolidated under the management of the Ukrainian Distribution Grids holding company. In addition, court proceedings are ongoing since 2023 regarding the nationalisation of assets of **5 more DSOs**¹⁰, which, according to the investigation, are linked to sanctioned persons.



STATE-OWNED STAKE IN UKRAINE'S DISTRIBUTION SYSTEM OPERATIONS



Ukraine has already moved toward a liberalised electricity market model and synchronised with ENTSO-E, enabling expanded cross-border trade with

the EU. The next stage is deeper integration with European electricity markets, including eventual spot markets coupling.

STATE OWNERSHIP | ELECTRICITY SECTOR

Ukrenergo (100% state, JSC) owns and operates all transmission infrastructure. Energoatom (100% state, JSC) accounts for more than half of electricity production through three operating nuclear power plants. Ukrhydroenergo (100% state, JSC) controls all major hydropower and pumped-storage assets on the Dnipro and Dniester river systems. The state holds stakes in 7 DSOs through Ukrainian Distribution Grids (100% state, JSC).

Entry points for private capital: greenfield renewable generation (competitive auctions, corporate PPAs); battery storage and ancillary services (balancing market); distribution network rehabilitation and equipment supply under IFI-backed programmes; EPC (Engineering, Procurement, Construction) for transmission infrastructure restoration and modernisation. Centrenergo, which owns three generation capacities in Ukraine, Kharkiv energo zbut (energy

sales and billing company) as well as DSOs are on the privatisation track, however, no auction date is set yet.

Given the scale of investment required for reconstruction, modernisation, and energy transition, attracting private capital into selected state-controlled energy assets remains an important long-term policy objective. Potential future mechanisms could include minority equity participation in selected energy companies, IPOs or secondary listings, project-finance structures, and public-private partnership models. International experience demonstrates that strong corporate governance, transparent ownership arrangements, predictable dividend policies, and robust minority shareholder protections are critical prerequisites for attracting long-term institutional investors into strategic energy assets while preserving public ownership of critical infrastructure.

⁹ Green Deal Ukraina Project

¹⁰ Khersonoblenergo, Zhytomyroblenergo, Kirovohradoblenergo, Rivneoblenergo, and Chernivtsioblenergo, which are owned by VS Energy group.

Oil and gas sector

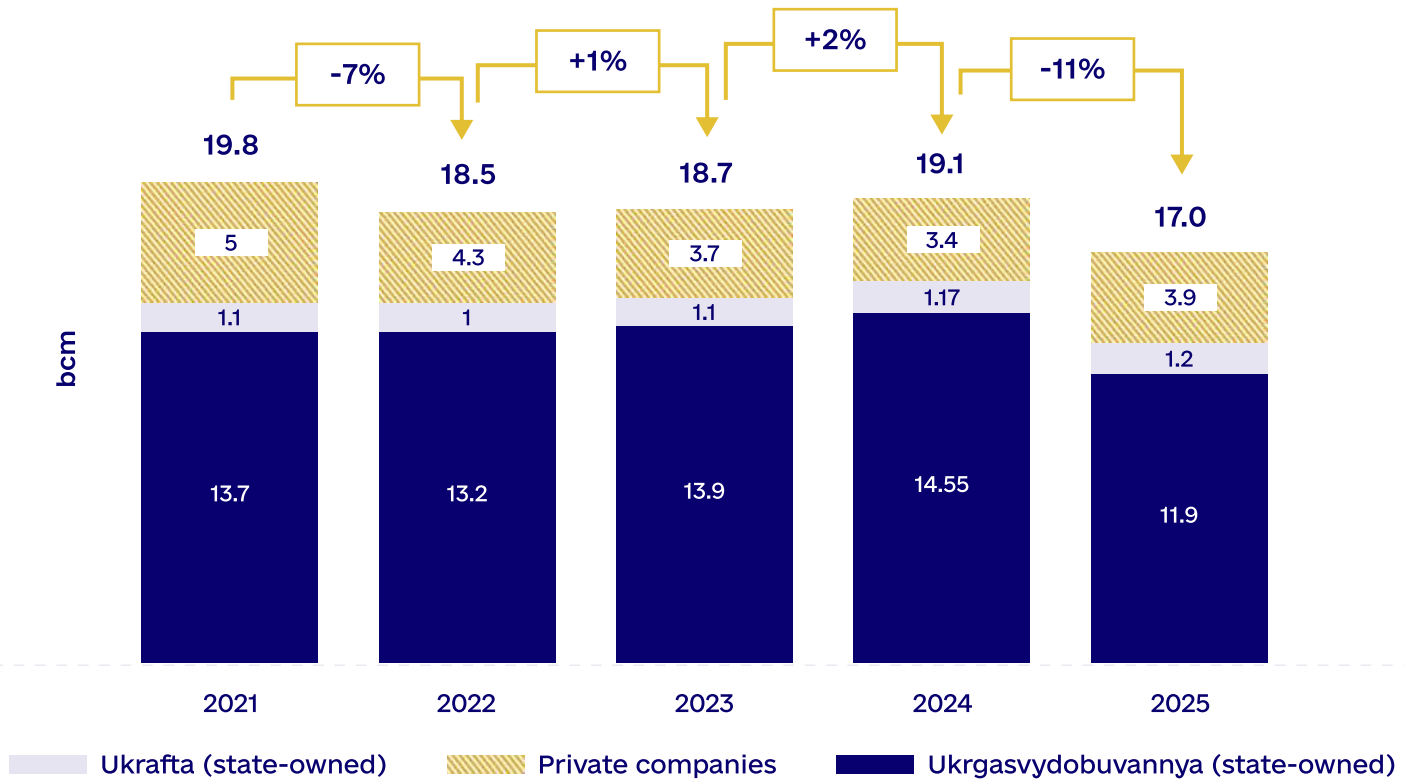
Ukraine’s oil and gas market combines competitive elements with a strong state presence in strategic segments. Proven natural gas reserves stood at 689 bcm at the end of 2021¹¹, compared with annual production of around 17-19 bcm¹².



Ukraine also has the largest underground gas storage system in Europe, with active capacity of more than 30 bcm¹³.

State-owned companies remain dominant in key areas. They account for nearly 80% of total gas production and control gas transmission, underground storage and oil transportation. Private companies participate in gas production, trading, oil products and services. Ukraine relies almost entirely on imported oil and petroleum products.

UKRAINE’S ANNUAL GROSS NATURAL GAS PRODUCTION



The gas sector has already gone through major EU-aligned reforms, including unbundling, regulated third-party access and EU-style transmission rules. Ukraine’s large underground gas storage capacity also creates a commercial opportunity for regional traders.

However, wartime conditions have temporarily increased state participation in the market, including the use of price regulation mechanisms and the consolidation of household gas supply under a state-owned provider.

STATE OWNERSHIP | OIL AND GAS

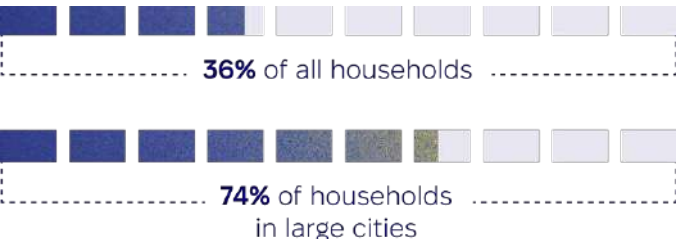
Naftogaz of Ukraine (100% state, NJSC) controls the full upstream-to-consumer gas value chain through subsidiaries: Ukgasvydobuvannya (gas production, approximately 80% of national output), Ukrtransgaz (underground gas storage, 31 bcm, largest in Europe), and Ukrnafta (oil production, 650+ fuel retail stations).

Entry points for private capital: upstream gas production via licences, PSAs (Production Sharing Agreements) and joint ventures; gas storage services via the customs warehouse regime (EU traders access storage without customs duties); oil field services and drilling; EPC and equipment supply for gas infrastructure rehabilitation; oil products trading and retail.

¹¹ Excludes the temporarily occupied reserves of the Black Sea shelf and includes reserves in the temporarily occupied territories of the Donetsk, and Luhansk regions
¹² [Ukrainian Mining Industry Data Portal](#)
¹³ [Ukrtransgaz](#)

District heating

District heating remains a major part of Ukraine’s energy system. It serves about 36% of all households and around 74% of households in large cities¹⁴. Final heat consumption is significant, covering around 15% of total demand for energy resources. Natural gas remains the dominant fuel for heat production.



The sector is mostly municipally owned. Boiler houses, CHP plants and heat networks are usually controlled by cities or communal enterprises, while tariffs and investment decisions depend on both local authorities and national policy. In some cases, heat producers are private companies, but they still operate under tariff-setting procedures approved by local authorities.

The segment remains financially strained. During the war, household heat tariffs have been effectively frozen by law, while utilities have faced higher fuel, repair and financing costs, as well as damage from russian attacks.

STATE OWNERSHIP | DISTRICT HEATING

District heating infrastructure is primarily owned by municipal and communal enterprises. No single national-level SOE controls the sector. Tariff-setting involves both NEURC and local authorities; investment decisions sit with city governments.

Entry points for private capital: PPP and concession agreements with city governments for heat network

operations and modernisation; ESCO (Energy Service Company) contracts for energy efficiency improvements; private heat production under local commercial agreements; equipment supply and boiler replacement under IFI-backed programmes (EBRD, EIB, USAID, KfW active in the sector).

KEY STATE-OWNED ENTERPRISES

ENERGOATOM

JSC | 100% STATE

INSTALLED NUCLEAR CAPACITY

14 GW

NET PROFIT 2025

EUR 0.4B

LARGEST ELECTRICITY PRODUCER IN UKRAINE

54 TWh produced annually

BY REVENUE IN UKRAINE

#2 company

Energoatom is Ukraine’s state-owned nuclear operator and the largest producer in the power sector, accounting for over 50% of total electricity supply. The company operates three nuclear power plants under Ukrainian control. Zaporizhzhia NPP, Europe’s largest nuclear power plant, with 6 GW of installed capacity, remains under temporary russian occupation. The company’s development pipeline includes the

potential completion of two additional 1 GW units at Khmelnytskyi NPP that is included in DREAM system. Minister of Economy has raised the possibility of partial privatisation of a minority stake of Energoatom, potentially as a corporate governance and investment-mobilisation tool¹⁵. However, this would require legislative changes.

¹⁴ State Statistics Service of Ukraine
¹⁵ Комерсант

TRANSMISSION LINES IN OPERATION

23,000 km

HIGH-VOLTAGE 220-750 kV

>100 substations

REVENUE 2025

EUR 2.3B

FULL-MEMBER

ENTSO-E

UkrenergO operates Ukraine's high-voltage transmission grid and manages dispatch, balancing, cross-border capacity allocation and system planning, connecting large-scale generation with regional distribution networks and neighbouring European markets. The company is a member of ENTSO-E and plays a central role in expanding cross-border trade,

preparing for deeper market integration and supporting the long-term objective of market coupling with the EU. As of May 2026, Ukraine's allowed interconnection capacity stood at 2,450 MW for imports and 900 MW for exports. During the war, the company mobilised more than €2 billion in international financing.

LARGEST HYDROPOWER PORTFOLIO IN UKRAINE

5.8 GW

LARGE-SCALE SYSTEM FLEXIBILITY

Main provider

NET PROFIT 2025

EUR 0.44B

EIB RECOVERY LOAN

EUR 200M

UkrhydroenergO is Ukraine's state-owned hydropower operator and the main provider of large-scale hydro flexibility in the power system. The company operates around 5.8 GW of hydropower and pumped-storage capacity across 10 hydropower plants and 3 pumped-storage power plants. These assets are essential for electricity generation, frequency regulation, peak-load coverage and water management along the Dnipro and Dniester river systems. The company has

attracted recent international financing, including a €200 million EIB package and a €75 million EBRD loan for emergency restoration. Its key development agenda centres on the Kaniv PSPP, expected to add around 1 GW of flexible capacity with estimated investment needs of around €0.8 billion, and the modernisation of Dnistrovska HPP, estimated at around €0.3 billion¹⁶.

¹⁶ [Dream Analytics platform](#)

INSTALLED CAPACITY

7.69 GW

NET PROFIT 2025

EUR 0.09B

TRYPILSKA, ZMIIVSKA, VUHLEHIRSKA (OCCUPIED)

3 TPPs

STATE SUPPORT ALLOCATED FOR RESTORATION

UAH 1.5 bn+

CentrenergO is Ukraine's largest state-controlled thermal generation company. Its portfolio consists of three coal-fired thermal power plants: Trypilska TPP in Kyiv Oblast, Zmiivska TPP in Kharkiv Oblast and Vuhlehirska TPP in temporarily occupied parts of Donetsk Oblast with total nameplate capacity of 7.69 GW. Before the full-scale invasion, the company was

repeatedly considered for full privatisation. CentrenergO's investment case has changed fundamentally during the war. Vuhlehirska TPP has been under Russian occupation since July 2022, while Zmiivska and Trypilska have suffered severe damage from Russian attacks.

UKRAINIAN DISTRIBUTION GRIDS (UDG)

JSC | 100% STATE

STATE STAKES CONSOLIDATED UNDER UDG

7 DSOs

NET PROFIT 2025

EUR 1.6M

OF DISTRIBUTION LINES IN CONTROL

170,000+ km

TARIFFS APPROVED BY NEURC

Regulated asset

Ukrainian Distribution Grids is a state-owned holding company consolidating state shareholdings in regional electricity distribution system operators. Its portfolio includes stakes in 7 DSOs: Cherkasyoblenergo, Mykolaivoblenergo, Khmelnytskoblennergo, Kharkivoblenergo, Zaporizhzhiaoblenergo, Ternopiloblenergo and Sumyoblenergo. The holding was created to centralise state ownership and governance of

distribution assets that had previously been considered or prepared for privatisation. Individual regional providers (for example some oblenergos) have been listed for privatisation historically, and specific supplier companies (like Kharkivenergozbut, which is not part of UDG, however) have been put on sale lists recently, but the overall DSO network (UDG members) remains mainly state-owned.

GROSS NATURAL GAS PRODUCTION IN 2025
13.1 bcm
NET PROFIT 2025
EUR 123M
LARGEST GAS STORAGE CAPACITY IN EUROPE
31 bcm
UKRNAFTA RETAIL NETWORK
650+ gas stations

Naftogaz is Ukraine's state-owned gas holding and the central company in the country's gas market. The Group operates across the gas value chain, including upstream production, wholesale and retail supply, trading, underground gas storage and strategic public-service functions. Its wider portfolio also includes oil and gas production, fuel retail, and related midstream infrastructure. In 2025, Naftogaz Group produced 14.7 bcm of natural gas, including 13.9 bcm produced by Ukrgasvydobuvannya, accounting for 77% of Ukraine's

total gas production.¹⁷ Naftogaz is also the main natural gas supplier to both households and C&I consumers. The Group's value is further supported by Ukrnafta, which produced 1.2 bcm of gas and 1.47 million tonnes of oil in 2025 and operates a national fuel retail network of more than 650 filling stations.¹⁸ Through Ukrtransgaz, the Group operates Ukraine's underground gas storage facilities, with around 31 bcm of natural gas storage capacity, the largest in Europe.

NUMBER OF CLIENTS
1.2 million
NET PROFIT 2025
EUR 2M
COVERAGE AREA
Kharkiv oblast

Kharkivenergozbut is a licensed electricity supply company operating in the Kharkiv region. The company purchases electricity on the wholesale day-ahead and balancing markets operated by the market operator (Energorynok/NEC), and supplies it to household and commercial consumers under both regulated and competitive tariff arrangements. Supply

companies of this type hold no grid assets; their value lies in the consumer base, the NEURC licence, and the designated last-resort status that guarantees a regulated customer pool. Kharkiv oblast's industrial base makes it one of the larger regional supply territories by volume.

¹⁷ [Forbes Ukraine](#)

¹⁸ [Ukrnafta](#)

HOW PRIVATE CAPITAL CAN PARTICIPATE

The state's position in energy divides cleanly into three tiers. The transmission spine and strategic generation assets, nuclear, large hydropower, electricity transmission, and gas transmission and storage, are legally closed to private ownership and will remain so under Ukraine's Energy Community commitments and existing legislation. These subsectors account for the majority of installed capacity and all grid infrastructure, but they are not open to equity entry in any form.

Other subsectors are fully open, with no ownership restrictions: renewable generation, battery storage and grid flexibility, electricity distribution, electricity supply and trading, and gas upstream production. Each has an active licensing and market-registration framework. These are the current entry points for private capital, through greenfield development, licences, PPAs, JVs and regulated market participation, without any change in legislation or state approval beyond the relevant regulator.

SUBSECTOR	STATE ROLE	KEY SOEs	PRIVATISATION PATHWAY	ACCESS MECHANISMS FOR PRIVATE CAPITAL
Nuclear generation	High	Energoatom	Not in the privatisation list	Excluded under current law; subject to future reform to allow private capital participation mechanisms
Large hydro & pumped storage	High	Ukrhydroenergo	Not in the privatisation list	Excluded under current law; subject to future reform to allow private capital participation mechanisms
State thermal generation	Low	Centrenergo	Centerenergo is privatisation listed: 78.3% stake offered; 2021 auction found no qualified bidders; re-tender expected post-war	In the privatisation list, privatisation is pending
Electricity transmission	High	Ukrenergo	Not in the privatisation list	Excluded under current law; subject to future reform to allow private capital participation mechanisms
Gas transmission	High	GTSOU	Not in the privatisation list	Excluded under current law; subject to future reform to allow private capital participation mechanisms
Electricity distribution	Middle	UDG and 7 DSOs under UDG	Private DSO ownership permitted, no prohibition; UDG is not listed on privatisation list at the moment	No alternative pathway unless UDG or DSOs are in privatisation
Electricity supply & trading	Low	Kharkiv Energo Zbut	Kharkiv Energo Zbut is privatisation listed: 65% stake offered; tender expected 2H 2026	NEURC supply licence; day-ahead and intraday market registration; supplier-of-last-resort designation available per oblast
Underground gas storage	High	Ukrtransgaz	Not in the privatisation list	Third-party storage capacity booking; customs warehouse regime; independent trader market access

SUBSECTOR	STATE ROLE	KEY SOEs	PRIVATISATION PATHWAY	ACCESS MECHANISMS FOR PRIVATE CAPITAL
Renewable generation	Low	None	No restriction, fully private-led	NEURC generation licence; competitive capacity auctions; corporate PPAs; storage co-location
Battery storage & grid flexibility	Low	None	No restriction, fully private-led	NEURC licence; Ukrenergo ancillary services registration; balancing market participation
Gas upstream production	Middle	Ukrgezvydobuvannia (UGV)	No restriction for private capital - private licences fully operational; no state assets are on sales	Subsoil use licence (State Geological Survey); Production Sharing Agreement; JV with Naftogaz/UGV
District heating	High	Several hundreds municipal communal enterprise	No national privatisation pathway, municipal councils decide asset-by-asset	Concession (Law on Concession, 2019); ESCO contract (Energy Efficiency Law); lease agreement with municipal enterprise

2.2

Transport and logistics

260 million tonnes¹⁹

That is the nominal capacity of Ukraine's seaport system, the largest of any single country on the Black Sea. Operating throughput reached 97.2 million tonnes in 2024²⁰ and 82.2 million in 2025²¹, with the 2025 figure trimmed by intensified strikes on infrastructure.

Ukraine operates one of Europe's largest multimodal transport systems, with 20,000 kilometres of rail²², 18 seaports²³, the deepest approach channel in the Black Sea²⁴, and a road network reaching every EU border

It is now, for the first time, building direct standard-gauge railway into the heart of the European network.

¹⁹ [Black Sea Economic Studies \(BSES\)](#)

²⁰ [Centre for Transport Strategies](#)

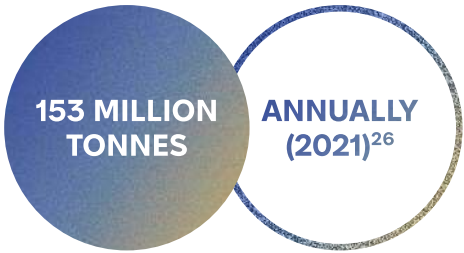
²¹ [GMK Center](#)

²² [Ukrzaliznytsia](#)

²³ [USM Media](#)

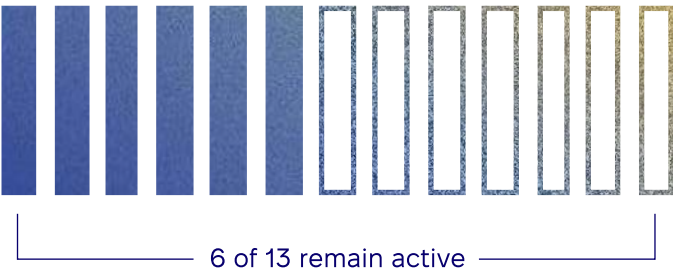
²⁴ [Centre for Transport Strategies](#)

Before the full-scale invasion, Ukraine's ports handled



The system's structural capacity far exceeds current wartime volumes; the recovery trajectory, not the current level, defines the asset.

13 seaports on government-controlled territory (5 more in temporarily occupied Crimea). Of the 13, six are actively operating during the war: Pivdennyi, Odesa, Chornomorsk, Izmail, Reni, Ust-Dunaysk.



STATE PORTFOLIO SHARE

~73% of sector revenue ²⁷

Network monopolies in rail, pipelines, ports, and post; commercial operators in river and air

LARGEST STATE EMPLOYER

~170,000 employed at Ukrzaliznytsia ^{27, 28}

UZ alone, the largest single employer in Ukraine

RAILWAY NETWORK

~20,000 km

One of Europe's largest networks; 45% electrified

SEAPORT SYSTEM

13 ports ~260 Mt/yr capacity

97.2 Mt handled 2024; 82 Mt in 2025; private operators lease terminals

GAS PIPELINES + STORAGE

38,200 km ²⁹
+ 31 bcm ³⁰

EU-certified TSO³¹; hydrogen corridor partner

OIL PIPELINES

4,700 km trunk ³²

Druzhba southern branch is 1,490 km of it (Ukrainian segment³³); supplies 3 EU states³⁴

ROAD NETWORK

166,000 km ³⁵

47,700 state + 118,600 local; 14,000 km renewed 2020 to 2022³⁶; pre-war 6-corridor PPP pilot awaiting revival

AIRPORTS

17 commercial ³⁷

13 international; closed since 2022. Kherson excluded (not controlled)

TEN-T CORRIDORS

4 extended into UA ³⁸

EU regulation 2024; EUR 2.9B leveraged via CEF³⁹, EUR 1.55B in grants

²⁵ [Interfax-Ukraine](#)
²⁶ [Opendatabot](#)
²⁷ [Ministry for Development of Communities and Territories of Ukraine](#)
²⁸ [Ukrinform](#)
²⁹ [GTSOU](#)
³⁰ [Reuters](#)
³¹ [GTSOU](#)
³² [NJSC Naftogaz of Ukraine](#)

³³ [Publication](#)
³⁴ [Interfax \(global\)](#)
³⁵ [Cabinet of Ministers of Ukraine, Resolution No. 1550 \(2024\)](#)
³⁶ [Office of the President of Ukraine](#)
³⁷ [Cabinet of Ministers of Ukraine, Resolution No. 1550 \(2024\)](#)
³⁸ [Cabinet of Ministers of Ukraine](#)
³⁹ [European Commission, DG MOVE](#)

EU-GAUGE RAIL

22 + 80 km

Chop-Uzhhorod open⁴⁰; Mostyska-Lviv 2027⁴¹

CONTAINER THROUGHPUT 2025

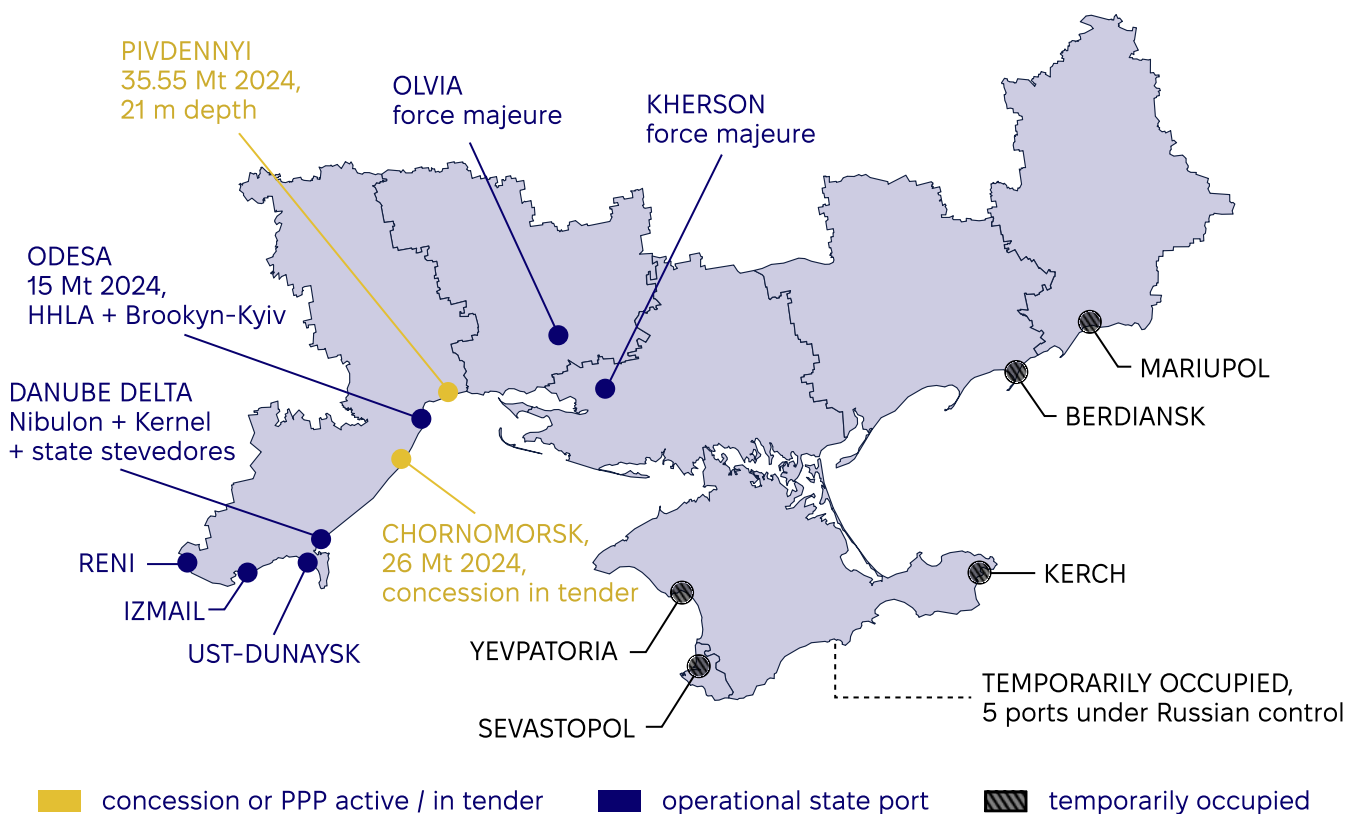
215,748 TEU
(ports)⁴²

+66% YoY;
UZ rail in parallel: 241,582 TEU⁴³ (-6% YoY)

SECTOR OVERVIEW

The Black Sea Network

■ UKRAINE'S PORT SYSTEM: 18 PORTS ACROSS THE BLACK SEA, DANUBE DELTA, AND SEA OF AZOV



Source: USPA 2024 management report, World Bank RDNA4 2026

Ukrainian seaports moved 82.2 million tonnes in 2025, after the wartime peak of 97.2 Mt in 2024 (Pre-war annual throughput was 153 Mt (2021). The Greater Odesa cluster (Pivdennyi, Chornomorsk, Odesa) accounted for 89% of maritime volume in 2025⁴⁴; the Danube ports (Izmail, Reni, Ust-Dunaïsk) contributed approximately 9 Mt⁴⁵.

18
PORTS

260
MLN TONNES OF
NOMINAL CAPACITY

⁴⁰ European Commission, DG MOVE

⁴¹ Ministry for Development of Communities and Territories of Ukraine

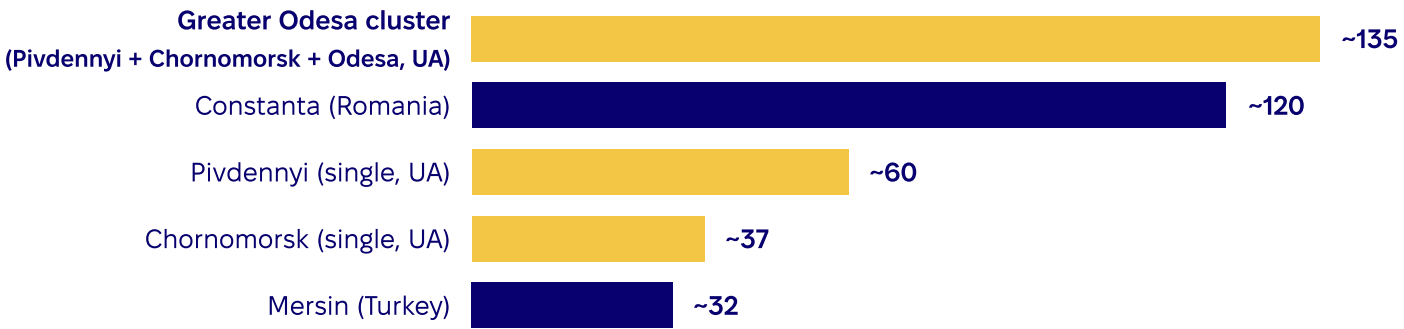
⁴² USPA Odesa Branch

⁴³ TransportCorridors

⁴⁴ Ukrinform

⁴⁵ UkrAgroConsult

■ BLACK SEA PORT BENCHMARKS (MILLION TONNES)



On designed capacity, Ukraine has the largest port system in the region: 260 Mt overall, against roughly 100 to 120 Mt at Romania’s Constanta⁴⁶ and approximately 32 Mt at Turkey’s Mersin⁴⁷. The 2025 utilisation gap is about 178 Mt of unused capacity, which is what every port concession on the pipeline is built around. Constanta’s record 88 Mt in 2025 reflects the Black Sea and Danube corridor’s role in absorbing Ukrainian transit through the EU Solidarity Lanes; the Romanian figure moves with Ukraine’s.

Pivdennyi (designed capacity above 47 Mt per the terminal operator)⁴⁸ has the deepest approach channel in the Black Sea at 21 metres, the only berth in the region able to accommodate Capesize vessels. It handled 35.55 Mt in 2024⁴⁹, exceeding Mersin and Chornomorsk individually that year. Chornomorsk is Ukraine’s primary container hub, with a designed capacity of 1 million TEU per year⁵⁰. Odesa hosts two major container terminals (HHLA and Brooklyn-Kyiv Port), grain facilities, and the country’s principal passenger terminal.

STATE OWNERSHIP

Ukrainian Sea Ports Authority (USPA), the state landlord, owns the strategic seaport infrastructure: the approach channels, breakwaters, navigation aids and most berths. The state also owns the stevedoring companies at the principal ports (DP MTP Pivdennyi, Chornomorsk, Izmail, Reni). The state owns and develops the backbone. More than 90 private stevedoring companies handle the cargo on USPA infrastructure, about 78%⁵¹.

CASE STUDY – CHORNOMORSK CONTAINER CONCESSION

Ukraine’s flagship port transaction, and the first wartime concession of a strategic infrastructure asset.

CONCESSION TERM 40 years ⁵²	TARGET CAPACITY 760K TEU + 5 Mt cargo ⁵³	EXPECTED INVESTMENT AT LAUNCH EUR 40M+ ⁵⁴
OPERATORS INTERESTED 40+	SCOPE 6 berths	PREQUALIFICATION April 2026 ⁵⁵

Competitive dialogue is underway, advised by IFC, EBRD, and the World Bank Global Infrastructure Facility. Prequalified bidders include the world’s top port operators from four continents. The structure follows global best practice: landlord-model governance, competitive dialogue, and binding minimum investment. This is the largest port PPP in the Black Sea region.

⁴⁶ APN (National Company for Maritime Ports of Constanta)
⁴⁷ Tradlinx Blogs
⁴⁸ EISA Ltd
⁴⁹ Centre for Transport Strategies
⁵⁰ Ministry for Development of Communities and Territories of Ukraine

⁵¹ State Property Fund of Ukraine
⁵² Ministry for Development of Communities and Territories of Ukraine
⁵³ Ministry for Development of Communities and Territories of Ukraine
⁵⁴ Interfax-Ukraine citing Mindev
⁵⁵ Ministry for Development of Communities and Territories of Ukraine

The Danube Corridor

From backwater to lifeline: how Ukraine’s Danube ports became a permanent export corridor.

When Black Sea shipping lanes were contested in the summer of 2022, the Danube ports of Izmail, Reni, and Ust-Dunaysk scaled up in weeks. Throughput nearly tripled (**×2.9**)⁵⁶. Agricultural traffic through the Danube increased 40-fold compared with 2021⁵⁷. Private capital followed within weeks.

Nibulon secured land rights at Izmail in April 2022, began construction in June, and loaded its first barge in September, a new terminal built in four months.

INVESTMENT: ~EUR 14 MILLION (\$15.5M)⁵⁸.

DESIGN CAPACITY: ~3.7 MT/YEAR.

Payback achieved by 2024. Kernel acquired the Dunai Prom Agro terminal at Reni⁵⁹ in early 2023. A USAID partnership⁶⁰ with three Ukrainian companies committed **EUR ~41 million** in additional logistics capacity across the corridor, adding **3.35 Mt per year**. In named transactions alone (Nibulon, Kernel, and the USAID partnership), private investment exceeded **EUR 60 million** in Danube⁶¹ port infrastructure between 2022 and 2025.

EUR 60M+

PRIVATE INVESTMENT IN DANUBE PORTS, 2022–2025

The state-owned Ukrainian Danube Shipping Company (UDP) launched the “Danube Grain Route⁶²”, barge convoys running direct from Ukrainian river ports to Romanian transshipment points near Constanta, creating an alternative export corridor that operated even when Black Sea access was uncertain. UDP started the fleet-renewal programme with its own resources. Two self-propelled vessels have already been modernised in-house at the Kiliya shipyard: the Captain Antipov entered commercial service in October 2024 and the Fedor Ryabinin in April 2025.

The Danube corridor now handles **8 to 17 Mt annually** depending on Black Sea conditions. The terminals and barge fleet are in place, and the private investment behind them is sunk. The corridor is a permanent feature of Ukraine’s export logistics, not a wartime workaround.

STATE OWNERSHIP

USPA owns the hydrotechnical infrastructure (channels, berths, protective works) of the Ukrainian Danube ports. State stevedoring companies (DP MTP Izmail, DP MTP Reni) handle the cargo. UDP (100% state JSC) runs the largest barge fleet on the Ukrainian Danube: 24 self-propelled vessels and 204 barges.

Port Transactions

Beyond the Danube, the wider port pipeline is moving through privatisations and concessions of specific terminals and assets.

PORT	STATUS	DETAIL
Ust-Dunaysk	Completed	Privatised January 2023 ⁶³
Bilhorod-Dnistrovskyi	Completed	Privatised August 2025 ⁶⁴
Olvia	Force majeure due to the war	35-year concession to QTerminals (Qatar) since 2020, closed Feb 2022 (Mykolaiv proximity to the front), MOU to restart August 2025 ⁶⁵

⁵⁶ [GMK Center](#)
⁵⁷ [Ukraine Media Center](#)
⁵⁸ [GMK Center](#)
⁵⁹ [Interfax](#)
⁶⁰ [ReliefWeb \(OCHA\) / USAID](#)

⁶¹ [Cabinet of Ministers of Ukraine](#)
⁶² [PortSEurope](#)
⁶³ [National Privatisation Portal](#)
⁶⁴ [National Privatisation Portal](#)
⁶⁵ [USM Media](#)

PORT	STATUS	DETAIL
Chornomorsk First & Container Terminals	In tender	40-year concession; competitive dialogue underway; prequalification completed April 2026
Kherson	Force majeure due to the war	30-year concession to Risoil-Kherson LLC since 2020 (transferred Dec 2021); force majeure since 2022 occupation; restoration planning ⁶⁶

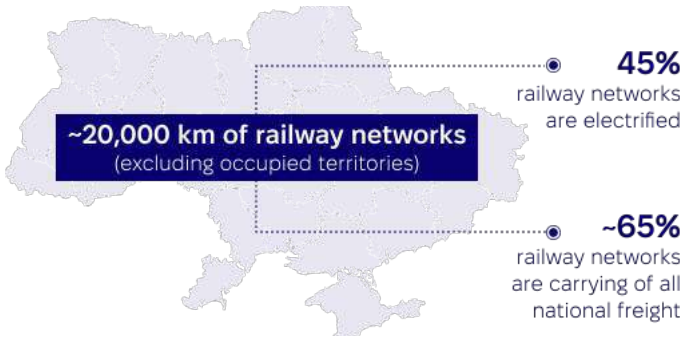
Olvia’s concession was awarded to QTerminals of Qatar in 2020, the first port concession in Ukrainian history. Even with years of force majeure due to Mykolaiv’s proximity to the front line, QTerminals has not exited. Their August 2025 Memorandum of Cooperation reaffirms intent to resume operations,

restore investment obligations, and continue concession payments once security conditions allow. For an asset class where 35-year horizons are standard, a few years of force majeure is a pause rather than a termination.

The Railroad Network

20,000 km of rail, now connecting directly into the EU network.

Ukraine operates one of Europe’s largest railway networks: approximately 20,000 kilometres (excluding occupied territories), 45% electrified, carrying approximately 65% of all national freight (a modal share three to four times the EU average). The Soviet-era 1,520mm broad gauge historically required transshipment at every EU border crossing, every container and wagon had to be physically transferred at the frontier. EU-gauge construction is now removing that barrier.



■ EU-GAUGE DEPLOYMENT

DATE	MILESTONE	DETAIL
Sep 2025	22 km	Chop-Uzhhorod. First EU-gauge line opens. Direct trains to Bratislava, Vienna, Budapest.
2027	80 km	Mostyska–Lviv. EUR 190M total (EUR 73.5M CEF grant). Lviv connected to EU gauge.
Future	250 km/h	Warsaw-Lviv-Kyiv ⁶⁷ . High-speed corridor. CPK memorandum signed.

The EU’s 2024 TEN-T revision extended four European corridors into Ukraine (North Sea-Baltic, Baltic-Black Sea-Aegean, Baltic-Adriatic, and Rhine-Danube), all converging at Lviv. This institutional framework locks in decades of EU co-financing. The Connecting Europe

Facility has leveraged over EUR 2.9 billion in investments across 38 Solidarity Lanes transport projects, of which EUR 1.55 billion is direct EU grant funding.

⁶⁶ [Interfax-Ukraine](#)

⁶⁷ [Railway Gazette](#)

STATE OWNERSHIP

Ukrzaliznytsia (100% state JSC) owns the entire rail network: all track, all 1,497 stations, all depots, all rolling stock. The EUR ~1.4 billion fleet renewal programme (Alstom, Wabtec, Hyundai Rotem, Kryukov) is financed through sovereign-backed IFI lending from EBRD, World Bank, US EXIM, and Korean EDCF. The average locomotive is 46 years old; this is a generational replacement, not a routine upgrade. Private freight operators (Lemtrans, Ferrexpo, Kernel, MetinvestShipping, Laude) already own roughly one-third of the wagon fleet and run services on UZ infrastructure.

Container traffic on Ukrzaliznytsia handled 241,582 TEU in 2025, down 6% year-on-year under wartime cross-border constraints. UZ has resumed transit corridors between Turkey, Poland, and EU markets, and is

targeting 1 million TEU by 2031⁶⁸, contingent on the EU-gauge links operating and intermodal terminals being built.

Roads & Aviation

166,000 kilometres of road

Ukraine's road network covers **166,000 kilometres**:

STATE ROADS: **47,700 KM**

REGIONAL AND LOCAL ROADS: **118,600 KM**

The state network is managed by the State Agency for Restoration and Infrastructure Development of Ukraine (the Restoration Agency), formed in 2023 from Ukravtodor and Ukrinfraproekt. Between 2020 and 2021, the "Big Construction" programme delivered 14,000 km of renewed road surface, the largest road

programme in Ukraine's history. The network is now being reoriented toward EU connectivity under TEN-T corridor designations.

Reconstruction need is enormous: EUR ~82 billion⁶⁹ per the World Bank's February 2026 Rapid Damage and Needs Assessment. In 2024, over 8,900 road contracts worth EUR ~1.2 billion⁷⁰ were signed through Prozorro e-procurement. Road construction now operates under mandatory Fédération Internationale des Ingénieurs-Conseils (FIDIC⁷¹) international standards.

STATE OWNERSHIP

The Restoration Agency owns and manages 47,700 km of state roads. Regional and local authorities manage 118,600 km.

17 Commercial Airports

Ukraine's **17 commercial airports (13 of them international, per NTSU 2030)** have been closed to civilian aviation since February 2022. The 18th airport, **Kherson**, is excluded, as it is under occupation and its infrastructure is heavily damaged, making it inaccessible. The remaining 17 airports infrastructure has sustained war damage and is being repaired and maintained. What the state is doing in the meantime is concrete: an EBRD and IFC private-sector participation study (completed 2025), a government working group for civil aviation resumption (formed March 2026), and the EU Common Aviation Area Agreement in force since October 2021, ready to liberalise the market the day the sky reopens.

Boryspil (Kyiv) was one of the fastest-growing airports in Central and Eastern Europe before the war: **15.3 million passengers** in 2019⁷², traffic growing at over 20% per year⁷³, with Ryanair, Wizz Air, and Turkish Airlines as anchor carriers. The airport handled half of all national passenger traffic. Its scale is comparable to Budapest or Bucharest.

Lviv, situated directly on the EU border and within the TEN-T network, is the leading candidate for a pilot concession.

In 2025, EBRD and IFC completed a study on private-sector participation for Boryspil, Lviv, and Odesa, evaluating concession, management contract, and hybrid models. A government working group for civil aviation resumption was formed in March 2026⁷⁴.

⁶⁸ [GMK Center](#)

⁶⁹ [World Bank Group](#)

⁷⁰ [Transparency International Ukraine](#)

⁷¹ [CMS Law-Now](#)

⁷² [UNIAN](#)

⁷³ [UNIAN](#)

⁷⁴ [Centre for Transport Strategies](#)

STATE OWNERSHIP

The principal commercial airports are state enterprises under the Ministry for Development of Communities and Territories (MinDev); a small number, such as Zhytomyr/Korolev, are privately operated. Boryspil, Lviv, and Odesa are the three the EBRD/IFC study assessed first.

Pipeline Networks

Two pipeline systems, 42,900 km: Europe's gas storage reservoir and the Druzhba crude corridor.

■ Gas, 38,200 km

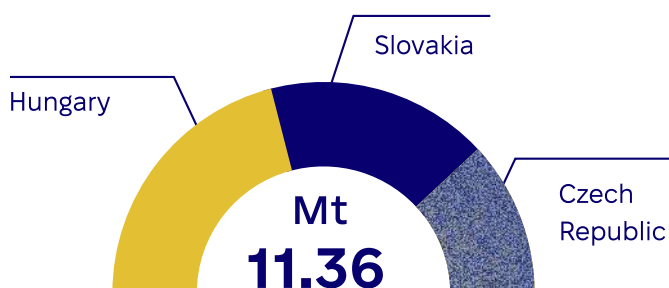
Ukraine's gas transmission network, one of Europe's largest, is operated by GTSOU, an independent transmission system operator unbundled from Naftogaz in 2020 and certified under EU rules. The network includes **31 billion cubic metres** of underground gas storage (the largest in Europe after Germany; legally non-privatizable as critical infrastructure), offered to EU traders under a "customs warehouse" regime that allows foreign companies to store gas in Ukraine without import duties.

Russian gas transit ended in January 2025⁷⁵. The business model has pivoted entirely to regulated entry-exit tariffs for domestic and cross-border short-haul flows, with tariffs increased fourfold for 2025 to 2029 to ensure long-term sustainability without transit revenue.

Beyond today's gas transmission and storage business, GTSOU is exploring a forward-looking project: the planned Central European Hydrogen Corridor⁷⁶, a joint initiative with Eustream (Slovakia), NET4GAS (Czech Republic), and OGE (Germany) to repurpose existing pipelines for Ukrainian renewable hydrogen export to EU markets. A first hydrogen-ready interconnector segment in western Ukraine is in planning. If Europe's hydrogen economy develops as projected, Ukraine's pipeline network reverts to a continental energy role.

■ Oil, 4,700 km

Ukrtransnafta operates **4,700 km** of trunk oil pipelines inside Ukraine. The Druzhba southern branch accounts for **1,490 km** of that network, Europe's longest oil pipeline. In 2024, the system transited **11.36 million tonnes of crude** to three EU member states: Hungary (4.7 Mt), Slovakia (3.9 Mt), and the Czech Republic (2.7 Mt). These states hold an EU exemption from the Russian oil embargo, valid until 2027⁷⁷.



Volumes are declining (down 16% in 2024⁷⁸, utilisation approximately 65%). The long-term value of the system is the corridor itself rather than Russian crude transit: **4,700 km** of trunk infrastructure (pumping stations, tank farms, interconnection points) that no greenfield project could replicate. The infrastructure will outlast the commodity it currently carries.

STATE OWNERSHIP

GTSOU (100% state LLC) owns 38,200 km of gas pipelines + 31 bcm underground storage. Ukrtransnafta (100% Naftogaz JSC) owns 4,700 km of trunk oil pipelines inside Ukraine, including the 1,490 km Druzhba southern branch. Both are non-privatizable by law. Entry point: regulated capacity booking, EU customs warehouse storage, cross-border transport contracts, hydrogen corridor co-development.

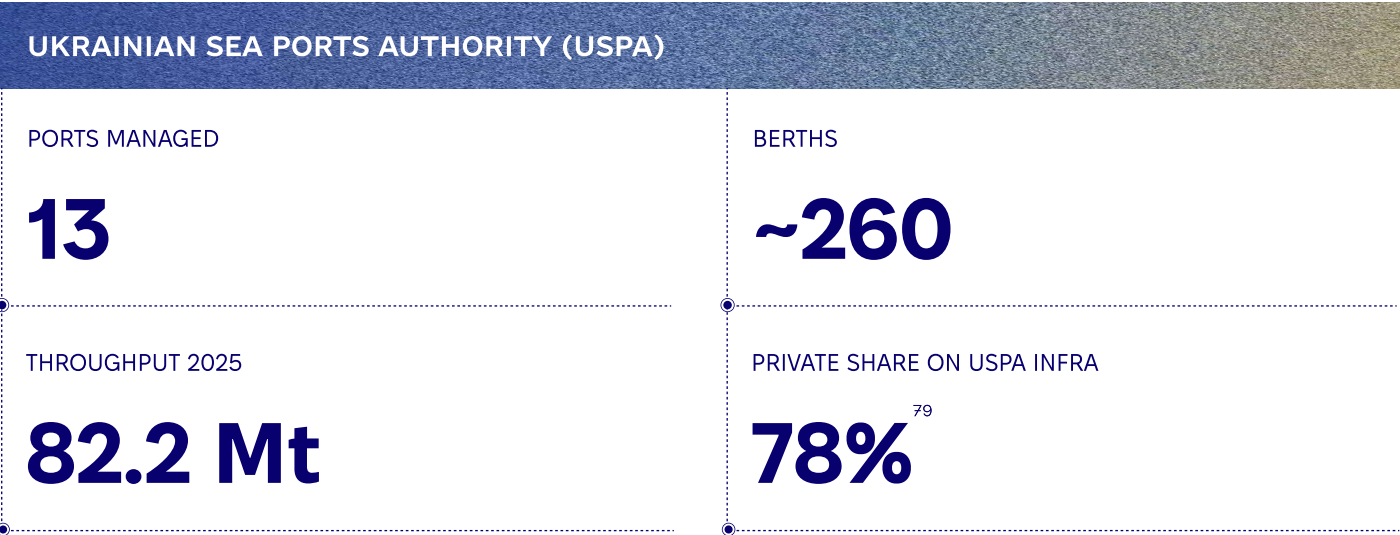
⁷⁵ Reuters

⁷⁶ CEHC

⁷⁷ European Union (EUR-Lex), Regulation (EU) 2025/395

⁷⁸ EXPRO Consulting

KEY STATE-OWNED ENTERPRISES



Landlord authority across all operational seaports. Established in June 2013 under the 2012 Law on Sea Ports of Ukraine, USPA is the single state landlord across all sea commercial ports. The reform separated landlord functions (channels, berths, breakwaters, navigation) from cargo handling, which moved to dedicated state stevedoring companies and to private terminal operators. The landlord remit covers the strategic infrastructure (berths, channels, breakwaters, navigation aids). Over 90 private stevedoring companies handle the cargo on USPA’s infrastructure.

During wartime, USPA coordinated the rapid expansion of Danube port capacity, managed the return of Black Sea traffic after the Grain Corridor and its successors, and generated revenue and throughput 35% above plan in 2024⁸⁰. Net profit in 2024 reached EUR ~65 million (UAH 2.78 billion), 3.4× the 2023 result and the second-highest of any Ukrainian SOE. In 2025 USPA

transferred about EUR 14 million (UAH 612 million) to the state budget. Counterparty in every port concession including Chornomorsk. Supervisory board with independent directors; full corporatisation pending.

Seaport ‘Pivdennyi’ is the largest asset in the USPA portfolio, which handled 35.55 Mt in 2024⁸¹, more than any other Ukrainian seaport and over half of the Greater Odesa cluster’s annual volume⁸². Its 21-metre approach channel⁸³ is the deepest in the Black Sea and the only one in the region capable of accommodating Capesize and Newcastlemax bulkers⁸⁴. USPA owns the berths, channel, and breakwaters; EISA, MV Cargo, TIS, and other private operators run the terminals under long-term leases⁸⁵. The landlord model already absorbs international capital, and unused capacity within the ~47 Mt design figure is open to new terminal operators⁸⁶.

⁷⁹ State Property Fund of Ukraine
⁸⁰ USPA (AMPU)
⁸¹ Centre for Transport Strategies
⁸² Ukrinform

⁸³ USM Media
⁸⁴ Centre for Transport Strategies
⁸⁵ Logistics Capacity Assessment (LCA, UN Log Cluster)
⁸⁶ EISA Ltd

UKRZALIZNYTSIA (UZ)

NETWORK

20,000 km

ELECTRIFIED

45%

FREIGHT 2025

161 Mt⁸⁷

FLEET RENEWAL

EUR ~1.4B contracted

One of Europe's largest railway networks. Evacuated more than four million civilians⁸⁸ under bombardment without a single day of service shutdown. International passenger services to Warsaw, Budapest, Vienna, Bucharest. The workforce (~170,000 people) makes Ukrzaliznytsia the largest single employer in Ukraine.

The fleet renewal programme is one of the largest in Eastern Europe: Alstom, Wabtec, Hyundai Rotem,

Kryukov, over EUR 1.4 billion contracted. The average locomotive in the current fleet is 46 years old. This is a generational replacement and one of the continent's largest equipment and engineering procurement pipelines.

Draft law 12142⁸⁹ provides for full unbundling into separate infrastructure, passenger, and freight companies, aligning with EU Directive 2012/34.

UKRAINIAN DANUBE SHIPPING COMPANY (UDP)

CONVOY CAPACITY

Danube convoys⁹⁰

ROUTE

Full Danube: UA-DE

FLEET

24 self-propelled + 204 barges

The only state-owned shipping line on the Danube. When the Black Sea was blocked, UDP launched the "Danube Grain Route," barge convoys running from Izmail and Reni to Romanian transshipment near Constanta. The company kept operating throughout the war, sustained by the Danube grain traffic.

IFC is considering a EUR 86 million fleet modernisation package (due diligence in progress). UDP operates on a fully liberalised international waterway. The government has signalled openness to strategic partnerships.

⁸⁷ [Ukrinform](#)

⁸⁸ [Ukrinform](#)

⁸⁹ [Verkhovna Rada of Ukraine, Bill No. 12142](#)

⁹⁰ [PrJSC Ukrainian Danube Shipping Company \(UDP\)](#)

UKRTRANSNAFTA

PIPELINES

4,700 km

RECIPIENTS

HU, SK, CZ

CAPACITY

~15 Mt/yr

STATUS

Non-privatizable

Operates 4,700 km of trunk oil pipelines inside Ukraine. The Druzhba southern branch accounts for 1,490 km of that network. In 2024 it transited 11.36 Mt of crude to Hungary, Slovakia, and the Czech Republic under EU embargo derogation (valid until 2027).

Volumes declining (down 16% in 2024); utilisation approximately 65%. Long-term value: 4,700 km of trunk pipeline corridor (pumping stations, tank farms, interconnection points) that no greenfield project could replicate. Part of the Naftogaz group.

BORYSPIL INTERNATIONAL AIRPORT

PASSENGERS (2019)

15.3M

TERMINALS

2

CAPACITY

**~27.7M by 2030
(CMU Concept)/
year⁹¹**

GROWTH PRE-WAR

+20% YoY

Ukraine's primary aviation hub, half of all national passenger traffic before 2022. By 2019, one of the fastest-growing airports in Central and Eastern Europe: Ryanair launched 27 routes from 2018, Wizz Air and

Turkish Airlines operated as anchor carriers. Scale comparable to Budapest or Bucharest. Closed since February 2022; infrastructure war-damaged but kept under repair and maintenance.

⁹¹ Cabinet of Ministers of Ukraine, Order 293-2019-p

UKRPOSHTA

STATIONARY BRANCHES

4,273⁹²

SETTLEMENTS SERVED

20,204

MOBILE BRANCHES

1,867

GOV-CONTROLLED COVERAGE

100%

The only postal operator with physical presence in every settlement across government-controlled territory, including near-frontline areas where no private courier operates. Network density per capita is comparable to Poland's Poczta Polska⁹³ and exceeds Germany's Deutsche Post universal-service minimum.

Roughly half of Ukrposhta's revenue comes from financial services beyond the postal core: pension delivery, social payments, insurance, government-service counters. The company is a multi-utility platform built on top of state-mandated coverage. The underlying asset is the network itself, physical coverage no commercial alternative can replicate, monetised across postal, logistics, and financial flows.

GTSOU

PIPELINE NETWORK

38,200 km

STORAGE CAPACITY

31 bcm

CERTIFICATION

EU-certified TSO

Independent transmission system operator, unbundled from Naftogaz in 2020 and certified under EU rules, one of Ukraine's most advanced EU-aligned institutional reforms. Adapted to the end of Russian gas transit in January 2025 and remained profitable. Transferred EUR ~420 million to the state in 2024. The new tariff framework (fourfold increase for 2025 to 2029⁹⁴) ensures sustainability without transit revenue.

The business has three pillars: domestic gas transmission at EU-aligned tariffs, underground storage offered to EU traders under a customs warehouse regime (10 bcm actively marketed), and short-haul cross-border transport. Core partner in the Central European Hydrogen Corridor with Eustream (Slovakia), NET4GAS (Czech Republic), and OGE (Germany).

⁹² Ukrposhta JSC

⁹³ Ministry of Economy of Ukraine

⁹⁴ GTSOU

HOW PRIVATE CAPITAL CAN PARTICIPATE

Ukraine's transport sector follows a landlord-model architecture: the state retains backbone infrastructure (rail track, port channels and berths, gas and oil trunk pipelines, the state road network); private capital concentrates in operations, terminal management, freight services and asset financing.

SUBSECTOR	STATE ROLE	KEY SOEs	PRIVATISATION PATHWAY	ACCESS MECHANISMS FOR PRIVATE CAPITAL
Seaport infrastructure (berths, channels, breakwaters, navigation aids)	High	USPA; state stevedoring companies (DP MTP Pivdennyi, Chornomorsk, Izmail, Reni)	Not in privatisation list. Landlord model retained.	Long-term port concession; terminal lease from USPA; stevedoring licence; greenfield terminal on USPA-owned land.
Maritime cargo handling (terminal operations)	Low	State stevedoring companies + private operators	No restriction, fully private-led.	Acquisition or JV with existing operator; greenfield terminal on USPA-leased land; stevedoring licence.
Rail infrastructure and traction (locomotives)	High	Ukrzaliznytsia (UZ)	Not in privatisation list.	None for equity. Future, post-unbundling; regulated traction access.
Rail freight (wagons + services)	Low	None (private market)	No restriction, fully private-led.	Wagon ownership; freight operating company; service contracts with shippers.
Rail intermodal terminals / dry ports / project PPP	Middle	Ukrzaliznytsia (UZ)	Project-specific PPP under concession framework.	PPP partnership with UZ on intermodal terminals and dry-port projects (rail-served container yards and inland transshipment hubs linking to seaports).
Inland waterways (Danube fleet & shipping)	Middle	Ukrainian Danube Shipping Company (UDP)	Not in privatisation list. Waterway market fully liberalised (2020).	Fleet co-investment with IFC; barge or logistics JV with UDP; private barge entry; private terminal development on USPA land.
Road network (state roads)	High	Restoration Agency	Not in privatisation list. Concession / PPP framework under preparation.	DBFOM road concessions (pre-war pilot corridors, revival expected); FIDIC procurement; TEN-T co-financing eligibility.
Aviation (commercial airports)	High	State commercial airports (Boryspil, Lviv, Odesa as concession candidates)	Not in privatisation list. Concession / PPP framework under preparation. Subject to future reform to allow more private capital participation mechanisms.	Future airport concessions per EBRD / IFC study (completed 2025); commercial concessions on airport land. EU-Ukraine Common Aviation Area Agreement provides liberalisation framework.

SUBSECTOR	STATE ROLE	KEY SOEs	PRIVATISATION PATHWAY	ACCESS MECHANISMS FOR PRIVATE CAPITAL
Gas transmission and underground storage	High	Gas Transmission System Operator of Ukraine (GTSOU)	Not in privatisation list; state TSO under EU Third Energy Package. The 31 bcm storage is non-privatisable critical infrastructure.	Regulated capacity booking; EU customs warehouse storage regime; cross-border short-haul contracts; planned Central European Hydrogen Corridor.
Oil pipeline transit	High	Ukrtransnafta	Not in privatisation list; Naftogaz group ring-fenced. Subject to future reform to allow more private capital participation mechanisms.	Transit contracts on the 4,700 km trunk network inside Ukraine (Druzhba southern branch is 1,490 km of it) under EU embargo derogation (valid to 2027); long-term repurposing options.
Postal & last-mile logistics	Middle	Ukrposhta	Not on privatisation list. Strategic partnership / partial divestiture publicly discussed (no formal mandate yet). Subject to future reform to allow more private capital participation mechanisms.	Strategic-partnership negotiations; logistics JV. Private courier market open without sector-specific licence.

