AVELLUM

UKRAINE INVESTMENT SIGNALS:

Infrastructure and Strategic Assets

A short market note for foreign investors on current transaction activity in Ukraine

EXECUTIVE SNAPSHOT

Current deal activity is concentrated in a limited number of sectors. Most visible in:

- energy security & resilience
- industrial, logistics and agri-infrastructure
- critical minerals
- privatisation and distressed assets
- retail, hospitality & leisure real estate
- war-risk insurance and de-risking tools

INVESTMENT ACTIVITY IS INCREASINGLY LINKED TO OPERATING ASSETS, INFRASTRUCTURE, ENERGY SECURITY AND RECONSTRUCTION-DRIVEN DEMAND

WHY THIS MATTERS

$588 BLN

estimate of Ukraine's recovery and reconstruction needs

€50 BLN

will be provided by the EU Ukraine Facility for 2024-2027, supporting recovery and investment

This creates a long-term investment case, but also a market where legal and regulatory diligence should start early

WHERE ACTIVITY IS CONCENTRATED

Current transaction flow is concentrated around six investment themes:

Energy resilience

Generation, storage, backup capacity

Industrial & logistics assets

Warehouses, elevators, processing, industrial parks

Critical minerals

Lithium, titanium and other strategic resources

Privatisation & distressed assets

Privatisation, sanctions-related and bank enforcement assets

Retail, hospitality & leisure real estate

Shopping centres, hotels, mixed-use hotel/residential projects and resort developments

De-risking tools

War-risk insurance, IFI guarantees, export-credit support





ENERGY SECURITY IS DRIVING NEW PROJECTS

Energy security needs are leading to generation, storage and backup projects involving industrial groups, infrastructure investors and IFIs. Recent signals:

→ **Kernel** plans to invest USD400 million into energy and develop up to 600 MW of new capacity

→ **Kyivstar** acquired six solar power plants in Lviv region for USD81 million

→ **EBRD** is preparing up to USD45 million financing for Kernel's 106 MW solar power project with energy storage

→ **OKKO** acquired a 272 MW wind power project in Ternopil region

→ **Dragon Capital** launched the first gas-fired power plants in Zakarpattia as part of a USD30 million energy project

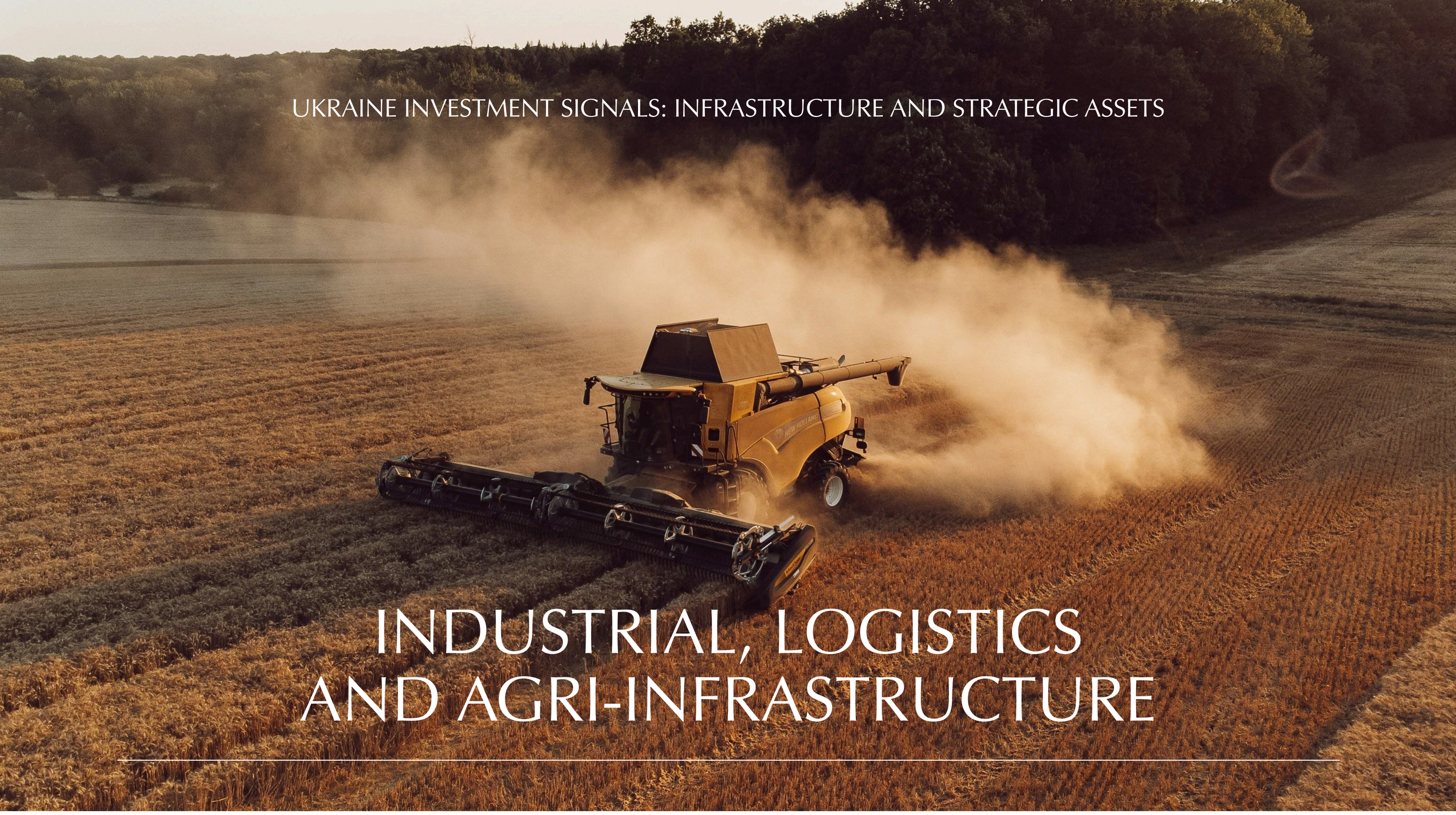
→ **Kormotech** attracted an investor for a 366 kW solar power plant in Lviv region

