AEQUO

Forbes UKRAINE BRANDVOICE

BATTLE-TESTED INVESTMENTS

Analysis of Ukraine's Mergers and Acquisitions (M&A) Market

Foreword

Ukraine's M&A market today goes far beyond the deals made.

It's a decision to invest during a war.
To build new production facilities.
To acquire businesses.
To enter new markets.
To form partnerships.

To plan years ahead despite continued uncertainty.

Behind every transaction are people – entrepreneurs, managers, investors who keep growing their businesses and looking for new opportunities. This report is about them.

Aequo has the privilege of serving as legal counsel to many of them – across technology and digital infrastructure, industry, energy, agribusiness, and defense.

Legal advisors sit at the center of transactional activity. We observe the market through investors' decisions. We witness which sectors are attracting capital, which businesses are becoming growth platforms, which partnerships are forming, and how investment priorities are shifting.

In this study, prepared jointly with the Forbes Ukraine team, we wanted to go beyond mere compilation of landmark deals and key market figures. We wanted to show who is investing in Ukraine today, which assets are attracting the most attention, and how the legal architecture of transactions is evolving during the war.

Because every deal is about more than capital. It's about people who keep building, investing, and making decisions exactly when it feels hardest.

Sincerely,

Aequo Law Firm
Legal advisor to the businesses and investors shaping Ukraine's future

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Research overview: scope, methodology, specifics

The Forbes Ukraine analytics team set out to conduct a comprehensive analysis of Ukraine's mergers and acquisitions (M&A) market in 2025–2026. For the purposes of this study, the Ukrainian market comprises transactions involving businesses or equity interests in Ukraine. Our definition of the M&A market also encompasses hybrid transaction structures, including share swaps and joint ventures.

The analysis covers transactions involving the acquisition of an equity interest of at least 10% and valued at $5 million or more. Deal values were determined using information disclosed by the parties, publicly available financial and corporate information, and Forbes Ukraine's own valuation models, adjusted for prevailing market conditions and other relevant factors.

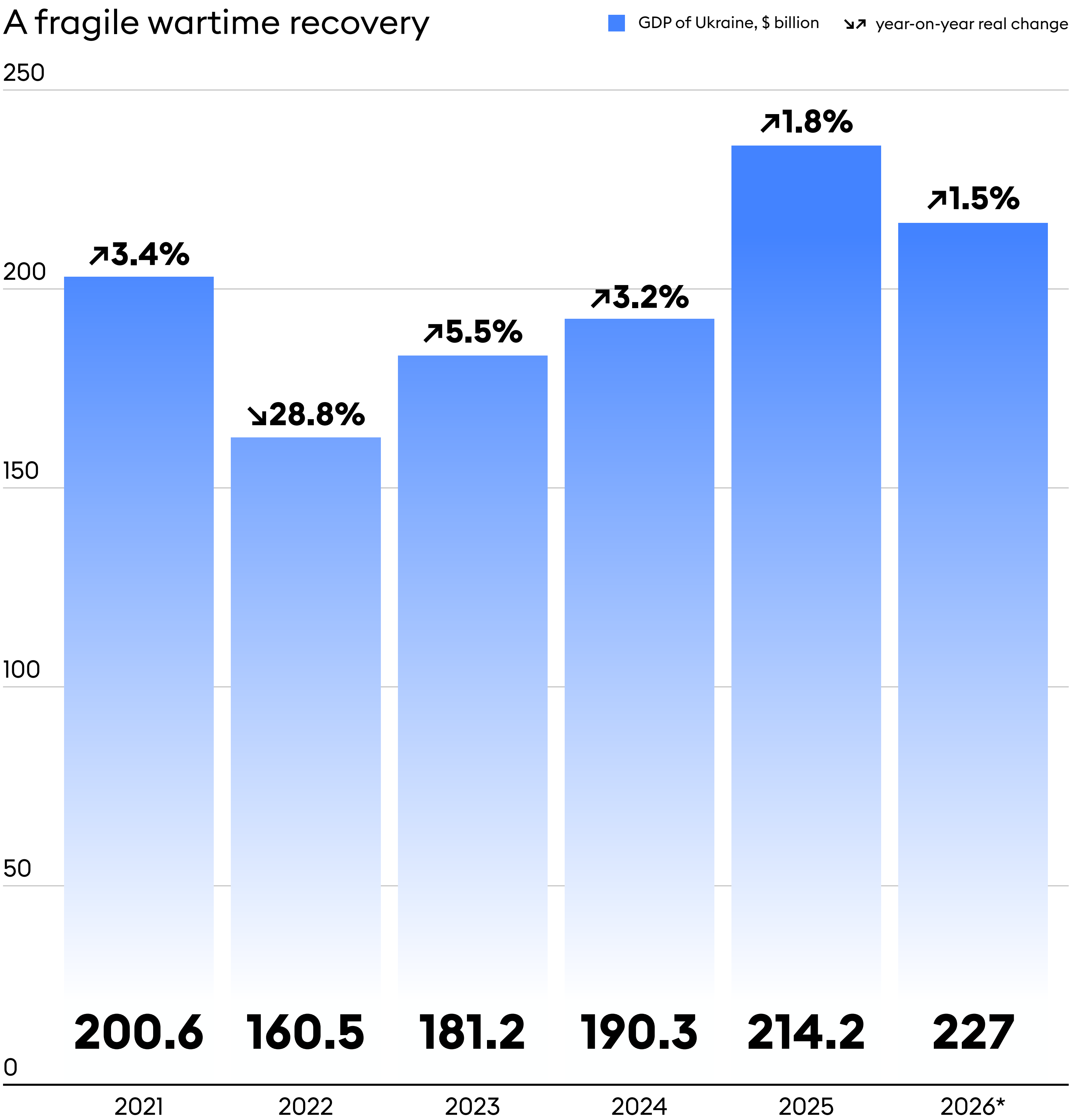
The study covers transactions completed during 2025 and the first five months of 2026, with 2024 serving as the comparative baseline. In most cases, a transaction was considered completed once all required regulatory approvals had been obtained and the deal had formally closed. For more recent transactions that had not yet reached legal completion, we considered the deal completed when the parties had reached an agreement in principle or publicly announced the transaction, provided neither party had subsequently withdrawn.