2.3

Banking and finance

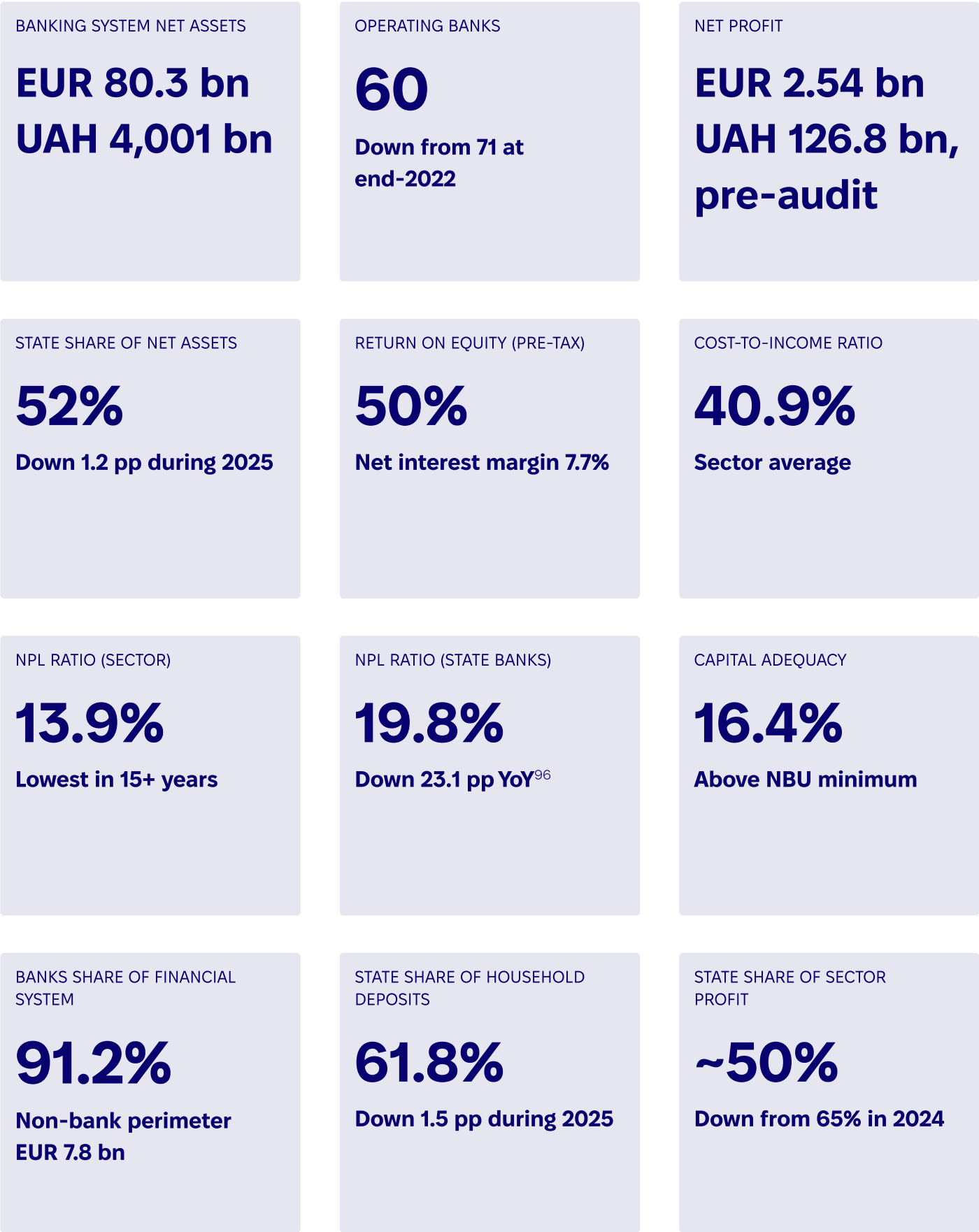
EUR 2.54 BILLION

Net profit of the Ukrainian banking sector, 2025 - a record set since 2022.

Ukrainian banks have been profitable in every quarter of the full-scale war. Pre-tax return on equity stayed close to 50 percent in 2025, the volume of the banks' total assets rose by 11%, and the system-wide non-performing loan ratio dropped to 13.9 percent - its lowest level in more than fifteen years

State-owned banks generated almost half of 2025 sector profit and still hold 52 percent of net assets. The Ukrainian banking system is the most state-dominated in Europe and the most profitable through the war⁹⁴.

⁹⁴ National Bank of Ukraine



Data as of public information available Q1 2026.
Sources: NBU Banking Sector Review (Feb 2026), Ministry of Finance, individual bank disclosures. State-position cards highlighted in gold.

⁹⁶ National Bank of Ukraine

SECTOR OVERVIEW

The Ukrainian financial system is a banking system with a thin non-bank perimeter around it. Banks hold 91 percent of all financial-sector assets supervised by the National Bank of Ukraine. The remaining 9 percent

is divided across insurers, finance companies (which include leasing and consumer credit), credit unions, pawnshops, and a small population of asset managers and payment institutions.

BANKS SHARE OF ALL NBU-SUPERVISED FINANCIAL-SECTOR ASSETS, 2025

91.2%

Banking sector

Sixty banks operated in Ukraine at the end of 2025, eleven fewer than at the start of the full-scale war in 2022. Sector net assets stood at EUR 80.3 billion. The system is concentrated, with the five state-owned banks accounting for 52 percent of net assets and a further share is held by the private sector including foreign parents⁹⁷.

Non-bank financial sector

The non-bank perimeter held an estimated EUR 7.8 billion in supervised assets in 2025. Finance companies (leasing, consumer credit, other non-bank lenders) held EUR 5.8 bn across 411 institutions; insurers – EUR 1.9 bn across 47 non-life and 10 life insurers; pawnshops – EUR 91 m across 101 and credit unions – EUR 25 m across 85 institutions^{98,99}.

Profitability and asset quality

The Ukrainian banking system has run continuously profitable since the second half of 2022. Sector net profit rose from EUR 1.67 billion in 2023 to EUR 2.08 billion in 2024 to EUR 2.54 billion in 2025. The drivers are: high net interest margin (7.7 percent in 2025) on a relatively low-risk asset mix dominated by NBU certificates of deposit and domestic government bonds, very low cost of funding from sticky retail deposits, and limited credit losses. The non-performing loan ratio fell from a 2022 peak above 30 percent to 13.9 percent at end-2025. Provisioning coverage of non-performing exposures stood at 92.6 percent^{100,101}.

BANKING ASSET PENETRATION IN GDP: UKRAINE VS CEE PEERS

COUNTRY	ASSET PENETRATION 2025 Q3 (%)
Albania	82.0%
Bosnia and Herzegovina	82.2%
Bulgaria	93.6%
Croatia	97.3%
Czech Republic	134.5%
Hungary	93.2%
Latvia	72.0%
Lithuania	101.5%

⁹⁷ National Bank of Ukraine

⁹⁸ Mezha.net

⁹⁹ National Bank of Ukraine

¹⁰⁰ National Bank of Ukraine

¹⁰¹ National Bank of Ukraine

COUNTRY	ASSET PENETRATION 2025 Q3 (%)
Montenegro	94.8%
Poland	90.6%
Romania	49.5%
Serbia	67.8%
Slovakia	93.7%
Slovenia	78.3%
Ukraine	45.6%

Source: Deloitte, Solid Performance: Resilient CEE Banking Sector in a shifting M&A Landscape (2026). Latest = 2025 Q3.

Ukrainian banking assets are 45.6% of GDP, significantly below the European Union average and below most central and eastern European peers. The

gap is structural: low loans-to-GDP, the historical absence of long-term mortgage finance, and an underdeveloped corporate bond market.

STATE OWNERSHIP

The Ministry of Finance is the shareholder of all five state-owned banks; the National Bank of Ukraine licenses and supervises every bank and every non-bank financial institution. Entry point for private capital: the universal NBU qualifying-holding regime under Article 34 of the Law on Banks and Banking Activity, which gates every acquisition above 10% in a Ukrainian bank, state or private.

The state as banker

The Ukrainian state holds 52 percent of banking-system net assets through five wholly-owned or near-wholly-owned commercial banks. Their combined net assets at end-2025 were approximately EUR 41.7 billion. They serve a majority of Ukrainian retail depositors, distribute most state-supported credit programmes, and account for roughly half of system profitability¹⁰².

COMBINED NET ASSETS OF THE FIVE
STATE-OWNED BANKS, END-2025

EUR 41.7 bn

How the state came to hold half the system

The current footprint is the cumulative result of three discrete episodes, not a planned policy. The 2008-2009 financial crisis brought Ukrgasbank and several other small banks into state ownership through emergency recapitalisation. Ukrgasbank is now 94.94 percent state-owned via the Ministry of Finance.

The 2016 nationalisation of PrivatBank, the country's largest bank, raised the state share of system assets

from around 30 percent to over 50 percent in a single transaction. The July 2023 nationalisation of Sense Bank followed sanctions enforcement against its russian-connected ultimate beneficial owners. Smaller banks with russian-linked owners (First Investment Bank, Motor-Bank) were transferred to state control in 2024 and routed through the Deposit Guarantee Fund for resolution¹⁰³.

¹⁰² National Bank of Ukraine

¹⁰³ National Bank of Ukraine

■ STATE SHARE OF BANKING-SYSTEM ASSETS, 2008-2025¹⁰⁴

PERIOD	STATE SHARE	EVENT
2008-2009	11%-17%	UkrGasbank, number of other small banks recapitalised
2014-2015	22%-28%	Post-crisis clean-up begins
Dec 2016	~51%	PrivatBank nationalisation
Jul 2023	53%	Sense Bank nationalised
End-2025	52%	State share (down 1.2 pp YoY)

Scale at end-2025

The five state-owned banks (PrivatBank, Oschadbank, Ukreximbank, UkrGasbank, and Sense Bank) collectively held EUR 41.7 billion of net assets, 52 percent of the system. Household-deposit share 61.8 percent. They operate approximately 2,600 branches. State banks earned around 65 percent of sector profit in 2024 and roughly half in 2025. The state segment carries a higher NPL ratio than the system average (19.8 vs 13.9 percent at end-2025), reflecting legacy corporate exposures inherited at PrivatBank, but provisioning coverage is strong and capital adequacy of around 14 percent sits comfortably above the regulatory minimum^{105,106}.

Dividends to the state budget

State-owned banks have become a material recurring source of non-tax revenue for the budget. PrivatBank alone paid EUR 682 million of dividends in 2025 (UAH 32.1 bn, 80 percent of its 2024 net profit of UAH 40.1 bn)¹⁰⁷. PrivatBank accounted for more than half of all SOE and state-bank dividends received by the budget in 2025. Combined SOE and state-bank dividends in 2025 totalled UAH 50 bn. The default Cabinet of Ministers dividend policy for state-owned companies is 80 percent of distributable profit.

STATE OWNERSHIP

The Ministry of Finance holds 100% of PrivatBank, Oschadbank, Ukreximbank, and Sense Bank, and 94.94% of UkrGasbank. Combined net assets EUR 41.7 bn. Entry points: (i) privatisation of Sense Bank and UkrGasbank under IMF EFF benchmarks; (ii) longer-term partial listings of PrivatBank, Oschadbank, Ukreximbank.

Specialised state finance

Outside the five state-owned commercial banks, the state operates four specialised financial institutions that channel public support into mortgage finance, SME credit, export insurance, and agricultural-

equipment leasing. Each works through partnerships with private commercial banks rather than competing with them.

INSTITUTION	PROGRAMME	VOLUME	PRIVATISATION PATHWAY
Ukrfinzhylto	eOselia preferential mortgages	EUR 781 m / 22,620 loans (10 partner banks)	None
National Development Institution (NDI)	Affordable Loans 5-7-9%	EUR 8.87 bn / 130,000 loans (47 partner banks)	None
Export Credit Agency	Export & war-risk insurance	EUR 151 m exports supported, 2024 (Berne Union member)	None

¹⁰⁴ Vox Ukraine

¹⁰⁵ National Bank of Ukraine

¹⁰⁶ National Bank of Ukraine

¹⁰⁷ Ukraine Open for Business

INSTITUTION	PROGRAMME	VOLUME	PRIVATISATION PATHWAY
Ukragroleasing	Agricultural-equipment leasing	25 regional units	Included in the large privatisation list

Ukrfinzhytlo and the eOselia mortgage programme

Ukrfinzhytlo is a private joint-stock company wholly owned by the state through the Ministry of Finance. It became the operator of eOselia mortgage program after Cabinet of Ministers of Ukraine Resolution No. 856 of 2 August 2022. The programme runs in two tiers (3% interest rate for servicemen, security and defence personnel, medical workers, teachers, academic staff; 7% - for veterans, IDPs, citizens without housing). Maximum maturity 20 years, minimum down payment 20%¹⁰⁸.

By early January 2026, 22,620 loans were provided worth EUR 781 m since October 2022; in 2025 alone, 7,769 loans worth EUR 297 m were provided. Ten partner banks participate in the program. A December 2024 recapitalisation (Cabinet of Ministers of Ukraine Resolution No. 1486) authorised the Ministry of Finance to issue UAH 30 bn (EUR 601.7 m) of domestic government bonds in exchange for new Ukrfinzhytlo equity^{109,110}.

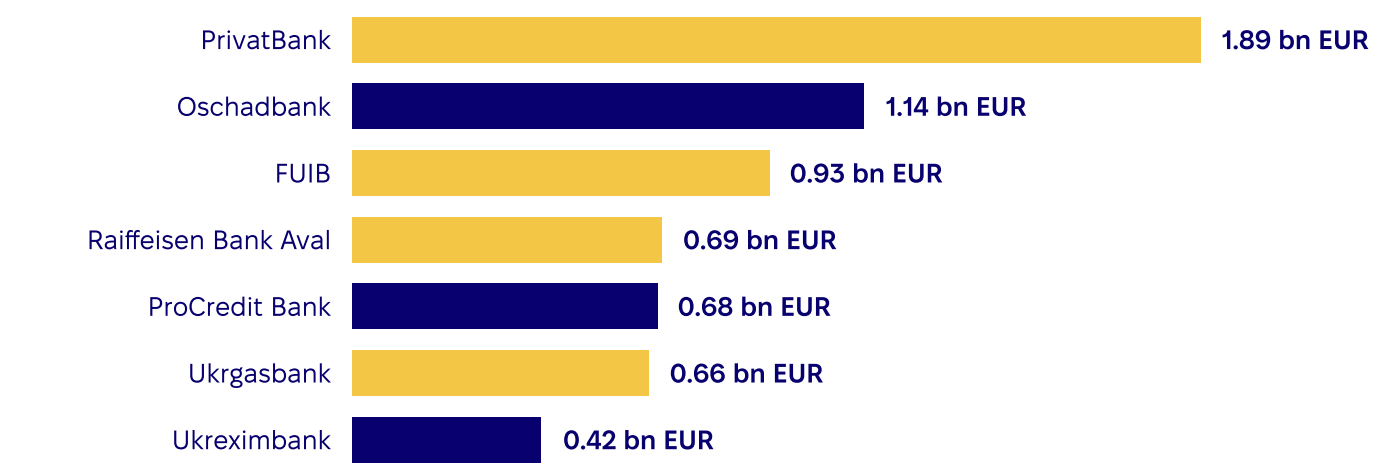


National Development Institution (formerly Business Development Fund) and the 5-7-9 programme

The Business Development Fund was transformed into the National Development Institution (NDI) by Law No. 4622-IX of 8 October 2025; NDI commenced operations on 1 January 2026. NDI is a 100% state-owned non-profit development finance institution under the Ministry of Finance, regulated by the NBU as

a second-tier institution. Operator of Affordable Loans 5-7-9%, which provides interest-rate compensation on bank loans to SMEs. By 24 November 2025, 130,000 loan agreements worth EUR 8.87 bn since the 2020 launch; in 2025, over 30,000 loans worth EUR 1.89 bn. Forty-seven banks participate as origination partners.

■ TOP 5-7-9 PARTNER BANKS - CUMULATIVE VOLUME SINCE 2020



¹⁰⁸ Ukrfinzhytlo
¹⁰⁹ Interfax Ukraine

¹¹⁰ Interfax Ukraine

Export Credit Agency

The Export Credit Agency is a 100% state-owned private joint-stock company under the Ministry of Economy, established by Cabinet of Ministers of Ukraine decision of 7 February 2018. Licensed by the NBU as an insurer with special status; full member of the Berne Union. After the Cabinet of Ministers of Ukraine decision of 9 April 2024, it insures investment loans against war and political risks. In 2024 it supported EUR 151 m of exports from 69 exporters reaching 35 destination countries. Lead destinations: Poland, Azerbaijan, UAE^{111,112}.

Ukragroleasing

NJSC Ukragroleasing is one of Ukraine's oldest and best-known specialised financial leasing institutions, working at the intersection of financial services and the strategically important agro-industrial complex. It ended 2024 with a leasing portfolio of EUR 6.3 million, ranking 9th among Ukraine's non-bank leasing companies, up from 10th place and EUR 4.6 million at

end-2023. The non-bank leasing market is highly concentrated: the top three operators hold roughly 86% of the total non-bank portfolio. Ukragroleasing is therefore a niche player by absolute scale, but stands out for three features rare among Ukrainian lessors: nationwide branch coverage in every region, formal status as a licensed non-bank financial institution, and accredited participation in flagship state-backed lending programmes. Its customer base spans agricultural producers (including smaller farmers often underserved by commercial banks), municipal utilities providing water, waste and communal services, and state and civilian forestry enterprises.

The Company is 100% state-owned, with corporate governance rights exercised by the State Property Fund of Ukraine (SPFU) since January 2023 (previously held by the Cabinet of Ministers of Ukraine). It has been formally designated for privatisation since 2018, when the SPFU adopted a decision to sell the full 100% state-owned share package as part of the Government's strategy to reduce direct state participation in commercial activities.

STATE OWNERSHIP

Ukrfinzhytlo (100% MoF), Business Development Fund (100% MoF), Export Credit Agency (100% MinEcon), Ukragroleasing (100% SPFU). Together they channel state and IFI funds through 47 partner banks, with cumulative programme volumes exceeding EUR 9.6 bn. Entry points: become a partner bank under eOselia, 5-7-9, or ECA framework agreements; co-fund through World Bank / EBRD / KfW / IFC programmes; bid for Ukragroleasing under Cabinet of Ministers of Ukraine Resolution No. 358-r.

KEY STATE-OWNED ENTERPRISES

Group A: privatisation candidates

SENSE BANK		JSC 100% STATE	
NET ASSETS	EUR 2.63 bn	JULY 2023	Nationalized
FOCUS	Universal	PRIVATISATION STARTED ¹¹³	Preparation for
Nationalised in July 2023 under the law on confiscation of assets of sanctioned beneficiaries, after its russian-connected ultimate beneficial owners were sanctioned. Classified as systemically important by the NBU since 2024 (Decision No. 198 of 17 June		2025). Since nationalisation, the state has reset the supervisory board, separated IT systems from the former parent, and engaged with IFIs on pre-privatisation preparation. Under IMF EFF benchmarks the Government committed to prepare for sale.	

¹¹¹ Ukrfinzhytlo
¹¹² Interfax Ukraine

¹¹³ Ministry of Finance of Ukraine

NET ASSETS

EUR 4.3 bn

FOCUS

Green / SME

Distinctive franchise in green and energy-efficiency finance. Multi-year EBRD and IFC engagement has produced governance reforms, risk-management upgrades, and an explicit anchor-investor pathway. Distributes eOselia mortgages and 5-7-9 SME loans;

STATE FINANCING PROGRAMS

Top partner of

PRIVATISATION STARTED

Preparation for

top partner for the Export Credit Agency. The current government strategy is to place Ukrgasbank, alongside Sense Bank, as the lead privatisation candidate among state banks.

STATE OWNERSHIP

Sense Bank - 100% Cabinet of Ministers of Ukraine, post July 2023 nationalisation. Ukrgasbank - 94.94% Ministry of Finance. Combined net assets EUR 6.42 bn. Entry point: large-privatisation tender under Law No. 2269-VIII; advisor mandate under IMF EFF benchmarks; possible parallel co-investment by syndicated private investors subject to NBU qualifying-holding approval.

Group B: long-term state banks

COMMERCIAL BANK PRIVATBANK

JSC | 100% STATE

100% MINISTRY OF FINANCE / NATIONALISED DECEMBER 2016 / SYSTEMICALLY IMPORTANT

CUSTOMER FUNDS

EUR 14.67 bn

FOCUS

Retail

Largest bank in Ukraine. Pre-tax profit 2025 EUR 1.77 bn, net profit EUR 0.58 bn. Dominates retail digital banking through Privat24 platform and is the country's largest card issuer and acquirer. The 2025 dividend of

NET LOANS

EUR 3.13 bn

PRIVATISATION PLANS

Not in

EUR 682 m made it the single largest contributor to non-tax state-budget revenues. Current government strategy treats PrivatBank as a long-term state asset with a partial-listing pathway on a longer horizon.

NET ASSETS

EUR 10.3 bn

FOCUS

Retail

Successor to the Soviet-era state savings bank. Operates the largest physical branch network in the country, with strong rural penetration and retail dominance through pension and social-payment accounts. Lead partner bank for eOselia (around 42%

NET PROFIT 2025

EUR 0.3B

PRIVATISATION PLANS

Not in

of cumulative loans through mid-2024) and second-largest 5-7-9 distributor. Current strategy provides for medium-term governance and capital strengthening with a partial-privatisation pathway over a longer horizon.

STATE EXPORT-IMPORT BANK OF UKRAINE (UKREXIMBANK)

JSC | 100% STATE

100% CABINET OF MINISTERS OF UKRAINE / SPECIALIST TRADE-FINANCE / SYSTEMICALLY IMPORTANT

TOTAL ASSETS

EUR 5.86 bn

FOCUS

Trade / corporate

Specialist trade-finance and corporate bank since founding. Anchor partner for EBRD and IFC SME and trade-finance programmes. Privatisation on a long

STATE SHARE

100%

PRIVATISATION PLANS

Not in

horizon; current focus on continued IFI risk-sharing operations and capital strengthening.

STATE OWNERSHIP

PrivatBank, Oschadbank, Ukreximbank - 100% Cabinet of Ministers of Ukraine / Ministry of Finance. Combined net assets approximately EUR 30 bn. Entry point: long-term partial listing pathway envisaged in the Strategy for Reforming State Banks and the Ukraine Plan 2024-2027.

Group C: specialised non-bank institutions

UKRFINZHYTLO (UFHC)

JSC | 100% STATE

CUMULATIVE LOANS

EUR 781 m

PARTNER BANKS

10

LOANS 2025

7,769

PRIVATISATION PLANS

Not in

Operator of the eOselia preferential mortgage programme. Recapitalised in December 2024 through UAH 30 bn (EUR 601.7 m) of domestic government bonds (Cabinet of Ministers of Ukraine Resolution No. 1486 of 25 December 2024). Future plans include securitisation or covered-bond issuance against the eOselia portfolio.

NATIONAL DEVELOPMENT INSTITUTION (NDI)

FINANCIAL INSTITUTION | 100% STATE

LOAN PORTFOLIO

EUR 11 bn

PARTNER BANKS

47

LOANS

150,000+

PRIVATISATION PLANS

Not in

Transformed into the National Development Institution (NDI) by Law No. 4622-IX of 8 October 2025; NDI commenced operations on 1 January 2026. NDI operates as a second-tier financial institution and conducts its activities exclusively through partner banks and non-bank financial institutions. Its key areas of focus include: support for MSME financing; support for the banking sector building a sustainable infrastructure for long-term business financing; entrepreneur capacity development and cooperation with international partners on mobilization of financial and technical resources for the implementation of MSME support programs.

CUMULATIVE LOANS

EUR 781 m

PARTNER BANKS

10

LOANS 2025

7,769

PRIVATISATION PLANS

Not in

Operator of the eOselia preferential mortgage programme. Recapitalised in December 2024 through UAH 30 bn (EUR 601.7 m) of domestic government bonds (Cabinet of Ministers of Ukraine Resolution No.

1486 of 25 December 2024). Future plans include securitisation or covered-bond issuance against the eOselia portfolio.

NATIONAL DEVELOPMENT INSTITUTION (NDI)

2024 EXPORT SUPPORT

EUR 151 m

EXPORTERS SUPPORTED

69

DESTINATIONS

35

PRIVATISATION PLANS

Not in

Provides insurance of export credits, receivables, and bank guarantees, plus war and political risk insurance for investment loans. Lead destinations in 2024:

Poland, Azerbaijan, UAE. Lead products: dairy, wood, processed vegetables. Lead partner banks: Ukrgasbank, Oschadbank, FUIB.

LOAN PORTFOLIO

EUR 6.3 m

MARKET POSITION

9th among Ukraine's non-bank leasing companies

REGIONAL OFFICES

25

IN PRIVATISATION LIST

Order 358-r

Financial leasing of agricultural machinery, light commercial vehicles, municipal equipment, and forestry and woodworking technology is Ukragroleasing's core and only material line of

business. Listed for large privatisation since Cabinet of Ministers of Ukraine Order No. 358-r of 10 May 2018, which authorised SPFU to conduct a tender for 100% of the state share.

STATE OWNERSHIP

Ukrfinzhytlo and Business Development Fund - 100% MoF. Export Credit Agency — 100% Ministry of Economy. Ukragroleasing - 100% SPFU. Together they channel state and IFI funds through 47 partner banks, with cumulative programme volumes exceeding EUR 9.6 bn. Entry points: become a partner bank; co-fund through WB / EBRD / KfW / IFC; bid for Ukragroleasing under Cabinet of Minister of Ukraine Order No. 358-r.

HOW PRIVATE CAPITAL CAN PARTICIPATE

SUBSECTOR	STATE ROLE	KEY SOEs	PRIVATISATION PATHWAY	ACCESS MECHANISMS FOR PRIVATE CAPITAL
Large state commercial banks	High	PrivatBank, Oschadbank, Ukreximbank	Not in the privatisation list - no active tender; long-horizon minority equity listing referenced in MoF strategy documents; no Government decision as of Q1 2026	No alternative pathway while strategic review is pending
State banks in privatisation pipeline	High	Sense Bank, Ukrgasbank	Both in pre-privatisation preparation	NBU qualifying-holding approval (Art. 34, Law on Banks and Banking Activity); AMCU concentration clearance; Cabinet of Ministers of Ukraine approval for strategic assets
State agricultural leasing	Low	Ukragroleasing	Privatisation listed	Through large-privatisation auction

SUBSECTOR	STATE ROLE	KEY SOEs	PRIVATISATION PATHWAY	ACCESS MECHANISMS FOR PRIVATE CAPITAL
State development finance institutions	High	Ukrfinzhytlo, National Development Institution (NDI), Export Credit Agency	Not in the privatisation list - mandate institutions; not on privatisation list	Partner bank status for eOselia programme (10 partner banks as of late 2025); 5-7-9 entrepreneurship lending programme (47 partners); ECA trade finance co-insurance; open to any NBU-licensed Ukrainian bank meeting published eligibility criteria
Private bank acquisition	Low	None	Not applicable - private ownership is the norm; no restriction	NBU qualifying-holding approval (Art. 34); AMCU concentration clearance; no general wartime moratorium on private-sector M&A
Non-bank financial sector (insurance, leasing, finance companies, asset management)	Low	None	Not applicable - overwhelmingly private; no restriction	NBU qualifying-holding approval under post-Split reform (2019); NSSMC approval for capital markets infrastructure; sector consolidation expected in 2026 as capital and operational requirements tighten

2.4

Defence industry

EUR ~11 BILLION

in defence production, 2025. Installed capacity approaching EUR ~40 billion.

Three years ago, that figure stood at EUR ~1 billion¹¹⁴. War-driven demand has scaled the defence-industrial base roughly eleven-fold since 2022¹¹⁵, while installed capacity has grown faster still, projected at EUR ~40 billion per year for 2026¹¹⁶. Actual output remains well below that ceiling, constrained by export restrictions under martial law and limited foreign procurement orders.

The gap between capacity and production is structural. The state, despite allocating 53% of its budget to defence¹¹⁷, cannot absorb all available output. Foreign-funded procurement and EU mechanisms are scaling but still cover a fraction. Much of the defence industry runs far below capacity.

¹¹⁴ [Defence Industry Europe](#)

¹¹⁵ [UNITED24 Media](#)

¹¹⁶ [The Defense Post](#)

¹¹⁷ [Centre for Economic Strategy](#)

Ukraine's 2025 budget initially allocated ~EUR 53 billion to security and defence (53% of total spending, ~26% of GDP)¹¹⁸; mid-year amendments raised the total to ~EUR 62 billion, over 31% of GDP¹¹⁹. The defence sector is no longer an emergency expenditure. It is a structural engine of industrial output, technology development, and European integration.

DEFENCE BUDGET 2026

~EUR 64B¹²⁰

27.2% of GDP

STRATEGIC SOES (NON-PRIVATIZABLE)

3 core

Antonov, Motor Sich, Pivdenmash

UKRAINIAN DEFENCE INDUSTRY JSC (UDI) ENTERPRISES

~100¹²¹

Corporatised 2023; CEO Herman Smetanin

UDI OUTPUT

>EUR 4B¹²²

1.5× of 2024; up from EUR ~3B (2024), EUR ~2B (2023)

ACTUAL PRODUCTION 2025

~EUR 11B¹²³

Up from EUR ~1B (2022), ~EUR 9B (2024)

PRODUCTION CAPACITY 2026

~EUR 40B / year¹²⁴

Export + funding gap limit output

HIGH-TECH DEFENCE MARKET 2025

EUR 6B¹²⁵

UAVs + UGVs + EW

ESTABLISHED DEFENCE COMPANIES

~1,200¹²⁶

~80% of sector enterprises are private

BRAVE1 CLUSTER

4,600+ solutions¹²⁷

UNITE-Brave NATO (EUR 10M); 35-country investor base

UAV PRODUCTION (YOY)

+137%¹²⁸

>1.5M FPV drones produced in 2024

UGV PRODUCTION (YOY)

+488%¹²⁹

Fastest-growing defence segment globally

ELECTRONIC WARFARE (EW) SYSTEMS (YOY)

+215%¹³⁰

Software-defined; rapid battlefield iteration

¹¹⁸ Centre for Economic Strategy

¹¹⁹ Cabinet of Ministers of Ukraine

¹²⁰ Ministry of Finance of Ukraine

¹²¹ GlobalSecurity, Ukroboronprom profile

¹²² Ministry of Defence of Ukraine

¹²³ UNITED24 Media

¹²⁴ The Defense Post

¹²⁵ KSE Institute (2026)

¹²⁶ KSE Institute (2026)

¹²⁷ Ministry of Digital Transformation

¹²⁸ KSE Institute (2026)

¹²⁹ KSE Institute (2026)

¹³⁰ KSE Institute (2026)

SECTOR OVERVIEW

The Market

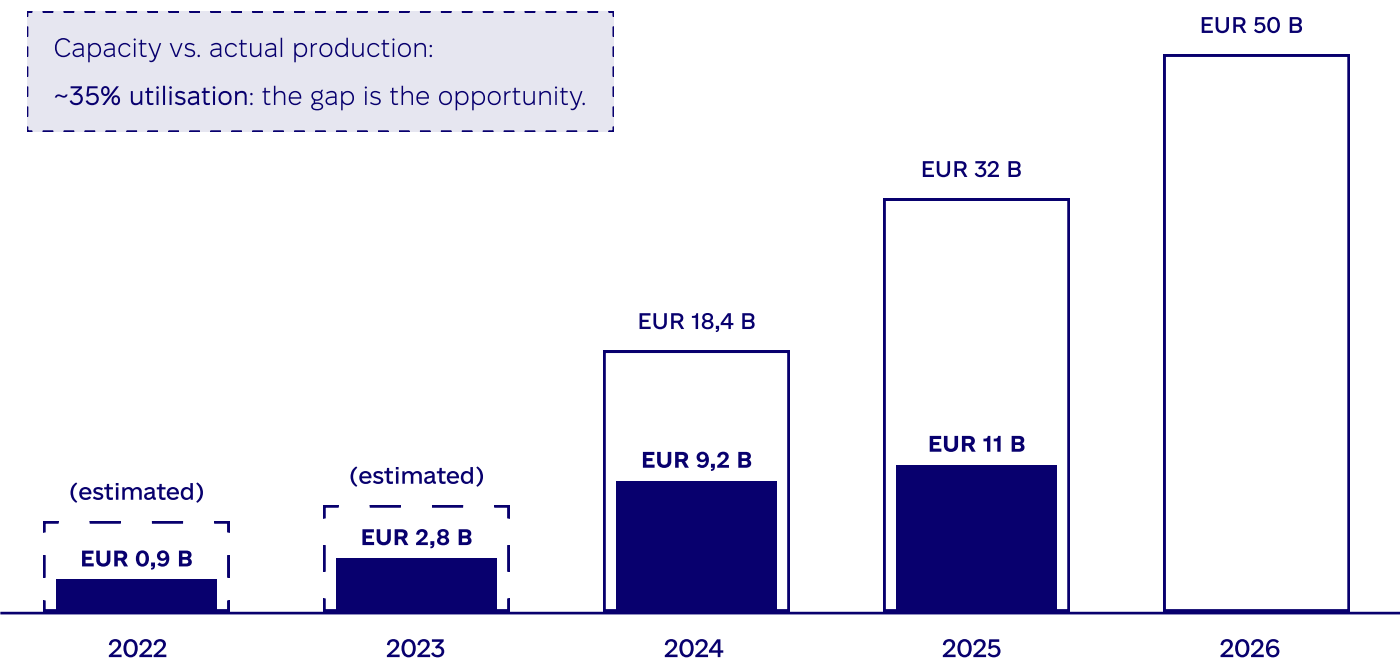
From EUR 1 billion to EUR ~11 billion in four years.

The most rapid defence-industrial mobilisation in modern European history, and all of it domestic. No single NATO member achieved comparable production growth in percentage terms during any post-Cold War rearmament cycle. The trajectory is not slowing: capacity grew from EUR 18.4 billion in 2024¹³¹ to EUR ~32 billion in 2025, and is projected at EUR ~40 billion for 2026¹³².

Under martial law, arms exports remain restricted. However, initiatives such as Build with Ukraine and the Drone Deal have been introduced to enable the

export of weapons and technologies through international cooperation mechanisms, including joint ventures and other forms of industrial partnership under international agreements. The Ukrainian state, despite allocating 53% of its budget to security and defence, cannot absorb all available production. Foreign procurement through EU mechanisms and bilateral programmes is growing but still covers a fraction of capacity. The result: the Ukrainian defence industry operates at an estimated ~35% of potential output¹³³.

■ PRODUCTION GROWTH CHART



Source: UCDI / Smetanin (output), Defense Post / Kamyshin (capacity)

Ukraine's 2025 defence production already exceeds Rheinmetall's 2025 revenue (EUR 9.94B)¹³⁴ and is over half of Leonardo's (EUR 19.5B)¹³⁵, without a single export order. The EUR ~50 billion capacity projection for 2026, if unlocked through export liberalisation and foreign procurement, would put Ukraine's annual output in the league of Europe's largest defence primes.

¹³¹ [The Kyiv Independent](#)

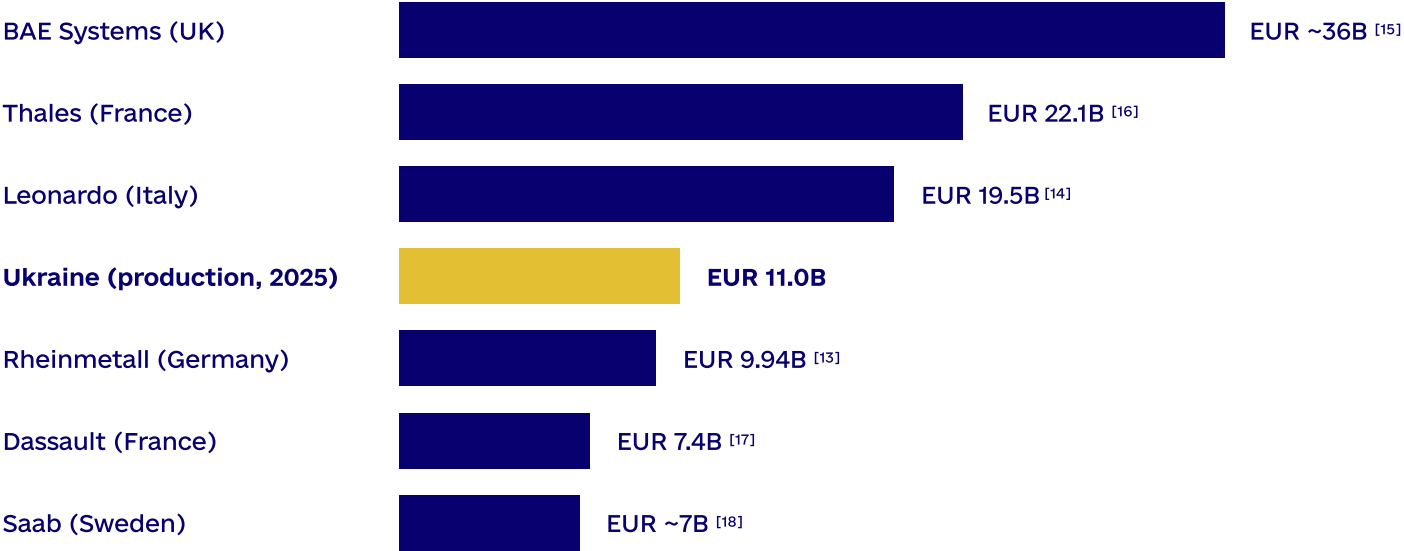
¹³² [Militarniy](#)

¹³³ [Ukrinform](#)

¹³⁴ [Rheinmetall](#)

¹³⁵ [Leonardo](#)

■ EUROPEAN DEFENCE PRODUCTION COMPARISON (FY2025)



Source: BAE Systems,¹³⁶ Thales,¹³⁷ Leonardo,¹³⁸ Rheinmetall,¹³⁹ Dassault,¹⁴⁰ Saab¹⁴¹

Innovative Engine

High-tech segments: the growth engine

The combined high-tech market (unmanned aerial vehicles (UAVs), unmanned ground vehicles (UGVs), electronic warfare (EW)) reached an estimated EUR 6 billion in 2025¹⁴², more than doubling from EUR 2.6 billion in 2024. The figure is conservative: military units frequently assemble drones and EW components in-house, and decentralised procurement through volunteer channels falls outside official statistics.

SEGMENT	GROWTH (YOY) ¹⁴³	SCALE INDICATOR
UAVs	+137%	>1.5M FPV drones produced in 2024; ~200K/month in 2025 ¹⁴⁴
UGVs	+488%	Logistics, evacuation, mine clearance, armed platforms
EW systems	+215%	Jammers, signal intelligence, counter-drone
Deep-strike UAV	+169%	Increasing use against high-value military targets and energy infrastructure in the enemy's rear
AI / software-defined systems	Emerging	Targeting, reconnaissance analysis, autonomous navigation

¹³⁶ [BAE Systems](#)
¹³⁷ [Thales](#)
¹³⁸ [Leonardo](#)
¹³⁹ [Rheinmetall](#)
¹⁴⁰ [Dassault Aviation](#)
¹⁴¹ [Saab](#)
¹⁴² [KSE Institute \(2026\)](#)
¹⁴³ [KSE Institute \(2026\)](#)
¹⁴⁴ [Militarnyi](#)

Brave1: Defence Innovation Cluster

Brave1, launched April 2023, is the government's defence-tech platform connecting startups, engineers, military end-users, and procurement agencies:

- **4,600+** technological solutions supported across the platform¹⁴⁵

- **1,000+** products listed on Brave1 Market

- Through initiatives such as the "Test in Ukraine" programme, foreign defence companies can validate systems in real combat conditions, while Brave1 Dataroom provides a secure environment for training AI models designed to detect and intercept hostile UAVs¹⁴⁷. "Build with Ukraine" initiative promotes long-term industrial partnerships, encouraging international companies to co-create and manufacture next-generation defence technologies alongside Ukrainian teams.

- **UNITE-Brave NATO programme launched (EUR 10M NATO funding, December 2024)**

- **Awarded more than 540 grants worth over EUR 47M (UAH 2.2 bn) to Ukrainian defence tech developers by the end of 2025¹⁴⁶**

Beyond grants, defence enterprises can access concessional credit under the state "5-7-9" programme: 108 loans totalling EUR ~150 million as of February 2026¹⁴⁸, with another 103 enterprises under review.

Ukraine's defence-tech investment ecosystem remains small in absolute terms, at EUR ~40 million in 2024, against EUR ~1.1 billion across Europe and EUR ~3 billion in the United States¹⁴⁹. The gap is closing fast: private investment in Ukrainian defence-tech rose from EUR ~1 million in 2023 to over EUR 100 million in 2025¹⁵⁰.

State & Private Sector Architecture

Two engines. One ecosystem.

The Private Sector: Majority of Enterprises, Driver of Innovation

Private manufacturers represent 80% of Ukraine's defence enterprises. In early 2024, Minister Kamyshin counted roughly 400 private companies out of ~500 active in the sector¹⁵¹. By 2026, the count had grown to 1,200 established defence companies¹⁵², including

450+ UAV manufacturers alone¹⁵³. Even before the full-scale invasion, the shift was clear: Stockholm International Peace Research Institute (SIPRI) data shows private firms received 54% of state defence orders¹⁵⁴ by 2020, up from 25% in 2015.

SPEED

From prototype to mass production in months, not year

SCALE

From garage-scale FPV assemblers to industrial-grade facilities producing 200,000 drones/month

FEEDBACK

Direct battlefield testing; iterative design driven by combat operators

DIVERSITY

Drones, EW, AI, robotics, armour, communications, demining, cybersecurity

¹⁴⁵ [Ministry of Digital Transformation](#)

¹⁴⁶ [Ministry of Digital Transformation](#)

¹⁴⁷ [KSE Institute \(2026\)](#)

¹⁴⁸ [KSE Institute \(2026\)](#)

¹⁴⁹ [UCDI Investor Club \(2026\)](#)

¹⁵⁰ [UCDI Investor Club \(2026\)](#)

¹⁵¹ [Rubryka](#)

¹⁵² [KSE Institute \(2026\)](#)

¹⁵³ [Borg.expert](#)

¹⁵⁴ [SIPRI](#)

UDI: The State Industrial Holding

UDI, formerly Ukroboronprom, is the state industrial holding. Corporatised in June 2023 under CEO Herman Smetanin¹⁵⁵; governed by a 5-member supervisory board chaired by David Lomdzaria, Ministry of

Defence (MoD) representative¹⁵⁶. UDI consolidates 100+ enterprises across five defence-industrial sectors¹⁵⁷: armoured vehicles, aviation, naval systems, munitions, and high-precision weapons.

2023 OUTPUT

EUR ~2.0 billion

(+72% YoY¹⁵⁸;
49th in Defense News Top 100)

2024 OUTPUT

>EUR 3 billion

(+41% YoY¹⁵⁹;
SIPRI Top 100)

2025 OUTPUT

>EUR 4 billion

(1.5× of 2024¹⁶⁰;
confirmed by MoD)

INTERNATIONAL DEFENCE PARTNERSHIPS MAP



The war catalysed a wave of defence-industrial cooperation. At least ten major partnerships are publicly confirmed:

PARTNER	SCOPE	STATUS (MID-2026)
Rheinmetall (Germany)	JV with UDI (51/49); armoured vehicle MRO (Maintenance, Repair, and Operations) + planned production; 155mm ammo plant ¹⁶¹	OPERATIONAL MRO (June 2024); ammo plant under construction

¹⁵⁵ [Ukroboronprom](#)

¹⁵⁶ [Ministry of Strategic Industries](#)

¹⁵⁷ [GlobalSecurity, Ukroboronprom profile](#)

¹⁵⁸ [United24 Media](#)

¹⁵⁹ [United24 Media](#)

¹⁶⁰ [Ministry of Defence of Ukraine](#)

PARTNER	SCOPE	STATUS (MID-2026)
BAE Systems (UK)	Local entity in Kyiv; L119 howitzer localisation + MRO ¹⁶²	OPERATIONAL Office active (Aug 2023); cooperation agreements signed
KNDS (Germany/France)	Subsidiary KNDS Ukraine; MRO of Leopard, PzH 2000, Caesar; 155mm ammo JV ¹⁶³	OPERATIONAL MRO (early 2025); ammo production ramping
Babcock (UK)	Naval capability enhancement (UNCEP); Sandown-class minehunter support ¹⁶⁴	FRAMEWORK Tripartite Mol active; Babcock Ukraine Ltd (Dec 2023)
Saab (Sweden)	MoU with UDI on aviation and airborne surveillance ¹⁶⁵	FRAMEWORK Signed Feb 2026; early-stage
Baykar (Turkey)	Bayraktar UAV production plant in Ukraine ¹⁶⁶	CONSTRUCTION Under construction; repeated russian strikes on the site have delayed commissioning
Colt CZ (Czech Republic)	Licensed assembly of NATO-standard assault rifles (CZ Bren 2) ¹⁶⁷	OPERATIONAL Production started December 2024
Roshel (Canada)	Armoured vehicle production in Ukraine ¹⁶⁸	OPERATIONAL Production started March 2025
Northrop Grumman (US)	Medium-calibre ammunition production	PENDING Pre-operational

¹⁶² [Militarnyi](#)

¹⁶³ [KNDS \(corporate site\)](#)

¹⁶⁴ [UK Government](#)

¹⁶⁵ [Defence Industry Europe](#)

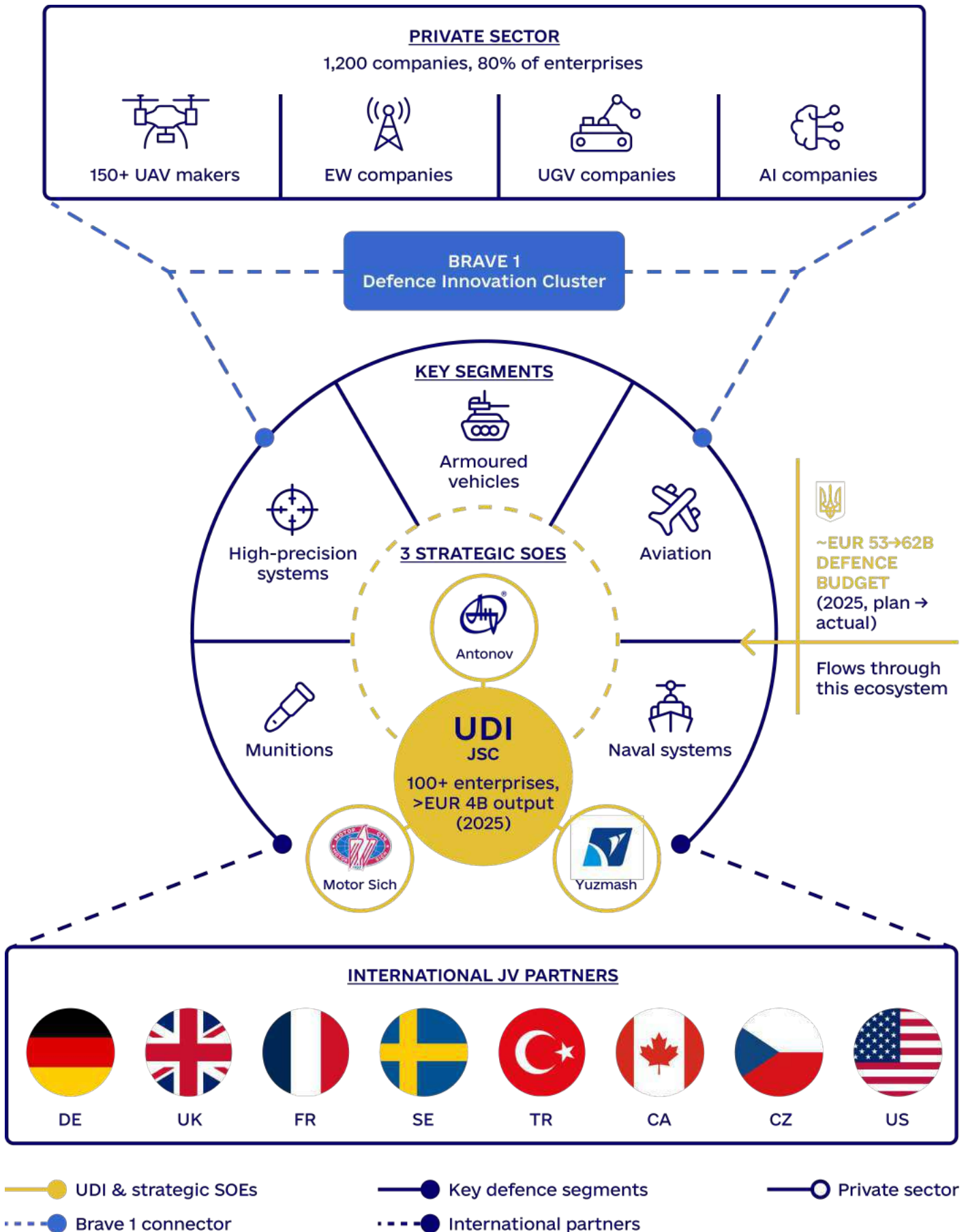
¹⁶⁶ [Militarnyi](#)

¹⁶⁷ [Colt CZ Group](#)

¹⁶⁸ [Ukrainian Business News](#)

KEY STATE-OWNED ENTERPRISES

DEFENCE ECOSYSTEM MAP



Three enterprises. Non-privatizable by law. Open to structured partnerships.

Ukraine's defence-industrial base is anchored by strategic national assets classified as non-privatizable. Current policy focuses on corporatisation and internal restructuring, transforming state enterprises into joint-stock companies under unified governance while remaining fully state-owned.

A phased liberalisation pathway is possible over the long term: partial equity offerings or minority stake sales in selected enterprises; JVs with international strategic partners; initial public offering (IPO) or strategic investor entry for corporatised entities once governance reforms are complete; selective opening of non-critical segments within the defence value chain

ANTONOV JSC

AIRCRAFT PROGRAMMES

An-124, An-178, An-74, An-148/158

FLEET (OPERATIONAL)

5 An-124 Ruslans¹⁶⁹

FACILITIES

Kyiv HQ + Hostomel

///////

Non-privatizable

Ukraine's flagship aerospace enterprise, complete aircraft lifecycle from design through production to cargo operations. The An-124 Ruslan remains one of the world's largest cargo aircraft; Antonov Airlines operates five from Leipzig/Halle (relocated from Hostomel after 2022 damage). The An-178 medium military transport targets export markets. The company is also expanding into unmanned and drone systems development as part of Ukraine's broader defence tech transformation¹⁷⁰.

Corporatised into a JSC in April 2024 under UDI. The destroyed An-225 Mriya: diagnostic and preservation work completed (EUR ~2.8M fund)¹⁷¹; full rebuild deferred until post-war, estimated cost approximately EUR 460M. Engagement routes: structured partnerships, technology licensing, MRO JVs, and cooperation in next-generation unmanned aviation systems.

¹⁶⁹ [Ekonomichna Pravda](#)
¹⁷⁰ [Reuters](#)
¹⁷¹ [Ukrainska Pravda](#)

CORE COMPETENCY

**Aero-engine design
+ production**

ENGINE TYPES

**Turbofan,
turboprop,
turboshaft, UAV**

INDUSTRIAL SCOPE

**Zaporizhzhia full-
cycle**

NATIONALISED 2022

Non-privatizable

One of only a handful of full-cycle aero-engine manufacturers anywhere outside NATO and China, and Ukraine owns it outright. Motor Sich engineers complete propulsion systems end to end: D-18 turbofans for the An-124, turboshafts for the Mi- and Ka-series helicopter fleets, engines for cruise missiles and UAVs, and industrial gas turbines for power generation. Building this capability takes decades and billions; almost no state possesses it.

The value is not hypothetical. When a Chinese buyer (Skyrizon) was blocked from acquiring the plant in 2021 and the state took full control in 2022, the resulting arbitration claim reached EUR ~3-4 billion, now before the Permanent Court of Arbitration in The Hague¹⁷². Today the asset is fully state-owned and managed by the Ministry of Defence, with production specifics classified. For international partners, the entry point is licensed manufacturing and technology partnerships in specific propulsion segments.

PIVDENMASH STATE ENTERPRISE (YUZHMAH)

PRODUCTION COMPLEX

**86 shops, full-cycle
(Dnipro)**

KEY PROGRAMMES

**Zenit, Cyclone,
Antares 1st stage**

STRATEGIC CLASSIFICATION

Non-privatizable (defence/space)

The backbone of Ukrainian sovereign space and ballistic capabilities. Full-cycle production across 86 shops: metallurgy, precision machining, welding, and testing. R&D unit KB Pivdenne designed the Zenit, Cyclone, and Antares first stages. Diversified portfolio includes urban transport and agricultural machinery.

In sustained financial crisis since 2014, carrying accumulated debts under a state moratorium on debt recovery extended to 2027. Corporatisation into JSC initiated in 2024. Defence and space production redirected under martial law. Engagement: JVs on specific programmes (commercial space launch, urban transport), technology licensing, reconstruction co-financing.

¹⁷² [South China Morning Post](#)

Non-Core UDI Assets: Actionable Pipeline

In 2021, the government transferred 17 non-operating UDI enterprises¹⁷³ to the State Property Fund of Ukraine (SPFU) for privatisation. Most are industrial real-estate plays, underutilised sites whose value lies in land, buildings, and location. Others retain niche technical capabilities. Progress has been slow due to wartime conditions; no completed sales of defence-adjacent assets are publicly confirmed as of mid-2026.

ENTERPRISE	LOCATION	DESCRIPTION	STATUS
Vinnytsia Aviation Plant (VIAZ)	Vinnytsia	Former light-aircraft repair plant; operations ceased	LISTED
Zaporizhzhia Automotive Repair Plant	Zaporizhzhia	Former defence vehicle repair; no active production	PENDING
Nizhyn Engineering Armament Repair Plant	Nizhyn, Chernihiv	Small plant; overhaul of engineering armament	OPERATING
Kharkiv Transport Equipment Plant	Kharkiv	Full-cycle engineering; fuel trucks, cryogenic equipment	OPERATING
Kherson Plant Sudmash	Kherson	Aerial work platforms, truck-mounted lifts	LISTED
Ukroboronlizing	Kyiv	Office/industrial real estate	LISTED
Central Design Bureau Izumrud	Kherson	Marine vessel design bureau; operations ceased	LISTED
Lviv R&D Radio-Technical Institute	Lviv	Radar/radio systems R&D up to 95 GHz	OPERATING

HOW PRIVATE CAPITAL CAN PARTICIPATE

The defence-industrial base spans three layers: a strategic state core, the corporatised UDI middle, and an open private market. The matrix below maps each subsector to its state role, privatisation pathway, and access mechanisms.

SUBSECTOR	STATE ROLE	KEY SOEs	PRIVATISATION PATHWAY	ACCESS MECHANISMS FOR PRIVATE CAPITAL
Strategic aviation (heavy transport & cargo)	HIGH	Antonov JSC (100% state via UDI)	Not in privatisation list.	Strategic partnerships; technology licensing; MRO joint ventures (JVs); cargo-operations cooperation via Antonov Logistics Salis (Leipzig/Halle).

¹⁷³ State Property Fund of Ukraine (SPFU)

SUBSECTOR	STATE ROLE	KEY SOEs	PRIVATISATION PATHWAY	ACCESS MECHANISMS FOR PRIVATE CAPITAL
Aero-engine design & production	HIGH	Motor Sich JSC (nationalised 2022, managed by Ministry of Defence (MoD))	Not in privatisation list. Skyrizon arbitration claim unresolved at the Permanent Court of Arbitration, The Hague.	Licensed manufacturing only; technology partnerships in specific propulsion segments.
Rocket & space systems	HIGH	Pivdenmash State Enterprise (corporatisation initiated 2024)	Not in privatisation list. Defence/space classification.	Joint ventures on specific programmes (commercial launch, urban transport); technology licensing; reconstruction co-financing.
Naval systems & mine countermeasures	HIGH	UDI naval-subsidiary enterprises	Not in privatisation list.	International cooperation under tripartite frameworks (Babcock UNCEP for Sandown-class minehunters); design-bureau partnerships.
Armoured vehicles (tracked & wheeled)	MIDDLE	UDI armoured-vehicle subsidiaries + foreign JVs	Core enterprises non-privatizable; JV pathway open.	51/49 JV (Rheinmetall-UDI, Kyiv); KNDS Ukraine MRO (Leopard 1/2, PzH 2000, Caesar); Roshel (Canada) localised production.
Ammunition (155mm artillery shells)	MIDDLE	UDI + international JVs	Core production capacity non-privatizable; JV pathway open.	Joint production (KNDS, Rheinmetall); state-backed plant construction; offtake contracts via partner-state funding.
Small arms (NATO-standard rifles)	MIDDLE	UDI + Colt CZ Group (licensed assembly)	Licensed-assembly model under existing UDI structure.	CZ Bren 2 assembly programme (production began December 2024); licensed manufacturing of NATO-calibre weapons.
Non-core defence-industrial real estate	MIDDLE	17 enterprises transferred to State Property Fund of Ukraine (SPFU)	Listed for privatisation; sales pending under wartime conditions.	Direct purchase via Prozorro. Sale once auctions resume; land/industrial-site plays (Vinnytsia Aviation Plant, Lviv Radio-Technical Institute).
Unmanned aerial vehicles (UAVs)	LOW	None - private market	No restriction; fully private-led.	Direct market entry; Brave1 certification for state procurement; partner-state funding (Danish model) for offtake contracts; 450+ active manufacturers.
Unmanned ground vehicles (UGVs)	LOW	None - private market	No restriction; fully private-led.	Direct market entry; Brave1 certification; state procurement contracts; export-license pilot regime.
Electronic warfare (EW) systems	LOW	None - private market	No restriction; fully private-led.	Direct market entry; Brave1-certified procurement; software-defined platforms with rapid iteration cycles.

SUBSECTOR	STATE ROLE	KEY SOEs	PRIVATISATION PATHWAY	ACCESS MECHANISMS FOR PRIVATE CAPITAL
AI, software-defined systems & cybersecurity	LOW	None - private market	No restriction; fully private-led.	Direct market entry; Brave1 cluster integration; defence-tech accelerator pipelines (Defence Builder, D3 MITS, etc).
Demining technology	LOW	None - private market	No restriction; fully private-led.	Direct market entry; international grant programmes (EU, World Bank); humanitarian-demining contracting.

2.5

Industrial sector

7 unique industrial assets

Seven flagship state-owned enterprises that would be hard to build from scratch in Europe today. Each holds a rare position in large-scale alumina refining, heavy nuclear-turbine manufacturing or full-cycle insulin production. These capabilities took decades to develop, and only a handful of producers worldwide still have them. All seven carry clean state title and are on the privatisation block.

Among them: Europe's 2nd-largest alumina refinery, one of the world's few heavy nuclear-turbine producers, one of only ~10 cylinder-liner makers in the EU, one of relatively few sulphate-route titanium-dioxide producers in wider Europe, and Ukraine's only full-cycle insulin manufacturer, built to FDA / EU GMP standards.

Pre-war baseline: at peak utilisation these seven enterprises generated combined revenues above EUR 1.2 billion¹⁷⁴ and employed more than 25,000 people across five oblasts (KSE Institute estimate). Infrastructure is intact. Capital is the binding constraint.

¹⁷⁴ KSE Institute estimate (2026).

THE STATE'S INDUSTRIAL PORTFOLIO: SEVEN RARE ASSETS

ALUMINA REFINERY

2nd

largest in Europe

MAP · 1.8 Mt / yr · 100% SPFU · ORANGE

CYLINDER-LINER PRODUCER

~10

makers in the EU

Motordetal · Tier-1 OEM: Scania, MAN, Mercedes · 100% SPFU · ORANGE

HEAVY NUCLEAR-TURBINE MAKER, ONE OF THE WORLD'S FEW

24

nuclear plants supplied

UEM (Turboatom) · capability not rebuilt greenfield · 75.22% Cabinet · ORANGE

TITANIUM-ZIRCON MINE

~38%

of Ukraine's Ti reserves

DMPP · gross margin 5%→26% · licence to 2031 · BLUE

RETURNED TO STATE VIA COURT

5 of 7

russian-linked stakes / oligarch capture, completed

HELD DIRECTLY BY SPFU

6 of 7

UEM held by the Cabinet of Ministers of Ukraine

INSULIN MAKER, ONLY FULL-CYCLE IN UKRAINE

Only built to FDA / EU GMP

Indar · 29%→40% gross margin through the war · 70.70% SPFU · BLUE

INTEGRATED TiO₂ + CHEMICALS PLATFORM

1 of few

TiO₂ in wider Europe

Sumykhimprom · sulphate route · 99.99% SPFU · ORANGE

COMBINED REVENUE AT PEAK UTILISATION

EUR 1.2 bn

25,000+ jobs across five oblasts · pre-war baseline · KSE estimate

FERTILIZER COMPLEX ON THE SEACOAST WITH ITS OWN DEEP-WATER TERMINAL

Only few coastal NH₃ / urea complexes in Europe

OPP · 1.16 Mt / yr ammonia + 0.94 Mt / yr urea · ~120 kt NH₃ storage · 99.57% SPFU · ORANGE

Data as of Q4 2025 unless otherwise noted. Status: BLUE = preparation underway / near-term auction window; ORANGE = mechanism redesign or structuring in progress. State-position cards highlighted in gold.