→ **Concorde Capital** launched the first stage of gas-fired generation under its Encraft project

→ **Horizon Capital** invested in a wind power project developed by Germany's Notus Energy in Odesa region

INVESTOR RELEVANCE

FOCUS DILIGENCE ON LAND RIGHTS, GRID CONNECTION, PERMITS, CONSTRUCTION STATUS, COMMISSIONING, OFFTAKE AND FINANCING BANKABILITY



INDUSTRIAL, LOGISTICS AND AGRI-INFRASTRUCTURE

Investment activity is focused on operating assets linked to exports, food security, manufacturing and supply chains. Recent signals

→ Grain elevator project in Lviv region is expected to attract **EUR55 million** of investment with UkraineInvest support

→ Horokhiv industrial park is being developed in Volyn region with expected investment of around **EUR28,9 million**

→ Bril Park industrial park is being developed in Vinnytsia region with expected investment of around **EUR19,2 million**

→ Karmel is investing **USD10 million** into a new production facility in Khmelnytskyi

→ MHP is acquiring Agrol processing assets for at least **USD5 million**

→ A waste sorting complex with 50,000 tonnes annual capacity was put up for sale in Kyiv region for **USD1.5 million**

→ TAS Agro is acquiring a Kernel elevator in Cherkasy region with **62,400 tonnes** of storage capacity

→ A grain elevator with **30,000 tonnes** of storage capacity was put up for sale in Vinnytsia region

→ Metinvest is developing a flotation complex at Pivnichnyi Iron Ore Beneficiation Works for green steel raw materials

INVESTOR RELEVANCE

KEY LEGAL DILIGENCE AREAS INCLUDE LAND TITLE, CONSTRUCTION PERMITS, UTILITIES, ENVIRONMENTAL MATTERS, EQUIPMENT OWNERSHIP AND HISTORICAL TITLE ISSUES



CRITICAL MINERALS

Critical minerals are attracting strategic interest from industrial and financial investors. Recent signals

→ TechMet and The Rock Holdings consortium announced a **USD179 million** investment into the development of the Dobra lithium deposit

→ Construction has started in Zakarpattia region on a basalt processing facility with expected investment of around **EUR30 million**

→ Australian **European Lithium** is acquiring Velta Holding, a titanium company with mining assets in Ukraine

→ A **181 ha** loam deposit in Rivne region was sold for **EUR31k**

→ Several subsoil licences were sold through auction for around **EUR289k**, with the most expensive licence relating to drinking water in Kyiv region

→ A company linked to Rinat Akhmetov acquired its fourth clay extraction licence within six months, for **EUR65k**

→ Critical Metals is investing in the modernisation of Velta's Birzulivske mining and processing complex