Beyond quantitative analysis, the study examines the M&A market within the broader macroeconomic, regulatory, and business environment shaping investment decisions in Ukraine today. It also incorporates perspectives from leading market participants on individual transactions and the evolving investment landscape. Together, these insights allow us not only to measure the Ukrainian M&A market but also to present it as a living reflection of the ambitions, resilience, and long-term outlook of Ukrainian business.

Key facts

	2024	2025	5M 2026
Number of deals (from $5M)	**37**	**41**	**19**
M&A market volume	**$1.1B**	**$1.7B**	**$1B**
Top industries	**69%** IT, real estate	**72%** agribusiness, IT, real estate	**64%** agribusiness, IT
Geography of M&A	**40% of deals –** domestic M&A	**55% of deals –** domestic M&A	**26% of deals –** domestic M&A

	2024	2025	5M 2026
Largest deal	**$200M** (Sapphire Ventures, StepStone Group, Volition Capital, Horizon Capital – Creatio)	**$300M** (MHP – Uvesa)	**$290–330M** (MHP – Th. Nitsiakos AVEE)
Largest domestic deal	**$59.5M** (Ola Fine LLC – Hotel Ukraine)	**$160M** (Kyivstar – Tabletki.ua)	**$100–150M** (Enselco – Agro-Region)
Largest deal involving a foreign investor	**$200M** (Sapphire Ventures, StepStone Group, Volition Capital, Horizon Capital – Creatio)	**$138M** (Bunge – Vinnytsia Oil and Fat Plant)	**$150M** (WestCap – Preply)
Largest privatization	**$59.5M** (Ola Fine LLC – Hotel Ukraine)	**$96M** (NEQSOL – UMCC)	**$14.8M** (Afina-Group LLC – Vinnytsiapobutkhim)
M&A concentration level	**50.3%** of the total M&A volume came from 5 deals	**51%** of the total M&A volume came from 5 deals	**47%** of the total M&A volume came from 2 deals
Investor preference	Large investors – IT; mid-size – real estate	Large investors – agribusiness; mid-size – real estate; small – real estate and IT	Large investors – agribusiness; mid-size – energy



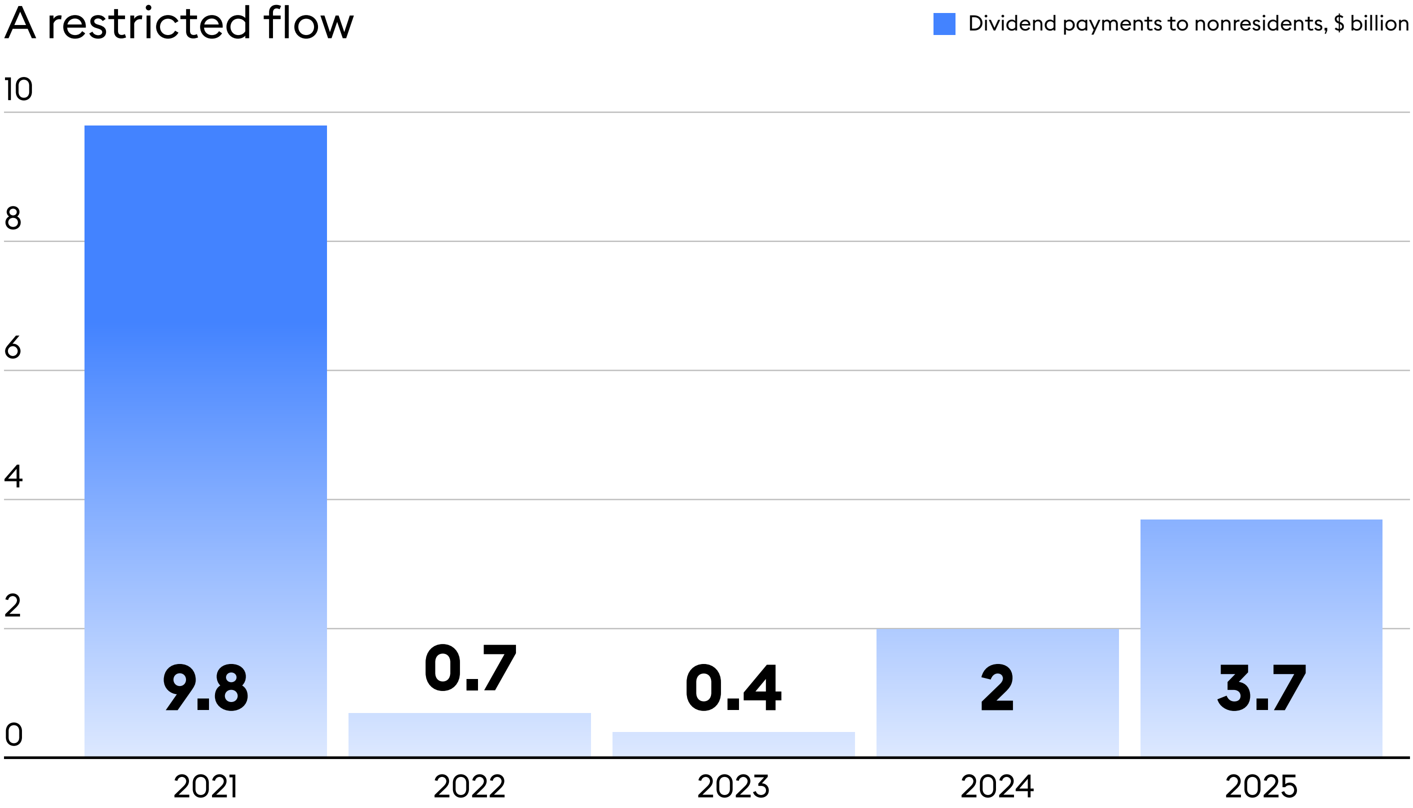
Sources: State Statistics Service, National Bank of Ukraine, Forbes Ukraine