PORTFOLIO LOGIC

Three Thematic Clusters

Three clusters anchor Ukraine's industrial privatisation pipeline: continuous-process materials (ammonia, alumina, titanium dioxide, mineral sands), heavy and precision machinery (turbines, cylinder liners), and a single-asset biotech platform (recombinant insulin). All seven enterprises are state-owned with clean title. Five entered the portfolio through court-affirmed confiscation of russian-linked stakes or unwind of long-running oligarch capture. These are closed transactions, not pending litigation.

The end-markets are each growing. Heavy plant, mining licences, GMP certifications, and OEM contracts are intact, with the global supply-chain positions still in place. What remains is to bring capacity online against demand cycles that did not exist when these assets were originally built. The recovery trajectory, not the current utilisation level, defines the asset class.

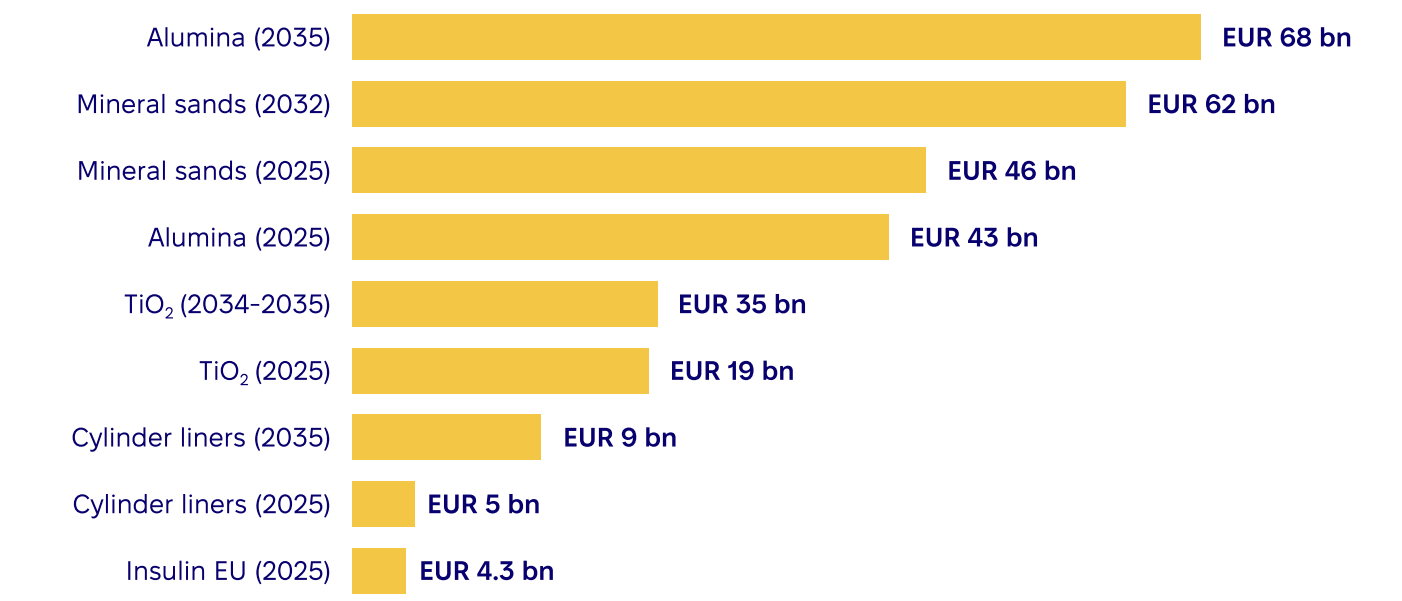
CLUSTER A · MATERIALS PROCESSING

Four Assets, Four Growing Commodity Markets

The four materials assets (Odessa Portside Plant (OPP), Mykolaiv Alumina Plant (MAP), Sumykhimprom, Demurinsky Mining and Processing Plant (DMPP)) sit on global commodity markets growing in line with EU strategic priorities. The mineral sands market is projected to grow from EUR 46 billion (2025)¹⁷⁵ to EUR 62 billion by 2032 (4.3% CAGR), with ilmenite at 45% of value as the primary titanium-pigment feedstock. The alumina market is projected to grow from EUR 43 billion (2025)¹⁷⁶ to EUR 68 billion by 2035 (4.7% CAGR),

pulled by EV demand (electric vehicles contain ~40% more aluminium than ICE vehicles)¹⁷⁷ and solar PV production; European refining capacity is materially reduced following the 2022 RUSAL sanctions cycle. The titanium dioxide market is EUR 19-20 billion in 2025¹⁷⁸, growing to EUR 34-36 billion by 2034-2035¹⁷⁹ (5.8-6.8% CAGR); the EU's 2025 revocation of TiO2's suspected-carcinogen classification has removed a compliance overhang that constrained industrial pigment supply for years.

■ END-MARKET SIZE 2025 → 2035, EUR BILLIONS



¹⁷⁵ [Persistence Market Research](#)

¹⁷⁶ [Future Market Insights](#)

¹⁷⁷ [European Aluminium](#)

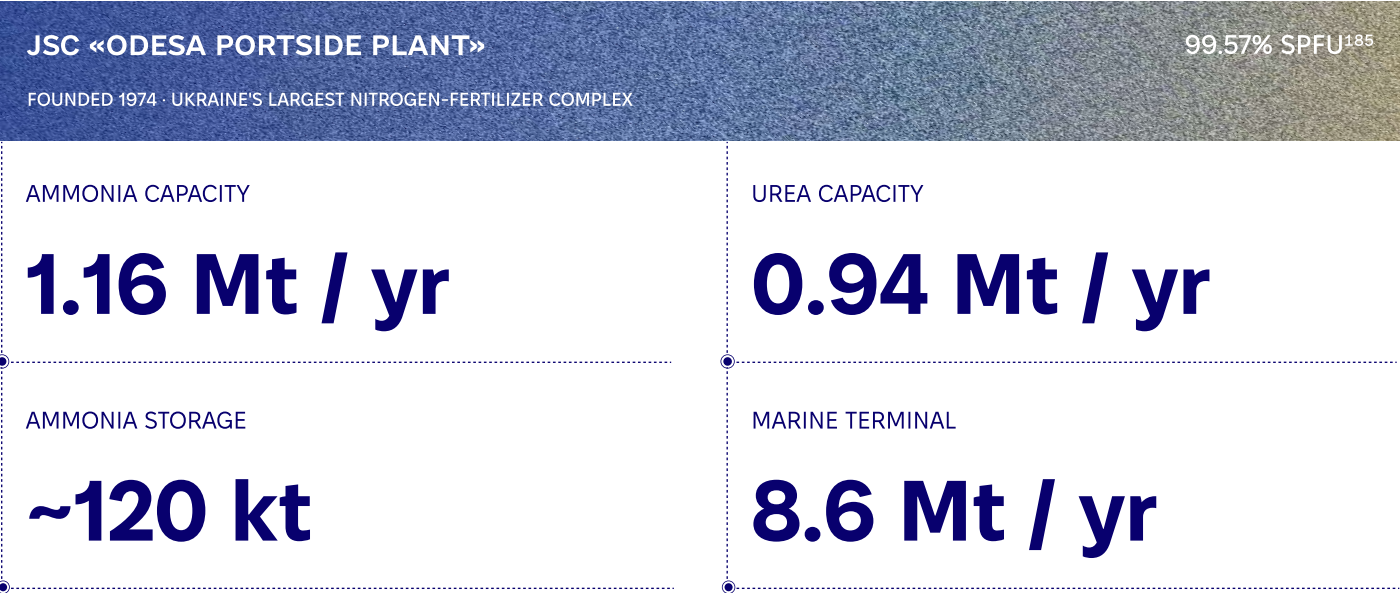
¹⁷⁸ [Grand View Research](#)

¹⁷⁹ [Grand View Research](#)

The four assets together represent ~2.1 Mt / yr of ammonia-urea capacity (OPP)¹⁸⁰, 1.8 Mt / yr of alumina capacity (MAP)¹⁸¹, 500+ kt / yr of complex fertilisers¹⁸² plus 16+ kt / yr of TiO₂ pigment¹⁸³ (Sumykhimprom), and ~38% of Ukraine's titanium ore reserves (DMPP).

All four sit directly inside the EU Critical Raw Materials Act (Regulation 2024/1252)¹⁸⁴ strategic-materials list (titanium, alumina, gallium), positioning the cluster as candidate-country supply within EU 2030 diversification targets.

Odesa Portside Plant (OPP)



Ukraine's largest nitrogen-fertilizer complex and one of very few fertilizer producers in Europe sitting directly on the seacoast with its own deep-water marine terminal. Two ammonia synthesis units (1.16 Mt / yr) and two urea lines (0.94 Mt / yr) integrate with a four-berth terminal at Pivdennyi Port (16 m depth¹⁸⁶) able to handle vessels above 150,000 DWT. At peak, OPP accounted for 23% of Ukrainian urea¹⁸⁷ and 18% of ammonia capacity¹⁵, exporting 85% of output to 30 countries⁸.

The site carries the largest seaside ammonia logistics infrastructure in Ukraine and the former-Soviet region: a transshipment complex rated at 4.0 Mt / yr¹⁸⁸ and isothermal ammonia storage of roughly 120,000 t¹⁸⁹, alongside urea and methanol lines for a combined terminal nameplate of ~8.6 Mt / yr. It is the terminus of the 2,471 km Togliatti-Odesa pipeline, historically the world's longest ammonia pipeline, idle since February

2022. The terminal also earns independently of production: 918 kt of third-party grain¹⁹⁰ was transshipped through 2024, and an August 2024 production restart confirmed the plant itself is operational, constrained by gas-market conditions rather than plant condition.

The investment case carries three layers. The deep-water marine terminal is a multiproduct revenue stream operating today and scalable on its own. Conventional ammonia / urea production can restart on gas-supply normalisation, into an EU fertilizer market reshaped by REPowerEU. On a longer horizon, the coastal ammonia infrastructure positions Pivdennyi, at the receiving end of the Central European hydrogen corridor (GTSOU + eustream + NET4GAS + OGE), as a prospective green-ammonia export node for the EU.

¹⁸⁰ [State Property Fund of Ukraine](#)

¹⁸¹ [State Property Fund of Ukraine](#)

¹⁸² [Wikipedia](#)

¹⁸³ [GMK Center](#)

¹⁸⁴ [European Parliament and Council](#)

¹⁸⁵ [State Property Fund of Ukraine](#)

¹⁸⁶ [Logistics Cluster](#)

¹⁸⁷ [State Property Fund of Ukraine](#)

¹⁸⁸ [State Property Fund of Ukraine](#)

¹⁸⁹ [State Property Fund of Ukraine](#)

¹⁹⁰ [State Property Fund of Ukraine](#)

November 2025 round drew no bids; revised mechanism in preparation

NOV 2025 START ~EUR99m	OVERDUE PAYABLES EUR365m	FIRTASH GAS DEBT EUR294m
NEXT ROUND IFI-backed	PORT (16 M) Pivdennyi	REVISED MECHANISM In preparation

The Firtash-linked gas debt sits in legal dispute and is operationally separable from the restart pathway. SPFU has communicated a revised auction mechanism with IFI-supported structuring on the next round.

STATE OWNERSHIP

SPFU holds 99.57% of OPP. The plant operates inside the Pivdennyi Port perimeter, with the four-berth marine terminal owned within the same legal entity (no port / processor split). Entry points: large-scale privatisation auction under Law No. 2269-VIII through Prozorro.Sale.

Mykolaiv Alumina Plant (MAP)

LLC «MYKOLAIV ALUMINA PLANT» FOUNDED 1980 · EUROPE'S 2ND-LARGEST ALUMINA REFINERY 100% SPFU¹⁹¹	
NAMEPLATE 1.8 Mt / yr alumina	CRMA MATERIALS Alumina + gallium
SITE 480 ha + captive port	OPEN ARBITRATION EUR 288m (HKIAC)

¹⁹¹ State Property Fund of Ukraine

Built jointly with Aluminium Pechiney and Lurgi (alumina line commissioned 1980¹⁹², gallium workshop 2000). Europe's 2nd-largest alumina refinery by nameplate capacity¹⁹³, representing ~1.3% of global capacity at a single site. The 480-hectare facility includes a captive Dnipro-Buh Marine Port with dedicated unloading equipment, 35 km of internal rail, and gallium production capability to 13.7 t / yr nameplate. Both alumina and gallium sit on the EU CRMA strategic-materials list. On-site stockpiles: 503 kt of bauxite, 67 kt of alumina, 22 kt of hydrate.

EU alumina demand is structurally rising (EV aluminium intensity ~40% higher than ICE, solar PV expansion),

while European refining capacity contracted materially through the 2022 RUSAL sanctions cycle. The CRMA sets a 2030 target of 40% domestic processing of strategic materials¹⁹⁴ and caps third-country supply concentration at 65%, opening a clear channel for Ukrainian alumina as candidate-country supply. Court-affirmed nationalisation from RUSAL completed in 2023-2024.

The asset is well-positioned for resume of the operations once security conditions stabilise. Resolution of the open EUR 288m HKIAC arbitration with RSI International is a structural workstream, alongside the bauxite supply-chain rebuild ex-russia.

STATE OWNERSHIP

SPFU holds 100% of MAP. Land title is clean and held with the SPFU; the captive Dnipro-Buh Marine Port sits inside the same asset perimeter. Entry points: online auction sale procedure under the Cabinet of Ministers of Ukraine Resolution No. 75 dated January 21, 2026 On certain matters relating to the disposal of assets subject to a court order imposing sanctions.

Sumykhimprom

PJSC «SUMYKHIMPROM»

FOUNDED 1953 · LARGE-SCALE CHEMICAL PLATFORM WITH TIO, CAPABILITY

99.9952% SPFU¹⁹⁵

NPK FERTILIZER

500+ kt / yr

SITE

637 ha · 64 units
· 48 km rail

TiO₂ HISTORICAL

16+ kt / yr

RECENT AUCTIONS

EUR 26m →
EUR 24m

Large-scale chemical enterprise in Sumy Oblast: complex NPK fertilizers, titanium dioxide pigment, sulphuric acid, and industrial chemicals. Vertically integrated with on-site sulphuric acid production. 637-hectare site¹⁹⁶, 64 real-estate units¹⁹⁷, ~48 km of internal railway, own boiler and energy facilities. The November 2023 closure¹⁹⁸ of the eleven-year DF-managed bankruptcy is the foundation event: clean

state title for the first time in more than a decade, with full operational control restored to the SPFU.

Two privatisation auctions in 2025-2026 launched the price-discovery process. Neither closed with bids at starting prices of EUR 26m (June 2025)¹⁹⁹ and EUR 24m (January 2026)²⁰⁰. The SPFU response has been to redesign the mechanism for the next attempt: sequenced pricing, conditional restart obligations, and

¹⁹² [Wikipedia](#)
¹⁹³ [International Aluminium Institute](#)
¹⁹⁴ [European Parliament and Council](#)
¹⁹⁵ [State Property Fund of Ukraine](#)
¹⁹⁶ [State Property Fund of Ukraine](#)

¹⁹⁷ [State Property Fund of Ukraine](#)
¹⁹⁸ [State Property Fund of Ukraine](#)
¹⁹⁹ [Prozorro.Sale](#)
²⁰⁰ [State Property Fund of Ukraine](#)

resolution of the ~62%²⁰¹ of overdue payables believed owed to DF-affiliated entities (currently in legal dispute).

The TiO₂ and dechromator lines stand ready for restart once integrated supply chains and demand are reconnected. Residual oleum and sulphuric acid

production has continued through H1 2025. The asset remains the country's largest integrated chemicals platform outside the wartime moratoriums on hazardous-materials sites, and one of the only large-scale TiO₂ platforms available in Europe.

STATE OWNERSHIP

SPFU holds 99.9952% of Sumykhimprom. Title was restored to the state in November 2023 with the closure of the DF-managed bankruptcy. Entry points: large-scale privatisation auction.

Demurinsky Mlining and Processing Plant (DMPP)

LLC «DEMURINSKY MINING AND PROCESSING PLANT»

FOUNDED 2006 · ~38% OF UKRAINE'S TITANIUM ORE RESERVES

100% SPFU²⁰²

MINING ALLOTMENT

2,800 ha

RESERVES

~5.0 Mt raw,
9% cut-off

LICENCE HORIZON

Until June 2031

GROSS MARGIN 2023→2025

5% → 26%

Mining and processing operation on the Vovchansk alluvial titanium-zircon deposit in Dnipropetrovsk Oblast: ~5.0 Mt of raw reserves²⁰³ at a 9% heavy-mineral cut-off (2.3 Mt ilmenite²⁰⁴, 0.7 Mt rutile, 0.2 Mt zircon). Open-pit quarry, on-site pre-concentration, processing into five mineral concentrates. 2,800-hectare mining allotment, ore depths 4-70 metres (low-cost open-pit extraction), ~3,000 t / day processing capacity, 278 staff²⁰⁵.

Ukraine holds ~1% of global titanium reserves²⁰⁶, ranking top-10 for ilmenite and top-5 for rutile; DMPP controls ~38%²⁰⁷ of the national base. Mining licence runs through June 2031²⁰⁸. Subsoil rights and surface land sit in separate legal regimes under Ukrainian law

(Subsoil Code 1994; Land Code 2001); both are held with clean title and are transferable as part of the perimeter.

After russian sales channels were severed in 2022 and russian-linked ownership was confiscated in 2023, DMPP restored gross margin from 5% (2023)²⁰⁹ to 26% (preliminary 2025)²¹⁰ under SPFU stewardship. The drivers were cost discipline, mix shift, and early reorientation toward EU and Western defence / aerospace supply chains. The investment case is the starting position: 38% of Ukraine's titanium reserves, clean title, a licence running to 2031, low extraction costs, and a customer base actively diversifying away from russian and Chinese sources.

²⁰¹ [State Property Fund of Ukraine](#)
²⁰² [State Property Fund of Ukraine](#)
²⁰³ [Wikipedia](#)
²⁰⁴ [Wikipedia](#)
²⁰⁵ [State Property Fund of Ukraine](#)
²⁰⁶ [U.S. Geological Survey](#)

²⁰⁷ KSE Institute estimate (2025), based on State Service of Geology and Subsoil of Ukraine reserve filings.
²⁰⁸ [Nadra.info](#)
²⁰⁹ Demurinsky GZK / State Property Fund of Ukraine, «Financial statements 2023», (2024).
²¹⁰ Demurinsky GZK / State Property Fund of Ukraine, «Operating data 2025 (preliminary, unaudited)», (2025).

■ DMPP GROSS MARGIN RECOVERY, %



STATE OWNERSHIP

SPFU holds 100% of DMPP. Title was restored to the state in 2023 by confiscation from russian-linked ownership. Mining licence on the Vovchansk deposit runs through June 2031. Entry points: online auction sale procedure under the Cabinet of Ministers of Ukraine Resolution No. 75 dated January 21, 2026 On certain matters relating to the disposal of assets subject to a court order imposing sanctions.

CLUSTER B · MACHINERY

Two Assets, Global Structural Demand

Two heavy and precision machinery assets sit on global markets with strong structural demand. The global cylinder-liner market is ~EUR 5.0 billion in 2025²¹¹, projected above EUR 9 billion by 2035²¹² (6.9% CAGR), driven by replacement demand in internal-combustion engines that will continue well beyond the EV transition curve. The European segment alone is ~EUR 0.9 billion with only ~10 manufacturers²¹³; diesel engines represent ~95% of the heavy-truck fleet²¹⁴; average vehicle age exceeds 14 years²¹⁵.

The global power-generation equipment installed base sits above 7,000 GW²¹⁶ with 2-3% annual replacement and modernisation cycles, recurring demand above EUR 120 billion²¹⁷. Nuclear turbine supply is concentrated among a handful of producers globally, with new-build NPP capacity rising in CEE and Asia.

UEM (Turboatom legacy) is one of those few producers, having supplied roughly 110 NPP turbines across 24 nuclear plants worldwide (per the World Nuclear Association). Motordetal-Konotop is one of the largest European cylinder-liner plants by nameplate capacity, with 92% export share²¹⁸ and direct Tier-1 OEM contracts with Scania, MAN, Mercedes-Benz, Volvo, Iveco, and Renault. Those contracts survived eight years of ownership turbulence and a wartime operating environment. Both assets sit on intact production infrastructure with proven product-market positions; recovery is a question of energy supply, security stabilisation, and capital.

²¹¹ [Mordor Intelligence](#)

²¹² [Mordor Intelligence](#)

²¹³ [Mordor Intelligence](#)

²¹⁴ [European Automobile Manufacturers' Association \(ACEA\)](#)

²¹⁵ [European Automobile Manufacturers' Association \(ACEA\)](#)

²¹⁶ [International Energy Agency](#)

²¹⁷ [International Energy Agency](#)

²¹⁸ [Wikipedia](#)

Motordetal-Konotop

PrJSC «MOTORDETAL-KONOTOP»

100% SPFU¹⁹⁹

FOUNDED 1943 · FULL-CYCLE CYLINDER-LINER PRODUCER WITH TIER-1 OEM CONTRACTS

OEM EXPORTS

92%

EU MARKET SHARE

~1%

CAPACITY

**864,000
units / yr**

PRODUCTION SITE

**89,500 m² ·
56 units**

Full-cycle cylinder-liner producer in Konotop (Sumy Oblast): foundry casting through precision machining, 50-400 mm diameter across 1,500 product types covering trucks, passenger cars, ships, locomotives, tractors, and compressors. Nameplate capacity 864,000 liners and 60 kt of usable casting per year, making it one of the largest single-site cylinder-liner production complexes in Europe. International quality certification; Tier-1 OEM supplier relationships intact with Scania, MAN, Mercedes-Benz, Volvo, Iveco, and Renault.

Through 2022-2025 the plant operated at ~66% of nameplate capacity (~570,000 units / yr average) with stable revenue in EUR / USD terms despite wartime

conditions, until the October 2025 strike²²⁰ on Konotop's energy infrastructure paused operations. Nationalisation completed in August 2023²²¹ under Anti-Corruption Court ruling.

The investment case is the OEM franchise and the long-tail EU replacement-demand cycle (~EUR 1.0 bn EU segment, ~10 manufacturers, 14+ year average vehicle age, diesel at 95% of heavy-truck fleet). Restart is conditional on energy-supply restoration in Konotop. This is a regional infrastructure question that the broader Ukrainian energy reconstruction programme is already addressing, with parallel diversification of branch facilities under consideration.

STATE OWNERSHIP

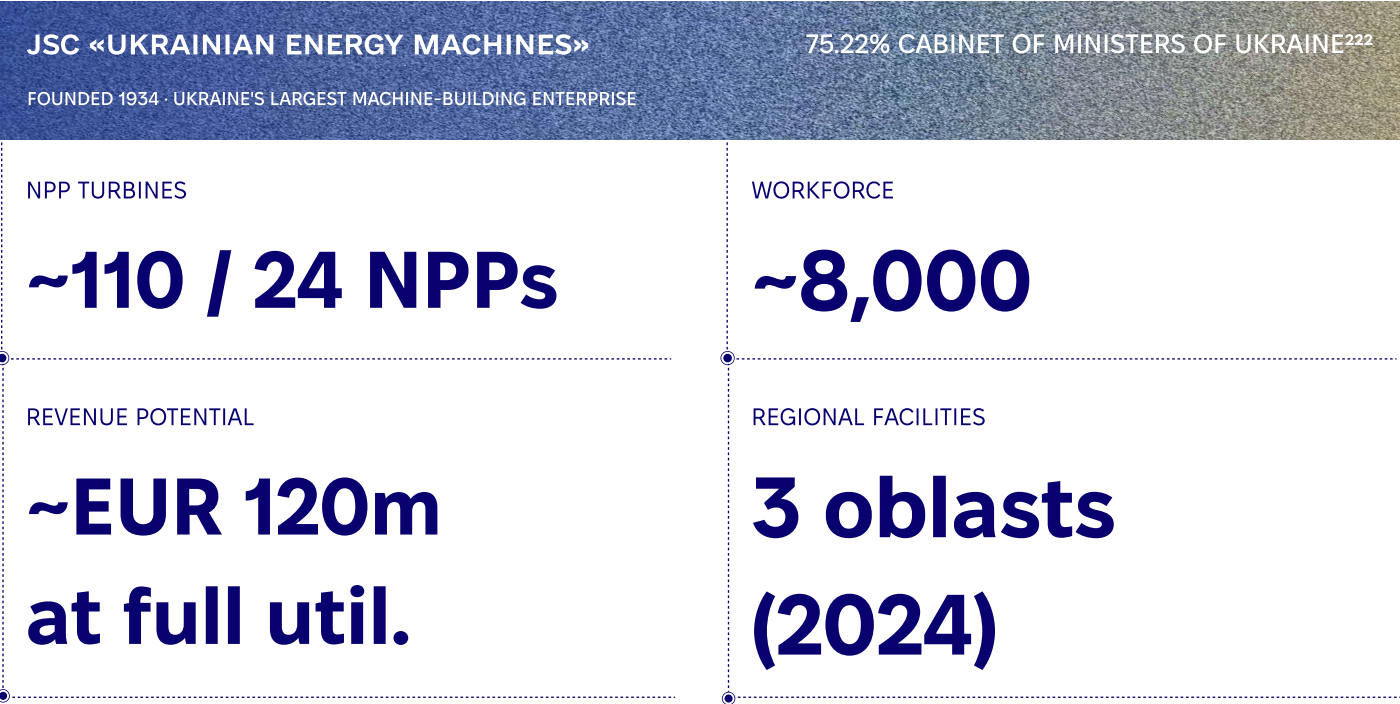
SPFU holds 100% of Motordetal-Konotop. Title restored to the state via the High Anti-Corruption Court rulings of August 2023 and September 2025. Entry points: online auction sale procedure under the Cabinet of Ministers of Ukraine Resolution No. 75 dated January 21, 2026 On certain matters relating to the disposal of assets subject to a court order imposing sanctions.

²¹⁹ [State Property Fund of Ukraine](#)

²²⁰ [RBC Ukraine](#)

²²¹ [Forbes UA](#)

Ukrainian Energy Machines



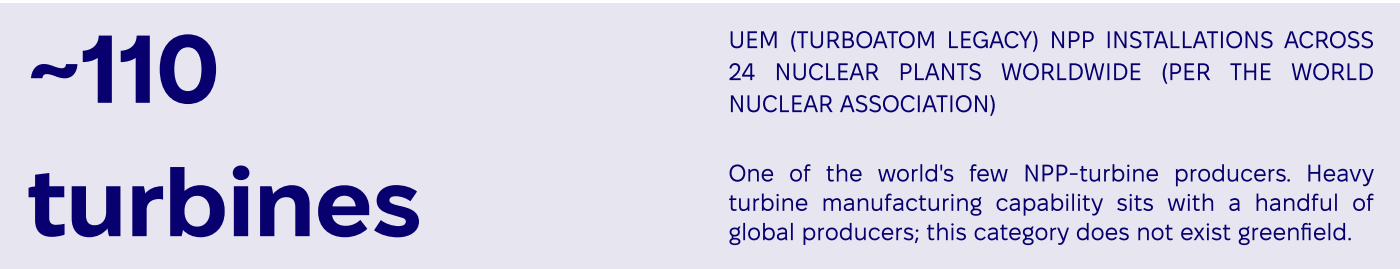
Formed in August 2021 through the merger²²³ of Turboatom (founded 1934) and Elektrovazhmash. The combined entity is the largest machine-building enterprise in Ukraine, supplying equipment to power plants in over 45 countries. The Turboatom legacy book is unusually deep: 260+ steam turbines totalling above 60 GW²²⁴ for thermal stations and roughly 110 turbines across 24 nuclear plants²²⁵ worldwide (per the World Nuclear Association), one of the world's few NPP-turbine producers. The Elektrovazhmash heritage adds hydrogenerators, turbogenerators, traction electrical equipment for rail and urban transport, and large DC machines.

This is a category of asset that does not exist greenfield: heavy turbine manufacturing capability sits with a handful of global producers, and replacement /

modernisation demand against the global 7,000+ GW installed base is structural.

Wartime adaptation has been substantial. In 2024 the supervisory board approved the build-out of branch facilities in Lviv, Zakarpattia, and Chernivtsi oblasts²²⁶ for risk diversification, bringing the UEM production footprint inside the western Ukrainian industrial cluster aligned with EU corridors. Operating margins are currently compressed at 8-12%²²⁷, against historical 22-26%²²⁸ at 55-60% utilisation. The cost structure is predominantly fixed, so margin recovery is geared to volume recovery: a 2x revenue path implies a step-change in EBITDA.

UEM remains on the large-privatisation list under a staged pathway.



STATE OWNERSHIP

Cabinet of Ministers of Ukraine holds 75.22% of UEM (governing shareholder). Entry points: staged pathway to the large scale privatisation online auction procedure.

²²² Centre for Economic Strategy ²²³ Forbes UA ²²⁴ JSC Ukrainian Energy Machines (Turboatom) ²²⁵ World Nuclear Association ²²⁶ Ukrainian Energy Machines JSC (UEM), «Supervisory Board minutes 2024», (2024).	²²⁷ Ukrainian Energy Machines JSC (UEM), «Annual Reports 2022-2024», (2025). ²²⁸ Ukrainian Energy Machines JSC (UEM) / Turboatom, «Historical financial statements 2015-2021», (2022).
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CLUSTER C · PHARMACEUTICAL

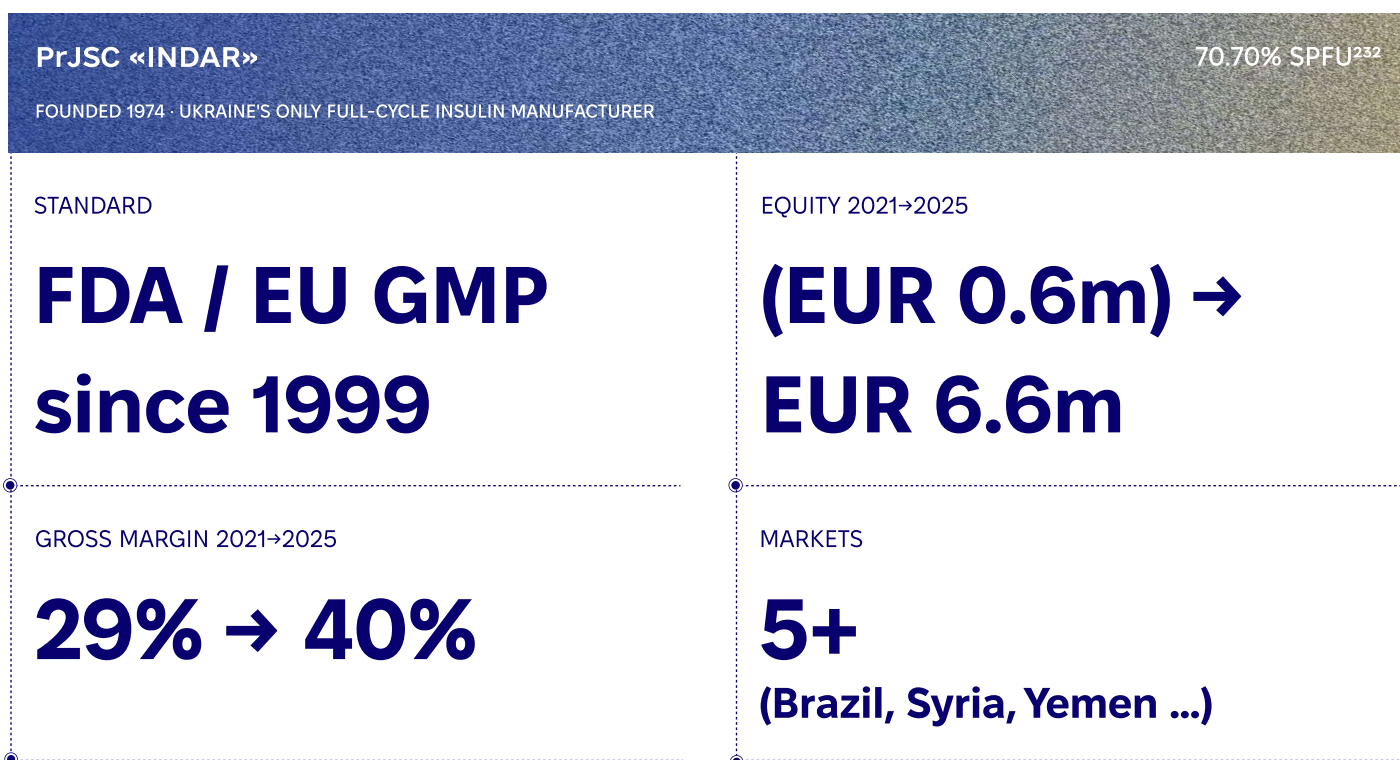
One Asset, GLocal Market Demand

The European insulin market is estimated at EUR 3.5-5.1 billion²²⁹ with 5-7% CAGR²³⁰, supported by ~61 million European adults²³¹ living with diabetes and structurally stable demand once therapy is initiated. The market is concentrated among three global incumbents (Novo Nordisk, Sanofi, Eli Lilly) at ~90% of supply, a concentration that has driven sustained regulatory interest in alternative supply across both Western and Central / Eastern European tender systems. Central and Eastern Europe relies more on lower-cost human insulin and tender-based

procurement; this is the segment where independent recombinant-insulin platforms can compete effectively.

Indar is Ukraine's only full-cycle insulin manufacturer and one of a small number of independent recombinant-insulin platforms operating globally to FDA / EU GMP standards. The platform has operated throughout the war with gross-margin expansion and equity recovery. Few biotech assets anywhere have shown the same counter-cyclical performance through 2022-2025.

Indar



Built under licence from Hoechst (Germany) in 1999²³³ to FDA and EU GMP standards. Indar operates a proprietary recombinant-insulin platform covering the full chain from API to finished injectable dosage forms (pre-filled disposable injection pens, vials with rubber stoppers, glass ampoules, blister-packed tablets). Anchor product line: Humodar human recombinant insulins, with heparin and infusion solutions alongside, and a development pipeline extending into vaccines and HIV / TB treatments. 341 employees, 20 licences, 5.2-hectare facility.

Insulin prices in Ukraine are state-regulated, with reimbursement administered by the National Health Service of Ukraine (NHSU). That gives the platform a stable domestic procurement floor.

Revenue compressed from EUR 25.3 million in 2021²³⁴ to EUR 12.4 million in 2025²³⁵ on wartime channel impact, but every other indicator strengthened: gross margin expanded from 29% to 40%, EBITDA stayed positive throughout (EUR 0.7-1.9 million per year)²³⁶, equity moved from negative (EUR 0.6 million) to

²²⁹ Mordor Intelligence

²³⁰ Mordor Intelligence

²³¹ International Diabetes Federation

²³² State Property Fund of Ukraine (SPFU), «PrJSC Indar, privatisation asset card», (2025).

²³³ PrJSC Indar, «Company history»

²³⁴ PrJSC Indar, «Audited financial statements 2021», (2022).

²³⁵ PrJSC Indar, «Financial statements 2025 (preliminary)», (2025).

²³⁶ PrJSC Indar, «Audited and preliminary financial statements 2021-2025», (2025).

equity moved from negative (EUR 0.6 million) to positive EUR 6.6 million, and trade payables were substantially reduced.

International distribution covers Brazil, Syria, Yemen²³⁷, and a handful of additional emerging markets. Polish biotech Bioton has historically expressed strategic

interest. Indar sits on the large-privatisation list with preparation underway. The asset combines FDA / EU GMP biologics infrastructure, a defensible domestic market position, and a counter-cyclical financial performance record.

■ INDAR GROSS MARGIN EXPANSION, 2021 → 2025 (%)



STATE OWNERSHIP

SPFU holds 70.70% of Indar; the residual 29.30% sits with the minority investors (Georgian industrial group, minority private holding). NHSU manages reimbursement for state-regulated insulin pricing. Entry points: large-scale privatisation auction.

HOW PRIVATE CAPITAL CAN PARTICIPATE

Seven flagship assets, three pathways. All seven sit are expected to be sold through the online auction privatisation procedure: either on the large-privatisation list under Law No. 2269-VIII or on the Cabinet of Ministers of Ukraine Resolution No. 75 dated January 21, 2026. The online auction are executed through Prozorro.Sale.

SUBSECTOR	STATE ROLE	KEY SOEs	PRIVATISATION PATHWAY	ACCESS MECHANISMS
Nitrogen fertilizer (ammonia / urea)	HIGH	JSC «Odesa Portside Plant» (OPP) - 99.57% SPFU	Large-scale auction via Prozorro.Sale. Nov 2025 round drew no bids. New auction is expected	Online auction
Alumina refining & gallium (CRMA materials)	HIGH	LLC «Mykolaiv Alumina Plant» (MAP) - 100% SPFU	Online auction regulated by the special ruling of the CMU for the sanctioned assets via Prozorro.Sale.	Online auction
Integrated chemicals & titanium dioxide (sulphate route)	HIGH	PJSC «Sumykhimprom» - 99.9952% SPFU	Large-scale auction via Prozorro.Sale. Nov 2025 round drew no bids. New auction is expected	Online auction
Titanium-zircon mining (ilmenite / rutile / zircon)	MIDDLE	PJSC «Sumykhimprom» - 99.9952% SPFU	Online auction regulated by the special ruling of the CMU for the sanctioned assets via Prozorro.Sale. Mining licence secured to June 2031. A pool auction of assets and loan claim rights is expected.	Online auction

²³⁷ PrJSC Indar, «International activity»

SUBSECTOR	STATE ROLE	KEY SOEs	PRIVATISATION PATHWAY	ACCESS MECHANISMS
Cylinder liners & precision machinery (Tier-1 OEM)	HIGH	PrJSC «Motordetal-Konotop» - 100% SPFU	Online auction regulated by the special ruling of the CMU for the sanctioned assets via Prozorro.Sale. Auction is expected to be launched. A pool auction of assets and loan claim rights is expected	Online auction
Heavy power & nuclear-turbine manufacturing	HIGH	JSC «Ukrainian Energy Machines» (UEM, Turboatom legacy) - 75.22% Cabinet of Ministers of Ukraine	Staged pathway on the large-privatisation lis, however, the process is currently on temporary hold.	—
Recombinant insulin (full-cycle biotech, FDA / EU GMP)	MIDDLE	PrJSC «Indar» - 70.70% SPFU (29.30% Bezhashvili family)	Large-scale auction with preparation underway	—

2.6

Mineral resources and hydrocarbons sector

20,000+ DEPOSITS

the Ukrainian state subsoil contains across one hundred and seventeen mineral types, plus four hydrocarbon provinces holding 467 oil and gas fields, 719 bcm of recoverable natural gas, 131 Mt of oil and condensate, and approximately 53 Bt of coal reserves. The State Geological Survey classifies eleven of these minerals as strategic and twenty-eight as critical, of which Ukraine holds commercially relevant deposits of twenty-two of the thirty-four raw materials the European Union has listed as critical to its industrial and green-transition supply chains^{239,240}.

The energy-transition technologies of the next decade, from EV batteries and wind turbines to nuclear fuel and semiconductor wafers, all use raw materials that Ukraine holds in commercial quantities, and the upstream gas-and-oil base remains the largest in continental Europe outside Russia and Norway.

Pre-war (2021), the extractive sector contributed close to 6% of Ukrainian GDP and around 14% of merchandise exports. As of 2024 the sector's GDP share stands at approximately 4.5% (KSE estimate); the mineral-products share of merchandise exports has recovered to 7.6%^{241,242}.

²³⁹ [State Geological Survey of Ukraine \(Derzhgeonadra\)](#)

²⁴⁰ [EITI Ukraine](#)

²⁴¹ [EITI Ukraine](#)

²⁴² [Ministry of Economy and State Statistics Service of Ukraine](#)

THE STATE'S MINERAL RESOURCES AND HYDROCARBONS PORTFOLIO



Data as of public information available Q1 2026. Most quantitative figures reflect the State Reserves Balance as of 01.01.2020-01.01.2021; newer balances are not publicly released during martial law.
State-position is highlighted in boxes outlined with a dark blue frame.

Compiled based on publicly available data from [Derzhheonadra](#), [State Subsoil Register](#), [Geoinform Ukraine](#), [State Reserves Balance](#), [EITI Ukraine](#), [2020 Report](#).

SECTOR OVERVIEW

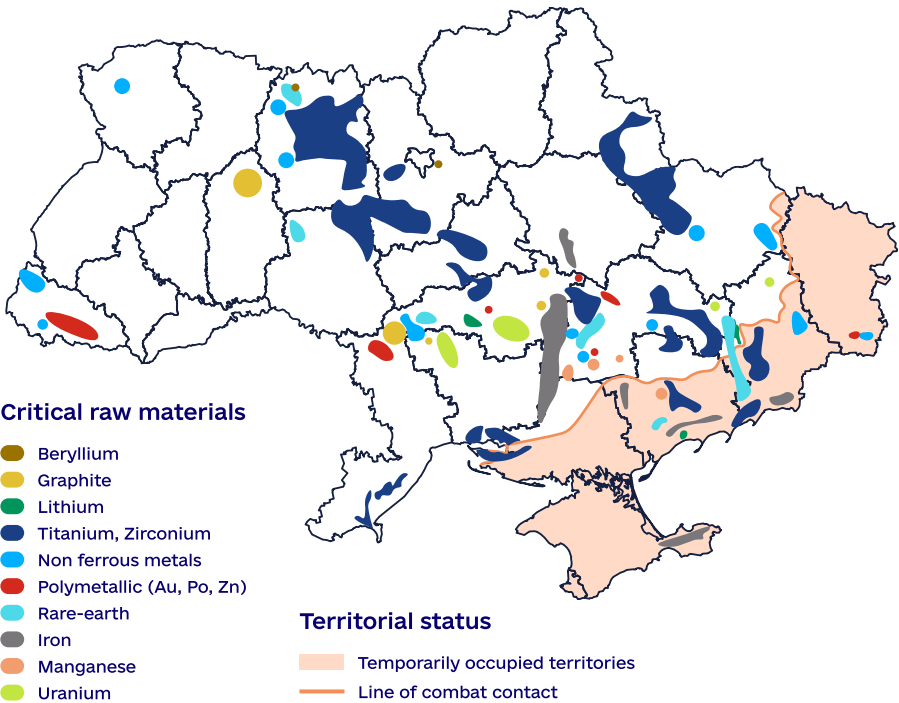
Critical and Strategic Minerals

Ukraine holds 22 of the EU's 34 critical raw materials, but most still wait for a Western-code audit.

Critical minerals are the most active segment of the portfolio. Cabinet of Ministers of Ukraine Decree No. 845 of 14 July 2025 codified the list of eleven strategic and twenty-eight critical mineral types and the eighty-six subsoil plots offered through the formal pipeline: sixty for electronic auction on Prozorro.Sale and twenty-six under Production Sharing Agreement tender. The twenty-eight critical types include the eleven strategic ones; the registers do not cleanly split deposit counts between the two tiers²⁴³.

UKRAINE: CRITICAL AND STRATEGIC MINERALS

Status as of June 2026



Ukraine reserves*				
	Estimated reserves	% global reserves	Global ranking	% global production
C	18.6 Mt	6%	#5	4%
Li	classified	1-2%	#1 (EU)	N/A
Ti	classified	1%	#9	7%
Be	13.9 Kt	N/A	N/A	N/A
U	classified	2-4%	#1 (EU)	2%
Mn	140 Mt	7%	#4	1.6%
Fe	6.5 Bt	3%	#8	1.5%

* Reserve volumes for Li, Ti and U are classified in Ukraine.

Sources: public information, DeepStateMap.live, KSE institute, USGS, State Service of Geology and Subsoil of Ukraine, World Nuclear Association (2023)

Lithium

Four hard-rock deposits with economic-scale resources are documented in Ukraine. Two sit in government-controlled Kirovohrad oblast, Polokhivske and the Dobra block, and two have been beyond reach since 2022: Kruta Balka in Zaporizhzhia oblast and Shevchenkivske in Donetsk oblast. The state's nationwide reserve is approximately 500,000 tonnes of lithium carbonate equivalent (LCE), around 3% of the world figure on the US Geological Survey 2021 baseline^{244,245}.

The Dobra block was awarded in January 2026 to Dobra Lithium Holdings JV LLC, a Delaware vehicle co-owned by TechMet Ltd and the Ronald S. Lauder-controlled RSL Group. The tender is the first Ukrainian metallic-minerals Production Sharing Agreement. Committed investment is approximately USD 179 mn (USD 12 mn for an international reserve audit and USD 167 mn for extraction and beneficiation) against estimated reserves of 1.2 Mt of ore at 1.34% Li₂O; PSA term up to 50 years^{246,247}.

²⁴³ Cabinet of Ministers of Ukraine
²⁴⁴ U.S. Geological Survey
²⁴⁵ U.S. Geological Survey
²⁴⁶ Baker McKenzie
²⁴⁷ Derzhheonadra

Polokhivske is at pre-development stage under TOV UkrLithiumMining LLC, which has held the special permit since 2017. The 2018 reserves audit recorded 27 Mt of ore at >1% lithium

content (≈760 kt LCE). Planned annual output is up to 300 kt of petalite concentrate over a 15-20 year mine life. Process flowsheet by Metso Outotec; total estimated investment ≈USD 370 mn²⁴⁸.

DOBRA LITHIUM PSA	
FIRST UKRAINIAN METALLIC-MINERALS PRODUCTION SHARING AGREEMENT	
PSA TERM	MIN CAPEX
50 yrs	USD 179 mn
RESERVES (ORE)	Li ₂ O GRADE
1.2 Mt	1.34%
WINNER JV	AWARDED
TechMet × RSL	Jan 2026

Dobra is the first project formally structured under the US-Ukraine Reconstruction Investment Fund Agreement (Annex A).

STATE OWNERSHIP

All four named lithium deposits remain Ukrainian state subsoil. Operating special permits are held by TOV UkrLithiumMining LLC (Polokhivske, 2017) and Dobra Lithium Holdings JV (Dobra Block, PSA awarded January 2026 for up to 50 years). Entry points: equity in the Dobra JV (Delaware vehicle, US DFC-backed via TechMet); Polokhivske development financing alongside UkrLithiumMining; future PSA tenders on remaining state-held lithium blocks once front-line geography permits.

Titanium and Zirconium

Ukraine is the only operating rutile and zircon producer in Europe. USGS Mineral Commodity Summaries 2025 puts Ukrainian ilmenite reserves at 5.9 Mt of contained TiO₂; the State Reserves Balance puts total titanium-ore balance reserves at 8.4 Mt. The 2024 production headline reconciles once basis is normalised: in 2024 Ukrainian producers output roughly 286 kt of ilmenite concentrate on a gross-weight basis (GMK Center; the figure USGS carries for Ukraine in MCS 2026, nominally under a TiO₂-content

heading). At the 54-62% TiO₂ grade of Ukrainian sulfate- and chloride-grade concentrate, that equals approximately 155-177 kt of contained TiO₂. The 120 kt shown in USGS MCS 2025 was a lower preliminary estimate, revised upward a year later. Pre-war (2021) output was ~330 kt; the 2023 wartime low ~60 kt. Rutile production is approximately 10 kt; Ukraine was the only European source of rutile concentrates to the United States in January-September 2024, supplying 8% of US rutile imports^{249,250}.

²⁴⁸ UkrLithiumMining LLC
²⁴⁹ U.S. Geological Survey

²⁵⁰ U.S. Geological Survey

United Mining and Chemical Company (UMCC / OGCC) was privatised in October 2024, the largest privatisation deal of the full-scale-war period at closing. UMCC operates Vilnohirsk Mining and Metallurgical Plant (Dnipropetrovsk) and Irshansk Mining and Processing Plant (Zhytomyr), pre-war >70% of Ukrainian ilmenite output and 350 kt of titanium

and zirconium concentrates in the last pre-war full year. The state's 100% block of shares was sold to Cemin Ukraine LLC (Ukrainian subsidiary of Azerbaijani group NEQSOL Holding, controlled by Nasib Hasanov) for UAH 3.94 bn / approximately EUR 90 mn; sole bidder; EUR 9 mn modernisation commitment^{251,252,253}.

UMCC PRIVATISATION	
LARGEST WAR-PERIOD MINERAL-SECTOR PRIVATISATION AT CLOSING	
CLOSED	SALE PRICE
Oct 2024	EUR 90 mn
BUYER	PARENT
Cemin Ukraine	NEQSOL Holding
AUCTION DEPTH	MODERNISATION
Sole bidder	EUR 9 mn

UMCC operates Vilnohirsk MMP (Dnipropetrovsk) and Irshansk MPP (Zhytomyr); pre-privatisation >70% of Ukrainian ilmenite output.

The second pillar is Velta Group, a private operator at Birzulivske and Likarivske deposits in Kirovohrad oblast, capacity up to 270 kt/yr ilmenite concentrate with a planned 120 kt addition from Likarivske; Phase 1 budget USD 165.9 mn. Velta has run at ≈half capacity since 2022, constrained by electricity supply. ASX-listed European Lithium Ltd has signed a binding agreement to acquire 100% of Velta's US holding company. The Velta-led REPTiS consortium holds a Horizon Europe research grant of EUR 7m for full-cycle titanium production, running 1 September 2024 to 31 August 2028^{254,255,256}.

The third asset is Demurinsky Mining and Processing Plant LLC, operator of the Vovchanske titanium-zirconium placer deposit in Dnipropetrovsk oblast since 2006. Corporate rights were confiscated from russian beneficial owner Mikhail Shelkov (via VSMPO-AVISMA Corporation). The 2025 financial year produced revenue of EUR 3.1 mn and a net loss of EUR 5.6 mn. The State Property Fund has scheduled auction for the August-September 2026 window at an indicative starting price near EUR 35 mn²⁵⁷.

A fourth pillar, Zaporizhzhia Titanium and Magnesium Combine LLC, Europe's only producer of titanium sponge, is currently paused.

²⁵¹ [Cabinet of Ministers of Ukraine](#)

²⁵² [UMCC-Titanium](#)

²⁵³ [Ukrinform](#)

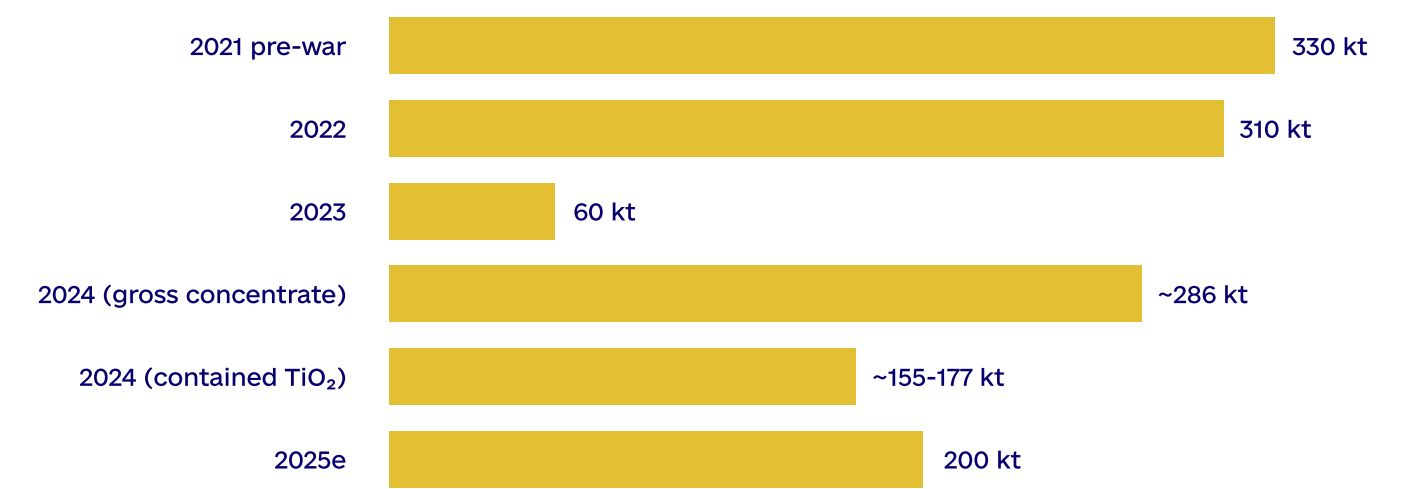
²⁵⁴ [Velta](#)

²⁵⁵ [LIGA.net](#)

²⁵⁶ [CORDIS](#)

²⁵⁷ [NV UA](#)

ILMENITE PRODUCTION, TiO₂-CONTENT BASIS (KT). USGS REVISED UKRAINE'S 2024 OUTPUT UPWARD TO 286 KT; THE 2023 WARTIME LOW OF 60 KT IS BEHIND US.



Source: [USGS, Mineral Commodity Summaries 2026, Titanium Mineral Concentrates](#).

STATE OWNERSHIP

The state holds title to all titanium-zirconium subsoil. UMCC is fully private (Cemin / NEQSOL); Velta is fully private (subject to the European Lithium acquisition); Demurinsky is state-owned and listed for sale in Q3 2026; ZTMK remains state-owned and paused. Entry points: equity alongside NEQSOL at UMCC; the European Lithium share-swap acquisition of Velta; the Demurinsky is expecting the auction to be announced; ZTMK is being prepared for privatisation.

Graphite

Ukraine has been a graphite producer since 1934. Together with Norway’s Skaland operation, it is one of only two operating natural-graphite producers in Europe. The State Geological Survey reports graphite reserves of about 343 Mt of ore at a 4-10% natural-graphite grade across six known deposits, about 6% of global reserves and the largest in Europe, figures USGS does not separately list in its world reserves table but which place Ukraine in the European top tier. USGS reports 2024 production at 1,200 tonnes (down from 1,670 tonnes in 2023)^{258,259}.

The single operating asset is Zavalievsky Graphite Complex (Kirovohrad oblast), 70% owned by ASX-listed Volt Resources Ltd. After a halt in late 2024 driven by tariff pressure and Chinese dumping, the plant restarted in March 2026 and produced its first commercial batch of battery-grade graphite from African flake-graphite feedstock, as proof of concept for the planned Volt Alabama refinery. The plant carries 20 kt/yr nameplate capacity and a production licence to 2035²⁶⁰.

The pre-development pipeline runs into the EU supply-chain framework. The Balakhivske deposit (Kirovohrad oblast), operated by BGV Group

Management, was designated by the European Commission in June 2025 as a Strategic Project under the EU Critical Raw Materials Act (Regulation 2024/1252), under Commission Decision (EU) 2025/1174. It is the single Ukrainian designation on the list, alongside twelve other non-EU strategic projects in Canada, Greenland, the United Kingdom, Norway, Kazakhstan, Serbia, Brazil, Zambia, Madagascar, Malawi, South Africa and New Caledonia . Total resources of 185 Mt with NI 43-101-compliant reserves of 44 Mt within the licensed area; two-phase project budget approximately USD 328 mn including a 50 kt/yr concentrate plant and a 19 kt/yr Spherical Purified Graphite (SPG) line for lithium-ion battery anodes . The Burtynske deposit (Khmelnyskyi oblast) is held by Turkish conglomerate Onur Group, which has indicated approximately EUR 43 mn of investment commitment across graphite and seven other Ukrainian mineral assets^{261,262}.

In July 2025, BGV Group and the European Bank for Reconstruction and Development signed a mandate letter to structure strategic cooperation on the Balakhivske project, covering technical, environmental and financing due diligence .

²⁵⁸ [State Geological Survey of Ukraine](#)

²⁵⁹ [U.S. Geological Survey](#)

²⁶⁰ [Volt Resources Ltd](#)

²⁶¹ [European Commission](#)

²⁶² [Inventure](#)

1 of 13

UKRAINIAN PROJECT ON THE EU CRMA NON-EU STRATEGIC LIST (JUNE 2025): BALAKHIVKA GRAPHITE

STATE OWNERSHIP

The state retains licensing authority but does not directly operate any graphite asset. Zavalievsky Graphite is 70% owned by ASX-listed Volt Resources Ltd; Balakhivska by BGV Group Management; Burtynske by Onur Group; Zarichna by BGV Group. Entry points: Volt Resources equity (ASX:VRC) for the restarted Zavallia plant; BGV Group Balakhivka EU CRMA strategic-project track (opens EIB and EU-coordinated finance through the EBRD-BGV mandate signed July 2025); Burtynske permit through Onur Group's announced multi-asset programme.

Rare Earth Elements

Rare earths are the segment where popular narrative and the auditable record diverge most. Three of four flagship Ukrainian REE deposits are either in temporarily occupied territories (Azovske and Mazurivske in Donetsk oblast) or in the front-line corridor (Novopoltavske in Zaporizhzhia oblast). The fourth, Yastrubetske (Zhytomyr oblast), is government-controlled and held by BGV Group Management;

reserves are recorded under Soviet C₁/C₂ classification only, with no Western-code audit (JORC, NI 43-101, CRIRSCO) yet performed on any Ukrainian REE deposit. The Petrovo-Hnutivske occurrence is listed by Derzhheonadra in the REE / 'yttrium-bearing' tier. USGS Mineral Commodity Summaries 2025 does not list Ukraine in either the global REE production or reserves tables²⁶³.

STATE OWNERSHIP

All four named REE deposits remain Ukrainian state subsoil. Yastrubetske is the only government-controlled producible asset; BGV Group Management holds the special permit. Entry points: financing of a Western-code (JORC / NI 43-101) audit on Yastrubetske as a precondition for underwriting; partnership with BGV Group on the four-uranium PSA programme that runs in parallel.

Manganese

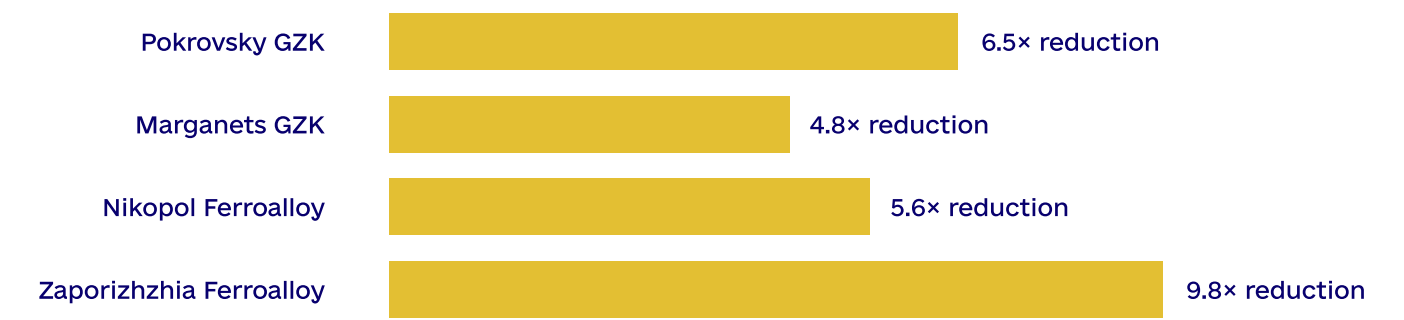
By total manganese-ore reserves Ukraine ranks first in Europe and second globally (after South Africa), with 140 Mt of contained metal on Ministry of Economy figures. Reserves are concentrated in the Nikopol basin, Dnipropetrovsk oblast; a portion sits in occupied territory or the front-line corridor. Two state-related complexes anchor the segment: Pokrovsky Mining and Processing Plant JSC (Pokrov) and Marganets Mining and Processing Plant JSC, feeding

Nikopol Ferroalloy Plant (Ukraine's flagship manganese-ferroalloy producer and one of Europe's largest) and Zaporizhzhia Ferroalloy Plant. All four have seen revenue collapse, Pokrovsky 6.5× reduction vs 2021, Marganets 4.8×, Nikopol 5.6×, Zaporizhzhia 9.8×. USGS notes that at least two Ukrainian manganese plants have been idle since November 2023 and another two resumed minimum production from Q2 2024²⁶⁴.

²⁶³ [U.S. Geological Survey](#)

²⁶⁴ [U.S. Geological Survey](#)

■ MANGANESE REVENUE COLLAPSE VS 2021 BASELINE (X REDUCTION)



Source: company financial statements (Pokrovsky GZK, Marganets GZK, Nikopol and Zaporizhzhia Ferroalloy Plants); KSE Institute compilation.

STATE OWNERSHIP

The state holds title to all manganese subsoil. The four operating complexes are private joint-stock companies; entry points are recapitalisation of war-damaged operations, partnership with NFP and ZFP on ferroalloy modernisation, and equity in the upstream MPPs.