→ Ukraine is also considering a special legal regime for land under peatlands

INVESTOR RELEVANCE

KEY LEGAL DILIGENCE AREAS INCLUDE SPECIAL PERMITS, LICENCE HISTORY, LAND ACCESS, ENVIRONMENTAL COMPLIANCE, SANCTIONS EXPOSURE AND STATE-INTEREST SENSITIVITIES



PRIVATISATION & DISTRESSED ASSETS

Privatisation, sanctioned assets and bank enforcement processes may create entry opportunities, but require enhanced diligenc. Recent signals

→ **Ocean Plaza** is expected to be sold through auction with an estimated value of around USD100 million

→ **Mykolaiv Alumina Plant** is expected to be prepared for privatisation by the end of 2026 with a starting valuation of approximately USD86 million

→ **Oschadbank** plans to sell Gulliver (one of the major Kyiv trade centres) through Prozorro

→ **Kyiv Research Institute Orion** is being privatised with a starting price of EUR7,3 million

→ **Nepolokovetskyi Bakery Plant** was again put up for sale with a starting price of EUR3,7 million

→ **Zaporizhzhia Production Aluminum Plant** (97.5% of shares) is expected to be privatised with a starting price of EUR3,4 million

→ **The government** has unblocked the sale of sanctioned assets, with 26 assets expected to be brought to auction in 2026

INVESTOR RELEVANCE

ENHANCED DILIGENCE SHOULD COVER TITLE HISTORY, DEBT ENFORCEMENT, SANCTIONS BACKGROUND, LITIGATION, WAR DAMAGE, AUCTION RULES AND REPUTATIONAL RISK



RETAIL, HOSPITALITY & LEISURE REAL ESTATE

Retail and hospitality assets are showing renewed activity, driven by regional retail formats, mixed-use structures and domestic tourism. Recent signals

→ OKKO Group has started construction of the first hotel complex at GORO Mountain Resort in the Lviv Carpathians, spanning a total area of **48,000 sq.m**

→ Kovalska plans to resume construction of NUVO, a mixed-use project in the center of Kyiv with offices, apartments and a hotel

→ Around **20 shopping malls** may open in Ukraine in 2026, developers are focusing on western regions and smaller retail formats

→ Retailers Association of Ukraine notes a trend toward **5,000-10,000 sq.m** retail parks and retail components within mixed-use projects

→ New retail projects announced include Rosvyhiv Shopping Centre, Silver Park and Retail Park Mukachevo II

→ Ukraine’s hotel pipeline includes **45** hotel-apartment complexes and **108** hotel-type cottage towns

INVESTOR RELEVANCE

KEY LEGAL DILIGENCE AREAS INCLUDE LEASING STRATEGY, TITLE, ZONING, PERMITS, CONSTRUCTION TIMING, HOTEL OPERATOR ARRANGEMENTS, APARTMENT-SALE MODEL, CONSUMER DEMAND AND WAR-RISK INSURANCE



WAR-RISK INSURANCE & DE-RISKING

War-risk cover and guarantees are increasingly at the structuring stage, not only after acquisition or financing. Recent signals

→ Ukraine’s ECA instruments now cover certain war-risk insurance products for investors and lenders

→ MIGA expanded guarantee support for bank lending in Ukraine in 2026

→ State compensation mechanisms for damaged business property and war-risk insurance premiums apply from 2026

INVESTOR RELEVANCE

AVAILABILITY OF COVER USUALLY DEPENDS ON CLEAN TITLE, PERMITS, OWNERSHIP, EVIDENCE BASE AND COMPLIANCE DOCUMENTS FROM THE START

KEY TAKEAWAY

- Ukraine is investable, but the market remains selective
- USD588bn Reconstruction needs
- THE MOST RELEVANT OPPORTUNITIES ARE LINKED TO RESILIENCE, INFRASTRUCTURE, LOGISTICS, ENERGY SECURITY, STRATEGIC RESOURCES, RETAIL AND HOSPITALITY RECOVERY, AND RECONSTRUCTION-DRIVEN DEMAND
- ECA war-risk cover New de-risking tool
- MANY OPPORTUNITIES SIT AT THE INTERSECTION OF REAL ESTATE, INFRASTRUCTURE AND OPERATING BUSINESSES, MAKING REAL ESTATE RISKS TRANSACTION-CRITICAL
- 26 sanctioned assets to market
- For investors, value comes from identifying risks early, structuring around them before they become pricing, financing or closing issues
- EUR50bn EU Ukraine Facility