* forecast

Investment market conditions

Ukraine's heroic resistance to the full-scale invasion is now in its fifth year. After the initial shock of 2022 (real GDP contracted by 28.8%), economic activity had already stabilized by the second half of that year and moved into partial recovery in 2023, when growth reached 5.5%.

A restricted flow



Source: National Bank of Ukraine

Substantial international financial support has helped sustain Ukraine's economic momentum and macro-financial stability. Over the four years of resistance to Russia's full-scale invasion, this support has exceeded $170 billion. It has not only supported domestic consumption but also helped offset a widening wartime trade deficit, which reached a record $59 billion (28% of GDP) in 2025.

Together, these factors have contributed to relative exchange rate stability while enabling international reserves to increase. Over the past four years, the hryvnia has depreciated against the US dollar at an average annual rate of 9% – broadly in line with the 7% average recorded over the preceding decade. This level of stability provides market participants with a degree of predictability for short- and medium-term planning.

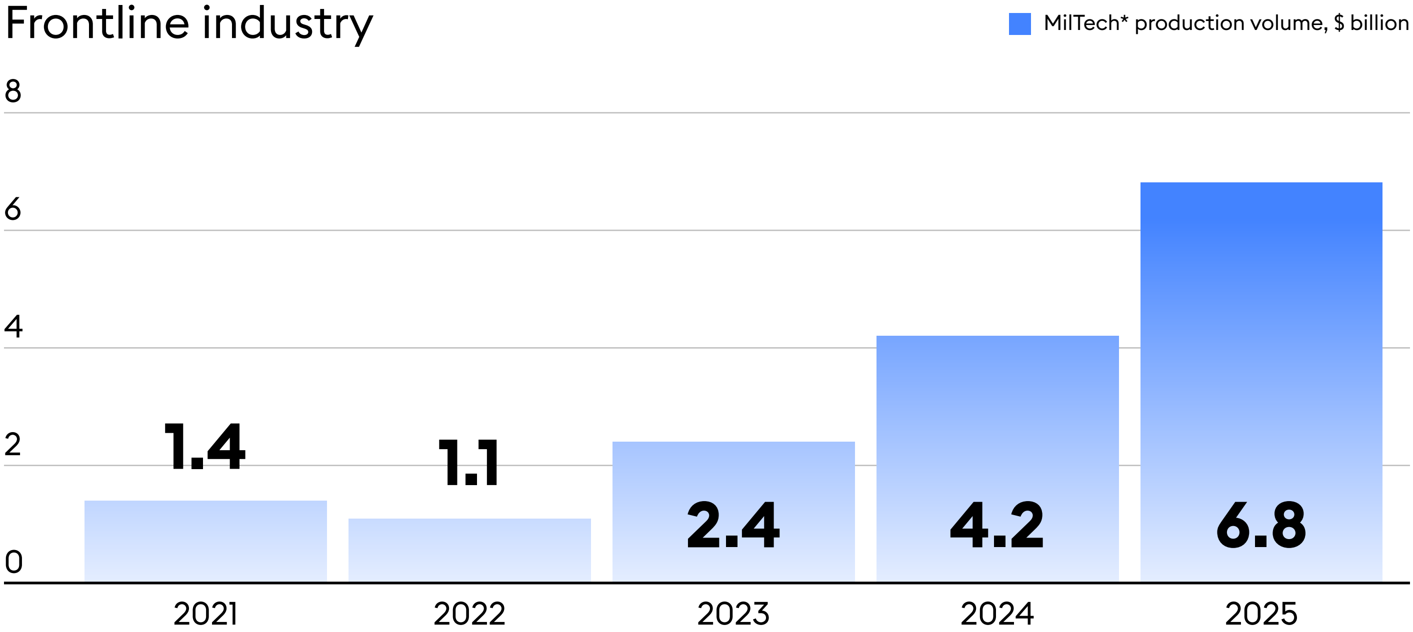
Regulatory specifics

Among the key regulatory constraints on the investment market during wartime are the National Bank of Ukraine's restrictions on currency and cross-border transactions, introduced in February 2022 under NBU Board Resolution No. 18. Despite some easing over the past four years, the core restrictions remain in place. The most consequential ones for investors are restrictions on purchasing foreign currency for outbound investment and restrictions on buying foreign currency to pay dividends to foreign shareholders of Ukrainian companies.