Uranium

Ukraine holds known recoverable uranium resources of 106,700 tU (reasonably assured plus inferred, recoverable at up to USD 130 / kgU) as of 1 January 2023, about 2% of the world total and the largest reserve base in continental Europe outside russia. State Enterprise Eastern Mining and Processing Plant (SkhidGZK, Zhovti Vody, Dnipropetrovsk oblast) is the sole operator, with three mines (Novokostiantynivske, Ingulska, Smolinska), three processing plants, and approximately twenty auxiliary units, placing Ukraine in

the world top ten producers (≈2% of global output, ≈40% of domestic NPP uranium needs). World Nuclear Association data place 2023 production at 340 tU and 2024 at 288 tU; the government target is to increase domestic production to 1,265 tU in 2026^{265,266,267}. The Novokostiantynivske expansion project targets 1.5 Mt/yr of uranium ore: main shaft reconstruction, auxiliary shaft, ventilation system, sustainable power supply, rail infrastructure²⁶⁸.

OECD-NEA / IAEA RED BOOK 2024 (DATA AS OF 01.01.2023); REASONABLY ASSURED + INFERRED, ≤USD 130/KGU.

106,700 tU

UKRAINE'S TOTAL RECOVERABLE URANIUM RESOURCES (LARGEST IN CONTINENTAL EUROPE OUTSIDE RUSSIA)

STATE OWNERSHIP

Uranium is the single Ukrainian extractive segment under a 100% state operating monopoly. SkhidGZK is a State Enterprise; subsoil is state-owned; permits are held by the operator. Entry points: technology and modernisation partnership (mining equipment, ventilation, hydrometallurgy, tailings management). Privatisation of the operating SOE is not currently on the agenda.

²⁶⁵ [World Nuclear Association](#)
²⁶⁶ [World Nuclear Association](#)
²⁶⁷ [World Nuclear Association](#)
²⁶⁸ [Ministry of Energy of Ukraine; Energoatom; State Geological Survey presentation](#)

1 WHERE WE START: KEY CHALLENGES



2 PRIORITY MINERALS

Official lists (CMU Resolution No. 845 of 14.07.2025): 11 strategic + 28 critical types.

1st PRIORITY GROUP			2st PRIORITY GROUP			STRATEGIC INTEREST		
Ti Titanium	C Graphite	Mn Manganese	Be Beryllium	Ge Germanium	Li Lithium	Al Aluminum	Ga Gallium	K Potash Salts
U Uranium	Zr Zirconium	Hf Hafnium	Ta Tantalum	Ree Rare Earth Elements				

3 VALUE CHAIN: FROM ORE TO HIGH-TECH SOLUTIONS

Share of unprocessed raw materials in exports: **88.9% (2024) → 59% (2030)**



EXAMPLES OF END PRODUCTS



4 TARGETS & KPIS

2026	2031	2035	2056		
SHORT-TERM OUTLOOK (until 2031)		MEDIUM-TERM (until 2035)	LONG-TERM OUTLOOK (until 2056)		
>\$2 billion	investments war risk coverage up to 90% of capex	≥\$1 billion	FDI by 2028	>20	operating mines / quarries and processing plants
>30	new special permits for subsoil use	85-90%	capacity utilization by 2028	>90%	recycling of waste
≥30	deposits - reserve verification under CRIRSCO / UNFC standards	x3	Gross value added from mining by 2030	40,000+ jobs; 3,000	engineers per year
≥20	exploration & mining projects (including 210 industrial production)	→20%	share of manufacturing industry in GDP by 2035	>5%	minerals exports among top-s sources of FX
50%	recycling of industrial tailings (€100 million tonnes returned to economic use)	→1.2%	R&D expenditure as % of GDP by 2030		EU membership + status of Europe's leading mineral hub
≥1,000	engineers for the industry per year				

5 FOUR STRATEGIC OBJECTIVES



6 IMPACT ON RELATED SECTORS



Sources: Order of the Cabinet of Ministers of Ukraine No. 569-r of 27.05.2026; Resolution of the Cabinet of Ministers of Ukraine No. 845 of 14.07.2025; EU Regulation 2024/1252 (Critical Raw Materials Act)

Hydrocarbons and Coal

Largest gas-reserve base in continental Europe outside Russia and Norway, with depleting eastern fields offset by un-licensed prospective acreage and a deep stock of shut-in wells.

The hydrocarbons and coal perimeter is the following: 467 oil and gas fields (133 oil + 151 gas-condensate + 183 natural-gas), 719 bcm of recoverable natural-gas reserves, 94 Mt of oil and 37 Mt of condensate (State Reserves Balance, 01.01.2020-01.01.2021), and ≈53 Bt of coal in the A+B+C₁ category (41.2 Bt hard, 2.6 Bt

brown), plus 11.1 Bt and 0.3 Bt respectively in the C₂ category. Reserves are concentrated in three regions: the Eastern (Dnipro-Donets) basin holds 76.08% of gas and 46.17% of oil; the Western (Carpathian) basin 13.95% of gas and 39.25% of oil; the Southern (Black Sea shelf) 9.97% of gas and 14.59% of oil^{269,270}.

■ UKRAINE HAS THE RESOURCE BASE TO SCALE UP ENERGY PRODUCTION

BALANCE RESERVES OF ENERGY RESOURCES

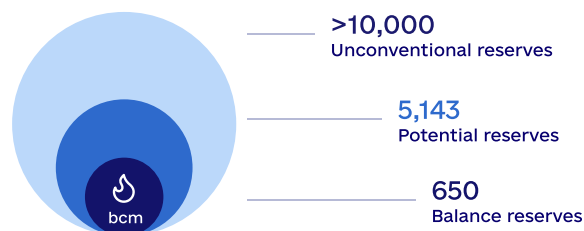
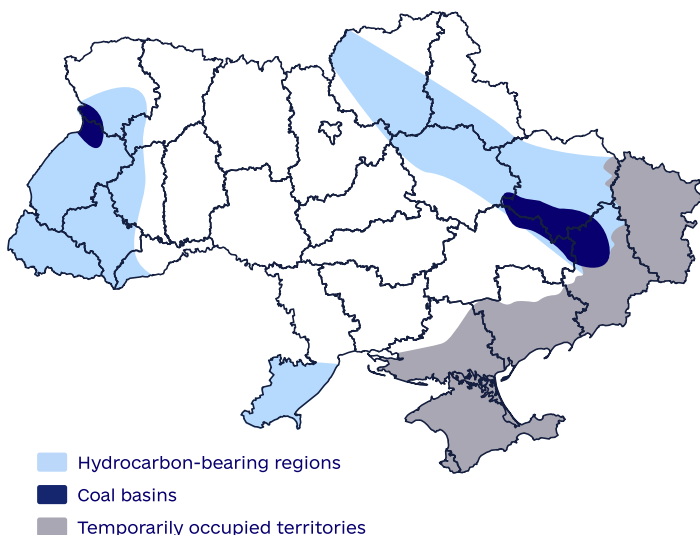
2026 estimate

	Balance reserves	Of which reserves under development	Degree of exploration of reserves*	Years of supply at current extraction from balance reserves**
GAS	650 bcm	87%	explored 16%	35 years
OIL	80 mln tonnes	78%	explored 38%	50 years
GAS CONDENSATE	34 mln tonnes	89%	explored 26%	55 years
COAL	40 bn tonnes	20%	not estimated	2,000+ years

²⁶⁹ Geoinform Ukraine

²⁷⁰ Geoinform Ukraine

LOCATIONS OF ENERGY RESOURCE DEPOSITS



* Ratio of balance reserves to potential reserves.

** At the current extraction level (including extraction losses), without considering the economic feasibility of extracting all reserves.



NOTE: Due to restricted access to official detailed information during martial law, 2026 data were estimated by KSE Institute based on public information.

Sources: Geoinform of Ukraine, NEA, IAEA, Kirovgeologiya; temporarily occupied territories based on the provided map.

Natural Gas, In Production

The producing perimeter is dominated by a small number of giant and large fields: Shebelyn, the only Ukrainian 'huge' gas field, Zakhidno-Khrestyshchenske, and Yefremivske. The size structure of the 467-field universe is 1 huge, 1 large, 9 medium, 18 small, 90 tiny, and 348 very tiny fields. JSC Ukrkazvydobuvannia, the state operator inside Naftogaz Group, accounts for ≈75% of domestic gas production; Naftogaz Group

total gas output in 2024 was 13.9 bcm versus 13.2 bcm in 2023, with 83 new wells (60 production + 23 exploration), 370,000 m of drilling, and 60 directional wells. Russian attacks have driven 229 documented incidents against Naftogaz infrastructure in 2025; Naftogaz has nonetheless executed the largest annual drilling programme in Europe by metres drilled, 140 new wells (Q1 2025 record: 107,136 m at UGV)^{271,272}.

Oil, In Production

The producing oil perimeter is concentrated in Chernihiv and Poltava oblasts, with the largest assets being the Lelyaky and Hnidyntsi fields (both Chernihiv) and Hlynsko-Rozbyshivske (Poltava). The 17 largest oil fields hold ≈52% of national reserves. PJSC Ukrnafta is the largest Ukrainian oil producer and one of the few integrated upstream-downstream players, combining extraction, drilling, services, gas processing, and fuel

retail. The company holds 86 special permits for extraction and 4 for geological study, stakes in 3 joint ventures, licensed area 8,540 km², 1,807 oil and 164 gas wells in operation, and 662 retail service stations. Although technically a public joint-stock company, Ukrnafta's corporate-rights management was transferred to state structures in 2022, leaving it de-facto state-controlled in substance^{273,274}.

Storage and Transit, The Strategic Asset Class

Ukraine operates approximately 31 bcm of working underground gas storage capacity across twelve facilities managed by Ukrtransgaz, the largest single national gas-storage system in Europe. The single largest facility is Bilche-Volytsko-Uherske in Lviv oblast at 17.05 bcm. Ukrtransgaz was certified as a European storage operator in April 2023. Foreign-trader storage use fell from 2.5 bcm in 2023 to negligible in 2024 following Russian missile and drone strikes on storage

facilities in spring 2024; the physical asset is intact, but the commercial proposition is currently impaired^{275,276}.

The Russian gas transit contract through the Ukrainian gas transmission system expired on 31 December 2024 and was not renewed; transit fell from approximately 65 bcm contracted under the previous regime (2020) and 40 bcm/yr (2021-2024) to 15.4 bcm physically transited in 2024 (13.5 bcm to Slovakia, 1.9 bcm to Moldova), and to zero from 1 January 2025²⁷⁷.

²⁷¹ [NJSC Naftogaz of Ukraine](#)

²⁷² [NJSC Naftogaz of Ukraine](#)

²⁷³ KSE Institute, Hydrocarbons and Coal Framework, from the State Reserves Balance (2026)

²⁷⁴ [JSC Ukrnafta](#)

²⁷⁵ [NJSC Naftogaz of Ukraine](#)

²⁷⁶ [S&P Global Commodity Insights](#)

²⁷⁷ [Oxford Institute for Energy Studies](#)

Unconventional Gas, Idle Since 2015

Three large unconventional plays are inside the perimeter but commercially idle. The Yuzivska tight-gas block in Donetsk and Kharkiv oblasts ($\approx 7,886 \text{ km}^2$) was originally held by Shell under PSA before the company declared force majeure in July 2014 and exited in 2015; the asset is now Naftogaz-owned. The Oleska shale block in Lviv and Ivano-Frankivsk oblasts

($\approx 6,324 \text{ km}^2$) was held by Chevron, which exited in 2015, and has been idle since. Coal-bed methane resources, 491-592 bcm in coal seams per Geoinform Ukraine estimates, have not been commercially mobilised; the 1998-2002 expert range was 4-12 tcm but those figures are resource estimates, not recoverable reserves²⁷⁸.

Coal, Hard and Brown

Hard coal reserves are dominated by the Donets basin ($\approx 95\%$ of national reserves) with the Lviv-Volyn basin holding the balance ($\approx 1 \text{ Bt}$). Types range across coking, anthracite, gas, and lean. The Donbas coal base is in part destroyed or under occupation; most mines are either occupied, on the front line, or in the liquidation queue. Brown coal is concentrated in the Dnipro basin (Oleksandriya in Kirovohrad oblast, the largest deposit), with additional reserves in Zhytomyr, Cherkasy, and Zakarpattia. Thirty-three active state

coal mines remain on government-controlled territory as reported by the Ministry of Energy; the pre-2014 universe was substantially larger.

The Ministry of Energy has initiated transfer of Lvivvuhillia, Volynvuhillia, and Dobropillia-vuhillia-vydobutok to the State Property Fund for privatisation. No state oil-and-gas producer is currently on the privatisation list.

STATE OWNERSHIP

Hydrocarbons: Ukgazvydobuvannia (gas, JSC, Naftogaz subsidiary), Ukrnafta (oil, public JSC, corporate-rights state-managed since 2022), Chornomornaftogaz (offshore, no operating assets since 2014). Storage: Ukrtransgaz (operator of 31 bcm, the largest single national gas-storage system in Europe). Coal: 33 active state mines on government-controlled territory, with three western holdings transferring to SPFU for privatisation. Entry points: service contracts and technology partnerships across the Naftogaz Group drilling and well-services programme (largest in Europe by metres drilled); PSA tender process for Mezhyhirska and Svichanska western basin blocks; future Prozorro.Sale special-permit auctions on offshore exclusive-economic-zone plots under Cabinet of Ministers of Ukraine Resolution 1172 of 2020; partnership financing on storage-asset reconstruction; privatisation of the three coal holdings via SPFU.

Non-metallic and Construction Materials

Ukraine holds the world's third-largest kaolin reserves and over 3,000 deposits of building materials; the value sits in onshore processing of kaolin and in serving reconstruction-driven demand for stone, cement and aggregate.

Ukraine sits on one of Europe's deepest non-metallic mineral bases, though most of it feeds the local construction cycle rather than exports. Over 3,000 documented deposits of building stone, sand, clay, limestone, chalk, marl and gypsum span all 24 oblasts²⁷⁹. Kaolin (china clay) is the standout: Ukraine holds roughly 10% of world kaolin reserves, third globally after the United States and Colombia. Today

only 20 to 30% of extracted kaolin is processed domestically; the rest ships out unprocessed to ceramics buyers in Italy, Spain, Germany, Poland, France and Türkiye²⁸⁰. The investor angle is two-fold: reconstruction-driven domestic demand for cement, aggregate and dimension stone over the coming decade, and a downstream processing gap on kaolin that an integrated player can capture.

²⁷⁸ IEA, Ukraine energy profile

²⁷⁹ Ukrainetrek

²⁸⁰ Mineral Economics (Springer)

1 UKRAINE'S NON-METALLIC MINERALS FOR RECONSTRUCTION

Road construction materials, industrial minerals and amber resources

Non-metallic minerals are a practical foundation for rebuilding roads, housing, municipal infrastructure and industrial facilities in Ukraine.

2



Rebuild-ready materials
Aggregates, sands, limestone, clay and gravel for roads, concrete, cement and ceramics.

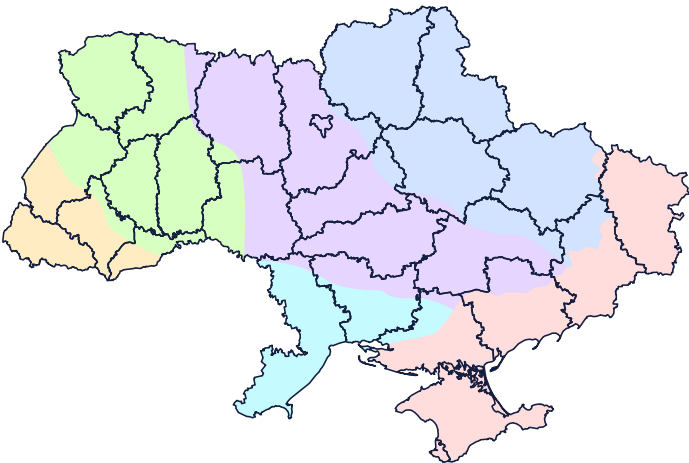


Road materials track
Derzhgeonadra's 'Great Construction' portfolio features deposits suitable for road construction, located within 80 km of priority roads.



Amber resource base
Main amber resources are concentrated in the Rivne and Zhytomyr regions.

3 REGIONAL MINERALS MAP



-  **Polissia / North-West**
amber, decorative stone, kaolin
 -  **Central Ukraine / Ukrainian Shield**
granite, migmatite, gneiss, charnockite – the core hard-rock aggregate belt
 -  **West / Carpathian region**
gravel, sandstone, limestone, perlite
 -  **East & South-East**
quartz sand, limestone, clay, kaolin, bentonite
 -  **South / Black Sea regions**
limestone, sand, clay, construction aggregates
-  Temporarily occupied territories – shown with red hatching and excluded from the asset overview.

4 MATERIAL GROUPS

	MATERIAL GROUP	USE CASES
1	 Hard rock aggregates granite, migmatite, gneiss, labradorite	crushed stone, road base, concrete
2	 Sands & gravel sand, quartz sand, sand-gravel material	concrete, mortars, drainage, embankments
3	 Carbonates & cement inputs limestone, chalk, marl, dolomite	cement, lime, construction mixes
4	 Clays & ceramics clay, loam, kaolin, bentonite, refractory clay	bricks, tiles, ceramics, specialty products
5	 Industrial minerals molding sand, perlite, talc-magnesite, graphite, phosphorites	glass, fillers, industrial applications
6	 Decorative & gemstone resources marble, labradorite, amber	decorative stone and jewelry materials

5 ROAD CONSTRUCTION MATERIALS TRACK

The State Service of Geology and Subsoil of Ukraine assembled a portfolio of deposits that meet Ukrainian road construction standards. These sites are proposed for extraction and are located within 80 km of priority roads.

ILLUSTRATIVE MATERIALS

- Granite
- Migmatite
- Gneiss
- Sand
- Sand-gravel material
- Limestone

6 AMBER RESOURCES OF POLISSIA

Ukraine's main amber resources are concentrated in the Rivne and Zhytomyr regions. Productive amber-bearing layers occur at shallow depths of 2–12 m. Beds are typically 1–6 m thick, with raw amber content of 10–250 g/m³ (avg. 57 g/m³). Grain size ranges from 5 to 150 mm.

7 INVESTMENT LOGIC



Fast-to-market assets
Many deposits are near surface with established infrastructure and clear use cases.



Direct reconstruction demand
High, consistent demand for road, concrete, cement and construction materials.



Regional logistics advantage
Deposits are close to priority roads and major consumption centers.



Permit / auction transparency
Transparent procedures and open auctions ensure fair access.

Source: State Service of Geology and Subsoil of Ukraine (geo.gov.ua) — Non-metallic minerals; Precious and semi-precious stones; Great Construction.

Waters

About 200 mineral-water deposits and a thermal-water stock at 40 to 110 degrees Celsius give Ukraine one of Europe's largest hydromineral bases; investor entry runs through bottling, balneology and thermal-energy pilots.

Ukraine ranks among the European leaders on hydromineral resources, with about 200 documented mineral-water deposits and a separate stock of thermal waters in Transcarpathia and Crimea reaching 40 to 110 degrees Celsius at 600 to 3,000 m depth²⁸¹. The Ministry of Economy classifies groundwater as one of six headline subsoil categories alongside hydrocarbons, metal ores, non-metallic ores, fossil fuels, and precious and semi-precious stones;

deposits enter the State Geological Survey's Investment Atlas on the same basis as the other subsoil categories²⁸². Investor entry typically runs through licensed bottling and balneological operations in the Carpathians and Podillia, plus thermal-water heat-and-power pilots in Transcarpathia where the resource overlaps with grid infrastructure. Roughly 70% of the hydromineral resource base is concentrated in the northern and western regions.

GROUNDWATER: WHAT THE STATE SELLS

LICENSES FOR THE USE OF THE SUBSOIL

WHAT IS SOLD

The right to use a specific subsoil area for the extraction of underground waters under a special permit (license).

An object typically includes:

- geologically confirmed aquifer
- coordinates of the area
- existing or planned well(s)
- approved water reserves
- special permit (license) for a certain term



WHAT IS NOT SOLD

- not land
- not water as property
- not water infrastructure (water supply systems)
- not shares of companies or water utilities

WHY IT IS ATTRACTIVE FOR INVESTORS

- low CAPEX compared to hard rock mining
- predictable cash flow
- high margins in bottled water and SPA / thermal business
- supports "green" financing (geothermal)
- potential for real estate & utility value creation

TYPES OF LICENSED WORKS

GW, incl. GPR
 Geological Study, including Pilot Production

→

Allows exploration, testing of resources and transition to commercial extraction

→

Extraction (Production)
 Industrial extraction of groundwater

STATUS OF OBJECTS

✓

Purchased
license already sold

☆

Nominated
area prepared for auction

LAYER 1 **ALREADY SOLD (PURCHASED LICENSES)**

Operating special permits for groundwater use

1. Drinking groundwater

For bottled water production, water supply and industrial needs.

EXAMPLES OF OBJECTS

- Tuchynska**
Rivne region
- Myrnetske**
Zhytomyr region
- Zalozetske**
Ternopil region
- Sofiivske**
Poltava region
- Hontarivske**
Sumy region

2. Mineral and therapeutic waters

Therapeutic-table, balneological and mineral waters for drinking, health resorts and spas.

EXAMPLES OF OBJECTS

- Svalyava**
Transcarpathian region
- Morshyn**
Lviv region
- Brusnyttysya**
Transcarpathian region
- Serhiyivka**
Odesa region
- Myrrorod**
Poltava region

3. Thermal / geothermal (heat energy) waters

Geothermal waters for heating, SPA, thermal resorts, greenhouses and low-temperature heating systems.

EXAMPLES OF OBJECTS

- Muzhayska**
Transcarpathian region
- Plyterfolvo**
Transcarpathian region
- Yustina**
Transcarpathian region
- Chynadiivska**
Transcarpathian region
- Kosyno**
Transcarpathian region

4. Technical waters

For industrial processes, technical supply and other uses.

EXAMPLES OF OBJECTS

- Boryslavske**
Lviv region
- Rozdilnyanske**
Odesa region
- Bashatanske**
Mykolaiv region
- Orzhytske**
Poltava region
- Dolynske**
Kirovohrad region

5. Other types of waters

Special and unique groundwater for various types of use.

EXAMPLES OF OBJECTS

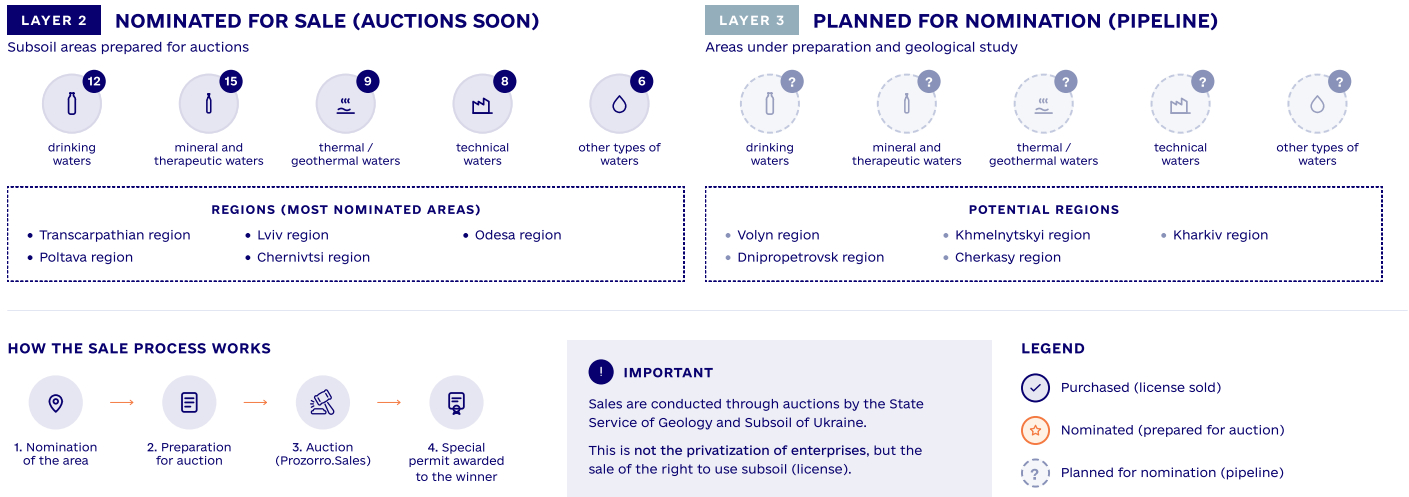
- Yodobromni waters**
Transcarpathian region
- Kreminni waters**
Chernihiv region
- Radon waters**
Khmelnytskyi region
- Vuhlekysli waters**
Lviv region

REGION LEADERS BY NUMBER OF SOLD LICENSES

📍 Transcarpathian region
📍 Lviv region
📍 Odesa region
📍 **Poltava region**
📍 Rivne region

281 Ukrainetrek

²⁸² State Geological Survey of Ukraine



HOW THE SALE PROCESS WORKS

1. Nomination of the area

2. Preparation for auction

3. Auction (Prozorro.Sales)

4. Special permit awarded to the winner

IMPORTANT

Sales are conducted through auctions by the State Service of Geology and Subsoil of Ukraine.

This is **not** the privatization of enterprises, but the sale of the right to use subsoil (license).

LEGEND

✓

Purchased (license sold)

☆

Nominated (prepared for auction)

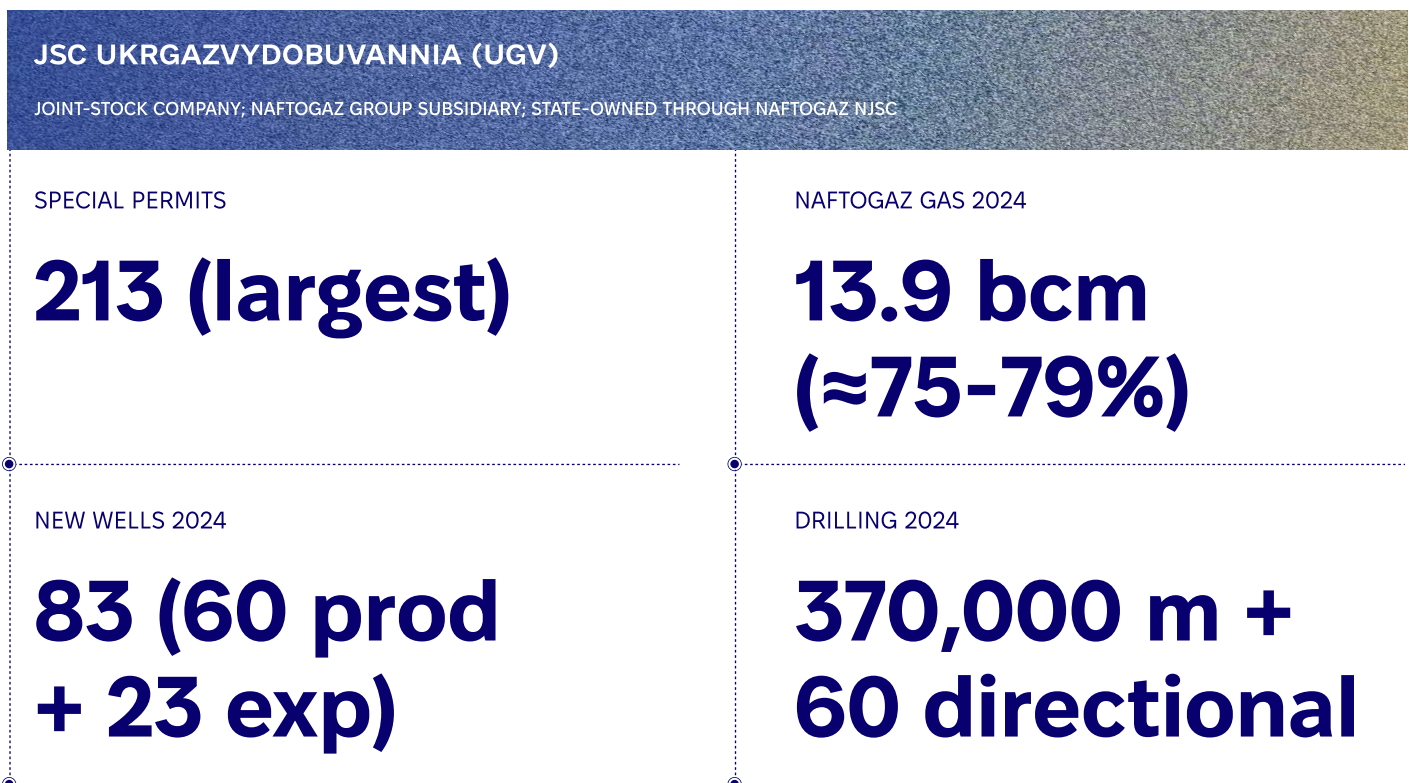
?

Planned for nomination (pipeline)

Source: <https://www.geo.gov.ua/pidzemni-vody/>

KEY STATE-OWNED ENTERPRISES

Six state operators anchor the sector. The hydrocarbon and uranium producers (Naftogaz, Ukrnafta, SkhidGZK) are opening to partnerships and project finance, not privatisation. Only one titanium asset (Demurinsky) is queued for sale. The two geological-data institutions (Nadra, Geoinform) are in active reform to open their archives to investors.



UGV is the largest single platform in Ukrainian upstream, with activity spanning drilling, well services, production intensification, compression, digital field solutions, equipment supply, reservoir management, and technology partnerships. UGV executed the largest annual drilling programme in Europe by metres

drilled in 2025 (140 new wells; 229 documented russian attacks on Naftogaz infrastructure during the same year) .

Currently not on the privatisation list.

PJSC UKRNAFTA

PUBLIC JOINT-STOCK COMPANY; CORPORATE RIGHTS MANAGEMENT TRANSFERRED TO STATE STRUCTURES IN 2022

EXTRACTION PERMITS

86 + 4 geo-study

ACTIVE WELLS (01.09.2025)

1,807 oil + 164 gas

LICENSED AREA

8,540 km²

RETAIL NETWORK

662 stations

The largest Ukrainian oil producer and a vertically integrated operator across extraction, drilling, services, gas processing, fuel trading, and retail. Investment entry: well-stock reconstruction, enhanced oil recovery, oilfield services, gas processing, logistics, fuel trading and retail network expansion. EBRD signed a

EUR 160 mn loan to Ukrnafta for distributed gas-fired generation and cogeneration capacity as part of its record 2025 Ukraine programme.

Currently not on the privatisation list.

SE EASTERN MINING AND PROCESSING PLANT (SKHIDGZK)

STATE ENTERPRISE; UNDER THE MINISTRY OF ENERGY

SHARE OF GLOBAL PRODUCTION

≈2% (top 10)

OPERATIONAL SCOPE

3 mines + 3 plants + ~20 aux

URANIUM SHARE (UA)

100%

SHARE OF NPP FUEL DEMAND

≈40%

The Novokostiantynivske expansion project targets 1.5 Mt/yr of uranium ore: main-shaft reconstruction, auxiliary shaft, ventilation system, sustainable power supply, rail infrastructure. Land-use documentation

approved; special permit obtained; valid construction documentation. Ukraine is the only EU-aligned European country with an active uranium mine in 2024.

DEMURINSKY MINING AND PROCESSING PLANT LLC

LLC; CORPORATE RIGHTS TRANSFERRED TO STATE ADMINISTRATION VIA ARMA IN 2023; SPFU PRIVATISATION QUEUE

DEPOSIT

**Vovchanske
Ti-Zr (Dnipro.)**

OPERATING SINCE

2006

FY2025 REVENUE

EUR 3.1 mn

FY2025 NET LOSS

EUR 5.6 mn

100% state share scheduled for SPFU auction in Q3 2026 (indicative starting price ≈EUR 35 mn, conditional on debt-litigation resolution). One of the

most prospective titanium assets for vertically integrated supply-chain investors .

NJSC NADRA OF UKRAINE

NATIONAL JOINT-STOCK COMPANY; STATE HOLDING

MANDATE

**Upstream
pipeline**

COUNTERPARTY ROLE

**JV partner
for exploration**

STAGE FOCUS

**Geological
study**

PRIVATISATION

Not listed

The state-owned vehicle for geological-study-stage projects and resource-base preparation, particularly for plots with critical and strategic minerals. Mandate is the upstream pipeline: forming a portfolio of prospective plots, attracting partners for exploration,

joint exploration programmes, preparation of objects for industrial development. The institutional entry point for early-stage equity and joint-exploration partnership.

FUNCTION

Geological backbone

APPLIED SERVICES

Permit valuation + PSA charges

DATA ASSETS

Cadastre + Reserves Balance

EU PROGRAMME

EBRD digitalisation Ph. 2

The geological-data backbone: maintains the State Cadastre of Mineral Deposits and Occurrences, the State Reserves Balance, the information and telecommunication systems of subsoil use, GIS-based map services, and geological-information circulation. Applied services include special-permit valuation, payment computation, electronic-cabinet document

handling, and PSA-specific charge determinations. Indispensable institutional touchpoint for asset evaluation, due diligence, reserves analysis, and permit-procedure support. EBRD-financed digitalisation of the paper geological archive is in Phase 2 (2025) under the EU-Ukraine Strategic Partnership on Raw Materials and Batteries .

The US-Ukraine reconstruction investment fund overlay

A bilateral US-Ukraine investment fund (URIF) has a first look at every new natural-resources project: it can come in as investor or as offtake buyer on market terms. For private capital this works two ways at once: an extra approval layer to plan around, and a potential accelerator when the project aligns with US strategic interest, because the fund's financing and political backing can travel with it.

An investment overlay applies above the standard permit regime. The Agreement between the Government of Ukraine and the Government of the United States on the establishment of the US-Ukraine Reconstruction Investment Fund was signed on 30 April 2025 and ratified by Law 4417-IX on 8 May 2025. Annex A defines the in-scope 'Natural Resource Assets' by category: 54 minerals plus oil and natural gas (including LNG), plus an open-ended residual clause for 'other minerals or hydrocarbons otherwise agreed by the Principals.' The 54 minerals are: aluminium, antimony, arsenic, barite, beryllium, bismuth, cerium, caesium, chromium, cobalt, copper,

dysprosium, erbium, europium, fluorine, fluorspar, gadolinium, gallium, germanium, gold, graphite, hafnium, holmium, indium, iridium, lanthanum, lithium, lutetium, magnesium, manganese, neodymium, nickel, niobium, palladium, platinum, potassium, praseodymium, rhodium, rubidium, ruthenium, samarium, scandium, tantalum, tellurium, terbium, thulium, tin, titanium, tungsten, uranium, vanadium, ytterbium, yttrium, zinc and zirconium. Annex A enumerates mineral categories, not specific Ukrainian deposits. Deposit-level scope is determined operatively by Order 3053 of 12 December 2025, set out below .

Order No. 3053 of 12 December 2025 from the Ministry of Economy, Environment and Agriculture introduced the model-permit amendments that make the Annex-A obligations operative. Under the new model, subsoil users holding a permit for any Annex-A resource (issued after 23 May 2025 by auction or PSA, modified after 23 May 2025 to include an Annex-A resource, or held under a pre-23 May 2025 permit where less than 1% of balance reserves has been extracted in the last 10 years) must (i) notify the Public-Private Partnership Support Agency before raising capital for the project; (ii) provide investment information to the Agency (business plans, financial projections, technical reports, feasibility studies, offtake agreements) within

one month of request; (iii) negotiate in good faith with the US-Ukraine Reconstruction Investment Fund (URIF) on terms of capital raising, and refrain from offering third parties materially better financial or economic terms for six months from the notification date; and (iv) when seeking offtake counterparties, give the US International Development Finance Corporation (DFC) parallel notice and a six-month right-of-first-refusal at market commercial terms . The URIF will be a Limited Partnership designed to mobilise US and partner capital across five priority sectors: natural resources, energy, ICT, transport and logistics, and strategic and prospective technologies²⁸³.

US-UKRAINE RECONSTRUCTION INVESTMENT FUND

Annex A, 56 minerals and hydrocarbons in scope

SIGNED

30 Apr 2025

RATIFIED

8 May 2025 / Law 4417-IX

MODEL-PERMIT AMENDMENTS

12 Dec 2025 / Order 3053

CAPITAL-RAISE NOTIFICATION

Yes

DFC OFFTAKE ROFR

6 months

URIF NEGOTIATION WINDOW

3 months

Web: urifinvest.com. Neither layer transfers ownership or pricing power from the subsoil user; both are time-limited.

This adds two practical layers to project economics: a capital-raise transparency obligation toward URIF and a market-terms offtake right-of-first-refusal to DFC. Neither layer transfers ownership or pricing power away from the subsoil user; both are time-limited (three-month negotiation and six-month restraint

windows). The Annex-A list does not constitute a separate award mechanism. Auctions, PSAs, no-auction awards, and privatisation remain the four legal pathways, with the URIF arrangement sitting as an overlay on top.

HOW PRIVATE CAPITAL CAN PARTICIPATE

The Subsoil Code defines four direct legal pathways to subsoil rights, plus two indirect routes via corporate transactions. The four direct mechanisms are codified in Decree No. 845 of 14 July 2025 (for strategic and critical minerals) and in Cabinet of Minister of Ukraine Resolution 615 of 2011, amended by Resolution 1172 of 2020 (for offshore hydrocarbon licensing) .

- Auctions on Prozorro.Sale, English-forward, three-round electronic auction with sealed prior bid. Default mechanism for most subsoil rights. Sixty mineral plots listed in Decree 845 are queued for auction in addition to general permit flow. Special-permit term: 3-20 years.

²⁸³ Ministry of Economy, Environment and Agriculture of Ukraine, Order No. 3053 (2025)

■ Production Sharing Agreement tenders, Cabinet of Ministers of Ukraine process via the Standing Inter-Ministerial Commission. PSA term up to 50 years. Twenty-six mineral plots in Decree 845 are reserved for PSA (vanadium, lithium, titanium, uranium, potassium salt); on the hydrocarbon side, Yuzivska (now Naftogaz-owned), Oleska (Chevron exited 2015), Skifska (ExxonMobil consortium exited 2014), the Dolphin shelf area, and four UGV-signed plots (Alaklia, Ivanivska, Buzivska, Berestyana)²⁸⁴.

■ Without auction, Cabinet of Ministers of Ukraine decision for state companies (Ukrgezvydobuvannia, Ukrnafta, Chornomornaftogaz; on the mineral side certain strategic-criticality awards), with binding investment commitments.

■ Privatisation, sale of a state enterprise as a whole. UMCC 'Titan' was privatised in 2024; Demurinsk MPP is next in line on the mineral side; on the coal side, Lvivvuhillia, Volynvuhillia, and Dobropilliavuhillia-vydobutok are being transferred to the State Property Fund for sale; no state oil-and-gas producer is currently on the privatisation list.

■ Indirect routes, acquisition of corporate rights in a current permit holder; entry through a privatisation auction in which the asset carries an attached special permit.

SUBSECTOR	STATE ROLE	KEY SOES / OPERATORS	PRIVATISATION PATHWAY	ACCESS MECHANISMS
Lithium (Dobra block; Polokhivske)	LOW	Derzhheonadra (subsoil title) → Dobra Lithium Holdings JV (TechMet × RSL); UkrlithiumMining	Subsoil stays state-owned. Dobra awarded by PSA (Jan 2026, up to 50 yrs); Polokhivske held on special permit since 2017.	Equity in the Dobra JV (Delaware vehicle, US DFC-backed); Polokhivske development financing alongside UkrlithiumMining; future PSA tenders on remaining state-held blocks.
Titanium & zirconium (UMCC; Velta; Demurinsky; ZTMK)	MIDDLE	State holds title; UMCC (Cemin/NEQSOL), Velta (private), Demurinsky (ARMA → SPFU), ZTMK (state, paused)	UMCC privatisation closed Oct 2024 (EUR 90m). Demurinsky SPFU auction Q3 2026. ZTMK awaits restart.	Equity alongside NEQSOL at UMCC; the European Lithium share-swap acquisition of Velta; the Demurinsky auction; REPTIS Horizon Europe consortium; ZTMK restart financing.
Graphite (Balakhivka; Zavallia; Burtynske)	LOW	State retains licensing only; Volt Resources (Zavallia, 70%); BGV Group (Balakhivka); Onur Group (Burtynske)	No SOE operates graphite. Balakhivka runs the EU CRMA Strategic-Project track + EBRD mandate (July 2025); permits held privately.	Volt Resources equity (ASX:VRC); BGV Balakhivka EU CRMA track (EIB / EU-coordinated finance); Burtynske permit via Onur Group's multi-asset programme.
Rare earth elements (Yastrubetske and others)	LOW	State subsoil; BGV Group Management holds the Yastrubetske special permit	All four named deposits remain state subsoil; no Western-code (JORC / NI 43-101) audit yet performed. No SOE operator.	Financing of a Western-code audit on Yastrubetske as the precondition for underwriting; partnership with BGV on the parallel four-deposit PSA programme.

²⁸⁷ Derzhheonadra, PSA registry; Cabinet of Ministers Resolution No. 845 (2025)

SUBSECTOR	STATE ROLE	KEY SOES /OPERATORS	PRIVATISATION PATHWAY	ACCESS MECHANISMS
Manganese (Nikopol basin)	LOW	State subsoil; Pokrovsky GZK, Marganets GZK, Nikopol & Zaporizhzhia Ferroalloy Plants (private JSCs)	State holds title only; the four operating complexes are private joint-stock companies. Not a privatisation play.	Recapitalisation of war-damaged operations; partnership with NFP and ZFP on ferroalloy modernisation; equity in the upstream MPPs.
Uranium (Novokostiantynivske; SkhidGZK)	HIGH	SE Eastern Mining and Processing Plant (SkhidGZK) - 100% state operating monopoly	Privatisation of the operating SOE is not on the agenda; SkhidGZK being merged with Energoatom. A parallel BGV four-deposit PSA programme is under review.	Technology / modernisation partnerships (ventilation, hydrometallurgy, tailings); service contracts on the Novokostiantynivske 1.5 Mt/yr expansion.
Natural gas (in production)	HIGH	JSC Ukrkazvydobuvannia (UGV) - Naftogaz Group subsidiary, ~75% of domestic output	Not on the privatisation list. State-operated within Naftogaz Group.	Service / technology contracts across the Naftogaz drilling and well-services programme (largest in Europe by metres drilled); EBRD EUR 500m revolving loan co-financing.
Oil (in production)	HIGH	PJSC Ukrnafta - public JSC, corporate rights state-managed since 2022	Not on the privatisation list.	Well-stock reconstruction, enhanced oil recovery, oilfield services, gas processing, retail expansion; EBRD EUR 160m distributed-generation loan.
Western-basin & offshore hydrocarbons (PSA / auction acreage)	MIDDLE	Derzhheonadra (licensing) → tender; state operators on no-auction awards	PSA tenders (Mezhyhirska, Svichanska, announced Sep 2025); offshore auction / PSA per Cabinet of Ministers of Ukraine Resolution 1172 of 2020.	Win a PSA tender (up to 50 yrs) or a Prozorro.Sale special-permit auction on EEZ plots; no-auction awards to state operators against binding investment commitments.
Gas storage & transit	HIGH	Ukrtransgaz - Naftogaz Group; ~31 bcm, largest single system in Europe	State-operated; certified EU storage operator (Apr 2023). Not a privatisation play.	Partnership financing on storage-asset reconstruction; commercial capacity arrangements once strikes-impaired demand recovers.
Coal (western holdings)	MIDDLE	Ministry of Energy → SPFU; Lvivvuhillia, Volynvuhillia, Dobropillia-vuhillia-vydobutok	Three western holdings transferring to the SPFU for privatisation under the 2030 reform roadmap; sale pending.	Privatisation of the three coal holdings via the SPFU once the transfer completes.
Geological-data & upstream-pipeline institutions	HIGH	NJSC Nadra of Ukraine; State R&D Enterprise Geoinform of Ukraine	Neither listed for privatisation; both in active reform to open archives to investors (EBRD digitalisation, Phase 2).	Early-stage equity and joint-exploration partnership via Nadra; due-diligence, reserves analysis and permit support via Geoinform.

2.7

Agriculture and fishery sectors

**33 mln
HECTARES OF
ARABLE LAND**

That is more arable land than any country in the European Union. Roughly 70 percent of Ukraine's territory is agricultural land. The same land base supplies approximately 37 percent of all sunflower oil traded internationally. In 2024, agricultural exports were worth EUR ~20.8 billion²⁸⁵, equivalent to roughly 60 percent^{286,287}, of all Ukrainian²⁸⁸ goods exports.

Pre-war 2021 Ukraine harvested 86 million tonnes of grain²⁸⁹. Output has fallen under the war, but the asset base behind it has not — the land, the soil, and the core infrastructure remain. The governing institutions have been progressively rebuilt, and the entry channels for private capital have multiplied rather than narrowed.

²⁸⁵ [Kyiv Independent](#)

²⁸⁶ [State Agency for Land Reclamation, Fisheries and Food Programmes of Ukraine](#)

²⁸⁷ [Kyiv Independent](#)

²⁸⁸ [Latifundist Media](#)

²⁸⁹ [United States Department of Agriculture](#)

AGRICULTURAL LAND

~42.2 Mha

~70% of country territory

ARABLE LAND

~32.9 Mha

Bigger than Germany +
Poland combined

CHERNOZEM SHARE GLOBALLY

~25-33%

Largest reserve in Europe

PRE-WAR GRAIN HARVEST 2021

~86 Mt

Top-three global
exporter

WORLD SUNFLOWER OIL EXPORT
SHARE 2024

~37%

#1 globally; down from
~50% pre-war

PRE-WAR SUNFLOWER SEED
HARVEST 2021

~17 Mt

World's #2 producer;
2025 actual ~10 Mt after
war and drought

AGRICULTURE SHARE OF TOTAL EXPORTS 2024

~60%

Including processed foods

STORAGE CAPACITY 2025

~53 Mt

Total commercial elevator network across ~1,200
elevators; state share ~14% (SFGCU 3.5-4 Mt plus
State Reserve and Agrarian Fund stocks); pre-war
2021 ~57 Mt; 9-13 Mt destroyed or damaged in
war, partially rebuilt since

AGRICULTURE SHARE OF GDP

**~10% (agriculture);
~17-20% (incl.
processing and food
industry)**

World Bank value-added (narrow); Ministry of
Agrarian Policy / industry estimate (broad)

STATE LAND BANK CUMULATIVE

**1,133 contracts on
69,640 ha across 19
oblasts**

Launched 1 Oct 2024; data as of 31 March 2026;
~EUR 26M to state budget; average price uplift
~5× over starting bid (per SPFU H1 2025); 91% of
winners are small or medium agribusinesses

STATE AGRICULTURAL LAND ~806,000 ha state direct + ~4 Mha communal ~4 Mha transferred from state to territorial communities under 2018-2021 decentralisation (Presidential Decree 449/2020²⁹⁰); at least 15-18% currently under occupation (per expert estimates as of September 2024). Separately, ~5.6 Mha transferred free to private individuals via legacy *pai* (land share) programmes (2002-2020)	STATE AGRI & FISHERIES ENTERPRISES ~230 in SPFU portfolio + ~213 in NAAS network SPFU 230 (Annual Report 2025) privatisation and management track: spirits, grain elevators, fisheries, sugar, stud farms, livestock breeding, veterinary; 22 of these located in occupied or active-combat zones; 93 in active privatisation pipeline. NAAS 213 = 88 institutions directly subordinated to the National Academy of Agrarian Sciences + 125 state enterprises in the experimental-farm network - research and genetic infrastructure, separate accession path
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Data as of public information available Q2 2026. Sources SPFU Annual Report 2025, Derzhstat 2025, World Bank, KSE Institute, FAO

SECTOR OVERVIEW

■ THE STATE'S ASSET BASE AT A GLANCE (A VISUAL ALTERNATIVE TO THE SECTION THAT FOLLOWS).

EUR 20.8bn agri exports 2024 • ~440 state enterprises • 1.001 Mha sold		
Land	806,000 ha CENTRAL STATE LAND	5 custodians (SPFU 386k, NAAS 277k ha) ~4 Mha communal, leased by communities 1.001 Mha sold on the open market since 2021 (foreigners excluded)
Grain & oilseeds	~22.6 Mt OILSEED CRUSH - TOP-THREE WORLD	- World #1 sunflower-oil exporter - SFGCU: 24 line + 2 port elevators, 18 combines - Agrarian Fund: ~20% grain, ~13% flour market
State enterprises	~230 + ~213 SPFU PORTFOLIO + NAAS NETWORK	- Spirits 61 (Ukrspyrnt, Concern, distilleries) - sugar 15, horses 1,717, livestock & vet 21 - NAAS: 213 units, 277k ha, 154k+ gene-bank accessions
Storage & logistics	52.9 Mt GRAIN STORAGE - 1,200 ELEVATORS	- SFGCU port elevators (Odesa, Mykolaiv) - Greater Odesa corridor: 117 Mt grain since 2023 - Borivazh terminal at Pivdennyi (contested)
Fisheries & aquaculture	44.7 kt TOTAL CATCH, 2025	- Ukrryba and 11 fisheries SOEs - Antarctic CCAMLR ~20 kt - inland aquaculture ~16 kt - beekeeping 50,300 t honey exported (private)
Irrigation & melioration	~1 Mha RESTORABLE POTENTIAL	- State-owned canals and reservoirs 77 Water Users' Organisations across 14 regions - water bodies are national importance, not for sale
THE TAKEAWAY Across these six classes the state holds the backbone of a sector that makes Ukraine the world's #1 sunflower-oil exporter, a top-five exporter of wheat, corn, barley and rapeseed, and the EU's largest agri-food supplier by volume.		

²⁹⁰ State Property Fund of Ukraine

Land

32.9 million hectares of arable land. More than Germany and Poland combined.

Ukraine's territory covers 60.4 million hectares²⁹¹. Approximately 42.2 million hectares are agricultural land, of which 32.9 million are arable. By global

standards, this is one of the largest contiguous farmable bases²⁹² under any single jurisdiction.

COUNTRY	ARABLE LAND (Mha)
Ukraine	~32.9
France	~16.9
Germany	~11.7
Poland	~11.2
Romania	~8.4

Chernozem, the deepest and most fertile soil class on Earth, covers more than half of Ukraine's territory and accounts for between a quarter and one-third of the global reserve.

Approximately 75 percent²⁹³ of agricultural land is privately held. The bulk moved out of state hands in two waves. The 1990s pai land-share privatisation

transferred 27 million hectares to seven million rural residents. Post-2018 decentralisation, together with continuing free transfers (pai top-ups, veterans, internally displaced families), reduced central state direct holdings from 10.4 million²⁹⁴ hectares in 2018 to 806,000 hectares today.

The 806,000 hectares are split across five custodians (per the SPFU Annual Report 2024):

CUSTODIAN	HECTARES
State Property Fund (SPFU)	386,000
National Academy of Agrarian Sciences (NAAS)	277,000
Ministry of Education and Science	99,200
Ministry of Justice	41,700
Ministry of Agrarian Policy	1,600
TOTAL	~806,000

This is the only land that can be leased through central²⁹⁵ state mechanisms. Communal agricultural land totals approximately 4 million hectares, of which at least 15-18% is currently under occupation (per expert estimates as of September 2024). This pool was transferred from the state to territorial communities

during the 2018-2021 decentralisation reform: 1.7 million hectares in 2018-2019, plus 2.3 million hectares under Presidential Decree 449/2020 and follow-on Cabinet of Ministers of Ukraine resolutions in 2020–2021. Communities lease this land independently through the same Prozorro.Sale electronic platform.

²⁹¹ [European Parliamentary Research Service](#)

²⁹² [Kyiv School of Economics](#)

²⁹³ [Kyiv School of Economics](#)

²⁹⁴ [Kyiv School of Economics](#)

²⁹⁵ [President of Ukraine, Decree 449/2020](#)

STATE OWNERSHIP

The State Property Fund administers the central pool of 386,000 ha through DerzhzemBank (Land Bank). NAAS holds 277,000 ha across experimental farms. Communities hold approximately 4 Mha of agricultural land and lease this independently. Foreign nationals and foreign-owned Ukrainian companies cannot purchase agricultural land of any kind, pending a national referendum (originally planned for 2024 under Law No. 552-IX of 31 March 2020; deferred under martial law, no rescheduled date). Entry points for private capital: long-term lease (up to 50 years) and corporate-rights acquisition in Ukrainian agribusinesses with leasehold portfolios.

Land Market

334,803 transactions and 1.001 million hectares since July 2021.

The reform that opened Ukraine's agricultural land market on 1 July 2021 ended a 20-year sales moratorium²⁹⁶. By 3 March 2026, **334,803 sale-purchase transactions had covered 1.001 million hectares** since launch.

Since the market opened in 2021, the average price has climbed from roughly **EUR 1,200 per hectare** at launch to about **EUR 1,360** in April 2026, peaking **EUR 1,900/ha** in January 2026²⁹⁷. Since Ukrainian legal entities became eligible buyers on 1 January 2024 (with a 10,000-hectare per-company cap), their share

of monthly transactions has risen from 25 percent to 39 percent²⁹⁸ in June 2025, and they pay 17 to 47 percent more per hectare than individuals.

Sales of state and communal agricultural land remain prohibited, only privately owned farmland can be bought; state and community land is available for lease only. Foreign individuals, foreign-owned Ukrainian companies, and stateless persons cannot purchase agricultural land of any kind. The 50-kilometre border ban on foreign ownership is permanent, regardless of any future referendum²⁹⁹.

STATE OWNERSHIP

Sales of public agriculture land remain prohibited; this is purely a private-market for Ukrainian citizens and Ukrainian-registered legal entities. Entry points for private capital: corporate-rights acquisition in Ukrainian agribusinesses with leasehold portfolios, or long-term leases on state and communal land via the Land Bank and community auctions.

Grain & Oilseeds - a Global Market Position

World #1 in sunflower oil. Top-five or better across every major crop.

EUR 4.4 billion of sunflower oil shipped to 134 countries in 2024.

In the 2024 marketing year Ukraine was the world's largest exporter of sunflower oil with approximately 37 percent of global trade, down from 50 percent pre-

war and trending toward 33 percent in 2025/26. The position remains dominant.

CROP / PRODUCT	UKRAINE 2024 RANKING
Sunflower oil exports	#1 globally (~37%)
Sunflower seed production	#2 globally
Wheat exports	Top-five
Corn exports	Top-three to top-four

²⁹⁶ Verkhovna Rada of Ukraine, Law No. 552-IX

²⁹⁷ Opendatabot

²⁹⁸ Latifundist Media

²⁹⁹ Verkhovna Rada of Ukraine, Land Code of Ukraine Article 130-1

CROP / PRODUCT	UKRAINE 2024 RANKING
Barley exports	Top-five
Rapeseed exports	Top-three

The 86 million tonne grain harvest of 2021 has not been³⁰⁰ matched, but the trajectory is upward. Derzhstat's final 2025 figures (published April 2026) show a grain and leguminous harvest of 61.04 Mt, an 8.2 percent increase year-on-year and the strongest post-2022 result. Wheat reached 23.34 Mt, corn 30.9 Mt. Oilseeds totalled 18.43 Mt, with sunflower at 10.24 Mt (-7%), soybeans 4.98 Mt (-25%), and rapeseed 3.21 Mt (-11%). Ukraine remains a top-five wheat exporter and a top-four corn exporter.

Sunflower oil exports in 2024 reached **134 countries** for a combined value of approximately EUR 4.4 billion³⁰¹. The European Union took 56 percent of volume, India 14 percent³⁰², Türkiye, Egypt, and Iraq the next tier. The downstream oilseeds business, including this trade, is overwhelmingly private; the state's role is concentrated in grain trading and intervention.

STATE OWNERSHIP

SFGCU (State Food and Grain Corporation) operates 24 line elevators, 18 bread-product factories, two port elevators (Odesa and Mykolaiv), and a network of mills, cereal plants, and animal feed plants. Storage: 3.5-4 Mt; port transshipment: >2.3 Mt/year³⁰³. Agrarian Fund is the state's market-intervention operator, holding ~20 percent of domestic food grain market and ~13 percent³⁰⁴ of flour market through forward purchases of about 1 Mt/year. Entry points for private capital: commercial counterparty arrangements with both operators on intervention contracts and elevator services; joint ventures on processing assets. No Cabinet of Ministers of Ukraine resolution as of early 2026 specifies privatisation of either entity.

Crushing capacity is the strongest downstream asset. Sunflower³⁰⁵ oil crushing capacity is approximately 20 Mt of sunflower and rapeseed combined per year, plus 2.4 Mt of mono-crush soybean capacity (~22.6 Mt total, excluding occupied territories, per the Ukrainian Oil Industry Association Ukroliyprom, July 2025). Ukraine's sunflower-specific crushing complex is among the world's three largest. The 2023/24

marketing year set a record at 17.4 Mt processed, including 14.8 Mt of sunflower seed yielding 6.6 Mt of sunflower oil. Soybean processing reached a record 2.8 Mt in 2024/25 as the soy crush margin briefly exceeded sunflower. The system is currently operating below its design point and is ready to scale rapidly when production recovers.

The State as Agricultural Asset Holder

Three institutional channels. ~230 in SPFU privatisation/management portfolio + ~213 in NAAS research network. Distinct legal bases, common end point: transparent auction on Prozorro.Sale.

Land Bank

The 806,000 hectares of central state agricultural land³⁰⁶ is the leasable pool the Land Bank brings to private operators through Prozorro.Sale auctions. The structure is two-tier: under Cabinet of Ministers of Ukraine Order No. 541-r of 13 June 2024, 104,000 hectares were withdrawn from 59 state enterprises and transferred to State Enterprise "Agrarian Investment Fund" in permanent use. In August 2024

that enterprise was corporatised into the wholly state-owned LLC "State Land Bank." The operator then subleases plots to private farmers through open competitive auctions: 14 years for annual crops, 25 years for perennials, with a starting rent set at 12 percent of the normative monetary value of the plot³⁰⁷. Bidding drives the realised rent above this floor.

³⁰⁰ [UkrAgroConsult](#)

³⁰¹ [AgroPortal](#)

³⁰² [Ukrainian Agribusiness Club \(UCAB\)](#)

³⁰³ [State Food and Grain Corporation of Ukraine \(DPZKU\)](#)

³⁰⁴ [Elevatorist.com](#)

³⁰⁵ [APK-Inform](#)

³⁰⁶ [Cabinet of Ministers of Ukraine, Order No. 541-r of 13 June 2024](#)

³⁰⁷ [State Property Fund of Ukraine](#)

■ LAND BANK: CUMULATIVE DATA SINCE LAUNCH

Launch date	1 October 2024
Data as of	31 March 2026
Hectares leased	69,640
Sublease contracts	1,133
Oblasts covered	19
Total budget revenue	~EUR 26M (including VAT)
Average annual rent	~EUR 374/ha
Average bidders per lot	4-5
Average price uplift	~5× starting bid (H1 2025 SPFU data)
2025 full-year subset	60,745 ha auctioned across 19 oblasts; 887 contracts; ~EUR 21M revenue
Q1 2026 activity	10,295 ha put to auction in 14 oblasts; ~EUR 11M in second-year payments received from 2024 contracts
Winner profile	91.3% small or medium agribusinesses; 5,130 cumulative bids submitted
Regional revenue leaders	Kharkiv (~EUR 5.1M), Kirovohrad (~EUR 4.7M), Mykolaiv (~EUR 3.9M)

The first pool of approximately 90,900 hectares³⁰⁸ (announced^{309,310} by SPFU in September 2024 and codified in KMU Order No. 541-r of 13 June 2024 with an initial 104,000-hectare transfer) is now auctioned. A second tranche announced at roughly 250,000 hectares in 2024 has not been launched. As of April 2026 the State Property Fund had begun forming a smaller second pool of about 30,700 hectares

(consolidated from 35 state enterprises) and announced plans to securitise the Land Bank's rental income, effectively land bonds, by the end of 2026. Communal land lease auctions run in parallel on the same Prozorro.Sale platform; mandatory electronic auctions since 2021 have opened communal land to competitive bidding, lifting rents above administratively-set levels.

STATE OWNERSHIP

LLC“ State Land Bank”, established by the State Property Fund, is the operator. Auctions are open to Ukrainian-registered legal entities (any ownership structure not classified as foreign-owned under the Land Code). Entry points for private capital: Prozorro.Sale registration; sublease agreements run 14 or 25 years.