The latter restriction has led to a significant buildup of excess cash on some companies' accounts – liquidity that has subsequently supported domestic M&A activity. Kyivstar PJSC, for instance, one of 2025's key players in the acquisitions market, saw cash on its accounts grow twelvefold over three years to UAH 20 billion, exceeding half of the company's annual revenue.

While the National Bank of Ukraine later allowed partial dividend repatriation, the main restrictions remain in force – and they bite hardest for large companies, which often find the available quotas insufficient to fully settle accounts with foreign owners.

Frontline industry



Source: State Statistics Service, National Bank of Ukraine, calculations by Forbes Ukraine

*Excluding small-scale assembly operations

The rise of DefenseTech

In just a few years of full-scale war – and under severe resource constraints – Ukraine has rapidly emerged as a global leader in defense technologies. In 2021, the production of military equipment and weapons accounted for a negligible share of national output; by 2025, it had grown to approximately 2%, comparable to sectors such as education or finance.

Ukrainian DefenseTech is evolving across multiple dimensions: from established defense contractors to large-scale international partnerships, from new initiatives by major corporations to the development of strike and interception systems, as well as small-scale production of drones and electronic warfare systems by decentralised teams and workshops.

It is therefore unsurprising that DefenseTech has become a focal point for investment activity. Investors are seeking exposure to Ukrainian expertise, often deploying relatively modest amounts of capital. Transactions in this sector frequently take the form of venture capital-style deals, adapted to the industry's specific features.

A defining feature of the sector is a strict export control regime and a highly restrictive licensing regime under which approvals are handled on a case-by-case, manual basis. A recent test of this system's flexibility came during the spring crisis in the Gulf, when Ukraine, constrained by regulatory limitations, was unable to fully respond to surging demand from regional countries seeking drone defense solutions.

The rise of quasi-governmental reconstruction projects

Another defining feature of Ukraine's evolving investment landscape is the emergence of a growing number of reconstruction funds. These investment vehicles take various forms: some are established by international organizations in partnership with private investors, others are created through intergovernmental or public-private initiatives, while some are launched entirely by private-sector participants.

Prominent examples include the Reconstruction Investment Fund (RIF), established under an intergovernmental framework between the governments of Ukraine and the United States; the Catalyst Fund, backed primarily by international financial institutions; and the ADUIF fund, which has already raised more than €200 million to invest in Ukraine's energy, transport, and digital infrastructure.

As these funds are typically managed by experienced investment professionals, they are expected to become increasingly active participants in Ukraine's M&A market. Their first M&A transactions are likely to follow soon.

Wartime M&A: why assets sell without a discount

In 2022, at the onset of the full-scale war, many foreign investors expected Ukraine to quickly turn into a market of distressed assets, with a wave of sellers willing to accept significant discounts simply to close transactions. In practice, the opposite happened. Few high-quality businesses are currently available for sale, even at premium valuations. Strong companies have adapted to wartime conditions: rebuilding logistics chains, operating through energy shortages, relocating teams, and managing persistent uncertainty. As a result, in many sectors, Ukrainian M&A increasingly resembles a seller's market.

The war has not halted dealmaking in Ukraine, but it has fundamentally reshaped its logic – changing its structure, pace, sources of capital, and valuation frameworks. Ukrainian M&A has become less purely financial and far more strategic in nature. The central question is no longer "How do I buy cheaper?", but rather "What makes a deal in Ukraine viable?"

Anna Babych,
Executive Partner, Aequo

A prepared asset always wins

Successful deals today are those in which sellers begin preparing long before bringing an asset to market.

During the war, investors in Ukraine are not evaluating financial performance alone. Above all, they assess how resilient and effectively managed the business is under pressure: its organizational structure, quality of reporting, management capability, team stability, and ability to operate amid constant disruption.

As a result, investors increasingly pay a premium not simply to strong companies, but to well-prepared ones.

Deal structure has become more important than price

Ukrainian M&A transactions today depend far more on structuring than they did before the war. Currency restrictions, the actual location of settlement, access to financing and its cost, tax structuring, deferred payment mechanisms, and escrow arrangements all have a greater impact on a deal's outcome than valuation itself.

For many sellers, the key question is whether proceeds can be received outside Ukraine or through a structure that lawfully mitigates currency and tax risks. When the buyer is a large Ukrainian company, getting the financial structuring right – and ensuring it is acceptable to both parties – often becomes the central element around which the entire transaction is built.

As a result, negotiations increasingly focus not on price, but on whether a workable structure exists at all. In many cases, the winning bid is not the one with the highest valuation, but the one that offers the most realistic path to closing within a reasonable timeframe.

A modern deal calls for a new approach to risk assessment

Traditional legal due diligence focused on identifying historical liabilities and assessing risk exposure. The more adverse history a company carried, the greater the leverage to negotiate a lower price.

Under wartime conditions, the approach to risk assessment has changed fundamentally. The question is no longer whether risk exists – no business operates without it. The real question is how effectively a company can manage risk and adapt to a fundamentally altered environment. As a result, historical risks no longer translate directly into valuation discounts. The equation has become significantly more complex.

This requires a far deeper understanding of the Ukrainian context. Foreign investors seeking to complete transactions in Ukraine can no longer apply the same benchmarks used in stable jurisdictions. However, this does not imply lower standards. On the contrary, the Ukrainian market demands a more sophisticated, context-sensitive approach.

War introduces risks that cannot be fully eliminated through contractual mechanisms – power outages,

Modern due diligence must therefore assess not only traditional business risks, but also the factors that determine whether a business can operate effectively during wartime:

→ stability of the management team and human capital;
→the extent to which the business operating model is calibrated to a wartime economy;
→ resilience of supply chains;
→the ability of the business to operate continuously under conditions of persistent instability.

mobilization, logistics disruptions, regulatory shifts, and physical risks to assets. As a result, successful transactions are no longer structured around shifting risk entirely to one side, but around a realistic allocation of risk between the parties.

Paradoxically, it is often investors with the most pragmatic and nuanced understanding of Ukrainian risk who gain access to the highest-quality assets in the market.

Predictability and timing have become the new currency of a deal

Ukrainian M&A has slowed during the war – not simply because of the war itself. Investors are generally able to assess even a high risk and have it incorporated in the pattern. The greater challenge lies in forecasting execution mechanics and timelines to completion. Today, deal speed and feasibility depend on regulatory approvals, currency restrictions, sources of financing, tax structuring, and the practical ability of the parties to fulfill their obligations.

As a result, counterparties now spend less time negotiating price and more time assessing whether a realistic path to closing exists at all. Where the market previously operated on a "sign first, sort out the details later" basis, successful transactions today follow the opposite logic: parties first evaluate regulatory feasibility, currency and sanctions exposure, and the likelihood of obtaining all required approvals before moving to signing.

In this environment, the winning bidder is not necessarily the most aggressive or the best capitalised, but the one best positioned to successfully execute the transaction through to completion.

The source of capital now matters

The Ukrainian deal market has become significantly more sensitive to the origin of capital, the buyer's ownership structure, sanctions exposure, and the investor's broader geopolitical context during the war.

This is no longer a temporary adjustment. The pool of potential buyers for Ukrainian assets has clearly narrowed – and is likely to remain so for the foreseeable future.

In many cases, a preliminary review of the buyer's ownership structure has become a prerequisite even before substantive negotiations begin. Parties are effectively required to disclose their full ownership chain, up to the ultimate beneficial owner, from the outset to avoid investing time in transactions that may later prove unworkable due to sanctions risks or exposure to jurisdictions deemed problematic for Ukraine.

For certain investors, specific transactions are effectively out of reach from a regulatory approval perspective, regardless of asset quality or price. In practice, Ukraine already performs a de facto screening of foreign investment through the Antimonopoly Committee, even though a dedicated formal foreign investment screening regime has not yet been fully established.

The new formula for a successful deal

Ukrainian M&A during the war has become less focused on one-off transactions and more dependent on long-term partnership. Today, a deal that actually closes is no longer solely a matter of asset quality or price offered/settled.

Not every investor is able to meet the requirements related to the structure of a future transaction, regulatory approvals, sources of financing, and the practical execution of agreements under wartime conditions and martial-law legislation. This is precisely what creates a seller's market for high-quality assets.

As a result, the best assets increasingly do not go to the most aggressive buyers, but to those able to offer the clearest and most predictable basis for long-term cooperation. And perhaps the central paradox of the Ukrainian market today is that, in wartime, the most valuable asset is not only business resilience but also the ability of the parties to build partnerships amid constant uncertainty.

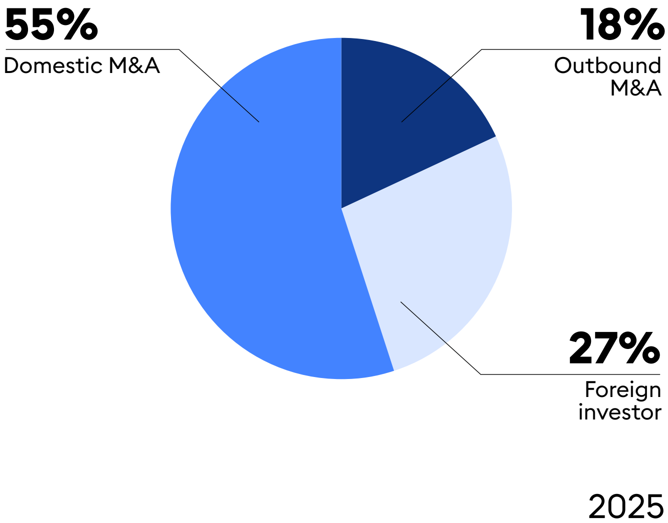
Who's driving the market: the biggest M&A deals

Ukraine's 2025 M&A market is defined by growth and diversification. The market's overall volume (including only deals valued at $5 million and above) reached $1.7 billion, up 50% year-on-year. The number of large transactions also increased, from 37 to 41.

Large deals are becoming even larger. In 2024, the biggest transaction was a $200 million investment in Creatio; in 2025, the top position was taken by agricultural and food holding MHP's acquisition of a 92% stake in Spain's Grupo Uvesa for $300 million.

Growth in domestic deal sizes was particularly notable. In 2024, the largest domestic transaction was the $59.5 million acquisition of Hotel Ukraine; by 2025, Kyivstar had acquired Tabletki.ua for $160 million. The share of domestic transactions rose to 55%.