³⁰⁸ State Property Fund of Ukraine

³⁰⁹ Kyiv School of Economics

³¹⁰ State Property Fund of Ukraine

SPFU portfolio

Two separate pools comprise Ukraine's state-owned agri/fisheries enterprises:

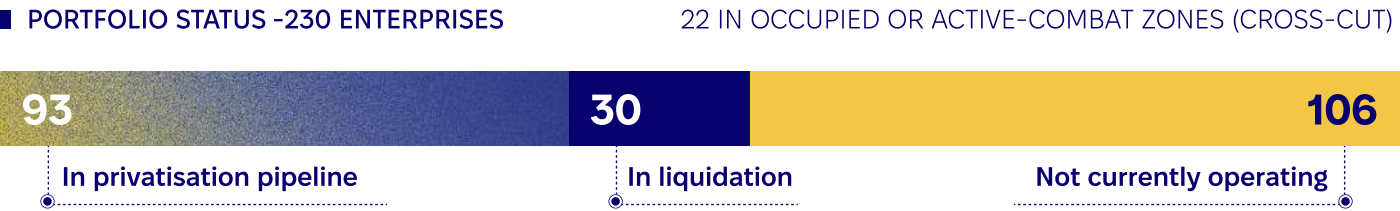
- 1

SPFU portfolio - approximately 230 enterprises³¹¹ (per SPFU Annual Report 2025, end-2025) under direct management by the State Property Fund. The portfolio spans spirits, grain elevators and bread-product factories, fisheries, sugar, stud farms, livestock breeding, veterinary services and other entities. Of these, 22 are located in occupied or active-combat zones; 93 are currently in the privatisation pipeline; 30 are in liquidation; 106 are not currently operating.

■ AGRICULTURE & FISHERIES · SPFU PORTFOLIO · 1 OCTOBER 2025

From spirits to stud farms

The State Property Fund manages about 230 agricultural and fishery enterprises across eight sectors. Spirits alone are roughly a quarter of the count. But the portfolio is not all for sale: only 93 are in the privatisation pipeline, while 30 are in liquidation and 106 are not currently operating.



Source: State Property Fund of Ukraine, Anuual Report 2025 (portfolio as of 1 October 2025). Sector counts are approximate, the eight sectors are a separate breakdown from the status categories, which are mutually exclusive. The NAAS research network (about 213 units) is a distinct pool, shown separately in the section. Figures traced to sources.

2 NAAS research network - approximately 213 active operating units (per NAAS official structure) under the National Academy of Agrarian Sciences. The network includes 88 institutions directly subordinated to the Academy (11 National Scientific Centres, 32 institutes, 39 state

enterprises and experimental farms, 6 other) plus 125 state enterprises in the broader experimental-farm network. NAAS holds research, breeding and genetic infrastructure rather than commercial assets, and is not on the privatisation track.

■ AGRICULTURE & FISHERIES · NAAS NETWORK · 2024

Bred, not sold

~213

TOTAL ACTIVE OPERATING UNITS IN NAAS NETWORK

125

EXPERIMENTAL-FARM STATE ENTERPRISES (NETWORK-WIDE)

88

SUBTOTAL DIRECTLY SUBORDINATED TO ACADEMY

STATE ENTERPRISES
AND EXPERIMENTAL
FARMS

39

RESEARCH
INSTITUTES

32

NATIONAL SCIENTIFIC
CENTRES

11

OTHER DIRECTLY
SUBORDINATED
INSTITUTIONS

6

■ NET PROFILE · 2024

NOT ON THE PRIVATISATION TRACK - RESEARCH, BREEDING & GENETIC INFRASTRUCTURE

IN PERMANENT USE
(FROM 741,000 ha IN 1991)

277,000 ha

STAFF,
INCL. 4,600 RESEARCHES

25,000

GENE-BANK ACCESSIONS, 2,000+
SPECIES

154,000+

Source: National Academy of Agrarian Sciences official structure (network as of 2024); land, staff and gene-bank figures per KSE compilation.

The state alcohol industry was demonopolised by Law No. 318-IX³¹² of 3 December 2019 (effective 1 July 2020). The privatisation pool comprised³¹³ two distinct legal structures under the State Property Fund:

- **SOE "Ukrspyrnt"** - a single state-owned enterprise that contained 41 operating locations (OPs), production sites and alcohol storage facilities. Each OP is not a separate legal entity but a group of separate property (buildings, equipment, inventory) sold individually at auction.

■ **TRACK RECORD OF UKRSPYRT ASSET SALES**

ASSET / WAVE	STATUS	DETAIL
Nemyriv OP	Sold Nov 2020	First privatised object; auction 15 Oct, contract 12 Nov 2020; ~EUR 1.80M (+11% over start); LVN Limited (Nemiroff brand-holder)
~30 objects (cumulative)	Sold by Nov 2021	Winning bids ~EUR 53M; ~EUR 33M to the budget; SOE Ukrspyrnt holdings fell from 41 to 16 OPs by July 2021 (12 by August)
Zhytomyr Distillery	Sold Apr 2025	Auction 11 Apr 2025; final ~EUR 2.9M (from ~EUR 2.1M start); buyer SPK-Invest 2021
Zarubynskyi Distillery	Offered, unsold	Re-listed repeatedly 2023-2025; latest start ~EUR 1.65M (Nov 2025), no buyer
Unified Property Complex of SOE ³¹⁴ "Ukrspyrnt"	Auction expected 2026	Full legal-entity sale: remaining production sites + trademarks + receivables/debts as one lot; expected to be the largest single transaction ^{315,316,317} of the privatisation programme; starting price not yet published
Concern members	Ongoing	Of 37 concern distilleries, several sold in individual auctions through 2025

SOE "Konyarstvo Ukrainy" consolidates Ukraine's state stud³¹⁸ farms into fourteen branches: ten stud farms, three regional breeding centres, and the Odesa Hippodrome across central, southern, eastern, and western Ukraine. As of February 2024 the managed herd numbered **1,717 horses; 561 of these are on four stud farms in Luhansk oblast under occupation**. No privatisation tender has been published; the holding is treated as a heritage and breeding-programme asset.

- **Ukrspyrnt Concern - a group of 37 separate distillery legal entities** (each a standalone state enterprise), sold whole as legal-entity transactions.

Auctions on Prozorro.Sale began September 2020 and continue through 2025-2026 in waves of individual OPs, separate property complexes, and concern-member legal entities. There are currently 21 properties left to sell.

³¹² [Verkhovna Rada of Ukraine, Law No. 318-IX of 3 December 2019 on demonopolisation of the alcohol industry \(2019\)](#)

³¹³ [State Property Fund of Ukraine](#)

³¹⁴ [Latifundist Media](#)

³¹⁵ [Latifundist Media](#)

³¹⁶ [Latifundist Media](#)

³¹⁷ [State Enterprise Konyarstvo Ukrainy](#)

³¹⁸ [National Academy of Agrarian Sciences of Ukraine](#)

³¹⁹ [State Property Fund of Ukraine](#)

³²⁰ [Silskinovyny, Institute of Grain Crops of NAAS](#)

STATE OWNERSHIP

SPFU manages ~230 agri enterprises under its privatisation/management track (Annual Report 2025); NAAS holds ~213 active operating units in its research network (88 directly subordinated + 125 experimental farms). Entry points for private capital: small-scale privatisation auctions on Prozorro.Sale (Ukrspyr distilleries, regional elevators, sugar plants), targeted research-development partnerships with NAAS institutes, JV and operational partnerships with flagship operating entities.

ARMA portfolio

The Asset Recovery and Management Agency (ARMA) holds a smaller, distinct portfolio of confiscated agribusinesses drawn from individuals subject to Ukrainian or international sanctions. Cases reach ARMA through court orders in criminal proceedings, not through the SPFU pipeline.

■ TRACK RECORD - ARMA AGRICULTURAL CASES

ASSET	TYPE	SCALE	UNDER ARMA SINCE	ACTION
Rostok-Holding group (with Novhorod-Siverskyi Elevator + Kombikormnyk)	Vertically integrated agribusiness + elevator + feed mill	NE Ukraine: Sumy, Chernihiv, Kharkiv	Sept 2018	External management by I&U Group Ukraine, 7+ years ongoing
Mykolaivska Ahrarna Kompaniya	Crop farming + property complex	~8,000 ha leased; ~EUR 3.0M total assets	Oct 2024	Tender for external manager via Prozorro
JV "Altai"	Crop farming (RF beneficiary)	NE Ukraine: Sumy, Chernihiv, Kharkiv	Sept 2018	External management by I&U Group Ukraine, 7+ years ongoing

The Borivazh grain terminal at Port Pivdennyi is the most strategically significant agri-logistics asset to pass through the ARMA portfolio. It was placed under

ARMA management, but that transfer was reversed in October 2025 and is now under appeal.

Storage, Logistics & Processing

53 million tonnes of grain storage. 1,200 elevators. 117 million tonnes of grain through the maritime corridor since 2023.

From 57 Mt to 53 Mt: the system rebuilt itself.

Pre-war 2021 commercial elevator network capacity was approximately 57 Mt across roughly 1,378 facilities^{321,322}. War damage and russian occupation cost an estimated **9 to 13 Mt of capacity** (industry losses approximately EUR 0.9 billion). By 2023 operational capacity had fallen to about 49 Mt; by October 2025 it had recovered to **53 Mt across 1,200 elevators** as new construction and reconstruction outpaced ongoing damage in unoccupied areas.

Metal silos now lead the network and take almost all new construction, while the Soviet-era concrete elevators are no longer being built.

Industrial localisation has accompanied this rebuild. Domestic equipment (Ukrainian-made metal silos and elevator systems) accounted for 80 percent³²³ of newly installed capacity in 2024, up from 20 percent in 2016.

³²¹ Latifundist Media

³²² Kyiv School of Economics

³²³ Latifundist Media

State compensation covering 25 percent of qualifying domestic equipment cost was a deliberate driver.

SFGCU is the largest single state operator: 24 line elevators, 18 bread-product factories, and two port elevators (Odesa and Mykolaiv). Concurrent storage is 3.5–4 Mt; port transshipment exceeds 2.3 Mt per year, which is 6–12% of Ukraine's average annual grain export volume. Beyond SFGCU, the SPFU register lists 23 separate state grain elevators and bread-product factories (17 bread-product combines, five grain bases, one elevator), including key facilities under the State Reserve Agency³²⁴.

War has reshaped the export logistics chain. From autumn 2023, the Ukrainian-controlled "Ukrainian Corridor" through the Greater Odesa cluster (Pivdennyi, Chornomorsk, Odesa) carries the bulk of agri-export volumes. The maritime corridor has handled **197 million tonnes of cargo, including 117 million tonnes of grain, to 55 countries**^{325,326,327} since its 2023 launch (as of May 2026). Sea transport's share of agri-exports recovered to about **87 percent** by 2025 as the corridor stabilised.

STATE OWNERSHIP

USPA owns Greater Odesa port infrastructure³²⁸. SFGCU owns the largest state elevator network. The Borivazh grain terminal at Port Pivdennyi (Ukraine's largest commercial port by cargo throughput) was placed under ARMA management in March 2025 by ruling of the Shevchenkivskyi District Court of Kyiv. The court reversed that transfer in October 2025; the asset arrest remains in force and the prosecutor's appeal is pending so control is contested and ARMA's planned Q1-2026 sale is on hold, even though ARMA still lists the terminal among its managed assets. The State Reserve Agency owns strategic grain stocks. Entry points for private capital: terminal lease and concession on USPA land for greenfield agri-port investment; the eventual ARMA sale of Borivazh (on hold pending litigation); private elevator construction with state co-finance.

Irrigation & Reconstruction

584,000 hectares of irrigation lost in one night. EUR ~47 billion to rebuild over a decade.

Soviet inheritance: 2.6 million hectares once irrigated. By 2023: ~120,000.

Ukraine inherited a Soviet irrigation system that once served approximately 2.6 million hectares of irrigated agricultural land and 3.3 million³²⁹ hectares of drained land. Three decades of decay had already reduced the equipped area to roughly 2.2 million hectares before the full-scale invasion; war and neglect then collapsed actual irrigation to only about **120,000 hectares by 2023**, a small fraction of the system's design capacity.

The single largest event was the destruction of the Kakhovka hydroelectric power plant in June 2023. The reservoir supplied **31 irrigation systems serving approximately 584,000 hectares** in Dnipropetrovsk, Kherson, and Zaporizhzhia oblasts³³⁰. Total assessed damage to Ukraine's irrigation and water-resources sector between February 2022 and December 2025 is about EUR 725 million (World Bank RDNA5); the Kakhovka dam destruction alone accounted for an estimated EUR 305 million³³¹ (RDNA4).

The World Bank's 2024 study **The Future of Irrigation in Ukraine**³³² estimates that **approximately 280,000 hectares** of formerly irrigated land will require alternative water-supply solutions. According to the Ministry of Agrarian Policy, Ukraine's total restorable irrigation potential is at least 1 million hectares.

Institutional reform runs in parallel with reconstruction. The 2022 Law on Water Users' Organisations established a legal route for irrigators to organise collectively and to receive ownership of on-farm irrigation infrastructure³³³. Primary infrastructure (main canals, hydraulic structures, reservoirs) remains in state ownership. By early 2026, 77 Water Users' Organisations had been established across 14 oblasts (19 created in 2025 alone), but only 10 had received infrastructure ownership; a further 35 had registered their systems in the State Land Cadastre and are in the transfer process³³⁴.

³²⁴ [State Property Fund of Ukraine](#)

³²⁵ [Latifundist Media](#)

³²⁶ [Ministry for Communities and Territories Development of Ukraine](#)

³²⁷ [ZN.ua](#)

³²⁸ [Asset Recovery and Management Agency of Ukraine](#)

³²⁹ [International Commission on Irrigation and Drainage](#)

³³⁰ [UKRAINE CRISIS ANALYSIS TEAM](#)

³³¹ [UNDP](#)

³³² [World Bank](#)

³³³ [Asset Recovery and Management Agency of Ukraine](#)

³³⁴ [State Agency for Land Reclamation, Fisheries and Food Programmes of Ukraine](#)

STATE OWNERSHIP

The State Agency for Land Reclamation, Fisheries, and Food Programmes and the State Agency of Water Resources own primary infrastructure. Water Users' Organisations are non-profit collectives owned by farmers and receive on-farm secondary infrastructure as it is transferred. Water bodies themselves are objects of national importance and cannot be privatised. Reforms that took effect in October 2025 via adoption of a new Law on Public-Private Partnership and amendments to the meliorative-infrastructure management law opened water and meliorative infrastructure (pumping stations, canals, pipelines, treatment plants) to PPP and concession, including irrigation rehabilitation³³⁵. Entry points for private capital: PPP and concession partnerships with WUOs and the State Reclamation Agency, alongside World Bank, EBRD, and EIB project financing.

Fisheries, Aquaculture & Beekeeping

20,000 tonnes from Antarctica. 50,300 tonnes of honey exported in 2025. Ukraine ranks among the world's top five in both.

Black Sea closed. Inland and Antarctic production rebuilt.

Ukraine's fisheries sector was concentrated in the Black Sea and Sea of Azov before 2022; both have been closed to commercial activity since the start of

the full-scale invasion. Production has reorganised around three operating channels.

CHANNEL	2024 PRODUCTION	NOTES
Inland aquaculture (ponds, reservoirs)	~16,000 t (2025)	carp dominant; recovering from wartime lows (12.9k t in 2021)
Antarctic distant-water (CCAMLR)	~20,000 t	one of only five nations fishing Antarctic krill (4th by volume); CCAMLR member since 1994; ~95% Antarctic krill, small Patagonian toothfish premium segment
Inland commercial catches	~11,900 t (2024)	Dnipro-cascade reservoirs (Kremenchuk largest, 5,626 t), Danube

The State Fisheries Agency oversees this footprint through 11 state enterprises and institutions (two in liquidation), led by SOE "Ukrryba" and the Ukrainian Fish Trading Company, alongside specialised breeding centres such as the Irkliiv herbivorous-fish hatchery and the Dnieper (Dniprovsky) sturgeon hatchery. Pre-war 2021 output was about 69,900 tonnes; by 2025 the total catch of aquatic bioresources stood at 44,700 tonnes, roughly two-thirds of the pre-war level and gradually recovering.

The eFish reform, launched October 2023 and fully operationalised³³⁶ in September 2025, has digitalised fisheries permitting and quotas. Permit issuance times have fallen from 30 days to two days³³⁷. Prozorro.Sale quota auctions lifted budget revenue more than

threefold from UAH 15.4 million in 2021 to UAH 52.3 million (about EUR 1.1 million) in 2025, when 599 auctions awarded 260 lots.

Beekeeping. Ukraine produces roughly 53,000 tonnes of honey a year according to official statistics. Industry estimates put real output at about twice that, given the large informal market, from approximately 2.7 million bee colonies. In 2025 it exported 50,300 tonnes (down about 41 percent from 2024's record 85,800 tonnes) and remained a top-five world exporter and a leading EU supplier; over 70 percent went to the EU, led by Germany, Poland and Italy. Duty-free EU access is now capped by a 3,500-tonne quota, which Ukraine exhausted in 2025, with a 17.3 percent tariff beyond it.

³³⁵ Verkhovna Rada of Ukraine, Amendments to the Law on Public-Private Partnership

³³⁶ State Agency for Land Reclamation, Fisheries and Food Programmes of Ukraine

³³⁷ Cabinet of Ministers of Ukraine

STATE OWNERSHIP

Black Sea and Azov coastlines and water bodies are assets of national importance and cannot be privatised. State fishing operators (SOE "Ukrryba", SOE "Ukrrybflot", Ukrainian Fish Trading Company) sit under the State Fisheries Agency. Beekeeping is private; state role is limited to NAAS-affiliated research (the Institute of Beekeeping named after Prokopovych). Entry points for private capital: aquaculture water-body lease via State Water Agency, post-war Black Sea mariculture greenfield investment, fishing quota auctions through eFish, EU sanitary-standard processing investment, honey traceability and quality investments to align with European Green Deal standards.

KEY STATE-OWNED ENTERPRISES

STATE FOOD AND GRAIN CORPORATION OF UKRAINE (SFGCU)

JSC | 100% STATE

MINISTRY OF ECONOMY, ENVIRONMENT AND AGRICULTURE

ELEVATORS

24 line + 2 port
(Odesa, Mykolaiv)

BREAD-PRODUCT COMBINES

18

CONCURRENT GRAIN STORAGE

3.5-4 Mt
(~10% of certified national capacity)

PORT TRANSSHIPMENT CAPACITY

>2.3 Mt/year
(6-12% of average export volume)

SFGCU is Ukraine's national grain market operator. Its 2022 net loss of approximately EUR 328 million was the second-largest among all Ukrainian state enterprises that year, after Naftogaz³³⁸. The corporation is the sovereign-guaranteed obligor on a ~EUR 1.28 billion^{339,340} loan from China Eximbank

originally signed in 2012. Cabinet of Ministers of Ukraine Resolution No. 1114 (September 2025) confirmed the restructured arrangement: a re-profiled ~EUR 723 million³⁴¹ guaranteed facility, maturity extended to 2034-2040, interest grace period through 2029.

³³⁸ Ministry of Finance of Ukraine

³³⁹ Cabinet of Ministers of Ukraine, Resolution No. 1114

³⁴⁰ Ekonomichna Pravda

³⁴¹ Interfax-Ukraine

STATUTORY CAPITAL

~EUR 97M
(UAH 5B)

2025 NET REVENUE

~UAH 42M
(vs ~UAH 6.9B in 2018)

2025 NET RESULT

~UAH 18M
net loss (down ~47% YoY)

ACCUMULATED UNCOVERED LOSS

~UAH 4.8B
(~EUR 93M)

MANDATE

**price intervention + state forward grain purchases - scaled down;
no approved 2025 financial plan**

The state's market-intervention operator, now operating at a fraction of its former scale. Its wholly-owned Swiss trading subsidiary³⁴² Agrofund AG (Zug) is insolvent, dissolved in 2025 and struck from the Swiss commercial register in February 2026. After pre-war profitability (2018 net profit ~UAH 147 million), the Fund posted a net loss of ~UAH 18 million in 2025 (down about 47 percent year-on-year) on revenue of only ~UAH 42 million, and carries an accumulated

uncovered loss of ~UAH 4.8 billion (~EUR 93 million) against statutory capital of UAH 5 billion³⁴³ (~EUR 97 million); it has outstanding obligations to Ukreximbank and operated in 2025 without an approved financial plan. The Agrarian Fund is not flagged as a top-tier fiscal risk in the Ministry of Finance fiscal risks report, and no Cabinet resolution as of early 2026 specifies privatisation of the Fund.

³⁴¹ [Interfax-Ukraine](#)

³⁴² [State Property Fund of Ukraine](#)

³⁴³ [Public Joint-Stock Company Agrarian Fund of Ukraine](#)

SOE "UKRSPYRT"

STATE UNITARY ENTERPRISE | MINISTRY OF ECONOMY

FIRST WAVE FOR SALE

41 plants

SOLD BY NOVEMBER 2021³⁴⁴

30+

TOTAL WINNING BIDS 2020-2021

~EUR 33M

ACTIVE DISTILLERIES (MID-2021)

16

INITIAL PORTFOLIO

78 distillery assets

The holding company of Ukraine's former state alcohol monopoly. The reform law of 1 July 2020 abolished the monopoly. Auctions on Prozorro.Sale began September 2020 for individual plants. The first major transaction was the December 2020 sale of the Nemyriv distillery to LVN Limited (Nemiroff brand-holder) for

approximately EUR 1.07 million³⁴⁵. Buyer obligations include preservation of distillery profile and retention of at least 70 percent of staff to mid-2024. Ukrspyrt itself operates in run-off mode while individual property complexes are auctioned.

SOE "KONYARSTVO UKRAINY"

STATE UNITARY ENTERPRISE | MINISTRY OF ECONOMY | CREATED BY CABINET ORDER NO. 2305-R³⁴⁶ OF 1 DECEMBER 2010

TOTAL MANAGED HERD

1,717 horses

SHARE OF NATIONAL REGISTERED HERD³⁴⁷

~8-9%

HORSES ON OCCUPIED FARMS

561

(4 farms in Luhansk oblast)

ACTIVE BRANCHES

14

(of original 18 enterprises)

Consolidated holder of Ukraine's state stud farms. Active branches operate from Poltava (Dibrivskiy No. 62), Dnipro (Dnipropetrovskiy No. 65), Kirovohrad (Onufriivskiy No. 175 and Oleksandriiskiy No. 174), Kharkiv (Lozivskiy No. 124), Ternopil (Yahilnytskyi), Zaporizhzhia (Zaporizkyy No. 86), and Odesa

(Olimpiyskyy state pedigree centre at Odesa Hippodrome, where approximately 80 trotters undergo annual trials). No privatisation tender has been published; the holding is treated as a heritage and breeding-programme asset.

³⁴⁴ [Interfax-Ukraine](#)

³⁴⁵ [Interfax-Ukraine](#)

³⁴⁶ [Cabinet of Ministers of Ukraine, Order No. 2305-r](#)

³⁴⁷ [Agency for Identification and Registration of Animals of Ukraine](#)

SOE "UKRRYBA" + UKRAINIAN FISH TRADING COMPANY

STATE ENTERPRISES | STATE AGENCY FOR LAND RECLAMATION, FISHERIES AND FOOD PROGRAMMES (DERZHRYBAHENTSTVO)

AQUACULTURE PRODUCTION (2025)

~16,000 t

2024 ANTARCTIC CATCH

~20,000 t

STATE FISHERIES ENTERPRISES AND INSTITUTIONS

11
(2 in liquidation)

OPERATING CHANNELS

Inland aquaculture, inland commercial catches, CCAMLR Antarctic

Ukrryba is the principal state operator within the reorganised post-2022 fisheries system; the Ukrainian Fish Trading Company is the state trading arm. Specialised breeding hatcheries within the network

include the Irkliiv cyprinid hatchery in Cherkasy oblast, the Dniester hatchery, the Experimental Mullet Hatchery on the Black Sea coast, and the Scientific Selection-Genetic Centre for Fish Breeding.

NAAS RESEARCH AND GENETIC NETWORK

NATIONAL ACADEMY OF AGRARIAN SCIENCES | REPORTS TO CABINET OF MINISTERS | -213 ACTIVE OPERATING UNITS (88 DIRECTLY-MANAGED + 125 EXPERIMENTAL FARMS)

TOTAL NETWORK EMPLOYMENT

~25,000

RESEARCHERS (DOCTORS + CANDIDATES OF SCIENCES)

4,600 (341 + 1,636)

LAND IN PERMANENT USE

~277,000 ha
(2024; from ~741,000 ha in 1991)

Ukraine's central agricultural research and genetic infrastructure³⁴⁸. Flagship institutes include the Mironovsky Institute of Wheat, the Institute of Grain Crops in Dnipro (over 130 maize hybrids and ~50 sorghum varieties bred, planted on roughly a quarter of Ukraine's maize and sorghum area), the Institute of Plant Production named after Yuriev, the Selection-Genetic Institute in Odesa, the Institute of

Bioenergetic Crops and Sugar Beet, the Institute of Animal Husbandry, the Institute of Animal Breeding and Genetics named after Zubets, the Institute of Beekeeping named after Prokopovych, the Institute of Fish Husbandry, and the Askania-Nova Biosphere Reserve. The national plant genetic collection, among the world's ten largest, holds more than 154,000 accessions across over 2,000 plant species.

³⁴⁸ Food and Agriculture Organization of the United Nations Regional Office for Europe

HOW PRIVATE CAPITAL CAN PARTICIPATE

SUBSECTOR	STATE ROLE	KEY SOEs	PRIVATISATION PATHWAY	ACCESS MECHANISMS FOR PRIVATE CAPITAL
State & communal farmland (lease)	Middle	State Land Bank (DerzhzemBank), SPFU, territorial communities	Sales barred (moratorium on state and communal land); long-term lease only	Prozorro.Sale sublease auctions, 14- or 25-year 1,133 contracts on 69,640 ha across 19 oblasts (31 March 2026); communal auctions since 2021 (~4 Mha)
Private farmland (purchase)	Low	Private market (Ukrainian persons and legal entities)	Open sale-purchase since 2021 (Law 552-IX); foreigners banned pending referendum; 50-km border zone permanently closed	Direct purchase, 100 ha (individuals) / 10,000 ha (legal entities) caps, 334,803 transactions on 1.001 Mha ³⁴⁹ (3 March 2026)
Grain storage, elevators & intervention	Middle	SFGCU, Agrarian Fund, State Reserve Agency	SFGCU on restructuring track (Cabinet of Ministers of Ukraine Resolution 1114, Sep 2025); selective elevator and processing sales via SPFU	Counterparty contracts on intervention and elevator services; asset sale or concession via Prozorro.Sale
Spirits / distilleries	Low	SOE "Ukrspyrnt" (+ Ukrspyrnt Concern)	Active small-scale privatisation since 2020 (demonopolised, Law 318-IX); unified-complex sale awaited 2025-2026	Prozorro.Sale auctions - 30+ distilleries sold; individual property complexes and legal entities
Sugar plants	Low	Two state sugar plants (SPFU)	On the SPFU small-scale privatisation list	Prozorro.Sale auctions
Stud farms & livestock breeding	High	SOE "Konyarstvo Ukrainy" (14 branches); livestock-breeding SOEs	Retained as heritage and breeding/genetic assets - no privatisation tender published	Operational partnerships only
Confiscated agribusiness	Middle	ARMA-managed (Rostok-Holding group and others)	External-manager tender, then eventual sale	Prozorro external-manager tenders - 5 named agricultural cases; 208 ARMA auctions across all sectors (Nov 2023 - Mar 2026)
Strategic grain terminal Borivazh	High	ARMA (contested)	Sale on hold - transfer to ARMA reversed Oct 2025, prosecutor's appeal pending	None active (asset arrest in force; planned ARMA sale stalled)
Coastlines, water bodies & strategic reserves	High	State Fisheries Agency, State Water Agency, State Reserve	Non-privatisable (objects of national importance)	Aquaculture water-body lease only (marine suspended for security)
Fishing quotas & aquaculture	Low	SOE "Ukrryba", SOE "Ukrrybflot", Ukrainian Fish Trading Company	Quotas allocated by auction (eFish, 2023 onward)	eFish and Prozorro.Sale quota auctions - 260 lots / 189 contracts (2025), ~EUR 1.1M revenue; inland and pond aquaculture lease

³⁴⁹ Department of Investment and Agency for Development of Dnipropetrovsk Region

SUBSECTOR	STATE ROLE	KEY SOEs	PRIVATISATION PATHWAY	ACCESS MECHANISMS FOR PRIVATE CAPITAL
Irrigation & meliorative infrastructure	Middle	State Reclamation Agency, State Water Agency, Water Users' Organisations	New PPP/concession route (PPP Law + melioration law, Oct 2025)	PPP and concession with WUOs and the Reclamation Agency; World Bank, EBRD, EIB pipeline
Agribusiness equity (M&A)	Low	Private holdings	Open M&A market - ~EUR 437M ³⁵⁰ across 10 deals in 2025, up from ~EUR 90M a year earlier	Corporate-rights and minority-stake acquisition: MHP-Uvesa ~EUR 255M (outbound, 92% of Spain's Uvesa), Bunge-ViOil ~EUR 117M (inbound oilseed processor), domestic consolidation (OKKO, Agroton); SALIC 12.6% (2024)

2.8

Forestry sector

6.6 MLN HECTARES

OF STATE FOREST, UNDER ONE OPERATOR

Ukraine has 9.6 million hectares of forested area³⁵¹. A single state Ukrainian operator manages 6.6 million of these hectares; among European state forestry operators, only Poland's Lasy Państwowe (approximately 7.1 million hectares) is larger³⁵². The operator's 2025 revenue reached approximately EUR 690 million, and it paid EUR 135 million in dividends to the state budget³⁵³. Corporatisation into a 100 percent state-owned joint-stock company is in progress under the EU Ukraine Facility framework, with completion expected in 2026³⁵⁴.

³⁵¹ [State Forest Resources Agency of Ukraine](#)

³⁵² [JSC Forests of Ukraine](#)

³⁵³ [JSC Forests of Ukraine](#)

³⁵⁴ [State Regulatory Service of Ukraine, Decision No. 2626](#)

Roundwood harvest fell from an average of 20.7 million cubic meters a year before the war to 11.7 million in 2025³⁵⁵. Roughly one-quarter of the resource base is currently inaccessible: occupied, mined, in active combat, or undergoing demining after de-occupation³⁵⁶. The 2015 export ban (full effect from 2017, maintained via government quota after the

original moratorium expired in late 2025) keeps domestic processing margin inside the country. Since July 2022, every cubic meter sold by the state has cleared one of three licensed commodity exchanges³⁵⁷. In May 2025, the European Commission classified Ukraine as a low-risk country under the EU Deforestation Regulation³⁵⁸.



Compiled based on publicly available data from [State Forest Resources Agency of Ukraine](#), [Public Report of the Head of SFRA for 2024 \(2025\)](#); [JSC "Forests of Ukraine", news release on 2025 financial results \(2026\)](#); [JSC "Forests of Ukraine", About Us corporate profile \(2025\)](#); [Cabinet of Ministers of Ukraine, Resolution No. 1003 of 7 September 2022 \(2022\)](#); [Commission Implementing Regulation \(EU\) 2025/1093 of 22 May 2025 \(2025\)](#).

Data as of public information available Q1 2026. Sources: SFRA Public Report 2024; DSGP financial statements 2024-2025; Cabinet of Minsters of Ukraine Resolution N°1003 of 7.09.2022; Commission Implementing Regulation (EU) 2025/1093.

³⁵⁵ [State Forest Resources Agency of Ukraine](#)
³⁵⁶ [State Forest Resources Agency of Ukraine](#)
³⁵⁷ [Cabinet of Ministers of Ukraine, Resolution No. 834](#)
³⁵⁸ [Commission Implementing Regulation \(EU\) 2025/1093](#)
³⁵⁹ [JSC Forests of Ukraine](#)

³⁶⁰ [Cabinet of Ministers of Ukraine, Resolution No. 1003](#)
³⁶¹ [JSC Forests of Ukraine](#)
³⁶² [JSC Forests of Ukraine](#)
³⁶³ [Commission Implementing Regulation \(EU\) 2025/1093](#)

SECTOR OVERVIEW

Most of the forested area is in state ownership. Communal councils hold 13 percent. Private ownership is below 0.1 percent, one of the smallest shares in Europe.

9.6 million hectares of forest, divided among four custodians.

Ukraine's forested area covers 9.6 million hectares, or approximately 15.9 percent of the country's territory³⁶⁴. This is the vegetation-covered part of the broader 10.4 Mha forest fund recorded in the land cadastre. Approximately 1.1 million hectares of state-managed forest carry additional nature-reserve fund status which is withdrawn from commercial harvesting

under the Law on the Nature-Reserve Fund of Ukraine³⁶⁵. Under Ukrainian law, most forest land is held in state property under permanent use by specialised state forestry enterprises. The Forest Code permits limited private ownership of up to 5 hectares per citizen within farming holdings; in practice, private ownership accounts for less than 0.1 percent of forested area³⁶⁶.

OWNERSHIP OF THE FORESTED AREA IS DIVIDED AMONG FOUR CUSTODIANS.

CUSTODIAN	SHARE OF FORESTED AREA	AREA
JSC "Forests of Ukraine" (under State Forest Resources Agency)	~69%	~6.6 Mha
Communal (oblast and city councils)	~13%	~1.3 Mha
Other state	~18%	~1.7 Mha
Private	<0.1%	-

Compiled based on publicly available data from [State Forest Resources Agency of Ukraine, Public Report of the Head of SFRA for 2024 \(2025\)](#); [Forest Stewardship Council Ukraine, National Risk Assessment Ukraine 2024 \(2024\)](#); [State Property Fund of Ukraine, register of state enterprises snapshot of 1 October 2025 \(2025\)](#).

The sector operates through two governing layers. The State Forest Resources Agency (SFRA) regulates the sector; JSC "Forests of Ukraine" is the commercial operator. Its 6.6 million hectares cover 69 percent of Ukraine's forested area. Private capital engages with the state through three mechanisms in this segment: concession on forest infrastructure, supply contracts on the licensed commodity exchanges, and Prozorro tenders. The land itself remains non-tradable. The 13 percent communal share is concentrated in Ukraine's western oblasts, primarily the Carpathian and sub-Carpathian regions, and is administered at oblast or hromada level³⁶⁷. It sits outside the central privatisation perimeter but remains accessible through local concession and service contracts. The approximately 18 percent 'other state' residual is composed mainly of Ministry of Environmental Protection national parks (approximately 1.1 million hectares), with smaller shares attributable to Ministry

of Defence training grounds (up to 200,000 hectares), NAS academic research forests, and SFRA service-network enterprises³⁶⁸.

Approximately 23 percent of forest resources are affected by wartime conditions: 0.8 million hectares under occupation, 450,000 hectares potentially mined, 100,000 hectares in active combat zones, plus 0.9 million hectares de-occupied and undergoing demining, concentrated in Donetsk, Luhansk, Kharkiv, Zaporizhzhia, Mykolaiv, Kherson and (de jure) Crimea oblasts; demining access in northern border regions (Volyn, Rivne, Zhytomyr, Kyiv, Chernihiv, Sumy) is also restricted³⁶⁹. Demining of forest cover is materially slower and more expensive than for arable land because root systems and terrain complicate the work, and unexploded munitions may lodge in tree canopies. The SFRA portfolio still includes Crimean forestry units, which have been inaccessible since 2014³⁷⁰.

³⁶⁴ [State Forest Resources Agency of Ukraine](#)
³⁶⁵ [State Forest Resources Agency of Ukraine](#)
³⁶⁶ [Verkhovna Rada of Ukraine, Forest Code of Ukraine, Articles 7 and 8 on state ownership and permanent use](#)
³⁶⁷ [Forest Stewardship Council Ukraine](#)

³⁶⁸ [State Property Fund of Ukraine, register of state enterprises under managing authority code 14084 \(Ministry of Defence\) snapshot of 1 October 2025 \(2025\)](#)
³⁶⁹ [State Forest Resources Agency of Ukraine](#)
³⁷⁰ [State Property Fund of Ukraine, register snapshot of 1 October 2025 listing Crimean SFRA units as de jure managed \(2025\)](#)

STATE OWNERSHIP

SFRA regulates the sector; JSC "Forests of Ukraine" is the consolidated commercial operator on ~6.6 Mha; communal forestry is run by oblast and city councils on ~1.3 Mha; the residual sits with the Ministry of Environmental Protection, Ministry of Defence, and academic institutions. Forest land is non-tradable. Entry point: downstream and service contracting with JSC "Forests of Ukraine" centrally; concession or service contracts with communal operators in western oblasts.

KEY STATE-OWNED ENTERPRISES

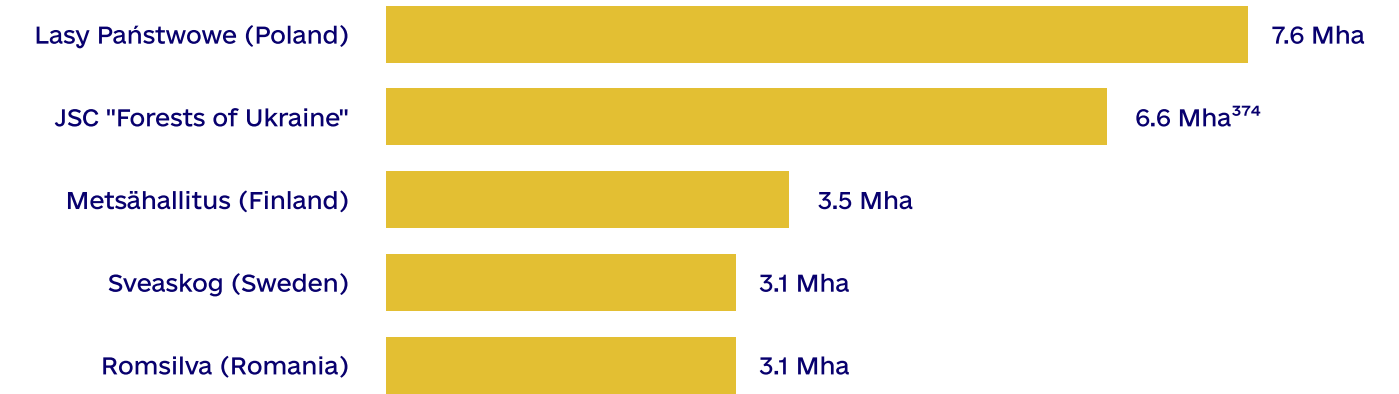
Among the three largest consolidated state forestry holdings in Europe. 100% state ownership.

EUR 690 million revenue. EUR 135 million in dividends to the state budget.

JSC "Forests of Ukraine" manages the consolidated state forest holdings through a central office, twelve regional offices, 97 forest management units, and approximately 1,340 forestries³⁷¹. The Cabinet of Ministers of Ukraine created it under Resolution

Nº1003 of 7 September 2022, by merging 158 regional forestry and hunting-forestry state enterprises into a single legal entity³⁷². The government has designated it as one of the country's enterprises of especial importance to the economy³⁷³.

LAND UNDER MANAGEMENT: EUROPEAN PEER COMPARISON



Compiled based on publicly available data from [Lasy Państwowe, Lasy w liczbach corporate profile \(2025\)](#); [JSC "Forests of Ukraine", About Us corporate profile \(2025\)](#); [Metsähallitus, Annual Report 2024 \(2025\)](#); [Sveaskog AB, Annual and Sustainability Report 2024 \(2025\)](#); [Romsilva, official site corporate profile \(2025\)](#).

The pre-consolidation structure was widely criticised. More than 150 regional enterprises operated largely independently while SFRA simultaneously set policy and supervised the commercial operators it regulated. Consolidation eliminated the operator-regulator overlap. SFRA retains the policy and supervisory role; JSC "Forests of Ukraine" is now the sole commercial counterparty.

Operating economics. The operator's 2025 revenue amounted to approximately **EUR 690 million**. It paid **EUR 135 million in dividends to the state budget**, placing it among the country's top three state-budget contributors in 2025.

EUR 135 million

in dividends to the state budget

With approximately 22,000 employees, productivity stands at around 300 hectares per employee, comparable to Poland's Lasy Państwowe and below the Nordic operators, which combine higher mechanisation with leaner workforces³⁷⁵. Investment priorities for the coming decade include forest roads, mechanised harvesting equipment, planning and inventory software, and satellite-based forest health monitoring.

³⁷¹ [JSC Forests of Ukraine](#)

³⁷² [Cabinet of Ministers of Ukraine, Resolution No. 1003](#)

³⁷³ [State Forest Resources Agency of Ukraine](#)

³⁷⁴ [JSC Forests of Ukraine](#)

³⁷⁵ [JSC Forests of Ukraine](#)

Approximately 4.6 million hectares hold Forest Stewardship Council (FSC) certification across 93 branches, equivalent to 70 percent of the managed land³⁷⁶. FSC is the international sustainability standard typically required by EU premium buyers of furniture, panels, and packaging.

The operator is being converted from a state unitary enterprise into a joint-stock company (100 percent state-owned), under the government's Action Plan 2025 and the EU Ukraine Facility framework; completion is expected in 2026. The conversion was implemented under the government's Action Plan 2025 and the EU Ukraine Facility framework³⁷⁷. The

supervisory board now includes independent directors and a state representative.

Alongside the operator, SFRA maintains a network of approximately 20 directly subordinate specialised service enterprises and institutions, including regional forest-protection units, inventory institutes, research institutes with their research stations, national parks, and analytical centres. The lead research institute is the Ukrainian Research Institute of Forestry and Forest Melioration in Kharkiv (the Vysotsky Institute). The Ministry of Defence separately manages up to 200,000 hectares of forest on military training grounds and defence land.

STATE OWNERSHIP

JSC "Forests of Ukraine" is 100% state-owned. Entry points: PPP or concession on forest roads and processing infrastructure; long-term supply contracts cleared through the licensed exchanges; service contracts on inventory, monitoring, and equipment supply tendered through Prozorro.

Timber market: closed loop, open auction

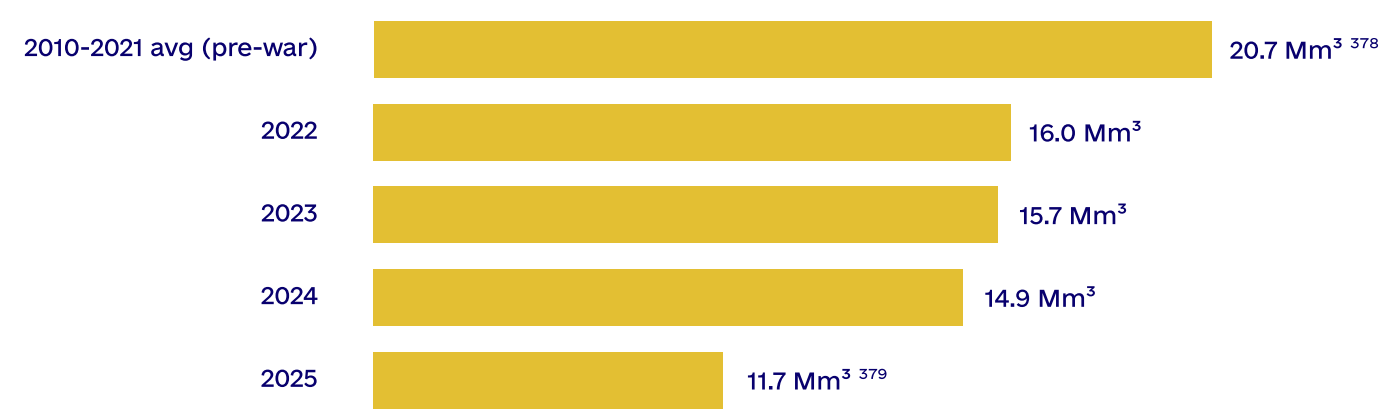
Roundwood export banned since 2017 (full ban; under government quota since late 2025). All state timber must clear regulated exchanges since 2022.

From 20.7 to 11.7 million cubic metres. Domestic processing locked in.

Harvested volumes are more than 40 percent below the pre-war average. The constraint is access, not demand: reconstruction has increased domestic

timber demand, but roughly a quarter of the resource base lies in occupied, mined, combat, or demining-pending zones.

■ ROUNDWOOD HARVEST TRAJECTORY



Source: [State Forest Resources Agency of Ukraine, Public Report of the Head of SFRA for 2024 \(2025\)](#); [Interfax-Ukraine, news release on 2025 forestry sector logging volumes \(2026\)](#).

Two regulatory mechanisms separate the state's harvest from the buyer. Together, they distinguish the Ukrainian timber market from most European peers.

³⁷⁶ [Interfax-Ukraine](#)
³⁷⁷ [European Commission, Ukraine Facility programme hub](#)

³⁷⁸ [State Forest Resources Agency of Ukraine](#)
³⁷⁹ [Interfax-Ukraine](#)

■ **Roundwood export ban (in force since 2015, full effect from 2017).** Ukraine prohibits the export of unprocessed roundwood and squared timber under Law of Ukraine No. 2860-IV, as amended by Law No. 325-VIII of 9 April 2015 (which introduced a ten-year moratorium that expired on 1 November 2025); the Government has maintained the ban through a zero export quota since late October 2025, and the Verkhovna Rada Economic Development Committee endorsed extension bill No. 13223 on 23 February 2026 to renew the moratorium by a further ten years³⁸⁰. Harvested volumes remain in the country, transferring bargaining power and processing margin to domestic processors.

■ **Mandatory commodity-exchange clearing.** The 2020-2021 capital markets reform (Law №738-IX of June 2020) introduced unified commodity-exchange licensing under the National Securities and Stock Market Commission³⁸¹. Cabinet of Ministers Resolution №834 of 26 July 2022 subsequently added timber to the closed list of products subject to mandatory exchange clearing³⁸². Three licensed commodity exchanges currently clear state-harvested timber: **Ukrainian Energy Exchange (UEEX)**, **Ukrainian Universal Exchange (UUB)**, and **Ukrainian Trading Platform (UTP)**³⁸³. Direct contracts between state sellers and buyers are prohibited.

HOW PRIVATE CAPITAL CAN PARTICIPATE

The state owns the forest, the operator and the sale channel. Forest land is constitutionally non-tradable; JSC "Forests of Ukraine" is 100% state-owned; roundwood from state forests is sold only through three licensed exchanges (UEEX, UUB, UTP).

Everything downstream is open to private capital. Timber processing (sawmills, panels, pellets, pulp - and wood-based bioenergy) are fully private markets. Forest roads, processing yards and drying kilns are now concession-eligible under the new PPP Law No. 4510-IX (October 2025). Communal forestry in western oblasts offers a parallel municipal pathway.

SUBSECTOR	STATE ROLE	KEY SOEs	PRIVATISATION PATHWAY	ACCESS MECHANISMS FOR PRIVATE CAPITAL
Forest land and standing timber	High	SFRA / JSC "Forests of Ukraine"	Not on the SPFU privatisation list - constitutionally state property in permanent use (Forest Code No. 3852-XII); Forest Code permits limited private ownership up to 5 ha per citizen	None for the state forest fund
State forestry operator	High	JSC "Forests of Ukraine"	Not on the SPFU privatisation list - 100% state-owned; corporatisation in progress under Action Plan 2025 / EU Ukraine Facility, completion expected 2026	No alternative pathway while corporatisation ongoing
State-harvested roundwood (sale)	High	JSC "Forests of Ukraine"	No privatisation pathway - distribution channel only; mandatory exchange clearing under Cabinet of Ministers of Ukraine Resolution №834 (2022)	Buyer registration on 3 licensed exchanges (UEEX / UUB / UTP); 6-month forward contracts since Nov 2024; direct contracts prohibited
Forest infrastructure (roads, processing yards, kilns)	Middle	JSC "Forests of Ukraine"	Not on the SPFU privatisation list - asset retention; PPP / concession permitted under new Law No. 4510-IX (effective 31.10.2025)	PPP / concession agreement; tender administered by JSC "Forests of Ukraine" with SFRA as supervisory authority

SUBSECTOR	STATE ROLE	KEY SOEs	PRIVATISATION PATHWAY	ACCESS MECHANISMS FOR PRIVATE CAPITAL
Forestry equipment, services & traceability	Middle	SFRA functional network (~20 directly subordinate service enterprises) + JSC "Forests of Ukraine"	Not on the SPFU privatisation list - retained as SFRA functional network for sector services	Service contracts via Prozorro: monitoring, inventory, fire-prevention equipment, mechanised harvesting machinery, certification, demining
Timber processing (sawmill, OSB, MDF, CLT, pellets, pulp)	Low	None	No restriction - fully private-led	Direct investment (greenfield, JV, acquisition); roundwood offtake via licensed exchanges
Wood-based bioenergy (pellets, biomass CHP)	Low	None	No restriction - fully private-led	Greenfield; NEURC licence for power; EU offtake under RED III; corporate PPAs
Communal forestry (western oblasts)	Middle	Galsillis (Lviv) + oblast / hromada enterprises in 5 other western oblasts	No national privatisation pathway - oblast / hromada councils decide asset-by-asset	Local concession (Law on Concession + new PPP Law No. 4510-IX); service contracts with oblast / city councils
Occupied-territory forestry units	High (de jure)	SFRA portfolio (Crimean + Donetsk / Luhansk / Zaporizhzhia / Mykolaiv / Kherson)	Inaccessible - pending de-occupation; ~0.8 Mha under occupation; ~0.9 Mha de-occupied undergoing demining	None until de-occupation

Compiled based on publicly available data from [Verkhovna Rada of Ukraine, Forest Code of Ukraine consolidated text \(2006\)](#); [Cabinet of Ministers of Ukraine, Resolution No. 834 of 26 July 2022 on mandatory exchange clearing of timber \(2022\)](#); [Verkhovna Rada of Ukraine, Law on Public-Private Partnership No. 4510-IX of 19 June 2025 \(effective 31 October 2025\)](#); [Prozorro.Sale public privatisation auction platform \(2025\)](#).

Note: privatisation pathway status verified against SPFU privatisation register and SFRA policy statement - see [SPFU privatisation register](#) and [SFRA "Forests for the people of Ukraine"](#). Individual property of former state lisgosps may be sold piecemeal via small privatisation; this differs from the integrated SFRA service network.

2.9

Communal infrastructure sector

14,000+
enterprises³⁸⁷

One pilot concession.

Ukraine's 1,469 territorial communities own and operate the country's water utilities, district heating, urban transport, waste management, and much of its local healthcare and housing infrastructure³⁸⁸. The combined portfolio is roughly four times larger than the central state's by entity count.

A new public-private partnership and concession framework entered into force on 31 October 2025, aligned with EU directives³⁸⁹. The first communal-sector concession, a water-utility partnership at Truskavets, is in tender preparation³⁹⁰. Behind it, a financed project-preparation pipeline is forming. The first-mover position is open.

Section based on publicly available data as of Q2 2026.

³⁸⁷ Verkhovna Rada of Ukraine, Committee on Economic Development
³⁸⁸ KSE Institute

³⁸⁹ Verkhovna Rada of Ukraine, Law No. 4510-IX
³⁹⁰ Forbes Ukraine

COMMUNAL ENTERPRISES

~14,000

Mostly in housing and utilities, urban transport, and healthcare

HROMADAS AS ASSET HOLDERS

1,469

Created by the 2014-2020 decentralisation reform

LARGE UTILITIES UNDER NATIONAL TARIFF REGULATION

142 (50 water + 92 heat)³⁹¹

Operators licensed and tariff-regulated by NEURC (National Commission for State Regulation of Energy and Public Utilities)

URBAN TRANSPORT OPERATORS

3 metros + tram & trolleybus

Communal metros in Kyiv, Kharkiv and Dnipro, all wartime-active; tram and trolleybus systems across major cities

CENTRALISED WATER SUPPLY COVERAGE

~65% of population

98% of cities; ~25% of villages

COMMUNAL AGRICULTURAL LAND

more than 2 Mha

Held by hromadas; leased via Prozorro.Sale

COMMUNAL PROPERTY AUCTIONED 2025

810 obj / EUR ~25M

UAH 1.3 billion to local budgets; roughly double the 2023 result

PPP LAW 4510-IX IN FORCE

since 31 Oct 2025³⁹²

First Ukrainian PPP and concession regime fully aligned with EU directives. Allows blended finance, lender step-in rights, and international arbitration

UKRAINE FIRST INFRASTRUCTURE PREPARATION FACILITY

EUR 30M

EU + EBRD + EIB fund that pays for feasibility studies and procurement plans. Launched July 2025, Rome

³⁹¹ [National Commission for State Regulation of Energy and Public Utilities](#)
³⁹² [Verkhovna Rada of Ukraine, Law No. 4510-IX](#)

DREAM NATIONAL PIPELINE —
COMMUNAL SLICE

**40 initiatives
in 2026**

Mandatory digital platform for
public investment, used by
~87% of hromadas

COMMUNAL-SECTOR CONCESSION

**1 pilot
(Truskavets
vodokanal)**

30-year, ~EUR 20 million water-
utility partnership in tender
preparation

FOREIGN-INVESTOR ACCESS

**Open via
Ukrainian
SPV**^{393,394}

No sectoral ban on foreign
capital (unlike agricultural land).
Qatari QTerminals won Olvia
port concession via Ukrainian
SPV in 2020

Compiled based on publicly available data from [Verkhovna Rada Committee on Economic Development \(2024\)](#), [KSE Institute, Local Governments Legal, Institutional and Financial Landscape in Ukraine, BGK-funded report \(2024\)](#), [National Commission for State Regulation of Energy and Public Utilities, 2025 licensing results \(2026\)](#), [Prozorro.Sale, 2025 annual results \(2026\)](#), [Accounting Chamber of Ukraine, audit on centralised water supply \(2023\)](#), [European Investment Bank, Ukraine FIRST press release \(2025\)](#), [Ministry of Economy of Ukraine, DREAM single project pipeline \(2025\)](#), and [Cabinet of Ministers of Ukraine, Olvia and Kherson port concessions launch \(2020\)](#). Data as of public information available Q2 2026.

SECTOR OVERVIEW

A communal enterprise (CE) is a separate business entity whose property is held by a territorial community on the basis of economic-management rights; governance runs through the city council, the mayor, and the executive committee. CEs keep independent financial statements and are not budgetary institutions, though most rely on local-budget transfers to cover the gap between regulated tariffs and economically justified costs. Together they form a second public-sector portfolio, owned at the local level. The count has grown roughly threefold in under a decade: 5,244 in 2017 (Centre for Economic Strategy / YouControl)³⁹⁵, 6,947 in 2018 (Antimonopoly Committee analysis showing UAH 9.8 billion in combined annual losses)³⁹⁶,

UAH 9.8 billion

in combined annual losses

and over 14,000 by 2024, roughly four times the central state's portfolio by entity count, spread across 1,469 territorial communities and concentrated in utilities (water, heat, waste), urban transport, housing and real estate, and a healthcare-and-social tier of municipal non-profit enterprises (most hospitals converted to that form in 2018-2019).

Each CE is owned by a specific hromada and managed by its city, settlement or village council. The Ministry for Development of Communities and Territories of Ukraine (MoDCT) sets sectoral technical and tariff policy and approves the terms of competition for the lease or concession of communal water, sewerage and heat assets in settlements above 20,000 population; NEURC regulates tariffs and licensing for the largest water, sewerage and heat utilities meeting national thresholds, while local councils set tariffs for all other communal services. Sales of communal property and lease agreements run through Prozorro.Sale. The route to long-term private operation is recent: PPP Law 4510-IX and the harmonised Concession Law 155-IX (originally 2019, amended 2025) replace the 2010 framework with a structure aligned to EU directives and World Bank PPP benchmarks³⁹⁷, naming water, sewerage, district heating, waste, urban transport, housing, schools and hospitals as eligible asset classes. Ukraine's two operational concessions to date were both signed in 2020, in state-owned seaports: Olvia (35 years, QTerminals) and Kherson (30 years, the Risoil-GIG consortium³⁹⁸); in the communal portfolio the first pilot is now in preparation.

³⁹³ [Verkhovna Rada of Ukraine, Law No. 155-IX](#)

³⁹⁴ [Cabinet of Ministers of Ukraine](#)

³⁹⁵ [Centre for Economic Strategy](#)

³⁹⁶ [Antimonopoly Committee of Ukraine](#)

³⁹⁷ [Verkhovna Rada of Ukraine, Concession Law No. 155-IX](#)

³⁹⁸ [Cabinet of Ministers of Ukraine](#)

Water and sewerage

Centralised water supply reaches about 65% of the population, close to 98% in cities but only around a quarter in villages. Fifty water-and-sewerage operators hold national NEURC licences, on top of several hundred smaller utilities licensed by oblast administrations. Vodokanals stay in municipal ownership; the route to private operation is concession. The Truskavets vodokanal pilot is the first, while modernisation elsewhere runs through international financial institution loans to municipal utilities such as Kryvyi Rih and Zaporizhzhia.

Source: Forbes Ukraine, Truskavets vodokanal pilot (2025); EBRD, Zaporizhzhia Water Utility Development Programme (2007); EU Delegation to Ukraine and IOM, Kryvyi Rih water reconstruction (2025); Accounting Chamber of Ukraine, audit on centralised water supply (2023).

STATE OWNERSHIP

Vodokanals are owned by their hromadas and run as municipal communal enterprises; no national SOE operates in the subsector. NEURC sets tariffs and licences above national thresholds, local councils below them.

ENTRY POINTS FOR PRIVATE CAPITAL: concession or hybrid PPP under Law 4510-IX (Truskavets pilot in pre-tender); IFI-financed modernisation loans to municipal vodokanals; EPC and equipment supply. Foreign investors participate through Ukrainian-registered SPVs; no sectoral restrictions apply.

District heating

District heating is licensed at national level: ninety-two heat-energy operators hold NEURC licences. Networks are municipally owned and modernised mainly through international financial institution loans to communal heating enterprises. Kyiv's Kyivteploenergo runs the largest such programme alongside a wider EUR 150 million EIB municipal district-heating framework on-lent through Ukrainian banks since November 2025.

Source: EBRD, Kyiv District Heating GrCF2 W2 project (2021); European Investment Bank, press release 2025-435 of 7 November 2025; National Commission for State Regulation of Energy and Public Utilities, 2025 licensing results (2026).

STATE OWNERSHIP

Boiler houses, CHP plants and heat networks are owned by cities and communal heating enterprises; no national SOE controls the subsector. Tariffs involve NEURC and local authorities.

ENTRY POINTS FOR PRIVATE CAPITAL: concession or hybrid PPP under Law 4510-IX; ESCO energy-efficiency contracts; IFI-backed modernisation loans (EBRD, EIB) and equipment supply.

Solid waste

Waste collection, landfill and treatment remain municipal, with mechanical-biological treatment capacity emerging. Lviv's Zelene Misto operates the most advanced, IFI-financed plant. Beyond the municipal assets, private greenfield capacity is forming outside the PPP track, where an investor builds on land leased from the city with the municipality as lessor and offtaker: a regional complex at Drohobych is in preparation for construction, with further oblast waste clusters (Sumy/Konotop-Romen, Zakarpattia, Ivano-Frankivsk, Odesa and Kyiv) at concept stage on the DREAM pipeline.

Source: EBRD, Lviv Solid Waste project (2019); European Investment Bank, Hrybovychi landfill grant (2026); Statuspress, Lviv MBT contractor termination (2026); Investment Map of Ukraine, Drohobych waste-processing plant (2025); Ministry of Finance of Ukraine, Unified Public Investment Project Portfolio 2026 (2026).

STATE OWNERSHIP

Landfills and treatment assets are owned by municipalities or oblast administrations.

ENTRY POINTS FOR PRIVATE CAPITAL: IFI loan to a communal enterprise plus EPC contract (the current pattern, as at Lviv); concession or hybrid PPP under Law 4510-IX; greenfield investment on leased municipal land with the city as offtaker.

Urban transport

Three communal metros in Kyiv, Kharkiv and Dnipro, all wartime-active, sit on top of tram and trolleybus networks operated by city-owned enterprises across dozens of cities. Investment to date has come through international financial institution and EU instruments rather than private operators; concession is legally available under Law 4510-IX, but no communal-transport pilot is yet live.

Source: KSE Institute; Ministry for Development of Communities, Territories and Infrastructure (2025).

STATE OWNERSHIP

Metro, tram, trolleybus and municipal bus operators are city-owned communal enterprises.

ENTRY POINTS FOR PRIVATE CAPITAL: loans or grants to communal operators; concession theoretically available under Law 4510-IX, no live pilot; rolling-stock and equipment supply.

Communal property: housing, real estate, sale and lease

Multi-apartment building management, municipal markets and communal-property leasing are fragmented at hromada level, with no national consolidated count. On the transaction side, hromadas have become Ukraine's most active sellers of public property since the start of the full-scale invasion: communal privatisation through Prozorro.Sale has roughly doubled in two years, from 560 objects and EUR 16.4 million in 2023³⁹⁹ to over 800 objects and EUR 276 million in 2025, with industrial premises, administrative buildings and unified property complexes dominating the mix. Lease auctions for state and communal real estate, mandatory on Prozorro.Sale since February 2020⁴⁰⁰, run in parallel.

Source: Prozorro.Sale, 2025 annual results (2026).

STATE OWNERSHIP

Housing, market and property assets are owned by hromadas and managed through municipal property departments.

ENTRY POINTS FOR PRIVATE CAPITAL: direct purchase of communal non-agricultural real estate via mandatory Prozorro.Sale auctions; lease via Prozorro.Sale.

KEY STATE-OWNED ENTERPRISES

The communal portfolio has no central state-owned enterprises; its most prominent assets are municipally owned operators, financed to date mainly through international financial institutions while ownership and

operational control remain with the hromada. The Truskavets vodokanal concession pilot is the first to move toward private operation.

TRUSKAVETS VODOKANAL

WATER & SEWERAGE · TRUSKAVETS CITY COUNCIL (LLC) · CONCESSION PILOT, LAW 4510-IX

The first communal-sector concession in Ukraine: a 30-year term transferring the property complex to a private operator (operational control, not ownership), with ~EUR 20 million of indicative

investment. As of Q2 2026 the project is at structuring and market-sounding stage; the tender has not yet been announced on the Ministry of Economy electronic trading system or Prozorro.Sale.

³⁹⁹ [Prozorro.Sale](#)

⁴⁰⁰ [Verkhovna Rada of Ukraine, Law No. 157-IX](#)

KYIVTEPLOENERGO

DISTRICT HEATING · KYIV CITY COUNCIL (100%)

Operator of Kyiv's district-heating system, modernising combined-heat-and-power and boiler-house capacity under a EUR 140 million EBRD senior loan, with EUR 26 million+ from the city budget, a EUR 700,000 Swedish grant and USAID technical

assistance. Targets EU Industrial Emissions Directive compliance and ~196,000 tonnes of annual CO₂-equivalent reduction. Financed as a sovereign-guaranteed municipal loan, not a PPP or concession.

ZELENE MISTO

SOLID WASTE · LVIV CITY COUNCIL (100%)

Operator of the Hrybovychi landfill and a mechanical-biological treatment (MBT) plant with a reported design capacity of ~250,000 tonnes/year, financed by EBRD (EUR 20 million), an E5P grant (up to EUR 10 million), a EUR 5 million Clean Technology Fund concessional loan and a EUR 4.7 million EIB

tranche; private participation is via EPC contract only. The EPC contract is disputed — FIDIC/ICC arbitration (Paris) ruled the termination unlawful and the contract formally remains in force; the plant is reported ~95% complete, with launch delayed pending resolution.

KRYVYI RIH VODOKANAL

WATER & SEWERAGE · KRYVYI RIH MUNICIPALITY

Post-Kakhovka water-supply reconstruction financed by a EUR 30 million EU grant implemented by the International Organization for Migration over

two years from June 2025, serving ~700,000 beneficiaries including ~80,000 internally displaced persons. Not a loan, PPP or concession.

ZAPORIZHZHIA WATER UTILITY

WATER & SEWERAGE · MUNICIPALLY OWNED VODOKANAL

Water Utility Development Programme financed by a ~USD 28 million EBRD senior loan with a TACIS-financed corporate-partnership component, a

sovereign-guaranteed municipal loan with a technical-assistance grant for corporate governance.

KYIV, KHARKIV AND DNIPRO METROS

URBAN TRANSPORT · RESPECTIVE CITY COUNCILS

Three communal metro systems, all wartime-active, sitting on top of tram and trolleybus networks operated by city-owned enterprises. Investment to date has come through international financial

institution and EU instruments; concession is legally available under Law 4510-IX, but no communal-transport pilot is yet live.

Source: EBRD – Kyiv District Heating GrCF2 W2 (2021), Lviv Solid Waste (2019) and Zaporizhzhia Water Utility Development Programme (2007) project pages; European Investment Bank, Hrybovychi landfill grant (2026); EU Delegation to Ukraine and IOM, Kryvyi Rih water reconstruction (2025); Forbes Ukraine, Truskavets vodokanal pilot (2025); Statuspress, Lviv MBT contractor termination (2026).

HOW PRIVATE CAPITAL CAN PARTICIPATE

SUBSECTOR	STATE ROLE	KEY SOEs	PRIVATISATION PATHWAY	ACCESS MECHANISMS FOR PRIVATE CAPITAL
Water and sewerage	High	Municipal vodokanals (Kryvyi Rih, Zaporizhzhia; Truskavets pilot)	No privatisation of the utility - municipal ownership retained; operation transferable by concession or PPP under Law 4510-IX	Concession or hybrid PPP (Truskavets pilot in pre-tender); IFI modernisation loans to municipal vodokanals; EPC and equipment supply
District heating	High	Municipal heating enterprises (Kyivteploenergo)	No privatisation - municipal ownership retained; operation transferable by concession, PPP or ESCO	Concession or hybrid PPP under Law 4510-IX; ESCO energy-efficiency contracts; IFI modernisation loans (EBRD, EIB); equipment supply
Solid waste and landfills	Middle	Municipal waste operators (Zelene Misto)	No privatisation - municipal ownership; operation via concession/PPP or EPC contract	IFI loan plus EPC contract (current pattern, Lviv); concession or hybrid PPP under Law 4510-IX; greenfield on leased municipal land
Urban transport (metro, tram, trolleybus, bus)	High	Municipal metro, tram and trolleybus operators (Kyiv, Kharkiv, Dnipro metros)	No privatisation - municipal ownership; concession legally available, no live pilot	Loans or grants to communal operators; concession under Law 4510-IX (no live pilot); rolling-stock and equipment supply
Communal non-agricultural real estate (sale)	Low	Municipal property departments	Direct sale via mandatory Prozorro.Sale auction	Direct purchase on Prozorro.Sale (810 objects / EUR 276 million in 2025)
Communal real estate (lease)	Low	Municipal property departments	Lease, not transfer of ownership	Lease via mandatory Prozorro.Sale auctions (since February 2020)
Corporate-rights acquisition in corporatised CEs	High	Corporatised CEs (JSC/LLC, 100% hromada)	Share sale after conversion to JSC/LLC (corporatisation deadline 28 August 2028)	Privatisation through electronic auctions for allowed asset classes

Compiled based on [Verkhovna Rada of Ukraine, Law No. 4510-IX on Public-Private Partnership \(2025\)](#), [Verkhovna Rada of Ukraine, Concession Law No. 155-IX of 3 October 2019 \(2019\)](#), [Prozorro.Sale, 2025 annual results \(2026\)](#), and [Cabinet of Ministers of Ukraine, Resolution No. 1104 on enterprise transformation procedure \(2025\)](#).

2.10

Cultural heritage sector

144,643
heritage objects³⁹⁸

That is the documented stock of immovable cultural heritage on Ukrainian state accounts: fortresses, palaces, monasteries, parks, archaeological sites, and historic urban ensembles across the whole country. By object count this estate exceeds those of France (45,000 listed monuments)³⁹⁹ and Poland (84,000+)⁴⁰⁰. Eight sites are inscribed on the UNESCO World Heritage List. Crucially, the western and central oblasts hold the majority of this stock fully intact and available for partnership; war damage concentrates in the east and south.

³⁹⁸ [International Journal of Conservation Science](#)

³⁹⁹ [Ministère de la Culture \(France\)](#)

⁴⁰⁰ [Science in Poland](#)

By raw object count, one of Europe's largest heritage estates. International funding since 2022 exceeds EUR 100 million (UNESCO, EU, bilateral), the global conservation community's confirmation of asset significance.

TOTAL RECORDED HERITAGE
OBJECTS

144,643

All categories, all regions
(end-2022)

STATE REGISTER OF IMMOVABLE
MONUMENTS

34,245

All categories entered
(February 2026)

MONUMENTS OF NATIONAL
SIGNIFICANCE

2,646⁴⁰¹

Highest protection category;
not privatisable

UNESCO WORLD HERITAGE SITES

8

7 cultural + 1 natural; Odesa
inscribed 2023

UNESCO TENTATIVE LIST⁴⁰²

**17
properties**

Up from EUR ~1B (2022), ~EUR
9B (2024)

EPAMYATKA DIGITAL REGISTER

105,000+⁴⁰³

~75% of stock digitised; due-
diligence base

WAR-DAMAGED HERITAGE SITES

1,640⁴⁰⁴

UAVs + UGVs + EW

INTERNATIONAL HERITAGE
FUNDING SINCE 2022

**>EUR 100
million**

UNESCO (EUR ~69M), EU (EUR
50M+), bilateral

AVAILABLE FOR PARTNERSHIP

**lease /
concession /
PPP**

Up to 49-year lease; 2025 PPP
Law

⁴⁰¹ [Uriadovy Kurier](#)

⁴⁰² [UNESCO World Heritage Centre](#)

⁴⁰³ [Ukrinform](#)

⁴⁰⁴ [Ministry of Culture](#)

SECTOR OVERVIEW

FORTRESSES, PALACES, MONASTERIES, PARKS: A CONTINENTAL-SCALE ESTATE.

The **144,643 objects** span six categories: architecture, archaeology, history, monumental art, urban planning, and landscape art. The structural fact for investors is geographic: western Ukraine (Lviv, Zakarpattia, Ivano-Frankivsk, Ternopil, Chernivtsi) holds a dense concentration of architectural monuments in intact condition, 80-150 km from EU borders. Central oblasts add palace and monastery heritage. War damage concentrates in the east and south; the western estate is operationally unaffected.

■ HERITAGE STOCK BY TYPOLOGY (ILLUSTRATIVE):

TYPE	EXAMPLES	CONCENTRATION
Medieval fortresses	Khotyn, Kamianets-Podilskyi, Akkerman, Lubart	Dniester corridor, Podillia, Volyn
Palace-park complexes	Schonborn, Pidhirtsi, Zolochiv, Sharivka	Zakarpattia, Lviv, Kharkiv
Monastery ensembles	Kyiv-Pechersk Lavra, Pochayiv, Hoshiv	Kyiv, Ternopil, Ivano-Frankivsk
Historic urban centres	Lviv (UNESCO), Odesa (UNESCO), Chernihiv	Western, southern, northern
Landscape parks	Sofijivka, Oleksandriia, Trostianets	Central Ukraine
Wooden churches	Carpathian tserkvas (UNESCO)	Zakarpattia, Ivano-Frankivsk, Lviv

The ePamyatka digital register (launched 2026) is the due-diligence starting point: 105,000+ objects carry digital passports with legal status, ownership, and coordinates. Monuments of national significance cannot be privatised (Article 17, Heritage Law); the state keeps ownership and land, while operational rights pass through lease, concession, or PPP.

ONE PRINCIPLE: THE STATE KEEPS THE MONUMENT, THE PARTNER OPERATES AND INVESTS.

Since 2019, three laws created a coherent set of entry mechanisms. Every partnership over a registered monument carries mandatory Ministry of Culture conservation conditions binding the partner to approved restoration, maintenance, and public-access standards.

Long-term lease is the primary instrument. The State Property Fund of Ukraine (SPFU) runs auctions on orenda.gov.ua and [Prozorro.Sale](https://prozorro.sale); terms up to 49 years. The lessee gains full operational rights (hospitality, cultural programming, adaptive reuse) within the protection regime.

Concession (Law No. 155-IX, 2019) transfers operational rights for a fixed term against a fee and mandatory investment. Suited to larger complexes where capital-expenditure scale needs longer horizons.

Public-Private Partnership (Law No. 4510-IX, 2025, effective October 2025) replaced the 2010 law; expanded eligible public partners to local governments and SOEs; assets stay in public ownership.

Management contracts and cultural patronage are lighter-touch and active now: operational responsibility or project funding without altering ownership.

Practical entry: identify the asset in ePamyatka; for centrally-owned objects engage SPFU, for local the regional fund; all partnerships require MCSC conservation conditions.

EUR 100 MILLION IN COMMITTED INTERNATIONAL SUPPORT: THE WORLD'S VALIDATION OF ASSET SIGNIFICANCE.

When UNESCO, the EU, Japan, Denmark, the Netherlands, and France commit resources to Ukrainian heritage, they confirm its irreplaceable value. UNESCO has mobilised more than EUR ~69 million⁴⁰⁵ since 2022, its largest cultural emergency mobilisation ever. Japan alone contributed EUR ~27 million (~40% of UNESCO-coordinated funding). UNESCO verifies damage independently (534 sites as of May 2026⁴⁰⁶).

The European Union launched "Team Europe for Cultural Heritage in Ukraine"⁴⁰⁷ in July 2025; EU cultural aid since 2022 exceeds EUR 50 million (Creative Europe, EU4Culture, Member States).

The Ukrainian Cultural Heritage Fund⁴⁰⁸, established after the November 2025 Copenhagen conference, holds EUR 4 million+ from Denmark, the Netherlands, Poland, and the UK.

Total restoration needs are estimated at ~EUR 8.3 billion over ten years⁴⁰⁹.

The EUR 100 million already mobilised is seed capital and institutional validation: for investors, restoration costs can be blended with UNESCO, EU, and bilateral grants, exactly as EU structural funds co-finance heritage in Poland, Czechia, and Croatia.

KEY STATE-OWNED ENTERPRISES

SCHONBORN PALACE / SANATORIUM "KARPATY"

MONUMENT OF NATIONAL SIGNIFICANCE | STATE REGISTER

HERITAGE STATUS

National significance

LOCATION

~100 km from HU/SK

TERRITORY

~40 ha

CAPACITY

~450 guests

Built 1890-1895 as the Schonborn-Buchheim hunting residence, set in a dendrological park with a 1,600 m² lake and therapeutic mineral springs. It has operated as Sanatorium "Karpaty" since 1946: eighty years of continuous hospitality. Legal status is settled: the palace is inscribed in the State Register as a monument of national significance, confirmed by a 2023 Supreme Court ruling⁴¹⁰.

Ukraine's flagship heritage-PPP candidate: the state keeps the monument and land; a private partner modernises and operates an integrated wellness-

heritage product. It currently sits under Ukrprofzdravnytsia (trade-union health-resort holding); ownership resolution between SPFU and the holding precedes any tender. The case rests on a well-preserved palace, functioning resort infrastructure with established clientele, and a location on the Zakarpattia cross-border tourism corridor, comparable to Central European castle-hotel conversions (Ryn, Wojanow). No formal tender as of early 2026; engage through SPFU.

⁴⁰⁵ UNESCO

⁴⁰⁶ UNESCO

⁴⁰⁷ European Commission, DG NEAR

⁴⁰⁸ Interfax-Ukraine

⁴⁰⁹ Creatives Unite

⁴¹⁰ Prosecutor General of Ukraine

KHOTYN FORTRESS

STATE HISTORICAL AND ARCHITECTURAL RESERVE | NATIONAL SIGNIFICANCE

HERITAGE STATUS

**National
significance**

LOCATION

**Near Romanian
border**

TERRITORY

~20 ha

VISITORS

~250,000/year

One of Ukraine's best-preserved medieval fortresses (13th-15th c.) on the Dniester, a frequent filming location and host of an international knightly tournament. The Battle of Khotyn (1621) gives strong cross-border brand recognition. Structurally sound, conserved as a state reserve since 1961.

Partnership instruments: long-term lease of ancillary facilities (hospitality, retail, events) via orenda.gov.ua;

management concession for the visitor experience under the 2019 Concession or 2025 PPP Law, with mandatory conservation investment and public-access guarantees. Cross-border partnerships with Romanian and Moldovan operators are a natural complement. No active tender as of 2026; engage through MCSC and Chernivtsi Oblast.

NATIONAL PARK-MONUMENT "MEZHYHIRYA"

PARK-MONUMENT OF LANDSCAPE ART, NATIONAL SIGNIFICANCE | NATURE RESERVE FUND

HERITAGE STATUS

**National
significance**

LOCATION

**25 km north
of Kyiv**

TERRITORY

137 ha

INFRASTRUCTURE

Marina + hospitality

The former presidential residence, opened to the public after 2014 and now among Kyiv Oblast's most-visited sites (35,000+ visitors in the first 44 days of its 2024 reopening). Classified a State Park-Monument within the Nature Reserve Fund in 2023, Ukraine's strictest protection regime; ARMA transferred it to state ownership in 2024.

Not available for privatisation, concession, or standard PPP (Nature Reserve Fund precludes alienation). Private involvement runs through management concessions for specific components (hospitality, marina, programming), patronage for restoration, or grant-funded partnerships. Proximity to Kyiv and proven demand make it a high-potential cultural-tourism asset.

HOW PRIVATE CAPITAL CAN PARTICIPATE

Ukraine's cultural-heritage portfolio splits into four regimes: protected monuments and World Heritage Sites (no private equity, partnership only); historic real estate outside the State Register (privatisable with use-restrictions); corporatised film studios; and an open private market for festivals and the event economy. The matrix maps each subsector to its state role, key state assets, privatisation pathway, and access mechanisms.

SUBSECTOR	STATE ROLE	KEY STATE ASSETS / SOES	PRIVATISATION PATHWAY	ACCESS MECHANISMS
UNESCO World Heritage Sites (8 inscribed)	HIGH	St Sophia of Kyiv & Kyiv-Pechersk Lavra national reserves; Lviv & Odesa historic-centre reserves	Not in privatisation list. Buffer-zone management plans.	Conservation partnerships; visitor-management concessions on adjacent infrastructure; corporate philanthropy.
Monuments of national significance (2,646)	HIGH	State historical-architectural reserves (Khotyn, Kamianets-Podilskyi, Akkerman, Chyhyryn)	Not in privatisation list. Use-restrictions under heritage law.	Long-term lease with restoration obligations; adaptive-reuse contracts; PPP for restoration-and-operation.
Monuments of local significance (~31,600)	MIDDLE	Municipally-owned monument sites & local reserves	Listed in State Register; some open to controlled privatisation with restoration covenants.	Direct purchase via Prozorro. Sale with heritage covenants; lease for adaptive reuse; co-investment in restoration.
Historic real estate outside the State Register	MIDDLE	SPFU small-privatisation property lots (historic buildings)	Small-scale privatisation pipeline; standard real-estate auction.	Direct purchase via Prozorro. Sale; lease; redevelopment under planning constraints.
Featured asset: Schonborn Palace (Zakarpattia)	HIGH	Sanatorium "Karpaty" (Schonborn Palace)	Court-returned to state; concession or long-term lease envisaged.	Long-term concession or lease with restoration obligations; heritage-tourism operator partnership.
State film studios & media facilities	MIDDLE	Odesa Film Studio; Dovzhenko Film Studios (Kyiv)	Corporatisation pathway; partial divestiture publicly discussed.	Strategic partnership; JV on co-productions; lease of production facilities; minority equity in corporatised JSCs.
Museums & state collections	HIGH	National reserves & state museums (National Art Museum, Mystetskyi Arsenal)	Not in privatisation list. Collections inalienable under museum law.	Sponsorship; touring-exhibition partnerships; gift-shop and event concessions.
War-damaged heritage restoration (1,640+ sites)	MIDDLE	Affected state reserves & oblast monument administrations	Restoration framework with international co-financing (not a privatisation track).	Donor-co-financed restoration contracts; PPP for restoration-and-operation; specialised conservation contractors.
Festivals, contemporary art & private galleries	LOW	None - private market	No restriction; cultural-sector framework.	Direct market entry; festival sponsorship; co-production with state institutions; UA Cultural Fund grants.

2.11

R&D infrastructure sector

160 research
institutes under
one academy

The National Academy of Sciences of Ukraine operates 160 scientific institutions and 43 commercial research enterprises⁴¹¹. Across all state bodies, 324 research institutions⁴¹² occupy over 3.1 million square metres of laboratory, testing, and production space, an extensive material base built for a research workforce ten times its current size.

The infrastructure is intact. The activity is attenuated. The valuations sit at a fraction of replacement cost.

Ukraine's gross expenditure on R&D was 1.8% of GDP at independence. By 2023 it had fallen to 0.33%, the lowest in the country's modern history. The buildings remain. What contracted was the activity inside them.

⁴¹¹ [National Academy of Sciences of Ukraine \(NASU\)](#)

⁴¹² [Green Deal Ukraina](#)

THE STATE'S R&D PORTFOLIO



⁴¹³ [National Academy of Sciences of Ukraine \(NASU\)](#)

⁴¹⁴ [Accounting Chamber of Ukraine](#)

⁴¹⁵ [Accounting Chamber of Ukraine](#)

⁴¹⁶ [National Academy of Sciences of Ukraine \(NASU\)](#)

⁴¹⁷ [Green Deal Ukraina](#)

⁴¹⁸ [World Bank](#)

⁴¹⁹ [UkrINTEI](#)

⁴²⁰ [Better Regulation Delivery Office \(BRDO\)](#)

⁴²¹ [National Academy of Sciences of Ukraine \(NASU\)](#)

⁴²² [UkrINTEI](#)

⁴²³ [NATO](#)

⁴²⁴ [World Bank](#)

SECTOR OVERVIEW

3.1 MILLION SQUARE METRES. A FRACTION OF REPLACEMENT COST.

NASU alone controls 4,292 buildings totalling over 3 million square metres, laboratories, pilot production halls, testing facilities, engineering design centres, and administrative complexes built to serve a research workforce ten times its current size. Add the National Academy of Agrarian Sciences (85 institutions with experimental farms), the National Academy of Medical Sciences (35 clinical research institutes), and several hundred sectoral research enterprises under line ministries.

The profile is distinctive: substantial physical assets, attenuated activity, state ownership without strategic protection, and SPFU valuations reflecting current use rather than replacement cost or development potential. Orion Research Institute, 38,000⁴²⁰ square metres on 4.14 hectares in Kyiv, larger than a full city block, carries a starting auction price of EUR ~1 million. At Kyiv commercial land values, the site alone commands multiples of that figure.

~3.3M m²

OF RESEARCH INFRASTRUCTURE. BUILT FOR 313,000 RESEARCHERS. CURRENTLY STAFFED BY 55,000.

These are not distressed buildings in the conventional sense. They were purpose-built for precision research: reinforced floors for heavy equipment, isolated vibration environments, high-capacity power supply, ventilation designed for chemical and electronics

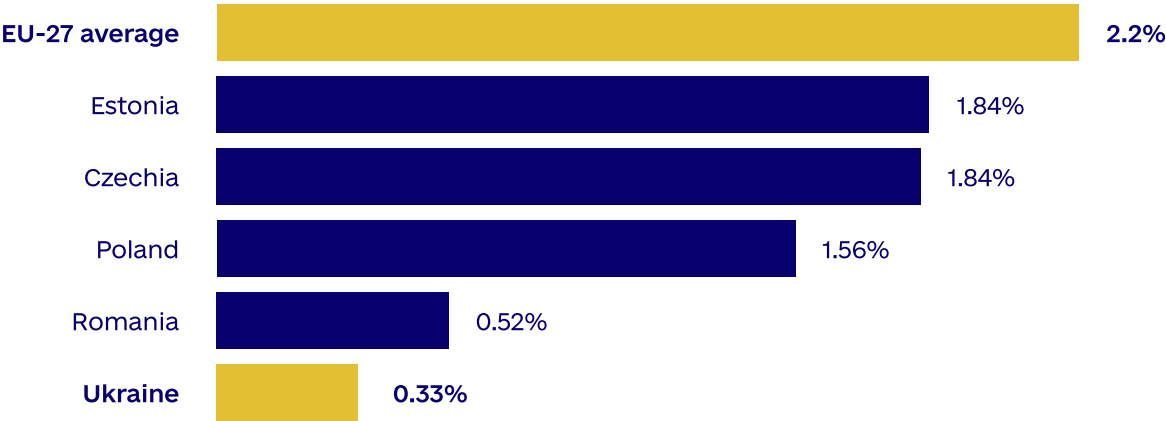
work. Many retain internal rail connections, loading bays, and clean-room architecture. For a technology company or contract research operator, repurposing costs less than building new.

Three investment tracks

The state's R&D estate can follow multiple trajectories simultaneously. Institutes in the SPFU pipeline are available for outright acquisition at starting prices reflecting current use, not replacement cost. Commercially active NASU centres can be corporatised into state-owned research and

technology organisations with performance-linked funding. The Science City regime provides a framework for greenfield investment alongside existing university infrastructure. No single model applies to all 324 institutions. The opportunity lies in selecting the right model for each asset class.

R&D EXPENDITURE AS % OF GDP (2023)



R&D expenditure as % of GDP, 2023. Sources: Eurostat⁴²⁶ (EU-27); World Bank⁴²⁷ (Ukraine).

⁴²⁵ [National Privatisation Portal](#)

⁴²⁶ [Eurostat](#)

⁴²⁷ [World Bank](#)

KEY STATE-OWNED ENTERPRISES

STATE ENTERPRISE "RESEARCH INSTITUTE ORION"

SPECIALISATION

**Radio-electronics,
instrumentation**

STATUS

**Auction
(Prozorro.Sale)**

BUILDING AREA

38,000+ m²

LAND PLOT

4.14 ha

Soviet-era applied research institute serving the radio-electronics and instrumentation sectors. SPFU offers the enterprise as a going concern through small privatisation. The complex comprises multiple laboratory and production buildings with power supply, ventilation, and environmental control systems designed for sensitive electronic research. Equipment inventory: 1,247 units. Starting price: EUR ~1 million.

The estate occupies 4.14 hectares in Kyiv, development potential substantially exceeds the starting price. Post-acquisition options: continuation of research activities, repurposing as a technology park or innovation campus, light industrial reuse, or Science City designation under the 2025 regime. Auction conditions require employment preservation for a minimum of six months and settlement of outstanding obligations.

STATE ENTERPRISE "CENTRAL RESEARCH INSTITUTE OF NAVIGATION AND MANAGEMENT"⁴²⁸

SPECIALISATION

**Navigation,
control systems**

STATUS

**Preparing
for sale**

BUILDING AREA

2,672 m²

LAND PLOT

1,534 m² (724 m² R&D)

Compact specialised R&D unit on Kyrylska Street in Kyiv, serving the navigation, geodesy, and transport instrumentation sectors. Central Kyiv location, proximate to government ministries, transport operators, and technology-sector clients, creates both operational continuity value and redevelopment optionality.

The R&D land classification on 724 of the 1,534 square metres may require reclassification for non-research commercial use. The modest footprint suits a financial or industrial buyer seeking a Kyiv-based technology office, innovation hub, or laboratory services facility. Particularly suited for adaptive reuse as a navigation technology centre serving Ukraine's expanding maritime and transport infrastructure programme.

⁴²⁸ [National Privatisation Portal](#)

SPECIALISATION

**Maritime
engineering,
port design**

STATUS

**Auction
(Prozorro.Sale)**

BUILDING AREA

Compact campus

LAND PLOT

**Odesa, maritime
district**

Established under the Soviet Ministry of the Merchant Fleet, this institute designs and researches marine engineering, port infrastructure, and maritime logistics, domains with direct commercial relevance to Ukraine's reconstruction-era seaport programme. It has served the Odesa and Pivdennyi port complexes with engineering design, technical assessment, and applied research for port modernisation since its founding.

Odesa's position as the primary hub of Ukraine's Black Sea trade corridor gives this asset strategic context. An acquirer with interests in port operations, maritime logistics, or Black Sea trade gains design and research capabilities directly complementary to the EUR 89 billion transport reconstruction pipeline. The combination of engineering design and applied maritime research, rare in the state enterprise portfolio, distinguishes this from generic laboratory-holding enterprises.

HOW PRIVATE CAPITAL CAN PARTICIPATE

SUBSECTOR	STATE ROLE	KEY STATE ASSETS / SOES	PRIVATISATION PATHWAY	ACCESS MECHANISMS
NASU scientific institutes (core academy)	HIGH	NASU research institutes (160 + 43 commercial); branch-academy institutes (medical, agrarian)	Not in privatisation list. Core research institutes retain scientific autonomy and state funding.	Licensed research; co-publication and grant partnerships.
NASU commercial enterprises & support entities	MIDDLE	NASU property complexes in the SPFU pipeline (58+ transferred 2023)	Corporatisation pathway: 58+ property complexes already transferred to SPFU for privatisation (2023).	Small-scale privatisation via Prozorro.Sale; lease; corporatised JSC stake-sale once governance reforms complete.
Defence-applied R&D institutes (SOE property complexes)	MIDDLE	Orion Research Institute; Central Navigation Institute; Odesa Special Research & Design Institute	Small-scale privatisation pipeline with conditions; classified-IP carve-outs.	Direct purchase via Prozorro.Sale with end-use conditions (Orion Institute, Central Navigation Institute, Odesa Special Research and Design Institute).

SUBSECTOR	STATE ROLE	KEY STATE ASSETS / SOES	PRIVATISATION PATHWAY	ACCESS MECHANISMS
Agrarian research farms (ex-NAAS)	MIDDLE	Ex-NAAS experimental farms & research stations (30 in SPFU pipeline)	Small-scale privatisation; 30 objects transferred to SPFU.	Direct purchase via Prozorro.Sale; lease of agricultural land + research facilities; greenfield agri-tech R&D play.
Science parks & innovation zones	LOW	Kyiv Polytechnic (KPI) & Lviv Polytechnic science parks (14 active of ~37)	No restriction; founded under the Science Park Law. 14 active parks / ~37 registered.	Shareholding in existing parks; tenant leases; service contracts; co-investment with municipal founders (Wroclaw, Brno precedents).
Technology transfer & licensing	LOW	NASU & university patent portfolios (UkrINTEI registry)	No restriction; 1,322 transactions registered in 2023 (UAH 106M cash inflows).	Direct licensing of NASU / university patents; commercial development partnerships; spin-out equity rounds.
Contract research organisations (CROs)	LOW	None - private market	No restriction; GLP/GCP-compliant service contracts.	Direct market entry; CRO acquisition; partnership with European CROs serving Ukraine-focused trials.
Horizon Europe & EU-funded research	LOW	None - open consortium framework	No restriction; EU framework programmes.	Joint project participation (180+ signed projects, 15.3% success rate); co-funded research; LUKE Joint Call partnerships.
NATO DIANA defence-tech accelerator	MIDDLE	Ukrainian DIANA-affiliated test centres & accelerator participants	Partner-status framework (June 2024); not a privatisation track.	Startup participation in DIANA acceleration programme (EUR 400K per company); bilateral defence-innovation cooperation.

2.12

Cultural and social infrastructure assets

1,000+
state sanatoriums

562 priority hospitals

Ukraine's social infrastructure portfolio is one of the largest unstructured asset classes in Europe: a Soviet-era sanatorium system spanning the Black Sea coast, the Carpathians and the Dnipro basin; a hospital network undergoing its first systemic reform since independence; sports venues built for Euro 2012; and thousands of dormitories attached to enterprises and universities that no longer need them.

Most of these assets are not for outright sale. They are for repositioning.

The state owns over 1,000 sanatoriums inherited from Soviet trade-union property⁴²⁹ alone. Eighty-eight of these assets, including 33 sanatoriums, are now consolidated under clear state title and ready for structured partnership.

⁴²⁹ Asset Recovery and Management Agency (ARMA)

THE STATE'S CULTURAL AND SOCIAL INFRASTRUCTURE ASSETS PORTFOLIO

STATE SANATORIUMS (TRADE-UNION ORIGIN) 1,000+¹ SPFU pipeline; consolidated state assets entering market	PRIORITY HOSPITAL NETWORK 562⁴³⁰ 123 above-cluster, 157 cluster, 282 general	SPFU SOCIAL-CULTURAL OBJECTS 56 Small-scale privatisation pipeline
NATIONAL STADIUMS (STATE-OWNED) 2 NSC Olimpiyskiy (70K), Arena Lviv (35K)	SANATORIUM SOLD AT AUCTION (2025) EUR ~1.7M⁴³¹ EU avg: 2.2%; Poland: 1.56%; Czechia: 1.83%	LVIV HOSPITAL PPP CONCEPT 220 beds⁴³² DBFOM with availability payments

⁴³⁰ [Ministry of Health of Ukraine](#)

⁴³¹ [Intent](#)

⁴³² [InfraPPP World](#)

SECTOR OVERVIEW

Healthcare: reform creates structure, PPPs create entry

The state healthcare system comprises

562 priority hospitals

within the "capable network"⁴³³, institutions classified as essential public infrastructure and protected from privatisation. The entry point is not the hospitals themselves but the structures around them.

Lviv City Council, working with the national PPP Agency, has prepared a consolidation concept for a new 220-bed surgical hospital as part of the UNBROKEN Rehabilitation Ecosystem⁴ under a DBFOM hybrid PPP model. Non-core and unfinished health facilities appear in the small-scale privatisation pipeline; regional dispensaries and paramedic stations are being auctioned through Prozorro.Sale.

Sanatoriums: the largest unstructured hospitality portfolio in CEE

Over 1,000 state-owned sanatoriums, resorts and health institutions, inherited from Soviet trade-union property, sit across the Black Sea coast, Carpathian foothills, and mineral-water towns (Truskavets, Morshyn, Polyana). Eighty-eight former trade-union assets are now consolidated in state ownership, and 47 sanatorium institutions are under SPFU management⁴³⁴ and available for repositioning.

The market is active. In 2025, SPFU auctioned a children's health centre in Odesa: six bidders drove the price from a starting EUR ~345K to EUR ~1.7M⁴³⁵, a fivefold premium reflecting land and redevelopment value. Recreation bases on Lake Svityaz, in Volyn and

across Odesa oblast are entering privatisation or lease tenders quarterly. The Asset Recovery and Management Agency (ARMA) placed the "Polyana" sanatorium (Zakarpattia) under private management via Prozorro, with 93% of income remitted to the state budget⁴³⁶.

For international wellness and resort operators, this is perhaps the most immediate pipeline: dozens of assets in attractive locations (Carpathians, Black Sea, lake districts), suitable for conversion into modern wellness resorts, rehabilitation centres or mid-market leisure hotels.

KUYALNYK RESORT COMPLEX, ODESA

Black Sea therapeutic mud resort · 100,000+ m² of buildings⁴³⁷ · National nature park · PPP/concession model

BUILT AREA	LAND	CURRENT CAPACITY
100,000+ m ²	9 ha	~500
NATURE PARK	FROM CENTRAL ODESA	LIKELY MODEL
10,800 ha ⁴³⁸	13 km	Concession

⁴³³ [MOZ](#)

⁴³⁴ [SPFU](#)

⁴³⁵ [Intent](#)

⁴³⁶ [Property Forum](#)

⁴³⁷ [UNIAN](#)

⁴³⁸ [Odessa Life](#)

The site combines a functioning health resort, a national nature park (Emerald Network of Europe), and proximity to Odesa, a composite asset with resort, therapeutic, ecological and real-estate dimensions. Kuialnytskyi liman, internationally recognised therapeutic mud and brine, resort tradition since the 19th century. Soviet-era capacity: 2,960 beds⁴³⁹. SPFU won the court case; buildings returned to state ownership⁴⁴⁰. NHSU contract (rehabilitation package No. 54⁴⁴¹) provides year-round operations. No formal tender has been launched as of mid-2026. The likely structure is a concession or long-term lease with conservation obligations, social quotas (NHSU patients, veterans, IDPs), and performance-based investment requirements.

Sports: Euro 2012 stadiums, state-owned, partnership-ready

Two national venues remain in state hands and cannot be privatised but are open to concession-style partnerships:

VENUE	CAPACITY	OWNER	STATUS
NSC Olimpiyskiy, Kyiv	~70,000	Ministry of Youth & Sports	Operational; events, football, concerts
Arena Lviv	~35,000	State enterprise "Arena Lviv"	Operational; multi-purpose

European precedent: France structured PPP "contrat de partenariat" schemes for stadiums in Lille, Bordeaux, Marseille and Nice⁴⁴², private consortia finance upgrades and operate under long-term contracts while the state retains ownership. The same model might apply here.

Dormitories and education: PBSA demand meets surplus stock

Legacy dormitories attached to enterprises, collective farms and vocational schools are entering privatisation as real estate, a hotel-type dormitory (110 beds) in Lviv oblast⁴⁴³, residential buildings from former technical schools, seasonal accommodation within recreation bases. CEE student housing operates at 95-100% occupancy⁴⁴⁴ due to structural undersupply. Ukraine's major university cities (Kyiv, Lviv, Kharkiv, Odesa) have the demand profile for purpose-built student accommodation (PBSA) concessions on reconstructed or new dormitory stock.

HOW PRIVATE CAPITAL CAN PARTICIPATE

The three asset groups above (Soviet-era sanatoriums, state medical and sports infrastructure, and the small-scale Prozorro.Sale tail) map onto the matrix below by state role, privatisation pathway, and access mechanism.

SUBSECTOR	STATE ROLE	KEY STATE ASSETS / SOES	PRIVATISATION PATHWAY	ACCESS MECHANISMS
Sanatoriums & resort complexes (Soviet trade-union origin)	MIDDLE	Trade-union sanatoriums (Truskavets, Morshyn, Polyana; Lake Svityaz bases)	Listed for small/medium privatisation; lease and managed-operation pathways open. Court-returned assets entering the pipeline quarterly.	Prozorro.Sale auctions; long-term lease; ARMA-managed operation (Polyana model, 93% income to state).

⁴³⁹ Shepetivka portal

⁴⁴⁰ The Odessa Journal

⁴⁴¹ Kuyalnyk Resort

⁴⁴² World Bank

⁴⁴³ State Property Fund of Ukraine (SPFU)

⁴⁴⁴ Property Forum

SUBSECTOR	STATE ROLE	KEY STATE ASSETS / SOES	PRIVATISATION PATHWAY	ACCESS MECHANISMS
Priority hospital network (562 facilities)	HIGH	Capable-network hospitals (UNBROKEN ecosystem; Lviv 220-bed surgical)	Not in privatisation list. Capable network classified as essential public infrastructure.	DBFOM PPP for new builds (Lviv 220-bed surgical UNBROKEN pilot); availability-payment concessions on the Bratislava EUR 220M / 945-bed model.
Non-core health facilities & dispensaries	MIDDLE	Regional dispensaries & unfinished health facilities	Small-scale privatisation pipeline; unfinished facilities and regional dispensaries auctioned through Prozorro.Sale.	Direct purchase via Prozorro.Sale; lease of stand-alone real-estate sites.
National stadiums (Euro 2012 venues)	HIGH	NSC Olimpiyskiy (Kyiv); Arena Lviv	Not in privatisation list. State retains ownership.	Concession / operating partnership on the French "contrat de partenariat" model (Lille, Bordeaux, Marseille, Nice precedent).
Dormitories & surplus education buildings	LOW	Legacy state dormitories; former technical-school buildings	Small-scale privatisation; direct sale of legacy dormitories and former technical-school buildings.	Direct purchase via Prozorro.Sale; PBSA conversion play (CEE occupancy 95-100%); long-term lease for hotel-grade conversions.
Recreation bases (lakes, oblast tourism)	MIDDLE	Oblast recreation bases (Lake Svityaz cluster, Volyn; Odesa oblast)	Listed quarterly for privatisation or lease tender; concession pathway open for serviced bases.	Acquisition via Prozorro.Sale (e.g. Lake Svityaz cluster, Volyn); lease for seasonal operators.

CHAPTER 3.

CURRENT PRIVATISATION PIPELINE

EUR 209 MILLION

Combined proceeds of five large 2024-2025 privatisations conducted on Prozorro.Sale.

Each was sold by open electronic auction under a single national rulebook. Each cleared sanctions and beneficial-ownership filters at the bidder-onboarding stage. Three of the five lots were sold at twice the starting price or higher.

Cumulatively since 2018, Prozorro.Sale has hosted 855,000+ auctions and generated EUR 2.65 billion in revenue across all instruments.

THE STATE'S PRIVATISATION PORTFOLIO



Data as of public information available Q1 2026.
Sources: OECD Review of Corporate Governance of SOEs in Ukraine 2026, SPFU communications, Cabinet of Ministers press releases, Prozorro.Sale system module.
State-position cards are highlighted in boxes outlined with a dark blue frame.

Ukraine's modern privatisation regime begins with the Law of Ukraine 'On Privatisation of State and Municipal Property' No. 2269-VIII of 18 January 2018. It set the large/small threshold at UAH 250 million (~EUR 5m) in book value, mandated open electronic auctions through Prozorro.Sale for small privatisation, and allowed sale-and-purchase agreements to be governed by English law, with international arbitration for disputes⁴⁴⁵.

14x

HOTEL DNIPRO JULY 2020 FINAL PRICE UPLIFT

The new framework was first tested in July 2020, when the state-owned 'Hotel Dnipro' on Khreshchatyk Street sold for EUR 32 million on Prozorro.Sale, fourteen times its starting price. The sale showed that large state assets could be sold transparently to qualified domestic and foreign bidders.

The full-scale war then suspended large-scale privatisation. From February 2022 through 2023, Prozorro.Sale activity shifted to small privatisation,

lease auctions, and the disposal of assets confiscated under the Law of Ukraine 'On Sanctions'. Large privatisation restarted in 2024. Four large-scale auctions in 2024 (Hotel 'Ukraina', UMCC, Aeroc and Vinnytsiapobutkhim) yielded UAH 8.9 billion, or EUR 207 million. Prozorro.Sale revenue across all instruments in 2024 reached EUR 395 million, of which EUR 130 million went to budgets from large privatisation and EUR 80 million from small privatisation. In 2025 the platform ran close to 28,700 auctions worth EUR 325 million: privatisation contributed EUR 104 million, land auctions EUR 72 million, and other state and communal asset sales EUR 36 million.

EUR 2.65 bn

CUMULATIVE Prozorro.Sale REVENUE SINCE 2018, ACROSS 855,000+ AUCTIONS

Historical case studies

Six closed large-privatisation transactions illustrate how the 2018 architecture performs in practice. Every winning bidder was a Ukrainian domiciled company.

Ultimate beneficial owners were primarily domestic; foreign capital participated as well. Operational continuity has held in every case.

KYIVPASSERVIS - MARCH 2020

KYIV CENTRAL BUS STATION AND 24 BUS STATIONS ACROSS KYIV CITY AND OBLAST. FIRST-ATTEMPT FAILURE, SECOND-ATTEMPT SUCCESS.

99.9%
SHARES SOLD

EUR 7.5 m
FINAL PRICE (UAH 231 M)

EUR 6.4 m
STARTING PRICE (UAH 196 M)

+18%
UPLIFT

Bastion-Group LLC
BUYER (V. IVCHUN)

Jul 2021
BUS STATION REOPENED POST-RENOVATION

In July 2021, just 16 months after the deal closed, the updated Central Bus Station was officially reopened. The Ministry of Infrastructure described the result as transforming the terminal into an "airport for buses": a modern transport hub with a new business model and online ticketing service.

⁴⁴⁵ Verkhovna Rada of Ukraine, Law No. 2269-VIII

HOTEL DNIPRO - JULY 2020

KHRESHCHATYK STREET, CENTRAL KYIV. FIRST MAJOR LARGE-PRIVATISATION AUCTION UNDER THE 2018 REFORM.

EUR 36 m

FINAL PRICE (UAH 1.111 BN)

EUR 2.6 m

STARTING PRICE (UAH 81 M)

14×

UPLIFT OVER STARTING PRICE

100+

ROOMS (RETAINED, 4★)

Smartland LLC

BUYER (M.KRIPPA / NAVI)

6 months

DEBT REPAYMENT OBLIGATION

Privatisation conditions: retain 100+ rooms, keep four-star category and 'Dnipro' name, preserve staff salaries and employment, repay existing debts within 6 months. Widely cited as the proof of concept for transparent large privatisation.

HOTEL UKRAINA - SEPTEMBER 2024

4 HEROIV NEBESNOI SOTNI ALLEY, INDEPENDENCE SQUARE. FLAGSHIP 2024 TRANSACTION.

EUR 54.5 m

FINAL PRICE NET VAT (UAH 2.512 BN)

EUR 23.0 m

STARTING PRICE (UAH 1.048 BN)

2.4×

UPLIFT OVER STARTING PRICE

365

ROOMS (4★, 22,481 M²)

Ola Fine LLC

BUYER (M. KRIPPA / NAVI)

6 months

BUYER MODERNIZATION OBLIGATION

Largest 2024 hotel privatisation. The hotel continues to operate under new ownership.

UNITED MINING AND CHEMICAL COMPANY - OCTOBER 2024

VILNOHIRSK (DNIPROPETROVSK) AND IRSHANSK (ZHYTOMYR) PLANTS. TITANIUM AND ZIRCONIUM CONCENTRATES.

EUR 88 m

FINAL PRICE (UAH 3.938 BN)

EUR 86 m

STARTING PRICE (UAH 3.899 BN)

+1%

UPLIFT

Single bid

QUALIFIED BIDDER

**Tsemin
Ukraine LLC**

BUYER (NEQSOL HOLDING)

EUR 8 m

MANDATORY TECH-MODERNISATION

Largest single Ukrainian privatisation of the modern era. NEQSOL Holding (Azerbaijani-rooted; also owns Vodafone Ukraine) is the buyer. UMCC continues operations under new ownership.

VINNYTSIAPOBUTKHIM - AUGUST 2025

CONFISCATED HOUSEHOLD-CHEMICALS PLANT, FORMERLY RUSSIAN NEVSKAYA KOSMETIKA GROUP.

EUR 12 m

FINAL PRICE (UAH 608 M)

EUR 6 m

STARTING PRICE (UAH 301 M)

~2×

UPLIFT

**Afina-Group
LLC**

BUYER

Law 1644-VII

SANCTIONS CONFISCATION

EUR 2.3m

NET PROFIT 2024

Production of laundry detergents and household cleaning agents. Sale conditions oblige the new owner to preserve production and employee rights. The plant continues to operate.

AEROC - DECEMBER 2024

THREE AUTOCLAVED AERATED CONCRETE PRODUCTION SITES. CONFISCATED ASSET.

EUR 38 m

FINAL PRICE (UAH 1.9 BN)

EUR 19 m

STARTING PRICE (UAH 965 M)

~2×

UPLIFT

3 sites

PRODUCTION COMPLEXES

**Trident
Geoinvest**

BUYER (BGV GROUP)

EUR 37m

PRE_WAR ANNUAL REVENUE (2021)

BGV Group Management is controlled by Hennadii Butkevych, co-founder of ATB-Market retail chain. By June 2025, the plant had resumed production under a new brand, Poriston. Two facilities in Kyiv region are capable of producing over 1.15 million cubic metres of aerated concrete per year. A third site in Stryi, Lviv region, is in development.

STATE OWNERSHIP

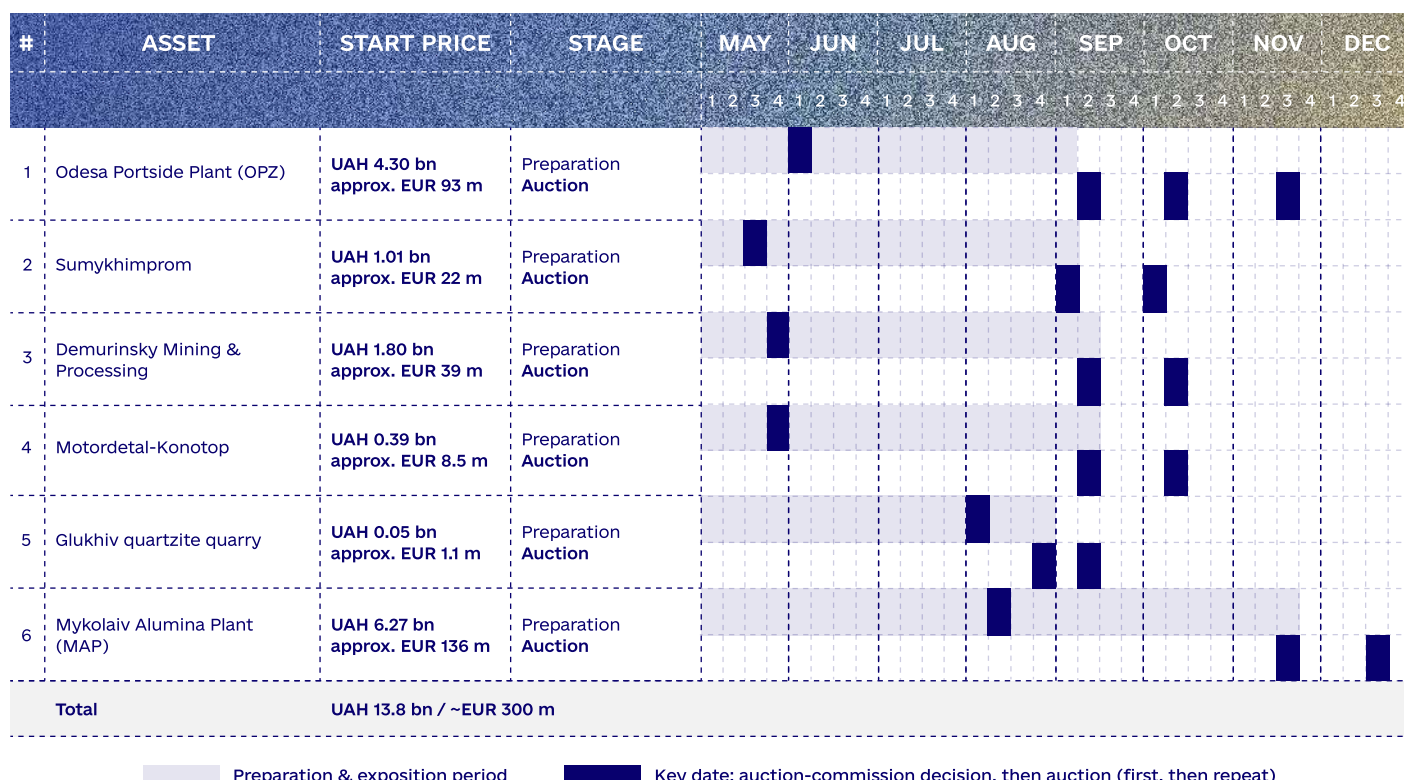
Across six case studies, every winning bidder was a Ukrainian-registered company; ultimate beneficial owners were primarily domestic individuals (Krippa, Butkevych, Ivchun) although foreign capital also participated (NEQSOL Holding behind Tsemin Ukraine - a winner of UMCC sale). Entry point for private capital: SPFU large-privatisation conditional auctions.

The current pipeline

Large-Scale Privatisation Pipeline

Of the 25 large-scale assets originally earmarked for privatisation, six were successfully sold in 2024-2025. The State Property Fund of Ukraine's June 2026

timeline is to bring another six large assets to open electronic auction on Prozorro.Sale. Combined starting price UAH 13.6 billion (approx. EUR 300 million).



Small-privatisation pipeline

As of 2026, Ukraine's small privatisation list comprises more than 1,000 assets across six categories, all offered through transparent electronic auctions on the Prozorro.Sale platform:

- 1** The largest slice by volume is separate property (657 lots): individual buildings, premises and equipment dispersed across every region of the country
- 2** Unified property complexes of state enterprises (265 lots), which include some of Ukraine's most recognisable legacy businesses: seventeen spirits and distillery plants from the Ukrspirit network, a clutch of quarries and food-processing factories, a Black Sea shipping company, and an aviation maintenance enterprise.

- 3** The state share packages sub-category lists 44 equity stakes, ranging from a token 0.003% in Kremenetsky Metalware to controlling and 100% holdings in plants such as Smoly (resins, Dnipropetrovsk), Tranzviazok (railway signalling, Kharkiv), Sudmash (shipbuilding, Kherson), and Zaporizhzhia Aluminium Combine.
- 4** The remainder of the pipeline consists of 73 unfinished construction projects, 52 socio-cultural facilities (sanatoria, cultural institutions), and 5 miscellaneous objects.

Geographically, Kyiv accounts for the largest concentration of share-package assets (12 of 44), followed by Dnipropetrovsk (5) and Ivano-Frankivsk and Lviv oblasts (4 each), while wartime-affected regions, Donetsk, Luhansk, and Kherson, contribute a handful of assets whose auction prospects remain uncertain pending stabilisation of the security situation.

Sanctioned assets

Alongside the mainstream pipeline, Ukraine has built a distinct legal channel for selling assets confiscated from sanctioned persons, predominantly russian oligarchs and entities whose property was seized by Ukrainian courts under the Law on Sanctions. Introduced after Russia's full-scale invasion, the mechanism lets courts order the outright confiscation of corporate rights, real estate, vehicles and financial assets belonging to sanctioned individuals, with ownership then transferred to the State Property

Fund (SPFU) for sale. By end-2025, proceeds from sanctioned-asset sales had reached approximately EUR 0.1 billion. The landmark deal was the December 2024 auction of AEROC, a gas-concrete plant formerly linked to oligarch Andrei Molchanov.

The sale process is almost identical to the privatization sale, but is regulated by separate legislation - Law on sanctions⁴⁴⁶ and Cabinet Resolution No. 75⁴⁴⁷ to take into account the specifics of such assets.

⁴⁴⁶ Verkhovna Rada of Ukraine, Law 1644-VII 'On Sanctions'

⁴⁴⁷ Verkhovna Rada of Ukraine, Cabinet Resolution No 75 'Some issues of the sale of assets in respect of which a court decision has been made to impose sanctions'

The pace of sales accelerated sharply in early 2026. The Cabinet of Ministers approved a list of 26 corporate entities for auction and introduced a streamlined procedure for confiscated assets: debt claims against a company can now be bundled into the sale package, and a failed first round automatically triggers a repeat auction at a reduced price, followed by a Dutch step-down. This removed the bureaucratic deadlock that had repeatedly stalled earlier attempts. Among the most notable sanctioned assets are:

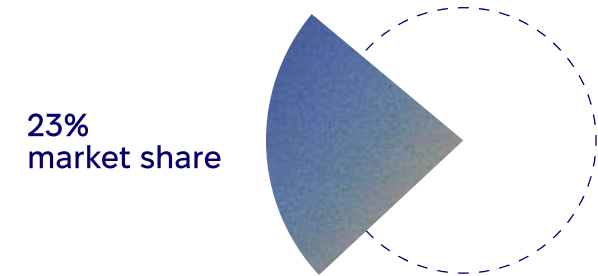
- Lybid Investment Union LLC (the vehicle holding the Ocean Plaza shopping mall in Kyiv)
- Mykolaiv Alumina Plant
- Kalush Pipe Plant

- Motordetal-Konotop (full production cycle of cylinder liners for passenger cars)
- Zaporizhzhia Industrial Aluminium Plant
- Demurinsky Mining and Processing Plant, and
- AmstelSki (a hotel at the Bukovel ski resort)

Several of these appear simultaneously in the SPFU small-privatisation register flagged with a court-sanctions asterisk, underscoring that the two pipelines share assets and, in some cases, competing legal processes.

Banking Privatisation Pipeline

Ukraine's banking sector is the most state-heavy component of the entire privatisation agenda. The state currently controls five banks: PrivatBank, Oschadbank, Ukreximbank, Ukrgasbank and Sense Bank which together account for 522% of total banking system assets. PrivatBank alone, nationalised in December 2016, holds approximately EUR 18 billion in assets and a 23% market share, making it by far the largest financial institution in the country.



The near-term sales sequence focuses on Sense Bank and Ukrgasbank identified by the National Bank as the most market-ready candidates. Sense Bank (formerly

Alfa-Bank Ukraine) was nationalised in July 2023. Ukrgasbank passed into full state ownership through a series of bailout recapitalisations following the 2009 financial crisis. Ukraine's Financial Stability Council formally approved the privatisation of both banks in August 2025, with the Cabinet of Ministers following in October 2025; the government has committed to commencing the privatisation process by 31 October 2026, with actual deal closure unlikely before 2027 under any realistic scenario.

Longer-term plans for Oschadbank and ultimately PrivatBank remain a policy aspiration rather than an active pipeline. As an interim measure, Ukraine is developing a "people's IPO" to partly democratise state-bank ownership: an offer of 7% of PrivatBank shares to Ukrainian retail investors through the Diya government app, at a starting price of UAH 300 per share and a maximum individual investment of UAH 400,000. Whether these deals can attract credible strategic or institutional investors under wartime conditions remains the central open question for the banking privatisation agenda.

⁴⁴⁶ Verkhovna Rada of Ukraine, Law 1644-VII 'On Sanctions'

⁴⁴⁷ Verkhovna Rada of Ukraine, Cabinet Resolution No 75 'Some issues of the sale of assets in respect of which a court decision has been made to impose sanctions'

**PART II:
MECHANISMS
FOR PRIVATE
SECTOR
PARTICIPATION**

CHAPTER 4.

PRIVATISATION

Privatisation in Ukraine is the permanent transfer of state or communal assets to private ownership through a competitive, transparent process governed by a single national framework. Unlike a PPP or concession, where the state retains the asset and the private partner operates it for a fixed term, privatisation transfers title outright. The buyer owns the asset, assumes its liabilities, and takes on any post-sale conditions attached to the transaction.

Under Ukrainian law, a sale qualifies as privatisation and must follow the framework Law (No. 2269-VIII) whenever it involves state or communal property above or below a defined book-value threshold, sold through an open electronic auction on Prozorro. Sale to the highest qualified bidder.

Bank privatisation and sanctioned-asset sales share the same architecture but operate under dedicated statutes described below.

Privatisation tracks

Ukraine operates five distinct privatisation tracks under the post-2018 framework. They share a common platform and eligibility architecture but differ in procedure, timeline, and deciding authority.

TRACK	ASSET TYPE	THRESHOLD	DECIDING AUTHORITY	TYPICAL TIMELINE
1. Large-scale	Major SOEs, large property complexes	Book value > UAH 250M (~EUR 5M)	Cabinet of Ministers	4–7 months
2. Small-scale	Smaller enterprises, real estate, unfinished construction	Book value ≤ UAH 250M	SPFU / local council	4–8 weeks
3. Communal	Hromada-owned assets at any value	Any	Local council	4–8 weeks
4. Bank	State-owned bank share packages	Any	Cabinet of Ministers + NBU	12–18 months
5. Sanctioned assets	Confiscated russia-linked assets	Any	SPFU (post-court transfer)	4–12 weeks

Large and small scale privatisation legal framework

Privatisation in Ukraine is governed by a single framework Law (No. 2269-VIII) alongside supporting Cabinet resolutions and related laws on valuation, competition, banking, sanctions, and local self-government in which the State Property Fund sells state-owned assets through open electronic auctions on the Prozorro.Sale platform with equal access for domestic and foreign investors.

The privatisation law rests on three fundamental choices:

1 A single threshold. Privatisation is split into two tracks via a book-value threshold of UAH 250 million (approximately EUR 5.0 million, as of the end of 2025) parameter. Assets below run through the standard fast procedure, while assets above follow the ‘large-scale procedure’ which implies thorough preparation, attracting potential buyers, and familiarizing them with information about the enterprise.

2 A single platform. All sales are managed by the State Property Fund of Ukraine (SPFU) for state assets, and by hromada, oblast and rayon councils for communal assets. All sales are executed on the same Prozorro.Sale electronic trading platform. One rulebook, one bidder onboarding flow, one auditable record of price discovery.

3 A foreign-law option. The parties to a privatisation asset purchase agreement may consent to resolve disputes through international commercial arbitration. If the privatisation authority provides for such arbitration but the parties fail to agree on the arbitral seat, any disputes shall be finally resolved under the Arbitration Rules of the Arbitration Institute of the Stockholm Chamber of Commerce. The option was introduced specifically to address foreign-investor concerns about contract enforceability.

The following Cabinet of Ministers resolutions operationalize the law.