55% of deals were domestic M&A

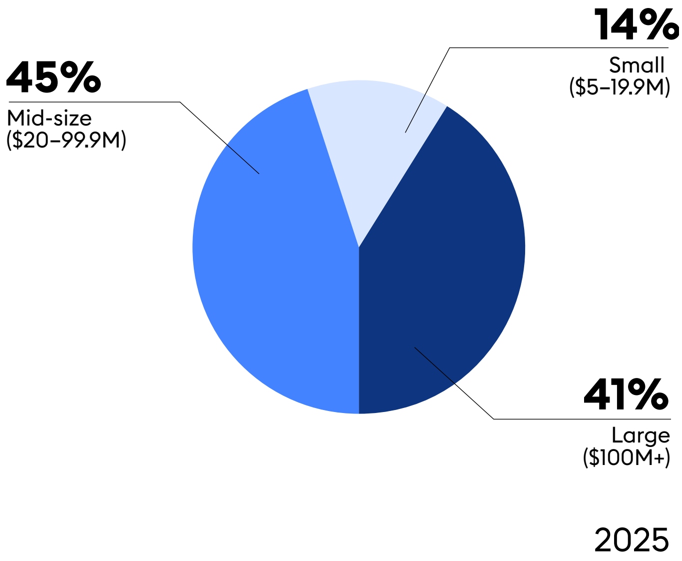


At the same time, the composition of the largest deals shifted. In 2024, the biggest transaction involving foreign investors was also the largest deal of the year overall. In 2025, however, the largest foreign investment – Bunge's $138 million acquisition of the Vinnytsia Oil and Fat Plant – was already smaller in scale than the largest domestic transactions. This points to the growing role of Ukrainian capital and increasing activity among local strategic investors.

Privatization activity also picked up noticeably. The value of the largest privatisation deal rose by 60%, from $59.5 million to $96 million. Whether this signals a gradual return of investor interest in state assets remains to be seen, especially given a major privatization expected this year.

At the same time, the market remains highly concentrated: 51% of total M&A volume is accounted for by just the five largest deals.

51% of the total M&A volume came from 5 deals

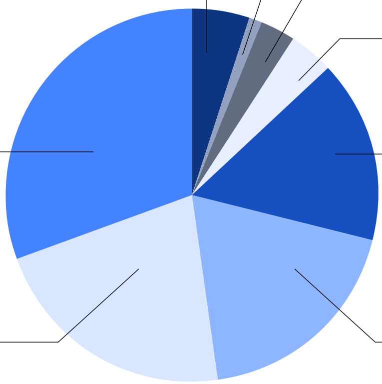


A key sign of market diversification was a rise in small transactions valued at up to $5 million. Much of this activity was concentrated in DefenseTech – unsurprising reflecting the technology-intensive nature of the war. Not every transaction in this segment is ultimately completed, but the number is growing rapidly. In 2024, only a handful of such transactions were announced; by 2025, there were dozens; and in the first half of 2026 alone, the number of announcements was already comparable to the full-year total for 2025. A defining feature of new DefenseTech deals is the increasing prevalence of joint venture structures, combining Ukrainian expertise with foreign financing and access to more secure production locations.

Across deal sizes, investor preferences are also becoming more segmented: large investors are primarily focused on agribusiness, mid-sized investors on real estate, while within the small-deal segment, real estate and energy dominate.

Despite this positive momentum, there remains significant room for growth. Investment as a share of GDP stands at 13% (excluding defense-related spending within gross fixed capital formation), still well below the approximately 33% average for upper-middle-income economies, a World Bank classification that includes Ukraine.

Roughly one in three deals was in agribusiness



Ukraine's investment market still has significant room to grow and attract new capital, including through new M&A deals.

Deal of the year, 2025: MHP–Uvesa

The largest deal in Ukraine's M&A market in 2025 was an outbound transaction. In August 2025, Ukrainian multinational MHP announced the completion of a landmark acquisition of more than 92% of the share capital of Grupo Uvesa, one of Spain's largest poultry and pork producers. The transaction gives MHP control over the company's core operations and production processes.

Valued at $300 million, the deal ranks among the largest international M&A transactions involving Ukrainian capital in recent years. It is also one of the few cases in which Ukrainian investors have acquired significant foreign assets.

The acquisition enables MHP to substantially strengthen its position in the EU market and reduce its dependence on production capacity in Ukraine. More broadly, Ukrainian companies are increasingly using M&A not only to scale, but to transform their business models, enter new segments, and expand their presence in international markets.

Andriy Bulakh,
First Deputy CEO, MHP

On the approach to international expansion

We take a partnership-driven approach to companies that become part of MHP – one focused on investment, collaboration, and strengthening local businesses. We do not seek to change the established identity of the companies we acquire; instead, we look for ways to accelerate their growth while preserving local expertise, long-standing supplier and community relationships, and strong local brands.

Following the acquisition of Perutnina Ptuj, production volumes nearly doubled to 163,000 tonnes, EBITDA tripled, and more than €241 million was invested in modernization and capacity expansion. The headcount increased to over 5,700 employees.

The acquisition of Grupo Uvesa in Spain reflects the same philosophy. We're currently in the integration process, identifying the company's key strengths and the areas where we can strengthen it with technology, investment, and operational-efficiency expertise – in order to bolster its ability to compete in European and international markets.

On European integration

MHP's experience shows that integration into the European economic space begins long before formal EU accession. We are an international company with an active presence across several EU countries, so we are not only observing Europe's transformation – we are part of it. This is a process of convergence from both sides.

Ukrainian business is already contributing to Europe's food security, resilience, and competitiveness. By combining knowledge, technology, and experience, we can further strengthen the European agri-food sector.