RESOLUTION NO. 432 (2018)⁴⁴⁸ Small-scale auction procedure Sets the procedure for sale of assets below the UAH 250 m / EUR 5 m line	RESOLUTION NO. 183 (2023)⁴⁴⁹ Large-scale auction procedure Sets the procedure for sale of assets above the UAH 250 m / EUR 5 m line
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Several other laws cover valuation, competition and local government authority:

LAW ON VALUATION NO. 2658-III OF 11 JULY 2001⁴⁵⁰ Sets the appraiser regime	LAW ON PROTECTION OF ECONOMIC COMPETITION NO. 2210-III OF 11 JANUARY 2001⁴⁵¹ Governs Antimonopoly Committee of Ukraine (AMCU) concentration clearance	LAW ON LOCAL SELF-GOVERNMENT NO. 280/97-BP OF 21 MAY 1997⁴⁵² Articles 26 and 60 give hromadas, oblast councils and rayon councils the same disposal authority over communal property that SPFU exercises over state property
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Eligibility: what can be privatised and what cannot

Law on privatisation establishes the operating principle: all state and communal property is privatizable unless the law explicitly excludes it. The exclusions are assets necessary for the state to perform its basic functions, to ensure the state's defense capability, and objects of property of the Ukrainian people, property that constitutes the material basis of Ukraine's sovereignty.

What is privatizable

The privatizable universe covers:

- State-owned enterprises (full or majority share packages - subject to the ongoing transformation to the corporate rights path)
- State corporate rights (state-owned share packages in joint-stock companies and limited liability companies)
- Integral property complexes of state or communal enterprises
- State-owned and communal real estate (non-residential premises, buildings, structures)

Excluded Categories

The following property classes are excluded from privatisation:

- Defense and Security Assets - property of the Armed Forces, Security Service, Border Guard Service, law enforcement agencies, and enterprises manufacturing weapons and military equipment for state forces.
- Critical Infrastructure - railway lines, airports, power transmission systems, nuclear and hydroelectric power plants, oil and gas pipelines, water supply and sewage systems, communication networks supporting government bodies, and emergency services facilities.
- Natural Resources and Environmental Protection - subsoil, mineral resources of national significance, nature reserves and protected areas, water and forest resources, and designated waste storage facilities.
- Financial and Monetary Systems - gold and foreign currency reserves, central banking emission systems, and entities responsible for currency and securities issuance and safekeeping.

⁴⁴⁸ Cabinet of Ministers of Ukraine, resolution No. 432

⁴⁴⁹ Cabinet of Ministers of Ukraine, resolution No. 183

⁴⁵⁰ Verkhovna Rada of Ukraine, Law No. 2658-III

⁴⁵¹ Verkhovna Rada of Ukraine, Law No. 2210-III

⁴⁵² Verkhovna Rada of Ukraine, Law No. 280/97-BP

- Cultural and Scientific Heritage - state archives and libraries, cultural monuments and objects of exceptional historical or artistic value, museum collections, national parks, and scientific institutions designated as national heritage.

■ Public Services and Healthcare - state-funded educational institutions, state healthcare facilities and emergency medical services, and sports infrastructure for national and international competitions.
- Restricted-Sector State Holdings - state enterprises and majority state-owned stakes in companies engaged in space activities, broadcasting, radio frequency management, or agriculture (where state land has been leased).

The List of State-Owned Objects of Strategic Importance

Cabinet of Ministers Resolution No. 83 maintains the central register of categorical exclusions. As of 2026 it contains 295 enterprises⁴⁵³.

The list contains the country's principal infrastructure and critical-mass operators:

OIL AND GAS

Naftogaz group

Naftogaz of Ukraine, Ukrtransgaz, Ukgazvydobuvannia, Ukrnafta

POWER

Energoatom · Ukrenergo

National Nuclear Energy Generating Company and the transmission system operator

RAIL

Ukrzaliznytsia

National railway operator, core infrastructure

POSTAL AND BROADCASTING

Ukrposhta · NSTU

Postal universal-service core and the National Public Broadcasting Company

DEFENCE

UDI holding

Enterprises grouped under the Ukrainian Defence Industry holding

Sector-specific legislation

Beyond Article 4(2) and the Strategic Objects List, a layer of sector laws protects critical infrastructure and heritage.

SECTOR	STATUTE	PROTECTION
Nuclear	Law on Use of Nuclear Energy and Radiation Safety No. 39/95-VR (8 February 1995)	Prohibits privatisation of nuclear-power generation
Electricity	Law on the Electricity Market No. 2019-VIII (13 April 2017), Article 31	Holds Ukrenergo, the transmission system operator (TSO), in state ownership; applies unbundling rules, Lviv, Kharkiv

⁴⁵³ Cabinet of Ministers of Ukraine, resolution No. 83

SECTOR	STATUTE	PROTECTION
Gas	Law on the Natural Gas Market No. 329-VIII (9 April 2015)	Holds Ukrtransgaz transmission and underground storage in state hands
Rail	Law on Railway Transport No. 273/96-VR (4 July 1996)	Protects Ukrzaliznytsia core infrastructure
Postal	Law on Postal Communication No. 2759-III (4 October 2001)	Protects the Ukrposhta universal-service core
Heritage	Law on Protection of Cultural Heritage No. 1805-III (8 June 2000), Article 18	Imposes mandatory protection-agreement conditions on heritage-listed buildings
Land	Land Code of Ukraine No. 2768-III (25 October 2001), Articles 83(4) and 84(4)	Enumerates non-privatizable land categories (see below)

Privatisation of Land

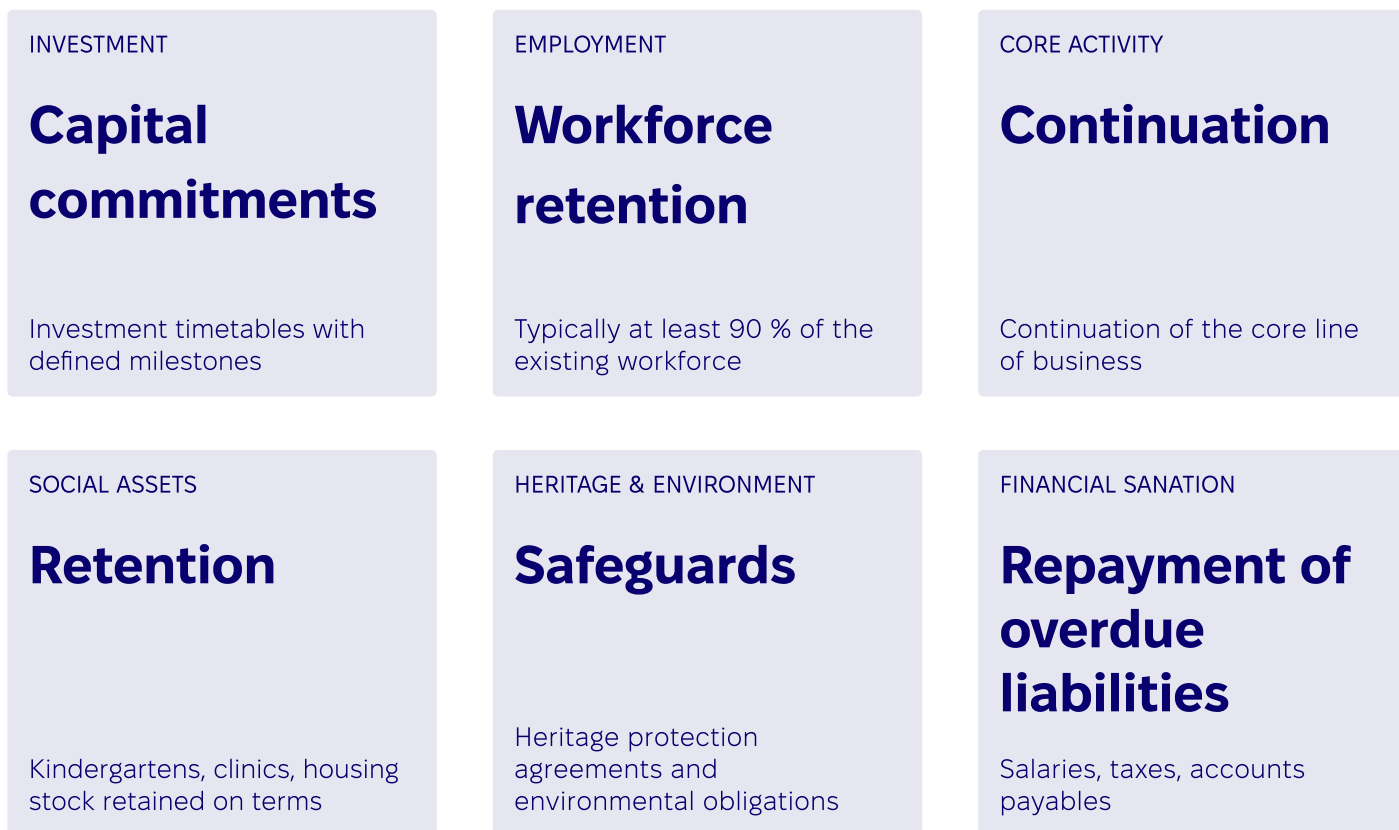
LAND CATEGORY	UKRAINIAN CITIZEN	FOREIGNER / STATELESS PERSON	FOREIGN LEGAL ENTITY
Marketable land			
Agricultural land	May purchase	Lease only Purchase restricted to citizens of Ukraine	Lease only Incl. companies with foreign beneficial ownership
Non-agricultural land within residential areas	May purchase	May purchase Art. 81(2) Land Code	May purchase For business use
Non-agricultural land outside residential areas	May purchase	Conditional Only where they already own real estate on the plot — Art. 81(2)	Conditional Only where they already own real estate on the plot
Excluded from privatization — all buyer types			
Communal land of public use squares, streets, parks, cemeteries	Not privatisable	Not privatisable	Not privatisable
State infrastructure land nuclear, transport, pipeline infrastructure	Not privatisable	Not privatisable	Not privatisable
Defence land	Not privatisable	Not privatisable	Not privatisable
Protected areas forest-fund and water-fund land	Not privatisable	Not privatisable	Not privatisable
Chornobyl exclusion zone	Not privatisable	Not privatisable	Not privatisable

Privatisation with conditions subsequent

Unified property complexes of large state enterprises, equity shareholdings (stakes) in business entities, and socio-cultural purpose objects are privatized subject to sale conditions. Upon privatisation of such objects, together with the transfer of ownership rights, the new owner assumes the performance of a series of obligations.

A small-scale privatisation case in which state ownership exceeds 50% is also sold subject to conditions. Those conditions are set by the relevant state commissions at SPFU or municipal level.

The following are example conditions carried by the SPA:



During the martial law regime the purchaser is additionally obliged to ensure:

- settlement of wage arrears and debts to the budget in the amount accrued as of the date of transfer of ownership;

- prevention of employee dismissals at the initiative of the new owner or its authorized body for the first 6 months.

Other conditions might apply, for example, preservation of activity profile for socio-cultural purpose assets.

Large-scale privatisation legal framework

Large-scale privatisation covers assets with a book value above UAH 250 million, which is equivalent to approximately EUR 5.0 million. Cabinet of Ministers

Order No. 36-p of 16 January 2019⁴⁵⁴ maintains the current state large-scale privatisation list and is updated on a regular basis.

above UAH 250 mln

book value of assets in a large-scale privatization

⁴⁵⁴ Cabinet of Ministers of Ukraine, resolution No. 36-p

GOVERNANCE

Cabinet of Ministers approves the large-scale list (Order No. 36-r) and overall conditions of privatisation including the starting price; SPFU organises the auction in electronic trade system Prozorro.Sale. NBU and AMCU clear the buyer.

Entry point: The SPA may be governed by foreign law and disputes resolved at international arbitration, an explicit foreign-investor accommodation in Article 26 of Law No. 2269-VIII.

Small-scale privatisation legal framework

Small-scale privatisation covers state and communal assets with a book value at or below UAH 250 million (approximately EUR 5.0 million). Eligible assets include smaller state-owned and communal enterprises, integral property complexes, state-owned and communal real-estate objects (non-residential premises, separate buildings, structures), residual

share packages, and unfinished construction. Article 11(3) of Law No. 2269-VIII vests SPFU with direct authority to approve small-scale state listings; Article 11(4) gives hromada councils the same authority for communal property. Cabinet of Ministers Resolution No. 432 of 10 May 2018 sets the small-scale auction procedure.

at or below UAH 250 million

book value of state and communal assets in a small-scale privatization

STATE OWNERSHIP

SPFU lists and prices small-scale state assets directly (Article 11(3) without Cabinet of Ministers approval. The track is faster and lighter-touch than the large-scale procedure, Prozorro.Sale is the engine of the platform, over a thousand objects move through it at any time.

Entry point for private capital: register on a licensed Prozorro.Sale marketplace, pay the deposit and registration fee, bid in real time. Five auction formats accommodate every fallback scenario, from open-price ascending to descending-price Dutch.

Communal asset privatisation legal framework

Communal property privatisation runs on the same Law No. 2269-VIII framework as state-property privatisation, with hromada councils, oblast councils and rayon councils substituting for the Cabinet of Ministers and SPFU as the deciding authorities. Articles 26 and 60 of the Law on Local Self-Government No. 280/97-BP of 21 May 1997 give hromada and higher councils the disposal authority. Article 26 reserves to council plenary the exclusive competence to approve privatisation programmes, lists and conditions. Article 60(5) confirms the right to alienate, lease, and sell communal property.

Each new communal object requires a separate council decision. The decision references the local privatisation programme, sets the asset description and estimated value, defines the sale conditions and is published on the council website within five working

days. Oblast councils and rayon councils exercise analogous powers for jointly-owned communal property under Article 60(4).

Valuation, auction format selection, sale-purchase agreement (SPA) signing and closing follow the small-scale privatisation procedure under Resolution No. 432. Hromadas access Prozorro.Sale through the same licensed private marketplaces that serve state sales, auction participants are paying the same marketplace commissions. Buyer-eligibility filters are identical: aggressor-state connection, sanctions-screening, and UBO transparency under Article 8 of Law No. 2269-VIII. AMCU concentration clearance applies on the same approximately EUR 4 million combined-assets-or-turnover threshold.

GOVERNANCE

1,469 hromadas plus oblast and rayon councils hold the same disposal authority over communal property that SPFU holds over state property. The same Law No. 2269-VIII applies; only the deciding authority differs. Proceeds flow to local development budgets (Budget Code Article 71).

Entry point: register on a Prozorro.Sale marketplace and bid on any listed communal asset, same rulebook as state auctions. The FPU 2006 moratorium remains the contested third layer and is not available through this channel.

Bank privatisation legal framework: an extra regulatory layer

The policy frame

State-owned banks are privatised under a dedicated statute, the Law of Ukraine "On the Specifics of the Sale of Share Packages Belonging to the State in the Authorized Capital of Banks" (No. 3983-IX of 19 September 2024)⁴⁵⁵, whose logic deliberately mirrors the ordinary privatisation regime for both small-scale and large-scale privatisation but is carved out of it to fit the particular nature of banking assets.

The Cabinet of Ministers remains the principal deciding authority throughout: it decides to sell, sets the size of the stake offered (all state-held shares or a smaller package), and the sale is run by a dedicated Sale Commission rather than by the State Property Fund. The procedure then follows a distinct sequence that reflects the sensitivity of the assets. First, a

professional sale advisor is engaged: a legal entity drawn from a Cabinet-approved international rating and selected on competitive criteria of proven experience in selling financial institutions. The advisor prepares the bank for sale, structures the transaction and proposes the sale terms, the rules of the competition and the bidder risk-profile, which the Cabinet of Ministers then approves. Only then is the package sold. A sale held in Ukraine runs on a competitive basis through an electronic auction in the ETS, the same infrastructure used in ordinary privatisation; a sale abroad proceeds as the Cabinet determines on the advisor's recommendation. The Cabinet ultimately approves the sale-and-purchase agreement and the final price.

Distinguishing features from standard privatisation procedure

Shareholder structure

Under the special law, the body that manages the state's corporate rights in the in-scope systemically important banks is either the Cabinet of Ministers or the Ministry of Finance (MoF).

NBU qualifying-holding approval

Approval is required for any acquisition or increase of shareholding that reaches or crosses the 10, 25, 50 or 75 percent thresholds in charter capital or voting rights. The "qualifying holding" (substantial

participation) concept captures holdings held directly and/or indirectly, alone or jointly with others including through related persons and shareholder agreements. The NBU consideration window is five months from receipt of the application and the accompanying documents; it may be extended by no more than 30 working days where the NBU needs to verify the documents or obtain additional information, on notice given at least three working days before the deadline. The decision is binary: approval, or prohibition of the acquisition or increase. Acquisition without prior approval triggers enforcement measures under Article 73, including suspension of voting rights (which pass to an NBU-appointed trustee), a requirement to divest the shares, and fines.

⁴⁵⁵ Verkhovna Rada of Ukraine, Law No. 3983-IX

Sanctioned-asset privatisation legal framework

The legal basis and amendment cascade

Since Russia's full-scale invasion in 2022, Ukraine has actively employed sanctions mechanisms, establishing standardized procedures for managing assets confiscated through court decisions. This framework is codified in Ukraine's Law "On Sanctions" No. 1644-VII with the subsequent amendments.

Asset confiscation sanctions may be imposed during or after martial law, provided that the targeted individual or legal entity has previously been subject to asset-blocking sanctions under decisions by the National Security and Defense Council adopted after May 24, 2022. These sanctions target entities posing threats to Ukraine's national interests, security, sovereignty, or territorial integrity; supporting terrorism; violating human rights; or committing acts violating international law and UN instruments.

The procedure unfolds sequentially. First, Ukraine's Parliament, President, Cabinet of Ministers, National Bank, or Security Service petitions the National Security and Defense Council for asset-blocking sanctions, which are then enacted by presidential decree. The Ministry of Justice subsequently investigates whether grounds exist for asset confiscation and, if warranted, files suit with the High

Anti-Corruption Court, which has thirty days to rule to either grant or deny the claim. Appellate review before the HACCC's appellate panel takes fifteen days, with decisions not subject to cassation appeal. Once a confiscation decision is final, the court directs the State Property Fund to manage and sell the confiscated assets.

A new Cabinet Resolution No 75 of January 2026 establishes a transparent mechanism for selling assets confiscated through court sanctions decisions. The regulation mandates the sale of such assets exclusively through electronic auctions on the Prozorro.Sale platform, employing a sequential auction system: an English auction with ascending bids, followed by a Dutch auction with descending prices if the asset remains unsold. All proceeds from these sales are directed to the state budget and subsequently allocated to the fund for recovery from armed aggression. The regulation also expands the scope of realizable assets to include corporate rights, real property, claims and debts, and other confiscated property. Notably, this temporary measure will expire one year after the end of martial law, reflecting its emergency character during the current conflict.

⁴⁵⁵ Verkhovna Rada of Ukraine, Law No. 3983-IX

CHAPTER 5.

PUBLIC-PRIVATE PARTNERSHIPS (PPP)

Overview of the PPP instrument

A Public-Private Partnership (PPP) is a long-term contractual arrangement under which a private partner finances, builds or reconstructs, operates, and maintains a public asset in exchange for availability payments from the state budget, user charges, or a combination of both. Unlike privatisation, the asset remains in public ownership throughout the contract and reverts to the state when the contract expires.

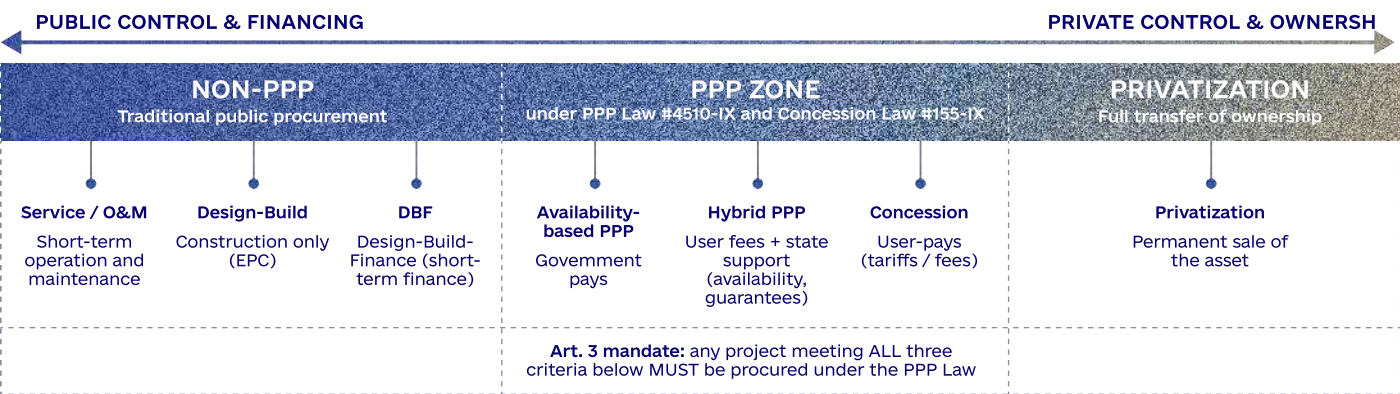
Under Ukrainian law, a project qualifies as a PPP and must therefore be procured under the PPP Law rather than as a traditional works contract or short-term

service contract, only if it meets the three statutory tests set out in **Article 3 of PPP Law #4510-IX (2025)**: private investment in construction and maintenance, long-term duration, and meaningful risk transfer.

Figure below shows where the PPP zone sits on the broader spectrum of private participation in public infrastructure, between traditional public procurement on one end and full privatisation on the other and defines the three tests that any candidate project must pass.

SPECTRUM OF PRIVATE PARTICIPATION IN PUBLIC INFRASTRUCTURE

The PPP zone under Ukrainian PPP Law #4510-IX (2025) and Concession Law #155-IX



A PPP differs from privatisation in five key respects, summarized below.

PPP VS PRIVATISATION

	PRIVATIZATION	PPP
Ownership of the asset	Transferred permanently to the private buyer	Remains with the state; reverts at end of contract
Contractual basis	No long-term contract, sector regulation governs	Detailed contract setting out rights and obligations of each party
Duration	Unlimited	Fixed by contract (typically 15-50 years)

	PRIVATIZATION	PPP
Service specification	Set by the owner within regulatory limits	Government specifies output, quality, and performance standards
Pricing / revenues	Set by the owner within regulatory limits	Set by contract: availability payments or capped user fees

Legal framework

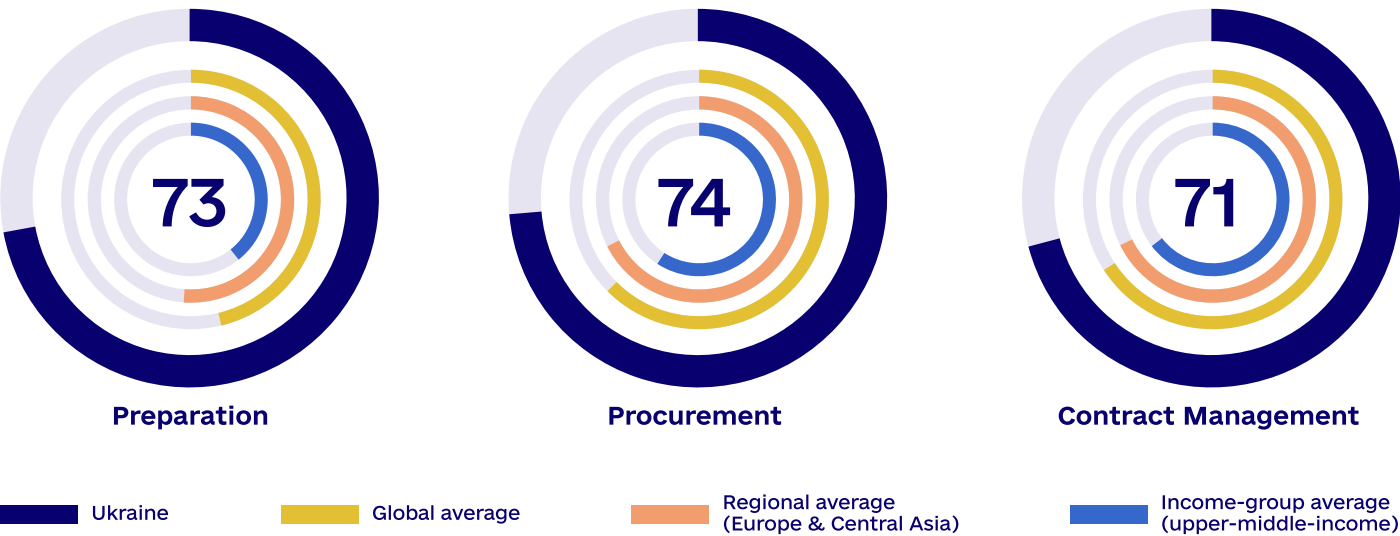
Ukraine's PPP framework rests on two harmonized laws. **PPP Law #4510-IX**, adopted on 19 June 2025, governs availability-based PPPs, hybrid structures, and social-infrastructure projects; it repealed the 2010 Law on State-Private Partnership. **Concession Law #155-IX**, adopted on 3 October 2019 and amended in 2025 to align with the new PPP Law, governs user-pays concessions, typically in ports, airports, roads, and water utilities. Both laws share a common tender procedure, a single feasibility-study methodology, and

transparency requirements. The reform brought Ukrainian practice fully into line with EU directives and the leading international PPP guides.

Ukraine's regulatory framework scores above global, regional, and income-group averages in the World Bank's PPP Procurement Benchmark across all three dimensions of the PPP lifecycle (Figure below)⁴⁵⁶. The two-pillar structure, shared framework, and reform trajectory are summarized in Figure below.

UKRAINE'S PPP PROCUREMENT BENCHMARK SCORE

World Bank Benchmarking Infrastructure Development 2023, score out of 100 — Ukraine exceeds all three benchmark averages



Ukraine consistently ranks above all three benchmarks across the full PPP lifecycle.

Source: World Bank, Benchmarking Infrastructure Development 2023.
Country profile: <https://bpp.worldbank.org/en/economies/country/UKR>

⁴⁵⁶ It should be mentioned that the most recent World Bank’s Benchmarking Infrastructure Development index (2023) (<https://bpp.worldbank.org/en/home>) did not captured the recent improvement of the Legislation made in 2025. It is envisaged that the Ukrainian rates will be significantly improved and will become one of the highest in the region.

■ UKRAINE'S TWO-PILLAR PPP LEGAL FRAMEWORK

After the 2025 modernisation, harmonised and aligned with EU directives and international best practice



■ WHAT THE 2025 PPP REFORM CHANGED FOR PRIVATE INVESTORS

KEY REFORM	INVESTOR IMPACT
Exclusive public-sector initiation (Art. 10.1)	Unsolicited proposals from private parties are no longer accepted. Investors engage by responding to published tenders or by approaching the contracting authority before a project is formalized.
Expanded scope of public partners	The public partner role is no longer limited to central or local government. Limited liability companies (LLCs), state enterprises (SOEs), and joint-stock companies in which the state or a community holds 50%+ of share capital can now act as public partners. This opens a substantial pipeline of opportunities with strategic infrastructure operators in energy, transport, defense, and other sectors.
PPP and Concession Law harmonized	Identical tender procedure, feasibility-study methodology, and contract-preparation requirements apply across both laws. Mixed-form contracts are permitted.
State support codified (Art. 43)	Eleven statutory forms of support - availability payments, co-financing, minimum-demand guarantees, off-take contracts, grants, connecting infrastructure works, can be combined in a single contract.

KEY REFORM	INVESTOR IMPACT
Blended finance with donor grants	Socially significant projects cannot be implemented without external support. The new law expressly permits PPP projects to be co-financed through grants from international donors and IFIs (free-of-charge or interest-free) alongside private investment and public funds. This unlocks a hybrid financing model that distributes costs and risks more equitably and is particularly relevant for post-war reconstruction projects. To make it possible and systematic Viability Gap Funding mechanisms is being established.
Stability of legislation, incl. tax (Art. 44)	Legislation and tax rules in force at contract signing remain applicable throughout the contract term; compensation for adverse legislative changes is contractual.
Direct agreement with lenders (Arts. 45-46)	Step-in rights and lender protections are now statutory; PPP bank accounts enjoy immunity from third-party enforcement.
International arbitration, offshore seats (Art. 42)	Sovereign-immunity waiver permitted; disputes can be resolved in London, Paris, Stockholm, or another agreed venue; parties are free to choose applicable law for financing and direct agreements.

PPP models in use

Under the 2025 framework, three principal models structure private-sector participation, summarized in Figure 5.4. They differ mainly in the source of the operator's revenue and in which party bears demand risk. Article 5 of PPP Law #4510-IX expressly permits mixed-form contracts, so a single project may combine availability payments with user fees,

minimum-demand guarantees, co-financing and other state support under one agreement. Other arrangements, such as asset-management contracts, leases and joint-venture agreements, exist under separate legislation but usually do not meet the Article 3 criteria to qualify as a PPP, and so fall outside the PPP Law procurement framework.

■ PPP MODELS AVAILABLE UNDER THE 2025 FRAMEWORK

Compared by source of revenue, risk allocation, sectors, legal basis, and typical term

	AVAILABILITY-BASED PPP Government pays for service delivery performance-linked, not demand-linked	HYBRID PPP User fees combined with state support "mixed-form" contract per Art. 5	USER-PAYS CONCESSION Users pay directly, operator collects demand-linked, commercial risk-based
Source of revenue	State budget Availability payments based on compliance with service standards	User fees + state support Tariffs plus availability payments, minimum-demand guarantee, grants or co-financing	User tariffs / service fees Commercial revenue collected by the concessionaire from end users
Demand risk allocation	Retained by public sector Private partner is paid regardless of whether demand materialises	Shared or capped Minimum-demand guarantees or state top-ups cap the private partner's exposure	Shared or capped Concessionaire's revenue rises or falls with actual usage of the asset
Typical sectors	- Hospitals, clinics - Schools, universities - Prisons, government offices - Wastewater treatment plants	- Water supply and wastewater - District heating - Waste management - Social infrastructure with user co-payment	- Ports (cargo and container terminals) - Toll roads and highway corridors - Airports (commercial operations) - Inland waterways, ferry terminals
Primary legal basis	PPP Law #4510-IX Contract: PPP Agreement (per Art. 5, para. 1, point 2)	PPP Law #4510-IX Combined with Concession Law #155-IX and/or sectoral regulation	Concession Law #155-IX Contract: Concession Agreement (per Art. 5, para. 1, point 1)
Typical term	15 – 30 years	15 – 30 years	20 – 50 years

Mixed-form contracts are expressly permitted (Art. 5, para. 2, PPP Law #4510-IX)

A single project may combine availability payments, user fees, demand guarantees, co-financing, and other support under one agreement.

Key sectors and active projects

PPPs in Ukraine are most developed in the maritime sector. Two concession agreements signed in 2020, for the ports of Olvia (35 years, Qatari QTerminals) and Kherson (30 years, the Risoil-GIG consortium), served as pilots for the modern concession framework and showed that the model can attract private capital under international standards. The active pipeline now covers seaports, inland waterways, airports, roads, water utilities, district heating, waste management, social infrastructure and energy.

The most advanced opportunities currently open to investors:

- the Chornomorsk container terminal concession, with currently on RFP stage – expected award in Q4 2026;
- the Chornomorsk ferry terminal concession – expected tender announcement in Q3 2026;

■ PPP Project on construction of the surgical unit within the Unbroken – expected tender announcement in Q4 2026;

■ PPP project “New multidisciplinary hospital in Zhytomyr” – expected tender announcement in Q4 2026.

The concrete project pipeline is published and updated on the DREAM public-investment platform at dream.gov.ua, where investors can inspect feasibility studies, financing structure, and implementation status project-by-project.

Three port case studies, two signed concessions (one adapting, one paused by war damage) and one active tender, are profiled in Figure and Table below summarizes the sector-by-sector opportunities.

■ THREE PORT CONCESSIONS – TWO SIGNED IN 2020, ONE ACTIVELY OPEN FOR BIDS

Chornomorsk is Ukraine's most advanced PPP opportunity at the time of publication

OLVIA PORT Mykolaiv region · Black Sea ● SIGNED · RESUMING	KHERSON PORT Kherson · Dnipro delta ● SIGNED · SUSPENDED (WAR)	CHORNOMORSK PORT Container & First (Universal) Terminals Chornomorsk · Black Sea ★ SELECTION 2026
CONCESSIONAIRE QTERMINALS OLVIA LLC subsidiary of QTerminals (Qatar)	CONCESSIONAIRE RISOIL-KHERSON LLC Risoil S.A. (Switzerland) + Petro Oil & Chemicals (GIG Georgia)	CONCESSIONAIRE COMPETITIVE DIALOGUE 3 stages: prequalification → dialogue → final bidding
DURATION 35 YEARS signed 20 Aug 2020 · through 2055	DURATION 30 YEARS signed 26 Jun 2020 · through 2050	DURATION 40 YEARS tender launched 20 Dec 2025
INVESTMENT COMMITMENT UAH 3.4 BN ≈ USD 138 million in port upgrades + UAH 80 M for Mykolaiv city infrastructure	INVESTMENT COMMITMENT UAH 300 M incl. UAH 216 M in first 3.5 years of operation + UAH 18 M for Kherson city infrastructure	EXPECTED FISCAL RETURN USD 1.1 BN + to state budget over the 40-year term Minimum investment threshold: USD 50 M
SCOPE Grain, bulk, general cargo handling Includes new grain terminal construction	CONCESSION FEE UAH 12 M/year (indexed) + 7% of net profit Target: 1.36 M tons cargo handling by 2030	CAPACITY TARGETS 250,000 TEU/year by year 3 of operation Full capacity: up to 760,000 TEU + 5 M tons cargo
TRANSACTION ADVISORS IFC · EBRD · Global Infrastructure Facility	TRANSACTION ADVISORS IFC · EBRD · Global Infrastructure Facility	TRANSACTION ADVISORS IFC · EBRD
STATUS AS OF Q2 2026 Project paused in Feb 2022 due to Russian invasion. In Aug 2025 the Ministry for Communities and Territories Development and Terminals signed a memorandum to resume operations, using the force-majeure provisions of the new PPP Law #4510-IX. First international port concession in Ukraine prepared to best-practice standards.	STATUS AS OF Q2 2026 Assets transferred to the concessionaire on 23 Dec 2021. Port territory was occupied by Russian forces in 2022 and suffered severe damage. Part of the port remains on the occupied left bank of the Dnipro; restart planned when the war ended. Demonstrates how force-majeure provisions of PPP Law #4510-IX protect signed contracts.	WHY THIS MATTERS FOR INVESTORS The largest port PPP Ukraine has brought to market since the full-scale invasion. More than 40 international operators expressed interest at the April 2025 Warsaw roadshow. Prequalification phase now under review by tender commission. Contracting authority: Ministry for Development of Communities and Territories.

■ PRIORITY SECTORS FOR PPP AND RESPONSIBLE PUBLIC AUTHORITIES

SECTOR	PPP MODEL	CONTRACTING AUTHORITY	POLICY & PPP OVERSIGHT	SECTOR REGULATOR
TRANSPORT				
Seaports	User-pays concession	Ministry for Development of Communities and Territories (MoCTD) + USPA (co-public partner)	Ministry of Economy; Agency on support public private partnership (PPP Agency)	MoCTD / USPA
Roads & highways	User-pays concession, availability based or hybrid PPP forms	MoCTD + Agency for Restoration	Ministry of Economy; PPP Agency	MoCTD / Agency for Restoration
Railways	User-pays concession, availability based or hybrid PPP forms	JSC "Ukrainian railways" (UZ) ± MoCTD	Ministry of Economy; PPP Agency	MoCTD (tariffs)
Airports	User-pays concession	MoCTD ± regional / municipal councils	Ministry of Economy; PPP Agency	State Aviation Administration (SAAU)
Inland waterways	User-pays concession, availability based or hybrid PPP forms	MoCTD + River Port Authority or Ukrainian Danube Shipping Company	Ministry of Economy; PPP Agency	MoCTD / River Port Authority
MUNICIPAL UTILITIES				
Water supply & wastewater	Concession or hybrid	Municipal council (owner of communal utility)	Ministry of Economy; PPP Agency; MoCTD (water & sanitation policy)	National Commission for State Regulation of Energy and Public Utilities (NCREPU); MoCTD
District heating	Concession or hybrid	Municipal council (owner of heat-supply utility)	Ministry of Economy; PPP Agency; MoCTD (housing & communal services)	NCREPU (heat tariff regulation); MoCTD
Waste management	Concession or hybrid	Municipal council or Regional Administration	Ministry of Economy; PPP Agency; Ministry of Environment	Ministry of Environment; MoCTD
SOCIAL INFRASTRUCTURE & ENERGY				
Hospitals & healthcare	Availability-based PPP	Ministry of Health or regional / municipal health authority	Ministry of Economy; PPP Agency	Ministry of Health

SECTOR	PPP MODEL	CONTRACTING AUTHORITY	POLICY & PPP OVERSIGHT	SECTOR REGULATOR
Schools & education	Availability-based PPP	Ministry of Education or municipal council	Ministry of Economy; PPP Agency	Ministry of Education
Housing (IDP / social)	Availability-based PPP or hybrid	MoCTD + municipal councils	Ministry of Economy; PPP Agency; MoCTD	MoCTD
Energy infrastructure	Concession or hybrid	Ministry of Energy (greenfield), SOE of the energy sector	Ministry of Economy; PPP Agency; Ministry of Energy	NCREPU (electricity / gas tariffs)

Note: The **PPP Agency of Ukraine** (pppagency.gov.ua) is the central PPP advisory body of the Government of Ukraine for all PPP and concession projects regardless of sector and is the recommended first point of contact for any investor. For transport and municipal infrastructure projects specifically, the **PPP Unit of the Ministry for Development of Communities and Territories (MoCTD)** serves as the dedicated sectoral PPP unit, leading project preparation and tender management in these sectors. The full pipeline of public investment projects, including those with PPP potential, is available on the DREAM platform at dream.gov.ua.

CHAPTER 6.

PERMITS FOR SUBSOIL USE AND PRODUCTION SHARING AGREEMENTS (PSA)

The Legal Framework

The legal architecture that governs access to Ukrainian subsoil is compact. A single Code sets the constitutional baseline, two laws define the two main contracting routes, three Cabinet of Ministers resolutions operationalise the procedures and the strategic-minerals list. There is also one international agreement, ratified in 2025, that sits over the entire system as an overlay regime.

The Constitutional Baseline

All subsoil within Ukrainian territory belongs to the Ukrainian people. The Constitution places oversight with the Cabinet of Ministers, which delegates routine permit issuance to the Ukrainian Geological Survey. There is no parallel issuing authority, no regional licensing system and no informal channel: every right to explore, develop or extract minerals comes from a single government body.⁴⁵⁷

The Subsoil Code

The Subsoil Code of Ukraine is the foundational statute. It defines the categories of subsoil use (geological survey, extraction, underground construction), the term limits (3 to 20 years for standard permits), the obligations of permit holders (work programmes, reporting, environmental compliance), and the basis for state oversight. All three competitive access tracks (auction permits, exempted permits, Production Sharing Agreements) operate within the Code's perimeter.

The Permit-Track Regulations

Two Cabinet of Ministers of Ukraine resolutions complete the permit-track regime. Resolution No. 993 of 23 September 2020 governs the auction procedure: the electronic trading system, the bidding mechanics, the participation requirements, the contract awarded to the winner. Resolution No. 845 of 14 July 2025 publishes the official lists of minerals and components designated as strategic or critical, and the corresponding list of subsoil sites of strategic or critical importance. Resolution 845 determines which assets fall under the elevated-importance regime and trigger the additional obligations described in later blocks.

The PSA Law

The PSA track has its own dedicated law of Ukraine No. 1039-XIV of 14 September 1999, On Production Sharing Agreements, which establishes the full framework for state-investor contracting on a profit-share basis. It covers the tender procedure, the contents of the agreement, the fiscal terms (notably the 2 percent royalty on oil and condensate and 1.25 percent on gas), the maximum 50-year validity, the international arbitration option, and the grounds for termination.

The 2025 US Fund Overlay

Law No. 4417-IX of 8 May 2025 ratified the Agreement between the Governments of Ukraine and the United States on the Establishment of the American-Ukrainian Reconstruction Investment Fund, signed in Washington on 30 April 2025. The agreement does not replace any existing access track; it adds investor obligations and counterparty rights that attach to permits and PSAs covering an extensive list of critical minerals and hydrocarbons. The implementing instrument, MEDSG Order No. 3053 of 12 December 2025, amends the model subsoil-use agreements to incorporate the new obligations, including mandatory in-Ukraine beneficiation of strategic and critical minerals and a notification regime tied to the Fund.

The 2025 US Fund Overlay

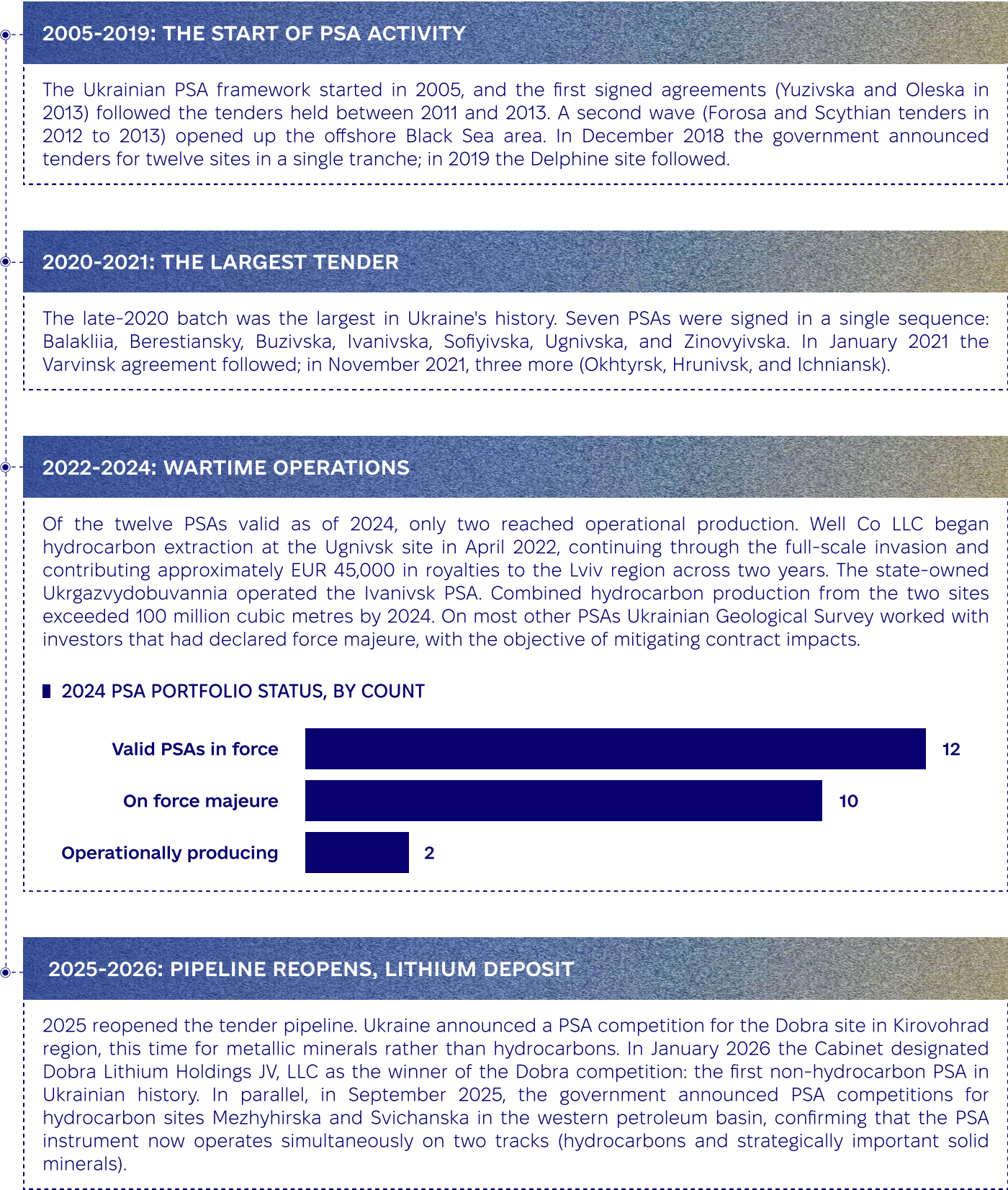
The broader policy backdrop is the Ukraine Facility Plan for 2024 to 2027, which updated the National Mineral Resource Development Programme through 2030 and amended the Subsoil Code to align with European Union standards as part of Ukraine's accession commitments.

STATE OWNERSHIP

All subsoil is state property under the Constitution and the Subsoil Code. Cabinet of Ministers is the steward; State Geological Survey of Ukraine is the sole permit issuer. Active auctions, valid PSAs, and the investment atlas are published at geo.gov.ua.

⁴⁵⁷ Verkhovna Rada of Ukraine, Subsoil Code

History of PSA activity in Ukraine



Selected active PSAs

Ugnivsk PSA

PRODUCTION SHARING AGREEMENT, OPERATOR: WELL CO LLC (PRIVATE), LVIV REGION

Hydrocarbons

MINERAL

Since 04.2022

VALID

~EUR 45k (2 yrs)

ROYALTIES TO REGION

Producing

STATUS

The Ugnivsk site has operated without interruption through the war. Production began in April 2022 under Well Co LLC. It shows that the PSA instrument can function in wartime, and it is the source of the only material royalty receipts the regime has produced to date.

Ivanivsk PSA

PRODUCTION SHARING AGREEMENT, OPERATOR: UKRGZVYDOBUVANNIA (STATE-OWNED)

Hydrocarbons

MINERAL

SOE running its own PSA

FEATURE

State

OPERATOR TYPE

Producing

STATUS

Ivanivsk is the second of the two PSAs in active production as of 2024. It is operated by Ukrgezvydobuvannia, Ukraine's largest gas producer and a wholly state-owned company. Combined Ivanivsk and Ugnivsk hydrocarbon output exceeded 100 million cubic metres by 2024.

Dobra PSA

PRODUCTION SHARING AGREEMENT, OPERATOR: DOBRA LITHIUM HOLDINGS JV, LLC, KIROVOHRAD REGION

Lithium (metallic)

MINERAL

Since 01.2026

VALID

International JV

OPERATOR TYPE

In development

STATUS

Cabinet of Minister of Ukraine designated Dobra Lithium Holdings JV, LLC as the winner in January 2026, opening the PSA instrument to strategically critical solid minerals. The site sits in the Kirovohrad lithium province, listed among the strategic sites under Cabinet of Minister of Ukraine Resolution No. 845.

Mezhyhirska and Svichanska Tenders

PRODUCTION SHARING AGREEMENT TENDERS, OPERATOR: TBD, WESTERN PETROLEUM BASIN

Hydrocarbons

MINERAL

Continued HC pipeline

FEATURE

Pending

OPERATOR TYPE

Tender 09.2025

STATUS

CHAPTER 7.

LEASE OF STATE ASSETS

Lease of state and communal property in Ukraine was reshaped by the 2019 framework Law (No. 157-IX), whose core mechanism came fully online through the reform completed at the end of 2021: leases that were once arranged through opaque, in-person procedures were moved onto open electronic auctions on Prozorro.Sale, with a unified public register of available assets and competitive bidding to the highest qualified offer. The shift stripped out discretionary, off-market deal-making and reserved direct, auction-free leasing for only a narrow set of statutorily defined tenants. Across all of Prozorro.Sale's sale and lease activity, tens of thousands of auctions have channelled millions into state and municipal budgets, making the leasing system today a competitive, liquid, and revenue-generating market rather than the administratively allocated arrangement it replaced.

Lease legal framework

Lease operates on the same logic both for communal property as well as for state property. The Law of Ukraine on Lease of State and Communal Property No. 157-IX of 3 October 2019 and Cabinet of Ministers Resolutions No. 483 of 3 June 2020 and No 634 of 27 May 2022 apply identically. Article 15 of the Lease Law defines the privileged-tenant categories that may lease without auction (state bodies, local-government

bodies, budgetary institutions, social-service providers, religious organizations, and the Pension Fund of Ukraine). The same communal asset cannot be the subject of both sale and lease simultaneously: the council decides between tracks at the listing stage and may switch only by formal council resolution. Aggregate annual communal lease revenue is not centrally consolidated in published sources.

Legal Framework

The lease of state and communal property is governed by 2019 **Law of Ukraine 157-IX "On Lease of State and Communal Property"**. Implementation of the law is governed by the following procedural rules:

- **Cabinet of Ministers of Ukraine Resolution 483** (03.06.2020), Procedure for transfer of state and communal property into lease;

- **Cabinet of Ministers of Ukraine Resolution 630** (28.04.2021), Methodology for calculating lease rent on state property: base rates, sectoral coefficients, indexation;

- **Cabinet of Ministers of Ukraine Resolution 820** (12.08.2020), Model lease contracts;

- Sectoral resolutions for cultural heritage, port infrastructure, agricultural land, and integral property complexes.

The framework has been adapted to wartime conditions. **Law 2181-IX** (01.04.2022) empowered the Cabinet of Ministers to establish special lease procedures during martial law, covering lease approvals, starting rents, auction timing, contract renewals and terminations, sublease rules, and rent calculation. These powers remain in force during martial law and for one year thereafter. The primary wartime instrument is **Cabinet of Ministers of Ukraine Resolution 634** (27.05.2022), repeatedly amended through 2025.

A further reform, Law 4360-IX (16.04.2025, most provisions effective 06.06.2026), restructures the rules on privatisation of leased objects, removing the prior ability of the current lessee to purchase the object without competitive auction.

Institutional architecture

Three classes of lessors:

- 1 State Property Fund of Ukraine (SPFU)**, primary state lessor and methodological regulator. Acts directly for integral property complexes, state real estate, and other state property not contributed to charter capital. Maintains the lease register and oversees compliance under Article 26 of Law 157-IX. The central apparatus operates through a Lease Department in Kyiv; execution is delegated to regional offices (Kyiv City, Odesa & Mykolaiv, Dnipropetrovsk, Sumy, and others).

- 2 Local councils**, lessors of communal property; the same procedural rules apply via Resolution 483, with limited local discretion on Type-2 List target use-cases. The top municipal lessors by auction volume are Kyiv, Lviv, Odesa, and Dnipro.

- 3 Line ministries and state enterprises** ("asset holders"), entities that hold property under operative management or economic jurisdiction (and, from 28.08.2025, usufruct). An asset holder may act as lessor for non-residential real estate up to 400 m² per balance holder; above that, the SPFU or the superior management body must approve inclusion of the asset in the auction system. Major institutional asset holders include Ukrzaliznytsia, Ukrposhta, the Ukrainian Sea Ports Authority (USPA), the SE "Forests of Ukraine", StateGeoCadastre. Since 28.09.2023, under Law 2792-IX, all 100 percent state joint-stock companies are obligatorily subject to Prozorro.Sale for asset sales and leases.

The SPFU's **Unified Database of Objects for Lease** (ETOT, orenda.gov.ua) is the central public register; alongside it the SPFU maintains the Register of Lessor Decisions, the Register of Active Contracts, the Unified Database of Valuation Reports (evaluation.spfu.gov.ua), and the Register of Return Acts. Prozorro.Sale publishes the lot catalogue and an analytics dashboard (bi.prozorro.sale) with lease-specific analytics at lease-bi.prozorro.sale. An open API following the Open Contracting Data Standard makes the entire market machine-readable.

What is Leased in Ukraine

The Ukrainian state and communal lease portfolio contains **over 129,000 listed objects**, spanning from a 12-square-metre kiosk in a regional administration building to an integral industrial complex or a port berth.

The figures below do not reflect the results of land auctions.



- **Real estate**, office, retail, and service premises within state and communal buildings. By volume the dominant category.
- **Production and industrial premises**, workshops, warehouses, depots, and ancillary structures on state-enterprise balance.
- **Movable property and equipment**, vehicles, machinery, specialised equipment on state-enterprise balance.
- **Cultural heritage objects**, leased under a preservation regime with protective covenants (cross-reference: Cultural Heritage). Tenants must sign a Security Agreement; under Methodology 630, a tenant who restores an abandoned monument at their own expense may pay symbolic rent for the remainder of the term once the work is certified.

- **State and communal agricultural land**, administered through StateGeoCadastre and local councils under the Land Code. The **Land Bank** project, launched in June 2024, transferred the first 104,000 hectares to a centralised sublease pipeline via Prozorro.Sale; a further 250,000 hectares are scheduled for being prepared. In 2025, land auctions generated EUR 33 million (the highest of any market segment), with sublease prices running 3.4 to 3.5 times the starting offer. Lots capped at 20 hectares for lease (no limit for sublease); foreign individuals and entities may lease but not own agricultural land.
- **Integral property complexes (IPCs)**, operating businesses leased as going concerns: a factory with its workforce, contracts, and inventory transferred for the lease term, the underlying property retained by the state.

⁴⁵⁸ [Prozorro.Sale](#)
⁴⁵⁹ [State Property Fund of Ukraine](#)
⁴⁶⁰ [Prozorro.Sale](#) - business intelligence module of Prozorro.Sale ETS. Here and below, the figures relating to auctions are provided from this source.

SECTOR	2022	2023	2024	2025
Active state lease contracts (year end)	n/a	14,371	14,750	15,149
Revenue to state budget	EUR 12.8M	EUR 17.1M	EUR 18.6M	EUR 21.5M

In 2024, ~2000 successful lease auctions ran for state property (excluding land auctions); 1,420 contracts were terminated (including 100 because the asset transitioned to privatisation and 21 because of war damage); the net increase was approximately 400 contracts. The system absorbed a deliberate fiscal sacrifice (per-square-metre rent dropped under the wartime discount regime to keep business tenants viable), yet aggregate revenue continued to climb toward EUR 22 million annually.

Since the auction provisions took effect in mid-2020, Prozorro.Sale has facilitated approximately **52k+ successful lease auctions** with around 55k+ participating bidders and 4,300 organisers. The system continued operating through the full-scale invasion: roughly EUR 1.8 million per year in new lease contracts have been signed after 24 February 2022. Public registers (the SPFU lease register and the Prozorro.Sale lot history) make the market observable in real time; independent reviews are published by the OECD, the EBRD, and the World Bank.

52k+

successful lease auctions

55k+

participating bidders

4,300

organisers

PART III: PRACTICAL GUIDE FOR INVESTORS

CHAPTER 8.

HOW TO PARTICIPATE IN PRIVATISATION

Where to find information on assets for sale

Before committing to a transaction, an investor can identify opportunities and review deal documentation entirely online. All privatisation information is public and free, and is concentrated in a small number of official sources, each serving a distinct purpose.

All information is public and available through the following primary sources:

- spfu.gov.ua - the official website of the State Property Fund of Ukraine (SPFU), which contains the list of large-scale privatisation assets, deal status, announcements, virtual data rooms (VDRs), and contact details. For inquiries regarding a specific asset, you may contact ir@spfu.gov.ua.

- The VDR for large-scale privatisation assets contains audit reports, technical documentation, title documents, environmental assessments, and information on existing obligations. Access is granted upon registration. Requests for documents not included in the VDR can be submitted through the SPFU or its advisor.

- privatisation.gov.ua - the official privatisation website of SPFU specifically dedicated to the privatisation topic and is recommended as a primary source of information on the topic.

- [Prozorro.Sale](https://Prozorro.sale) - the website of the state electronic auction platform, which lists all small- and large-scale privatisation lots (both active and completed): asset description, photos, starting price, auction date, and documentation. The system is serviced by dozens of professional, client-oriented broker platforms. Step-by-step guide for foreign investors can be found at this link <https://Prozorro.sale/en/guide-for-foreign-buyers/>

These sources cover the full information cycle from spotting an asset to reading its data room so that most of preliminary due diligence can be completed remotely, before registering for any specific auction.

Application and registration process

Regardless of the privatisation type (small-scale or large-scale), the following documents are required for participant registration:

- **Extract from the state/commercial/court register of the country of incorporation** - notarized and translated into Ukrainian.

- **UBO information** - a list of ultimate beneficial owners with supporting documentation.

- **Financial statements** - typically for the most recent reporting year.

- **Confirmation of guarantee deposit and registration fee payment.**

For large-scale privatisation, additional sector-specific requirements may be established, for example, proof of experience in a particular industry or minimum financial indicators of the buyer. Such requirements are specified in the information notice for the relevant asset.

Because the list is standardised and known in advance, an investor can assemble and translate the package early, treating registration as a checklist exercise rather than a source of timing risk.

Post-auction steps for the winning bidder

Winning the auction begins a short, fixed sequence of formal steps that moves the asset from auction result to registered ownership. The timeline is defined by law, and most actions fall on the winner within clearly set deadlines.

The auction winner goes through the following steps:

- 1 Signing of the results protocol**, generated automatically on the Prozorro.Sale platform and confirmed by electronic signature.
- 2 Execution of a sale and purchase agreement with the State Property Fund** within 20 business days following the auction. The agreement is executed in notarial form.
- 3 Full payment** within 30 calendar days of signing the agreement, unless the parties agree otherwise. Transactions related to the acquisition of privatisation assets are treated by the National Bank of Ukraine (NBU) as foreign investments, which simplifies foreign exchange control for subsequent profit repatriation. Transactions exceeding UAH 400,000 are subject to financial monitoring, it is advisable to consult with your bank in advance.

- 4 Title registration** upon full payment, a notary registers the transfer of title: for real estate - in the State Register of Real Property Rights; for corporate rights - in the relevant state register. Certain asset types (integrated property complexes, unfinished construction projects) may require additional registration steps.

- 5 Fulfillment of post-privatisation conditions**, where stipulated by the agreement. The State Property Fund conducts monitoring over a defined period.

All decisions made throughout the process may be challenged in court. Limitation periods range from 3 months to 3 years depending on the category of claim, making it important to act promptly in the event of any disputes.

Each of these steps is time-bound, so a winning bidder should treat the post-auction period as an execution schedule: meeting the signing, payment and registration deadlines is what converts the auction result into a secure title.

Who can participate

The law opens participation in privatisation auctions to any legal entities and individuals regardless of country of incorporation or citizenship. A foreign investor does not need prior approvals to submit an application.

At the same time Law No. 2269-VIII establishes a clear list of grounds for denial of admission:

- A legal entity registered in an offshore jurisdiction with non-transparent ownership
- A legal entity registered in a jurisdiction on the Financial Action Task Force (FATF) list of non-cooperating countries
- A person whose ultimate beneficial owner is undisclosed

- An entity in which a citizen, resident or beneficial owner of the aggressor state directly or indirectly holds 10 percent or more of the ownership interest

The aggressor-state-nexus test extends to indirect control, capturing chains of ownership through third-country vehicles.

In short, the default position is open access for foreign investors, narrowed only by a defined list of integrity- and security-based exclusions and, above certain thresholds, by competition and banking clearances that an investor should screen for early.

STATE OWNERSHIP

The filter regime is a quality gate, not a barrier: a buyer with a transparent ownership chain, no Ukrainian-sanctions designation, no 10%+ aggressor-state nexus and a FATF-compliant registration passes through. AMCU and NBU clearances run on disclosed timetables under published procedures. Entry point: international institutional capital, EU and OECD-domiciled funds; the screening surface is designed to exclude opaque or hostile capital, not legitimate foreign investment.

Large-scale privatisation: step-by-step procedure

A full M&A process managed by the state.

Large-scale privatisation is a structured sale process for major state-owned enterprises and large asset complexes with a balance-sheet value exceeding UAH 250 million (EUR 5 million). Unlike small-scale privatisation, where the auction is the central event, here the majority of work occurs before the bidding: preparing the enterprise for sale, conducting due diligence, and marketing to potential buyers. The standard process begins 11-12 months before the target auction date.

Since 2023, large-scale privatisation auctions are conducted on Prozorro.Sale in an open digital format applying the same transparent, competitive technology as small-scale auctions. The shift to online auctions for objects above EUR 5 million marked a major milestone in making the process accessible to international investors.