On international strategy

MHP runs its business as a single international group of companies. Ukraine remains our key country – it's where our core production capacity is concentrated, where roughly 32,000 of our group's more than 39,000 employees work, and where a number of investment projects are underway.

At the same time, the full-scale war creates an extraordinarily high level of risk and uncertainty for Ukrainian entrepreneurs. Under these conditions, the steady growth of our international business lets MHP diversify risk, strengthen the resilience of the whole group, and keep operating stably in Ukraine.

Yuriy Kosyuk,
Founder and CEO, MHP

The European market has become complacent. If our exports are blocked, we'll simply go out and acquire more companies. We're prepared to pay EBITDA multiples of 8–9x if we believe we can double profitability within 18 months.

We're also looking closely at Argentina, where the new president has introduced substantial incentives for investors. It's a country of opportunity for companies like ours – those ready to invest, grow, and get to work

(From a speech at the Concorde Capital conference, June 18, 2026)

Kyivstar's serial acquisitions of digital services

Meanwhile, in the domestic Ukrainian M&A market, the clear standout of the year was Kyivstar. The country's largest mobile operator is in the process of transforming into a digital services platform and has been actively acquiring online businesses.

On February 10, Kyivstar announced the closing of its December acquisition of Tabletki.ua, an online medicine search and reservation platform. The company plans to integrate Tabletki.ua into its digital ecosystem, using its data and services to expand healthcare offerings and enhance user experience.

Another major transaction was the acquisition of ride-hailing and delivery service Uklon. The $155.2 million deal closed in April 2025, with 12% of the transaction value distributed among 32 Uklon employees across various roles as part of a retention incentive program.

The deal ranked as the third-largest in Ukraine in 2025 by value and marked a further step in Kyivstar's transition toward a digital services model. The company has not ruled out that, in the future, telecom could account for less than 50% of its overall business.

In May 2025, Kyivstar also increased its stake in Helsi by 28%, bringing its ownership to 97.99%, in a transaction valued at $10.5 million.

In December 2025, the company acquired 100% of Sanvin 11 LLC, the owner of a 12.95 MW operational solar power plant, for $8.2 million.

According to Kyivstar, the investment is aimed at diversifying its energy sources and reducing operational risks linked to power supply instability.

In early 2026, Kyivstar continued expanding its digital infrastructure portfolio. In February, it acquired regional internet provider ISP Shtorm LLC (Shtorm brand) in a $9.7 million deal, strengthening its fixed-line connectivity capabilities.

Oleksandr Komarov,
CEO, Kyivstar

On the four criteria for participating in M&A deals

→ The business must generate returns that exceed the cost of capital (IRR > WACC). Put simply, an investment should create value for the company and its shareholders at a rate that exceeds the cost of capital and preserves shareholder value.

→ We assess both market and business potential. Scale matters: for B2C investments, we look for businesses with an addressable audience of at least one million active customers who engage with the service frequently or spend significant time using it.

→ A strong team of founders and managers. We invest not only in businesses but also alongside the people who will continue building and growing them.

→ The potential for international expansion. A business's ability to scale into new markets is a significant additional advantage.

On the Uklon acquisition

The acquisition of Uklon is part of Kyivstar's long-term strategy of transforming from a telecommunications operator into a digital services company. We are building a portfolio of strong business verticals, one of which is modern mobility.

At the same time, Uklon became part of a publicly listed company traded on Nasdaq, which brings an entirely different set of requirements. The integration process therefore involved aligning Uklon's operations with Kyivstar Group's standards for financial reporting, compliance, financial management and corporate governance, a challenge the team has handled exceptionally well.

And this approach extends far beyond Uklon. We follow the same principles across our other businesses, including Helsi, Tabletki.ua, and our energy investments.

For example, following the acquisition, we launched several new business lines at Helsi that complement its core offering: SaaS solutions for private clinics, B2C services such as telemedicine and subscription products, and a healthcare marketplace. Laboratory test bookings are already available, and we continue to expand the platform with additional services.

On the role of advisors in M&A transactions

On the buy side, after a series of partnerships and experiments, we concluded that developing our own in-house expertise is more effective – both in terms of quality and execution speed. This is particularly important given the scale of the investment portfolio we intend to build over the next five years, as well as the corporate governance responsibilities that, by their nature, cannot be delegated to external advisers.

On the sell side, we already work with leading Ukrainian investment funds and remain open to new partnerships. We carefully review every proposal received from business partners and investment bankers and evaluate it promptly. Today, this is now the second-largest source of opportunities in our deal pipeline. The primary source remains the work of our internal M&A team and our direct relationships with business owners and sellers.

We also expand our businesses through joint ventures. In many ways, a joint venture resembles a marriage: it requires open dialogue, a shared vision for long-term development, mutual commitments, and agreement on the rules of working together for years to come. External advisers cannot build those relationships on our behalf. That's why we believe it is more effective to develop our own M&A capabilities, grounded in a deep understanding of our strategy and focused on creating long-term synergies.

Bunge – Vinnytsia Oil and Fat Plant: consolidating the oilseed market

Alongside the consolidation of Ukrainian business domestically, foreign investors have also intensified their interest in strategic assets in Ukraine.

The largest M&A transaction involving the acquisition of Ukrainian assets by foreign investors was American agribusiness giant Bunge's purchase of an 85% stake in the Vinnytsia Oil and Fat Plant (ViOil). The facility is Ukraine's largest oilseed processing plant and a member of the "million-tonne club" – enterprises capable of processing at least one million tonnes of oilseeds annually.