■ ILLUSTRATIVE TIMELINE (TYPICAL LARGE-SCALE PRIVATISATION)

STEP	DURATION
Preparation (DD, VDR, marketing)	~3 months
Approval of privatisation terms including starting price	~1-2 months
Accepting applications for participation	~3 months (up to 90 days)
Auction → SPA signing	Up to 20 business days
SPA → Full payment	Up to 30 calendar days

STEP	DURATION
Payment → Title registration	1-3 business days
Typical total duration	4-7 months from CMU decision

Step 1. Decision to privatise.

The process begins with a Cabinet of Ministers of Ukraine resolution to include the object in the privatisation programme and approve the sale conditions. If the object is on the no-privatisation list (maintained by the Verkhovna Rada), a prior parliamentary decision is required to remove it, this is an inherently political step that cannot be guaranteed on a fixed timeline.

The SPFU independently prepares the object for sale: collecting founding, financial, and title documents, determining the starting price. The starting price is approved by the Cabinet of Ministers. The duration of the preparation step is not regulated by law, in practice, it depends on the complexity and strategic significance of the object.

Step 2. Asset Preparation.

The preparation step typically includes financial audit, legal review, and preparation of forward-looking business projections.

Step 3. Announcement and VDR Opening.

Within 3 business days of the Cabinet of Ministers of Ukraine's approval of sale conditions, the SPFU publishes the auction announcement on Prozorro.Sale and its official website. The VDR is simultaneously available to all interested parties at once, without prior registration. The VDR contains:

- Founding and corporate documents
- Financial statements and audit reports
- Title and property documentation
- Technical and operational materials
- Environmental assessments
- A register of obligations and liabilities

For documents containing confidential information or trade secrets, access to the corresponding VDR section requires signing a non-disclosure agreement (NDA).

The minimum period from publication to auction is 20-25 days (Cabinet of Ministers of Ukraine Resolution No. 183). In practice the period is set to a maximum possible 90 days to allow adequate investor due diligence.

Step 4. Participants registration and submission of the closed bid.

An interested buyer registers on one of the accredited Prozorro.Sale marketplace operators. For participation, the following is required:

- Application with document package per the sale conditions of the specific object; standard requirements include founding documents, UBO information, and confirmation of compliance with buyer requirements
- Registration fee, 10 minimum wages (as of 1 January of the current year)
- Guarantee deposit, 5% of the starting price. Accepted forms: cash transfer to the marketplace's account or an irrevocable bank guarantee meeting NBU requirements.

Participants also submit reserved price bids without knowing competitors' offers. The system ranks bids from lowest to highest; the highest bidder gains the right of final bid in each round, maximizing winning probability. All participant information is disclosed only after the auction is completed.

Step 5. Auction and Purchase.

The auction is conducted on Prozorro.Sale in an open ascending-price format using the same technological platform as small-scale privatisation. Participants are obfuscated but all bids are visible in real time.

Step 6. Post-auction approval chain.

AMCU concentration clearance is required where parties' combined assets or turnover exceed approximately EUR 4 million. The Security Service of Ukraine (SBU) provides national-security input, principally on aggressor-state-nexus and sanctions screening.

Step 7. SPA execution and closing.

Signing typically occurs within 30 to 60 days of the auction. Payment is the full purchase price, minus the remaining guarantee deposit (from which the system fee is paid), and including VAT, transferred to the designated state account. The SPA is executed in notarised form; ownership transfer is registered after full settlement.

Competition clearance

If the transaction exceeds the asset-value or turnover thresholds for mandatory merger notification, clearance from the Antimonopoly Committee (AMCU) is required. By law, clearance is not needed where the asset value, Ukrainian turnover and sale price all stay below the EUR 4 million equivalent. The application can be filed after the auction, but clearance must be obtained before ownership registration. It does not block auction participation but is a mandatory condition for closing the deal. AMCU review typically takes 30–45 days for straightforward transactions.

Step 8. Post-closing monitoring.

SPA usually includes conditions such as minimum capital expenditure commitments, job preservation targets, or continuation of core business activity for a specified period. The SPFU monitors compliance; non-

fulfilment may trigger contract termination or penalties. These obligations materially affect deal economics and should be analysed thoroughly before submitting a bid.

The buyer reports annually on compliance with SPA conditions. SPFU and the relevant sectoral authority monitor performance. Material breach triggers SPA termination and asset reversion under Article 26 (9)–(11) of Law of Ukraine No. 2269-VIII "On Privatisation of State and Municipal Property", with court enforcement through the Commercial Court of Appeal and ultimately the Supreme Court Cassation Chamber. The 2025 Supreme Court digest catalogues several cases applying the Article 26 remedies, confirming that the framework is operational rather than theoretical.

Across all steps the pattern is the same: most of the value-determining work - preparation, due diligence and approvals - happens around rather than during the auction, so an investor's effort is best concentrated before bidding and through the post-auction approval chain.

■ KEY DIFFERENCES: SMALL-SCALE VS LARGE-SCALE

PARAMETER	SMALL-SCALE	LARGE-SCALE
Balance-sheet threshold	Under UAH 250M (~EUR 5M)	UAH 250M+ (~EUR 5M+)
Cabinet of Ministers of Ukraine approval required	No	Yes
Virtual Data Room	In most cases, not mandatory	Mandatory, usually with NDA for confidential materials
Registration fee	~EUR 7 (0.2 min. wages)	10 minimum wages
Guarantee deposit	20% of starting price	5% of starting price
Post-privatisation monitoring	Case-by-case	Standard practice
Typical total duration	4-8 weeks	4-7 months from CMU decision

Data as of public information available Q1 2026.

Small-scale privatisation: step-by-step procedure

Small-scale privatisation is the mass-market process designed for a broad range of investors. It covers state and communal assets with a balance-sheet value below UAH 250 million (~EUR 5 million). Typical objects include: non-residential premises (offices, retail spaces, warehouses, cafes), small production complexes, unfinished construction objects, and property from liquidated enterprises.

The process is fully digital from lot publication to the signing of the auction protocol and runs entirely on the Prozorro.Sale electronic auction platform.

Prozorro.Sale is a comprehensive ecosystem comprising a state-operated technical solution and dozens of professional marketplace operators (brokers) that directly interface with participants and provide full support. Any accredited marketplace provides equal access to all lots, competition operates at the system level, not within individual marketplaces.

To register for auction participation, a user must first create an account on one of the accredited broker marketplaces. The full list of accredited marketplaces is available at prozorro.sale/brokers.

Geography spans all regions of Ukraine. The most active locations are Kyiv, Odesa, Kharkiv, Dnipro, and Lviv. Objects located near the combat zone undergo a security review before being listed for auction.

For a foreign buyer, small-scale privatisation is a low-cost way to acquire commercial real estate or a small business: the auction registration fee is approximately EUR 7, and the guarantee deposit is 20% of the object's starting price. The full cycle from registration to title transfer typically takes 4-8 weeks.

■ PROCESS FLOW



Step 1. Lot Publication.

The SPFU or the authorised communal property management body publishes the lot on Prozorro.Sale. The listing includes: a description and characteristics of the object, information about the land plot, the starting price determined by independent valuation, sale conditions, and the auction date.

Valuation typically uses book value or nominal share value for equity stakes. The minimum period from publication to the first auction (during which applications for participation can be submitted) is 20 calendar days.

Step 2. Participants registration and submission of the closed bid.

Through an accredited marketplace operator, the participant undergoes identity check (for legal entities with disclosure of ultimate beneficial owners), pays a registration fee of 0.2 minimum wages (~EUR 7), and deposits a guarantee of 20% of the starting price by bank transfer to the marketplace operator's account. After the auction, the deposit is returned to all participants except the winner, for whom it is credited toward the purchase price.

Participants also submit reserved price bids without knowing competitors' offers. The system ranks bids from lowest to highest; the highest bidder gains the right of final bid in each round, maximizing winning probability. All participant information is disclosed only after the auction is completed.

Step 3. Auction.

The auction is conducted as open electronic ascending-price bidding. All participants' bids are published in real time and visible to anyone including those not participating in the bidding. The winner is

the participant with the highest bid after the final round.

If only one participant or none registered for the auction, the starting price is reduced by 20% and the lot is re-listed. After unsuccessful ascending-price auctions, descending-price auctions are applied.

Under Cabinet of Ministers Resolution No. 432 (10.05.2018), if a small privatisation object is not sold, up to 4 consecutive e-auctions are held: (1) an auction with/without conditions, (2) an auction with a reduced starting price, (3) an auction using the step-by-step price-reduction method (50 steps for state property), and (4) a repeat step-by-step auction. The first two are ascending-bid auctions differing only in the lowered starting price, while the last two use automatic "Dutch-style" step-down pricing and differ from each other only in depth of reduction (99 steps vs. 50).

In large-scale privatisation, price reductions and "Dutch-style" auctions are not applied until the end of the martial law.

Step 4. Contract and Payment.

The winner signs a SPA with the SPFU or the relevant management body within 20 business days of the auction. The agreement is executed in notarised form. The remaining balance (sale price minus deposit) is paid within 30 calendar days of signing the SPA.

Step 5. Title Registration.

After full payment, the notary registers the transfer of ownership: for real estate in the State Register of Property Rights; for corporate rights in the relevant state register. Certain asset categories (integral property complexes, unfinished construction objects) may require additional registration steps these are specified in the sale conditions.

Step 6. Post-closing monitoring (if applicable).

If the small privatisation auction provided for the buyer to fulfill certain conditions under SPA, the buyer reports annually on compliance with them. SPFU and the relevant sectoral authority monitor performance.

Material breach triggers SPA termination and asset reversion under Article 26(9)-(11), with court enforcement through the Commercial Court of Appeal and ultimately the Supreme Court Cassation Chamber.

Taken together, the low entry cost, fully digital process and short cycle make small-scale privatisation the most accessible entry point into Ukraine's public-asset market for a foreign buyer.

Communal privatisation: step-by-step procedure

Communal privatisation is the local-government counterpart to small-scale privatisation. It concerns assets owned by territorial communities rather than the state, but is conducted under the same Law on privatisation, almost identical procedure, and on the same auction platform. Most communal assets fall under the small-scale threshold. The category is mainly real estate in city centres: retail premises, offices, architectural heritage objects for restoration,

and abandoned industrial buildings with redevelopment potential.

For an investor, this means the small-scale procedure applies almost unchanged; the main differences to confirm for each lot are the local authority acting as seller. Therefore, to participate in the privatization of municipal property, you can follow the step-by-step instructions for small privatization, provided above.

Bank privatisation: step-by-step procedure

Privatisation of a Ukrainian bank or non-bank financial institution requires sequential approvals across at least five authorities. The framework is fully codified,

and the procedure is the same whether the buyer is Ukrainian or foreign, subject to specific buyer-eligibility restrictions.

PRIVATISATION APPROVAL FLOW - STATE BANK

THREE-STAGE STATUTORY APPROVAL CHAIN. END-TO-END TIMELINE TYPICALLY 12-18 MONTHS.

1

THE FINANCIAL STABILITY COUNCIL
- PREPARATION FOR SALE

2

SALES COMMISSION - TENDER &
WINNER DETERMINATION

3

NBU ARTICLE 34 - QUALIFYING
HOLDING

The procedure is identical for Ukrainian and foreign buyers, subject to absolute restrictions on aggressor-state residents and sanctioned persons under Law No. 1644-VII of 14 August 2014.

The sale of a state-owned bank's shareholding follows a structured three-stage procedure with a total duration of approximately 18 months. The Cabinet of Ministers (CMU) leads the process at every key decision point initiating preparation, approving competition terms, and confirming the winner, while an international sales advisor is engaged to enhance value, structure the transaction, and recommend the starting price. The sale itself runs either through the

Prozorro.Sale platform in Ukraine or through the advisor abroad, with separate approvals from the National Bank of Ukraine (NBU) and the Antimonopoly Committee (AMCU) before ownership transfer. The CMU retains the right to terminate the competition at any stage, for example, if potential investors fail the NBU's risk-profile requirements or if the proposed price is unsatisfactory.

Steps of Banks privatisation

STEP 1: PREPARATION OF THE BANK'S EQUITY STAKE FOR SALE

- 1 The Financial Stability Council (Office of the President, Ministry of Finance, Ministry of Economy, NBU, NSSMC, DGF) considers whether the potential sale would negatively affect Ukraine's banking system.

- 2 The CMU adopts a decision to prepare the bank's equity stake for sale.
- 3 Engagement of an international sales advisor, including a competitive tender for that advisor (expected to be completed in June-July 2026).
- 4 Launch of measures to enhance the value of the shareholding, taking into account the advisor's recommendations.
- 5 Assessment of potential investor interest.

STEP 2: ANNOUNCEMENT AND CONDUCT OF THE TENDER FOR SALE OF THE BANK'S EQUITY STAKE

- 1 The CMU adopts a decision on the sale and establishes the sale commission (Ministry of Finance, Ministry of Economy, Ministry of Justice); the CMU approves the tender terms, including risk-profile requirements for potential investors based on the NBU's proposal.
- 2 Announcement of the tender.
- 3 Admission of potential investors to the tender, including the opportunity to conduct due diligence on the bank's documents and loan portfolio.
- 4 Receipt of the sales advisor's recommendations on the starting auction price and sale terms.
- 5 Conduct of the auction (via Prozorro.Sale in Ukraine, or through the sales advisor abroad).
- 6 Determination of the winner and sale price by the sale commission based on auction results.

STEP 3: APPROVAL OF THE WINNER AND SALE PRICE; SETTLEMENT

- 1 The CMU approves the winner of the competition and the sale price of the bank's shareholding.
- 2 Conclusion of the purchase and sale agreement with the winner.
- 3 Approval of the sale by the NBU and the AMCU.
- 4 Settlement under the purchase and sale agreement and transfer of ownership of the shareholding to the new owner.

The CMU has the right to terminate the competition at any step (e.g., non-compliance of potential investors with risk-profile requirements, an unsatisfactory sale price, etc.).

The framework is fully codified and identical for domestic and foreign buyers but it is important to note that the by-law - the resolution of the Cabinet of

Ministers of Ukraine - which will regulate in detail the procedure for conducting an electronic auction for the sale of the bank is still in the development stage. Therefore, in order to fully prepare for participation in the auction, it is worth analyzing the provisions of the new legislation after its approval.

CHAPTER 9.

HOW TO PARTICIPATE IN PUBLIC-PRIVATE PARTNERSHIPS

Where to find information

The recommended information source about PPP projects is the DREAM platform (dream.gov.ua), where the Sectoral Public Investment Project pipelines are published and continuously updated, classified by sector, geography, and financing source, including projects flagged as suitable for PPP or concession structuring. Once a sector and geography of interest are identified, the investor should consult Table 5.3 from Chapter 5 to identify the responsible contracting authority and engage the PPP Agency of Ukraine as the central coordination point.

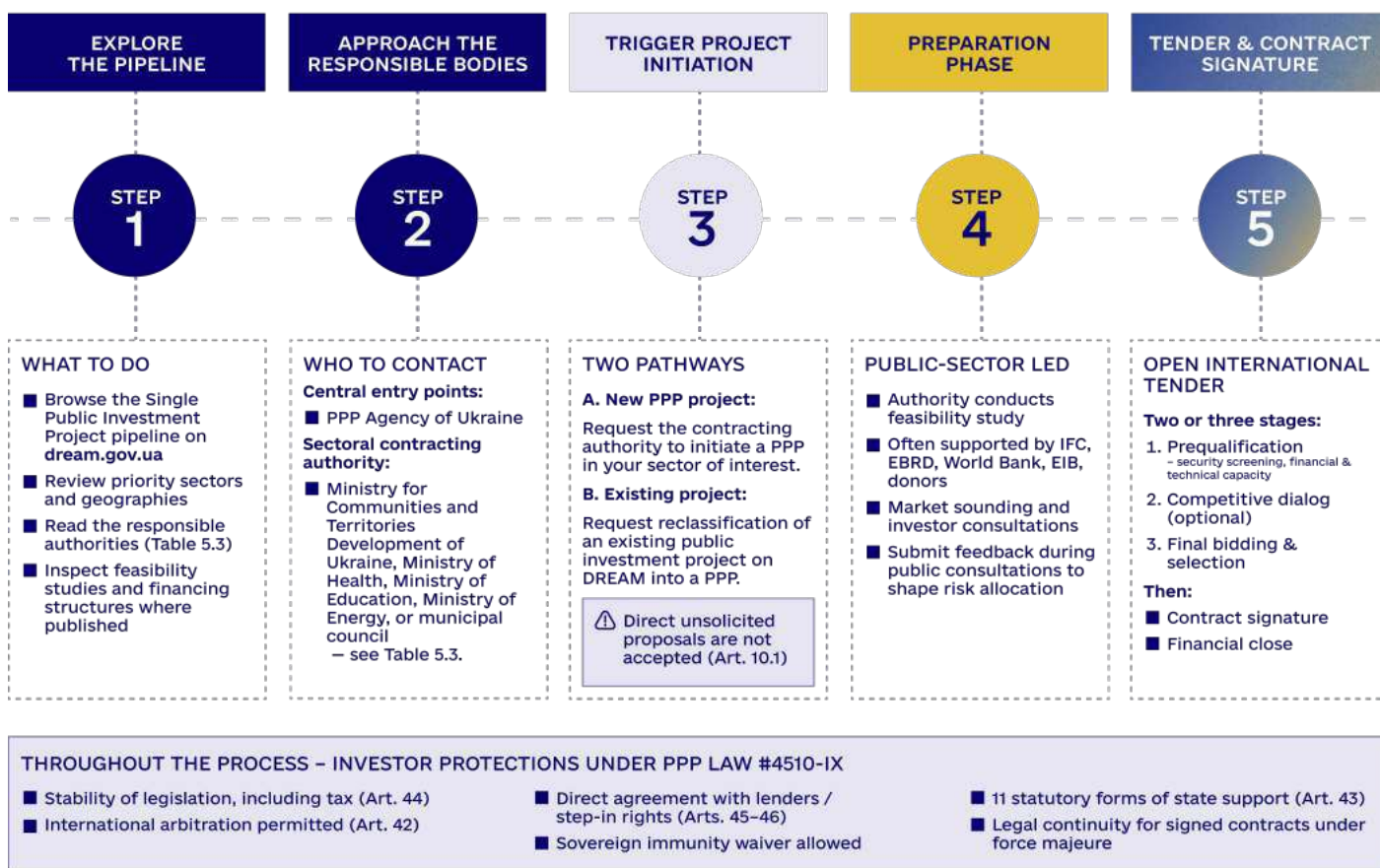
Who can participate

For an investor considering a PPP in Ukraine, the pathway is structured and predictable. Private-sector legal entities, including foreign ones, and consortia of such entities can take part. On the public side, the bodies that may initiate concept development are state authorities, local authorities, SOEs, MOEs, the National Academy of Sciences, and branch academies. Under the new PPP Law, only the public sector can initiate a project, but the framework gives investors several practical entry points to help shape the pipeline.

The process consists of five sequential steps, summarized in figure below.

■ HOW TO ENGAGE AS A PRIVATE PARTNER — A FIVE-STEP ROADMAP

from initial market exploration to a signed PPP or concession contract



Step-by-step procedure

A PPP project moves from initiative to financial close through a structured sequence of steps. The process is longer than an auction sale but predictable, and it gives investors defined points at which to engage.

Step 1. Analysis.

Begin by browsing the Single Public Investment Project pipeline on dream.gov.ua to understand what opportunities are available. Review the priority sectors and geographies to identify where your interests align, and consult the responsible authorities listed in Table 5.3. Where available, inspect the published feasibility studies and financing structures to assess each project's viability and how it might be funded.

Step 2. Initiation.

Formally ask the contracting authority to initiate a PPP project, either as a new initiative or by reclassifying an existing public investment project from the DREAM pipeline into a PPP.

Step 3. Project preparation.

The contracting authority leads project preparation, usually with an international financial institution as transaction advisor (IFC, EBRD, World Bank, EIB, or a bilateral donor). Investors should take part in market sounding and public consultations during this phase, because the risk allocation, performance standards and state-support package are set before tender launch and strongly affect bankability.

Step 4. Open international tender.

An open international tender, typically a two- or three-stage process of prequalification and optional competitive dialogue.

Step 5. Closing bid and financial close.

The closing bid, followed by contract signature and financial close.

Throughout the contract, investors benefit from the statutory protections in PPP Law #4510-IX: stability of legislation, including tax (Art. 44); direct agreements with lenders and step-in rights (Arts. 45-46); eleven statutory forms of state support (Art. 43); international arbitration with sovereign-immunity waivers (Art. 42); and legal continuity for signed contracts under force majeure.

Throughout, the statutory protections of the PPP Law underpin bankability, which is why early engagement during preparation - before the terms are fixed - matters more on this route than in a straight asset purchase.

CHAPTER 10.

HOW TO OBTAIN A SUBSOIL USE PERMIT OR PARTICIPATE IN PSA

Who can participate

In Ukraine, a production sharing agreement can be signed by the state on one side and an investor or investors on the other side. The law defines investors broadly: Ukrainian citizens, foreigners, stateless persons, Ukrainian or foreign legal entities, and associations/consortia of legal entities, acting separately or jointly if they have the required financial, technical, and professional capacity⁴⁶¹.

The investor side may include one or more participants, and the agreement may be bilateral or multilateral, with joint liability if several investors participate. The state side acts through the Cabinet of Ministers of Ukraine, and the agreement may also involve a government or local government body for the relevant subsoil area.

Foreign legal entities participate on equal terms with Ukrainian bidders. The only procedural nuance: a foreign winner without an existing Ukrainian presence must register a representative office in Ukraine within four months of signing the permit purchase and sale agreement, which contains a suspensive condition tied to that registration. And the permit with a deferred object must be reissued to the permanent representative office of the auction winner.

⁴⁶¹ Verkhovna Rada of Ukraine, No. 1039-XIV

Ways to get access to Ukrainian subsoil resources

Private operators can get access to Ukrainian subsoil resources through one of the three legally defined ways, each leading to the same outcome (a right of use of a specific subsoil site for a specified term) but designed for a different type of a project:

- 1 Electronic auction on the Prozorro.Sale platform
- 2 Permits issued without tender. This is relevant only for six tightly defined case types, mostly local-significance minerals, groundwater, medical resources, and underground construction.

- 3 The Production Sharing Agreement, contracted directly between the Cabinet of Ministers and the investor under a separate law. This is relevant for capital-intensive and strategically positioned projects on terms tailored to the asset.

The three routes lead to the same right of use but suit different projects, so an investor's first decision is matching the asset and ambition to the appropriate track - auction, exemption, or PSA.

Electronic auctions: step-by-step procedure

Electronic auctions via the Prozorro.Sale platform are the primary method for acquiring subsoil permits in Ukraine. The process is standardized, transparent, and increasingly digitized.

A distinctive feature of this format is about preparation for the auction. Before live bidding opens, every registered participant submits a reserved pre-

auction price. The system ranks the reserved offers and grants the highest pre-bidder the right of the final move in each of the three live rounds. A well-calibrated reserved bid is therefore worth far more than the headline price suggests, participants unfamiliar with this mechanics routinely underestimate the advantage.

Auction Process

Step 1. Auction initiation.

A participant interested in purchasing a special permit for a certain site can initiate an auction. To do this, it is enough to apply to the State Service for Geology and Mineral Resources with an application. A plot from the list of available ones can be selected from the Subsoil User Investment Atlas⁴⁶², which is posted on the State Service for Geology and Mineral Resources website.

Step 2. Public Announcement

The auction is published on the Prozorro.Sale platform and on the Survey's official website.

Step 3. Registration and submission of the closed bid.

Participants register in the e-trading system, submit bids, and pay a security deposit equal to 20% of the initial lot price (minimums range from UAH 1 mln to UAH 20 mln, depending on mineral type and strategic importance).

minimums range
**from UAH 1 mln
to UAH 20 mln**

Step 4. Auction Execution.

The auction runs as an English forward auction through three 3-minute rounds, with participants progressively increasing their bids. The highest bidder wins.

Step 5. Winner Payment and Documentation.

The winner signs the documents, pays the balance between the lot price and the security deposit to the state budget within 30 days, and receives the special permit as an electronic extract from the State Register of Special Subsoil Use Permits.

Under Cabinet of Ministers Resolution No. 993 (23.09.2020) on selling special subsoil-use permits, in case of failure at least three consecutive auctions should be held, all using the same ascending-bid mechanism of three live rounds. They differ only in the starting price, which falls from 100% of the calculated lot price at the first auction to 75% at the second, and 50% at the third (with proportionally adjusted guarantee deposits), except for geological-study and groundwater permits, where the repeat auctions keep the starting price at 100%.

⁴⁶² <https://www.geo.gov.ua/en/>

Because the reserved pre-auction bid, not only the live bidding, determines the right of final move, an investor's preparation before the auction opens is decisive to the outcome.

PROZORRO.SALE SUBSOIL AUCTIONUKRAINIAN CITIZEN		
Standard mechanic for all three rounds of competitive permit issuance.		
3 + 3 + 3 Rounds (minutes each)	English fwd Auction format	Sealed pre-bid Right of last move
20% Deposit on lot price	EUR 25k - 460k Deposit floor range	30 days Balance to budget
Permit issued as an electronic extract from the State Register of Special Subsoil Use Permits.		

STATE GEOLOGICAL SURVEY OF UKRAINE IS THE SOLE PERMIT ISSUER; AUCTIONS RUN ON PROZORRO.SALE. ENTRY POINT: OPEN AUCTIONS AND TENDER PIPELINE ARE PUBLISHED IN THE AUCTIONS SECTION OF THE SURVEY'S WEBSITE AND ON THE PROZORRO.SALE PLATFORM.

Permits without tender: step-by-step procedure

THE SIX DEFINED EXCEPTIONS

The Subsoil Code defines six tightly drawn exceptions in which a permit is issued without an auction.

EXCEPTION 1 Local-Significance Minerals Small sites where the applicant owns the surface land.	EXCEPTION 2 Groundwater Extraction within specific volume and purpose thresholds.	EXCEPTION 3 Therapeutic Resources Used solely by specialized medical institutions.
EXCEPTION 4 Underground Construction Non-mining facilities and protected geological areas.	EXCEPTION 5 PSA & Allocated Plots Production sharing works or post-division permits	EXCEPTION 6 Post-Survey Conversion Survey-permit holders with approved reserves, applying within 2 yrs of expiry.

This track is therefore a narrow, purpose-built channel rather than a shortcut - relevant for niche operators that fit one of the defined exceptions, not for headline projects.

SCALE AND PURPOSE

The exempted track is not a back channel. Between Q4 2023 and the end of 2024 97 permits were issued, almost matching the auction volume over the same period. It is the right instrument for niche operators, not for headline projects.

■ PERMIT ISSUANCE, Q4 2023 - END 2024



STATE GEOLOGICAL SURVEY OF UKRAINE ISSUES ALL NON-AUCTION PERMITS UNDER THE SIX EXEMPTION CASES DEFINED IN THE SUBSOIL CODE. ENTRY POINT: DIRECT APPLICATION WITH DOCUMENTS PROVING ELIGIBILITY FOR THE RELEVANT EXEMPTION.

Production sharing agreements: step-by-step procedure

The Production Sharing Agreement framework is designed for projects the standard auction cannot price. PSAs fit when a project is extremely capital-intensive, when geological uncertainty makes a fixed permit price unworkable, when fiscal or operational parameters need to be coordinated rather than imposed, or when the asset carries strategic weight in a broader inter-state or industrial-political context.

Under a PSA, the state (represented by the Cabinet of Ministers) authorises an investor to conduct exploration, development, and extraction on a defined subsoil site for a defined term. The investor finances the entire programme at its own risk; compensation comes through a share of profitable production. Coordination on the state side runs through the Inter-Agency Commission on PSAs – a permanent body of state agencies, local authorities, and members of Parliament.

PSA PROCESS

Step 1: Investor Proposal.

The investor petitions the Cabinet of Ministers or the Inter-Agency Commission to put a specific subsoil site to PSA competition. The government responds within three months.

Step 2: Cabinet Decision.

Based on the Commission's recommendations, the Cabinet decides whether to conduct a competition, weighing economic viability and the need for modern technology.

Step 3: Public Announcement.

Within two months of the Cabinet's decision, the Commission publishes the tender announcement, with at least one month between announcement and the application deadline.

Step 4: Application and Evaluation.

Investors submit applications and pay competition fees. The Commission reviews the submissions and recommends a winner to the Cabinet.

Step 5: Winner Selection

The Cabinet designates the winner within three months of the application deadline. Results are published in the official Ukrainian gazette and communicated directly to all participants.

Step 5: Winner Selection

The investor drafts the agreement within three months of results publication (the Cabinet may exceptionally assign drafting to the Commission). The draft specifies activities, mandatory work programmes with timelines, funding, technology, and performance

indicators — which must meet or exceed those proposed in the application. After coordination and registration, both sides sign through authorised representatives. The full window from results to signature must not exceed twelve months, extendable by six on the investor's written request.

Step 7: Agreement Validity.

PSA validity is determined by the parties but cannot exceed 50 years from signature.

COMPETITION EXEMPTIONS

A PSA may be executed without competition when the site has minor mineral reserves confirmed by state agencies, when a holder of an active special permit

wishes to transition to PSA terms, or when government discretion warrants expedited processing.

FISCAL AND LEGAL ADVANTAGES

 2% / 1.25% Royalty on oil / gas	 50 yrs Maximum validity	 Legislative Stability protection	 International Arbitration available
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STRATEGIC SITES AND OVERSIGHT

The government has approved a List of Strategically Important Subsoil Sites for PSA competitions, concentrated in Zhytomyr, Kirovohrad, Mykolaiv, and Dnipropetrovsk regions, with additional sites in Cherkasy, Ivano-Frankivsk, and Lviv. State oversight

includes comprehensive PSA reviews every five years; on material violations, the government may initiate early termination through court or another agreed mechanism.

CHAPTER 11.

HOW TO LEASE PUBLIC ASSETS

Who can participate (eligibility and restrictions)

Under Article 4(3) of Law 157-IX, public assets in Ukraine may be leased by Ukrainian and foreign natural persons (including individual entrepreneurs), Ukrainian and foreign legal entities, stateless persons, and international organisations, subject to disqualifications. Article 4(4) disqualifies the following six categories::

- 1** Legal entities subject to the non-financial criminal-law measure under Art. 96-10-1(1)(4) of the Criminal Code (added by Law 4111-IX).
- 2** Natural and legal persons subject to sanctions under Law 1644-VII "On Sanctions", and persons related to them.
- 3** Legal entities that have not disclosed beneficial owners as required by Law 755-IV.
- 4** Natural and legal persons registered in FATF-blacklisted jurisdictions, and legal entities at least 50 percent (directly or indirectly) owned by such persons.
- 5** Natural and legal persons in bankruptcy or termination procedures.
- 6** Employees of the lessor, authorised management body, or balance holder in respect of property they manage.

Assets that can not be leased: gold and currency reserve systems, money and securities printing facilities, communications infrastructure serving the legislature and executive, broadcasting transmitters, the Public Broadcaster, the Multimedia Foreign Broadcasting Platform, space-activity production, operating budget-financed educational institutions, penitentiary facilities, nuclear and large-dam hydropower stations. Cultural-heritage monuments, real estate inside historical-cultural reserves, fishery hydrotechnical reservoirs, and sea-port berths are expressly exempted from this prohibition; they are leasable subject to the type-specific procedural overlay. Trunk gas pipelines and underground gas storages in the Unified Gas Transport System are also leasable, to the designated GTS/UGS operator.

Oversight. The Accounting Chamber of Ukraine audits the SPFU's leasing activity; its 2025 analysis found that tenant debt to the state budget grew 31.9 percent in 2024 to EUR 9.1 million, despite revenue targets being met. The National Agency for Corruption Prevention (NACP) monitors for conflicts of interest, notably the unauthorised use of educational property. Transparency International Ukraine's DOZORRO portal provides civil-society monitoring of auction conduct.

The regime is broadly open to foreign tenants, with eligibility shaped mainly by a defined set of rules and by asset-type carve-outs that determine what can and cannot be leased.

■ HOW TO LEASE DIFFERENT ASSET CLASSES

ASSET TYPE	STATE OR COMMUNAL OWNER	MECHANISM
Real estate (offices, retail premises)	SPFU regional offices; balance holders ≤400 m²	English auction (Prozorro.Sale)
Integral property complexes (IPC)	SPFU, line ministries	English auction with operating conditions (Prozorro.Sale)
Port infrastructure (berths, terminals)	Ukrainian Sea Ports Authority (USPA)	Long-term lease (landlord-port model) (Prozorro.Sale)
State agricultural land	Land Bank (SPFU), StateGeoCadastre, local councils	English auction under Land Code (Prozorro.Sale)
Railway station retail, depots, rolling stock	Ukrzaliznytsia	Auction (Prozorro.Sale)
Communal property (all categories)	Local councils	English auction (Prozorro.Sale)

Step-by-step procedure

Ukraine's lease regime for state and communal property is built around a single 2019 statute, operationalized by Cabinet of Ministers Resolution No. 483 of 2020, which approves the detailed Order of Transfer for Lease, and supplemented by Resolution No. 634 of 2022, which adapts the regime to martial-law conditions. The system rests on the same architectural choices as privatisation: a single

electronic platform (Prozorro.Sale) for all auctions, statutory tenant-eligibility filters, and a uniform procedure across English (price-rise) and Dutch (step-wise reduction) auction tracks. This section walks through how these instruments fit together from inclusion of an asset in the lease List to signing of the lease contract, and identifies the parties a prospective tenant must engage along the way.

Auction Process

Participation in a lease auction follows seven steps, from registration on a marketplace to signing the lease contract. The flow mirrors the privatisation

auction, with rent rather than purchase price as the bidding variable.

Step 1. Registration on an Electronic Marketplace.

The prospective tenant selects one of the authorized electronic marketplace operators of the Prozorro.Sale system and completes registration, providing identification documents.

Step 2. Lot Search and Inspection.

Through the marketplace's services, the participant reviews lots published in the Type 1 List of lease objects: the announcement, technical description, balance-holder, starting monthly rent, lease term, and any additional conditions. On request, the lessor (state body, hromada, or other authorized entity) arranges on-site inspection and answers written questions within five working days.

Step 3. Payment of Registration and Guarantee Fees.

The participant transfers to the operator's account the registration fee and the guarantee deposit, the size of which depends on the lease term and asset value. For entire property complexes, the deposit may be provided as an irrevocable bank guarantee. Funds must arrive on the operator's account by the deadlines set in the Order.

Step 4. Submission of Application and Closed Bid.

Through their personal account, the participant fills out the electronic application form, uploads the documents specified by the Order, and submits a closed price bid, which may not be lower than the starting monthly rent. The application may be submitted at any time from publication of the announcement until the closing deadline set automatically by the ETS for each auction.

Step 5. Receipt of Access to the Auction.

The administrator generates a unique hyperlink to the participant's individual auction webpage, which the

operator delivers to the participant's personal account before the auction starts. Information about participants remains anonymous until the auction is completed - during martial law, data is additionally restricted in publication under Resolution No. 634.

Step 6. Auction.

In the English auction, participants take turns over three rounds, from the lowest to the highest closed bid, with the right to raise their offer by at least one minimum auction step. In the Dutch auction, the system automatically reduces the starting rent across up to 99 steps; a participant may place a "bet" at the current price, after which other participants submit closed bids, and the bidder who placed the bet has the right to raise their offer above the highest closed bid by at least one step. The participant with the highest offer wins.

Step 7. Lease Contract Execution.

The winner signs the auction-results protocol within the deadline set by the Order, pays the first rent installment and any related charges (the operator's fee is deducted from the guarantee deposit), and signs the lease contract with the lessor. The contract is published in the ETS, after which possession of the asset is transferred to the tenant under an act of acceptance-transfer; remaining participants' guarantee deposits are returned by the operator within the timelines set by the Order.

Under Cabinet of Ministers of Ukraine Resolution No. 483 on leasing state/communal property, if a lease auction fails, up to three consecutive e-auctions are held: (1) a standard auction (ascending bids over three rounds), (2) an auction with a reduced starting rent, and (3) a step-by-step price-reduction auction. The first two use the same three-round ascending mechanism and differ only in the lowered starting rent, whereas the third works in reverse - the system automatically lowers the rent in 1% steps (up to 99 steps) until a participant bids, triggering the closed-price-proposal stage.

The shared architecture means a tenant familiar with the privatisation auction will recognise the mechanics here; the lease-specific variables to confirm are the asset's List type and the balance-holder acting as lessor.

Foreign-bidder operational specifics.

The lease regime explicitly recognises non-resident legal entities as eligible participants. They are identified by their certificate of incorporation in the state of registration, the same identification pathway used for foreign bidders in privatisation and sanctioned-asset sales. However, several practical points shape day-to-day execution:

- All information in the ETS is published in Ukrainian, with English or other languages used only where Cyrillic would distort proper names; bidders should plan for translation support at application stage.

■ Auction documents, i.e. the protocol, the acceptance-transfer act, and the lease contract itself are signed electronically with a Ukrainian Qualified Electronic Signature (QES), so a non-resident either obtains a QES through an authorised Ukrainian provider or insists on paper signing, which the Order expressly permits at the winner's request.

■ Guarantee deposits are paid in UAH to the operator's account; the bank-guarantee alternative is available only for leases of entire property complexes (and, by reference to related Prozorro.Sale tracks, from systemically important Ukrainian banks).

■ Rent itself is denominated in UAH, but investment obligations attached to a lease may be set in foreign currency and converted at the NBU rate on the date of contract signing.

■ Finally, Ukrainian sanctions law and martial-law restrictions filter out bidders linked to the aggressor state, and Resolution No. 634 of 2022 may further limit disclosure of bidder data during martial law; foreign investors should expect standard beneficial-ownership screening at registration on the marketplace.

CHAPTER 12.

HOW TO BUY SANCTIONED ASSETS

Since 2022, Ukraine has turned its sanctions regime from a largely declaratory tool into an active enforcement mechanism. Assets belonging to sanctioned individuals are now identified, frozen, and, through court proceedings brought by the Ministry of Justice of Ukraine, transferred into state ownership on the basis of a Presidential decree.

SPFU is the only body authorised to sell these recovered assets. Its portfolio holds roughly 1,480 assets from 92 sanctioned groups and continues to grow.

1,480 assets

from 92 sanctioned groups

In 2024-2025, sales of sanctioned assets raised UAH 2.5 billion (~EUR 550 million). The largest deals were Aerok, a maker of concrete construction materials, sold for UAH 1.89 billion (~EUR 38 million), and Vinnytsiapobutkhim, a producer of soap and cleaning products, sold for UAH 608 million (~EUR 12 million). All proceeds go to SPFU for the Elimination of the Consequences of Armed Aggression.

Entry costs are modest. Registration fees run from €6 to €1,850, depending on the asset's starting price, and the guarantee deposit is 5% to 20% of that price. Both are broadly in line with standard privatisation auctions.

Sanctioned assets are one of the market's faster-growing segments, and supply is expanding steadily.

Relationship to privatisation

Selling sanctioned assets closely resembles privatisation. Both transfer state-owned property through Prozorro.Sale electronic auctions, and buyers face the same eligibility restrictions set out in the Law "On Privatisation of State and Communal Property." Four features set sanctioned-asset sales

They also call for extra diligence. Because the assets reach the market through the courts, due diligence must cover the usual commercial and financial questions, such as debt, encumbrances and environmental liabilities, and also the chain of court decisions that establishes the state's title.

apart: their judicial origin, proceeds earmarked for post-war reconstruction, the ability to sell unrelated assets as a single pool, and shorter transaction timelines. These differences justify a separate sales procedure.

How to participate: step-by-step procedure

Step 1. Registration on an Electronic Marketplace.

The prospective buyer selects one of the authorised Prozorro.Sale marketplace operators and registers. Ukrainian citizens need a passport; non-residents provide a passport or equivalent identification; legal entities supply data from the Unified State Register or the relevant foreign company registry.

Step 2: Lot Search and Inspection.

Through the marketplace listings, the participant reviews the asset description, starting price, sale conditions, and draft purchase-and-sale agreement. For assets valued at UAH 250 million or more, full access to the information package, including an on-site inspection, is granted once the participant signs a confidentiality agreement with the operator.

Step 3: Payment of Registration and Guarantee Fees.

The participant transfers to the operator's account the registration fee (0.2 or 10 minimum wages, depending on the asset's value) and the guarantee deposit (20% of the starting price for lots below UAH 250 million; 5% for larger lots). The deposit may be paid in cash or backed by a bank guarantee from a systemically important bank. The funds must arrive no later than one hour before the application deadline.

Step 4: Submission of Application and Closed Bid.

Through their personal account, the participant fills out the electronic application form, uploads the documents required under Article 14 of the Privatisation Law, and submits a sealed price bid, which may not fall below the starting price. For

ascending-price (English) auctions, the submission window is 19:30 to 20:30 on the day before the auction. For descending-price (Dutch) auctions, bids are submitted between 16:15 and 16:45 on the day of the auction.

Step 5: Receipt of Access to the Auction.

The system generates a unique link to the participant's auction page and delivers it to the participant's account no later than one hour before the auction opens. All participants stay anonymous until the auction ends.

Step 6: Auction.

In an ascending-price auction, participants compete over three rounds of three minutes each, with three-minute breaks between rounds. Bidding starts from the lowest sealed offer and moves up, and each raise must be at least 1% of the starting price. In a descending-price auction, the system lowers the price in steps of 1%, up to 99 steps. A participant can bid at the current price; the others then submit sealed offers, and the participant who bid first may make one final raise of at least one step above the highest sealed bid. The highest final offer wins.

Step 7. Contract execution.

The winning bidder signs the auction results protocol within three working days, transfers the purchase price within 25 working days, and executes the purchase-and-sale agreement within 30 working days. The purchase price is net of the guarantee deposit, from which a 4% participation fee and a 1% organiser's commission are retained. Ownership passes when the agreement and the acceptance-transfer act are signed. For share packages, title transfers when the shares are credited to the buyer's securities account; where required, clearance from the Antimonopoly Committee of Ukraine must be obtained first.

Auction Cascade Under Resolution No. 75

If a sanctioned asset does not sell at the first attempt, the resolution allows up to three consecutive auctions. The first is a standard ascending-price auction. If it finds no buyer, a second ascending-price auction follows with the starting price halved. If the asset is still unsold, a third and final descending-price auction is held, in which the system lowers the price

step by step, up to 99 reductions of 1% each, until a participant bids. The remaining participants then submit sealed offers, and the same final-raise mechanism applies. The first two rounds work identically and differ only in the lower entry price; the third reverses the direction, a genuine last resort to find a buyer at market-clearing conditions.

PART IV:

INSTITUTIONAL

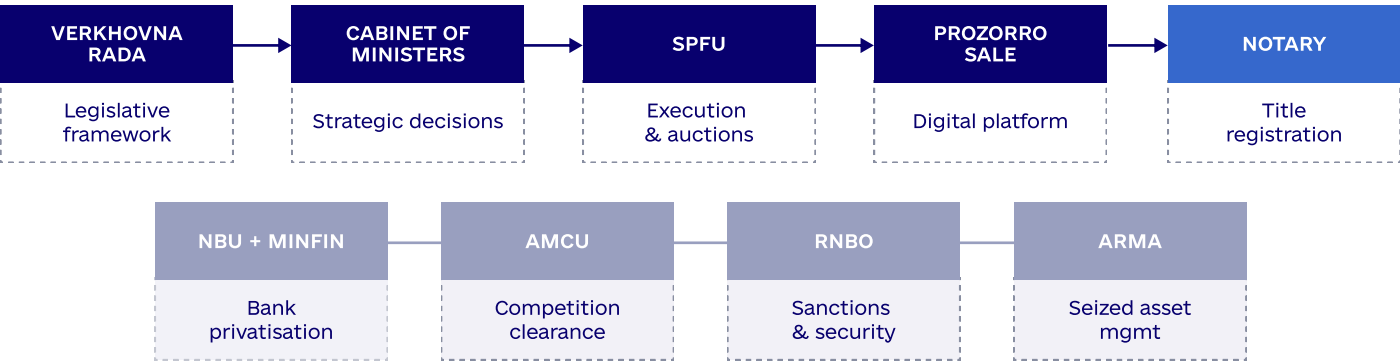
FRAMEWORK

CHAPTER 13.

INSTITUTIONS AND THEIR ROLES IN MANAGING PUBLIC ASSETS IN UKRAINE

Who does what, and where each sits in the decision chain.

■ PRIVATISATION DECISION CHAIN



Who does what in the decision chain?

Ukraine's overall executive branch is headed by the **Cabinet of Ministers of Ukraine**, the supreme body of executive power, which is responsible for implementing state domestic and foreign policy, ensuring the execution of laws, and coordinating the activities of all central executive authorities. Directly subordinate to it are 15 ministries (following the structural reform of July 2025), each responsible for formulating and implementing state policy within a defined sector, including economy, finance, energy, defence, justice, infrastructure, health, education, and others.

In addition to ministries, the executive system encompasses more than 40 central executive bodies of sub-ministerial status, organised as state services, state agencies, state inspections, and national commissions. State services exercise regulatory, supervisory, and permitting functions; state agencies manage state resources, programmes, and assets within their designated fields; state inspections

conduct oversight and enforcement; and national commissions regulate specific markets and sectors. **The activities of all non-ministerial central executive bodies are directed and coordinated by a supervising minister** (with few exceptions e.g. ARMA is coordinated by the Prime Minister of Ukraine), though without direct operational subordination. This two-tier structure - policy-making ministries and implementation-focused agencies is broadly aligned with the OECD model of executive organisation and reflects Ukraine's ongoing public administration reform commitments under the EU Association Agreement.

Ukraine's state asset management and privatisation ecosystem involves multiple institutions, each with distinct mandates, powers, and relevance to investors. Understanding which body does what and where each sits in the decision chain is essential for navigating the system effectively. The following profiles (listed in alphabetical order) describe the key institutions an investor is likely to encounter.

Accounting Chamber of Ukraine

Mandate	Investor relevance
The supreme external audit institution overseeing the use of state resources, including proceeds from privatisation. The Accounting Chamber conducts an external audit of the state budget on behalf of Parliament, including the receipt and use of revenues generated from the sale and lease of state assets. It assesses whether privatisation proceeds are duly transferred to the budget, evaluates the efficiency and lawfulness of state asset management, and publishes findings and recommendations that inform parliamentary oversight and reform. Its reports can highlight weaknesses in valuation, transaction conduct, or the management of retained SOEs.	The Accounting Chamber is an oversight body rather than a transactional counterpart, but its public reports are a valuable independent source on the integrity and performance of the privatisation process. Investors and advisors can draw on its findings to understand systemic risks, recurring procedural concerns, and the credibility of the state's asset-management framework.

Antimonopoly Committee of Ukraine (AMCU)

Mandate

Ukraine's competition authority, responsible for merger control, antitrust enforcement, and the prevention of anti-competitive practices.

Any privatisation transaction that creates or strengthens a dominant market position, or that meets the turnover or asset-value thresholds for mandatory merger notification (e.g. all large privatisation objects), requires AMCU clearance before ownership can transfer. The AMCU reviews the competitive impact of the acquisition and may impose conditions (asset divestitures, behavioural

undertakings, or restrictions on market conduct) as a condition of approval.

Investor relevance

AMCU clearance is a standard condition precedent in large-scale privatisation SPAs. The clearance process typically takes 30-45 days for straightforward transactions but may take longer for complex deals involving market-dominant positions. Investors should factor AMCU review into their transaction timeline and engage Ukrainian competition counsel early in the process.

ARMA (Asset Recovery and Management Agency)

Mandate

The specialised state agency responsible for tracing, assistance in seizing, and managing assets linked to criminal proceedings, corruption cases, and since the expansion of its mandate during the full-scale invasion identification and tracing of assets of sanctioned individuals and entities in cooperation with the Ministry of Justice.

In case when the assets of a sanctioned person were seized within the framework of criminal proceedings before the application of sanctions, they are generally transferred to the management of ARMA which may appoint external asset managers to operate seized enterprises as going concerns. Assets managed by ARMA are transferred to state ownership following a decision by the High Anti-Corruption Court (HACC), after which they pass to the SPFU for sale.

ARMA's role is critical for the pipeline of sanctioned assets flowing into privatisation. However, ARMA has faced significant criticism regarding the quality of asset management during the custody period. Reports of asset deterioration, revenue leakage, and conflicts of interest involving ARMA-appointed managers have been documented. Reform of ARMA's governance and operational capacity is an ongoing priority for international partners.

Investor relevance

ARMA is not a direct counterpart in the privatisation process (that role belongs to the SPFU), but the condition in which ARMA manages a seized asset during the custody period directly affects the asset's value and attractiveness at auction. Investors should inquire about the management history of any sanctioned asset and assess whether operational continuity has been maintained.

Financial Stability Council

Mandate

Inter-agency body safeguarding financial stability, with a confirmatory role in state-owned bank privatisation.

The Financial Stability Council brings together the National Bank, the Ministry of Finance, and other financial regulators to identify and mitigate systemic risks. In the context of privatisation, the Council performs a gatekeeping function for sales of state-owned banks: before such a transaction proceeds, the Council must confirm that the proposed sale will not endanger the stability of the financial system. Its

assessment covers the timing, structure, and potential market impact of a divestment.

Investor relevance

While the Council does not negotiate transactions, its confirmation is a procedural precondition for any state-owned bank sale. Investors pursuing bank acquisitions should be aware that the Council's sign-off affects the sequencing and certainty of a transaction, even though direct engagement occurs through the Ministry of Finance and the National Bank.

High Anti-Corruption Court of Ukraine

Mandate

Specialised court with jurisdiction over corruption-related cases and the recovery of assets connected to sanctioned persons.

The High Anti-Corruption Court (BAKC) adjudicates corruption offences and, of particular relevance to public assets, rules on the recovery into state ownership of assets belonging to persons subject to sanctions. Acting on claims brought by the Ministry of Justice, the Court can order the transfer of such assets, including corporate holdings and industrial enterprises, to the state, after which they may be directed into the privatisation or state-management

pipeline. The Court thus serves as a key judicial node in the conversion of sanctioned and illicitly acquired assets into state property.

Investor relevance

The Court is not a direct counterpart for investors, but its rulings are the legal origin of a distinct category of assets entering the market, those recovered from sanctioned individuals. Investors considering such assets should understand that title traces to a court judgment, and should assess any residual litigation or appeal risk associated with the underlying recovery proceedings.

Line Ministries as Authorised Management Bodies

Mandate

Sectoral management of state-owned enterprises and corporate rights pending privatisation or restructuring.

Individual line ministries - such as the Ministry of Defence, Ministry of Energy, and Ministry for Development of Communities and Territories - act as authorised management bodies for SOEs within their respective sectors. In this capacity they exercise the state's ownership functions on a day-to-day basis: appointing and overseeing management, approving financial plans, setting dividend expectations, and consenting to disposals of significant assets. When an enterprise is designated for privatisation, management

is typically transferred to the State Property Fund, which then conducts the transaction; until that point, the line ministry remains the operational counterpart.

Investor relevance

Line ministries are relevant for understanding the operational and commercial condition of a target enterprise before it enters the privatisation pipeline. Engagement is most useful for early-stage assessment of sector-specific assets, including the strategic rationale for retaining or divesting an enterprise and any sectoral regulatory constraints affecting a future transaction.

Ministry of Economy, Environment and Agriculture of Ukraine

Mandate

The principal government body responsible for economic policy, including the policy framework for privatisation, SOE governance reform, PPPs, and investment attraction.

The Ministry develops the strategic direction for state asset management, including the state ownership policy (approved by the Cabinet in November 2024), which defines which sectors should keep a state presence and which enterprises should be privatised. The Ministry also oversees the PPP framework,

including the PPP Agency, and coordinates with IFIs on structural reform benchmarks, as well as subsoil / minerals use policy, land use, forestry and water resource management.

Investor relevance

The Ministry of Economy is the policy-level partner, it shapes the rules of the game rather than conducting individual transactions. Engagement with the Ministry is most relevant for investors seeking to understand the strategic direction of reform, participate in PPP projects, or engage with sector-specific investment frameworks.

Ministry of Finance of Ukraine

Mandate

Specific role in bank privatisation and the fiscal dimension of privatisation.

The Ministry of Finance plays a dual role: alongside the National Bank, it acts as a co-decision-maker on the sequencing, timing, and terms of state-owned bank sales; and it manages the fiscal framework for privatisation setting budget revenue targets from asset sales, managing the flow of privatisation proceeds into the state budget, and overseeing the

fiscal conditions affecting SOEs (including dividend policy and the 50% bank profit tax introduced in 2026). For bank privatisation specifically, the Ministry sits on the **Financial Stability Council**, which must confirm that a proposed sale will not endanger financial stability before the transaction proceeds.

Investor relevance

Primary counterpart for investors interested in state-owned bank privatisation.

Ministry of Justice of Ukraine

Mandate

The principal government body responsible for legal policy, registries, and the legal integrity of privatisation transactions.

The Ministry of Justice of Ukraine maintains the core state registers underpinning asset transactions - including the State Register of Property Rights to Immovable Property, the Unified State Register of Legal Entities, and the register of encumbrances which are essential for verifying clean title and absence of competing claims on assets offered for sale. The Ministry also represents the state in domestic and international litigation and arbitration (through the Government Commissioner for International Courts),

administers the enforcement of court judgments, and conducts legal expertise of draft normative acts, including those governing privatisation and SOE reform.

Investor relevance

The Ministry of Justice is the counterpart for matters of legal certainty: title verification, registration of acquired rights, and the enforceability of transactions. Engagement is most relevant for investors conducting due diligence on asset ownership and encumbrances, and for those assessing risks related to litigation, arbitration exposure, or the enforcement of awards against the state.

National Bank of Ukraine (NBU)

Mandate

Ukraine's central bank and prudential regulator of the banking system.

The NBU's role in privatisation is focused on bank sales: any prospective buyer of a state-owned bank must undergo the NBU's fitness and propriety assessment, covering financial capacity, business reputation, source of funds, and beneficial ownership transparency. The NBU retains the right to reject a proposed buyer on supervisory grounds, regardless of whether the buyer has won a privatisation auction.

Beyond banking, the NBU's monetary policy, foreign exchange regulations, and capital controls directly

affect investor returns, particularly regarding the repatriation of dividends and profits from privatised enterprises. Investors should monitor the NBU's capital control regime and current restrictions before committing capital.

Investor relevance

Mandatory clearance for bank acquisitions. The NBU's currency regime and capital control policies affect all privatisation investments. Transactions related to the purchase of privatisation objects are classified by the NBU as foreign direct investment, which simplifies currency control for future profit repatriation.

Prozorro.Sale

Mandate

Ukraine’s central market infrastructure for transparent public asset transactions.

Prozorro.Sale is the state-owned administrator of Ukraine’s electronic auction system. It provides the technological infrastructure through which state authorities, municipalities, state-owned enterprises and other authorized sellers conduct competitive online auctions for the sale and lease of public assets.

Prozorro.Sale does not own or value assets. Sellers prepare lots, determine auction conditions and sign contracts with winners, while Prozorro.Sale administers the central auction infrastructure, ensuring equal access to information, standardized procedures, secure bidding, public disclosure of results and interoperability with accredited electronic marketplaces.

More than 40 accredited electronic marketplaces are connected to Prozorro.Sale’s central system. They serve as investor-facing entry points: bidders choose a marketplace to register, access auction documentation, submit applications and participate in bidding. All marketplaces provide access to the same auctions, while competing on service quality and bidder support.

Prozorro.Sale was established in 2016 as part of Ukraine’s post-2014 governance reforms. Initially created to sell assets of insolvent banks transferred to the Deposit Guarantee Fund, the system demonstrated that public assets could be sold through transparent, competitive and fully digital

procedures. Following its success, the model gradually expanded to privatization, public property leases, land auctions, bankruptcy assets, sanctioned assets, state-owned bank assets and other public-sector transactions.

Today, more than 865,000 auctions have been announced through the system, with over 13,000 organizers and 149,000 participants. Sales have generated more than UAH 133 billion (~EUR 3 billion) in proceeds. Successful auctions attract an average of 2.9 competing bidders, while competition increases final prices by approximately 50% on average.

A distinctive feature of Prozorro.Sale is its public analytics module – bi.prozorro.sale⁴⁶³. It provides open access to auction data, allowing investors to review previous transactions, competition levels, price dynamics and market activity across asset classes.

Investor relevance

Prozorro.Sale gives investors transparent and data-driven access to Ukraine’s public asset market through a single auction ecosystem. Investors can identify opportunities, review lot documentation, participate in bidding via an accredited marketplace and analyze previous market outcomes through public data.

Auction rules are predefined, winners are determined electronically, and results remain publicly available. This creates a predictable and competitive environment for investors seeking access to public asset opportunities in Ukraine.

RNBO (National Security and Defence Council of Ukraine)

Mandate

The constitutional coordinating body for national security and defence, exercising decisive authority over the sanctions that block assets and ultimately trigger their transfer to state ownership.

Under Article 107 of the Constitution, the RNBO is a coordinating body attached to the President, and its decisions acquire binding force only once enacted by presidential decree. In the field of public assets, its central instrument is the sanctions regime under the Law "On Sanctions": it adopts decisions imposing personal restrictive measures which, once decreed, may block assets and prohibit their disposal. Asset blocking is the precondition for the more severe measure of recovery into state ownership applicable only during martial law, only to already-blocked persons, and imposed not by the RNBO but

exclusively by court. The Ministry of Justice of Ukraine searches for the assets and files the claim; the High Anti-Corruption Court rules on it. The RNBO thus heads this chain: its sanctions designation is the upstream act from which the recovery pipeline proceeds.

Investor relevance

The RNBO is not a transactional counterpart. Its designations are the originating trigger for the recovery pipeline later actioned by the Ministry of Justice and the High Anti-Corruption Court, and many recovered enterprises that enter state management or privatisation trace back to an RNBO decision. For investors, awareness of its sanctions posture is essential for assessing ownership eligibility and for understanding that the title of certain recovered assets originates in a sanctions designation confirmed through the courts with attendant residual appeal risk.

⁴⁶³ bi.prozorro.sale

State Property Fund of Ukraine (SPFU)

Mandate

The central institution in Ukraine's privatisation framework and the single most important counterpart for any investor seeking to acquire state-owned assets.

Established in the early 1990s, the SPFU is the sole authorised government body responsible for:

- managing and administering state-owned property transferred to it for privatisation;
- preparing enterprises for sale (including asset inventories, valuations, and information packages);
- organising and conducting privatisation auctions through the Prozorro.Sale platform;
- executing sale and purchase agreements with winning bidders;
- monitoring post-privatisation compliance with investment and employment commitments;
- managing the lease of state property (including state owned agricultural land through the State Land Bank);

- managing assets seized under sanctions legislation and administering the unified register of state-owned assets.

The SPFU is headed by a chairperson nominated by the Cabinet of Ministers and confirmed by the Verkhovna Rada. The 2023 legislative reforms strengthened the SPFU's autonomy by granting the head the power to independently appoint deputies, centralising the management structure, and transferring the nomination authority from the President to the government.

Investor relevance

The SPFU is the primary operational interface: it publishes privatisation opportunities, provides access to data rooms, manages the auction process, negotiates SPAs, and conducts post-sale monitoring. The SPFU's English-language privatisation portal (privatisation.gov.ua) and its cooperation with international advisory programmes (USAID/UKaid SOERA, World Bank, EBRD) have improved accessibility for foreign investors, though the institution's capacity remains stretched relative to the scale of the privatisation task. Investor relations contact: ir@spfu.gov.ua.

Verkhovna Rada of Ukraine (Parliament)

Mandate

Legislative oversight of privatisation and SOE governance.

The Rada's primary roles include: adopting and amending the privatisation law and related legislation; maintaining the list of enterprises excluded from privatisation (the "exclusion list") and approving any changes to that list; ratifying international agreements that affect state asset disposition (such as the US-Ukraine minerals agreement, ratified by Parliament in 2025) and International Investment Agreements; and exercising general oversight of the SPFU's activities through the parliamentary Committee on Economic Development.

Investor relevance

The parliamentary dimension is most relevant for large-scale privatisations that require removal of an enterprise from the exclusion list, a process that is inherently political and may be influenced by constituency interests, factional dynamics, and public opinion. Investors should consider that even when the Cabinet of Ministers is politically ready to begin selling assets, under the mechanism of partial privatisation, for some of them (strategic, natural monopolies, etc.) parliamentary action may be required and cannot be guaranteed on a specific timeline.