The total enterprise value was approximately $162 million. In 2024, Bunge acquired a 15% stake for around $24 million; on June 20, 2025, it exercised its option to acquire the remaining 85% for $138 million. The transaction was completed on October 2 following approval from the Antimonopoly Committee of Ukraine (AMCU).

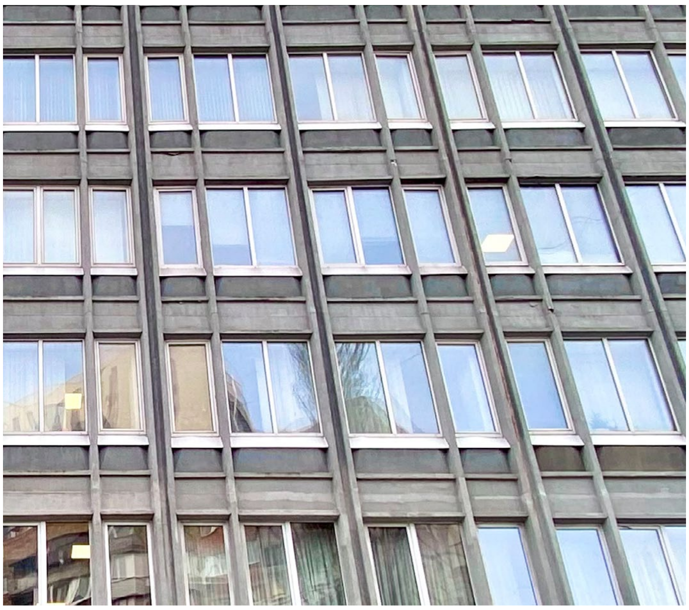
The deal reflects the ongoing consolidation of Ukraine's oilseed processing sector, a trend in which Kernel has also played a leading role, including through the development of its own "million-tonne" facility in Starokostiantyniv. By acquiring a comparable asset in the same region, Bunge strengthens its ability to compete with Ukrainian oilseed processors. As a result, Bunge's share of processing capacity has increased to approximately 15%, compared to around 25% for Kernel.

Privatization deals

In 2024–2025, privatisations of previously seized assets emerged as a new driver of M&A activity.

In 2025, two major privatization deals were finalized following auctions held in late 2024.

The largest privatization transaction since the start of the full-scale invasion was the sale of United Mining and Chemical Company (UMCC), one of the world's top ten producers of titanium and zirconium ores and the largest producer of its kind in Europe. At an auction in October 2024, the winning bidder was CEMIN Ukraine LLC, controlled by Azerbaijan's NEQSOL Holding, which offered more than UAH 3.9 billion. The transaction was completed in May 2025 following approval from the Antimonopoly Committee of Ukraine (AMCU).



Teymur Taghiyev,
Chief Operating Officer, NEQSOL Holding

On strategy

After closing the deal, we had to adjust certain tactical priorities. A combination of energy disruptions caused by infrastructure attacks in late 2025 and early 2026, as well as unexpected regulatory changes affecting exports of rutile and zirconium concentrate, significantly impacted operations. Today, we are placing greater emphasis on operational resilience, which has already been supported by our shareholders with more than UAH 1.2 billion in investment. However, these circumstances have not changed our overall strategy – only the pace of its implementation.

On the challenges

For Ukrainian producers, predictable and competitive export regulations are critical. The speed of export-related decision-making is becoming as important a competitive advantage as product quality or price.

On the privatization experience

The State Property Fund generally prepares investor information to a high standard. The time allowed for due diligence should reflect the scale and complexity of the asset being privatised. I would also recommend paying particular attention not only to the asset itself, but also to the stability of the regulatory environment in which it will operate after privatization.

It is also important to note that approval for large transactions can take more than six months, during which external conditions or the state of the asset may change significantly. Investors therefore need to take a long-term view on Ukraine, have confidence in its future, either have experience operating in Ukraine or work with a strong local partner, and maintain a deep understanding of the relevant industry.

Ukraine has taught businesses to operate in an environment where resilience is not a response to crisis, but a core element of the business model. In many ways, few markets offer comparable experience of managing assets during a full-scale war.

Another major privatization transaction was the sale of Aerok, one of Ukraine's leading producers of aerated concrete products, with manufacturing facilities in the Kyiv and Lviv regions. At a December 2024 auction, the asset was valued at UAH 1.89 billion. The winning bidder was Trident Geoinvest Ukraine LLC, part of Hennadiy Butkevych's BGV Group. The transaction was completed in March 2025 following approval from the Antimonopoly Committee of Ukraine (AMCU).

Real estate changes hands

Investment activity also increased in commercial real estate, where investors showed growing interest in large-scale assets in the capital.

One of the largest commercial real estate transactions during the full-scale war was the acquisition by City Capital Group, owned by Israeli businessman Ofer Kerzner, of the first phase of the Leonardo Business Center and the Ukraina shopping mall. The seller was the Irish banking group IBRC. The deal is valued at approximately $70–100 million, with further capital expenditure planned to modernise the properties.

Another notable asset to change ownership in 2025 was the country's largest exhibition venue.

In May 2025, the Antimonopoly Committee of Ukraine (AMCU) approved Citadel Ventures Cyprus Limited, owned by Maxim Krippa, to acquire a stake in the International Exhibition Center (IEC), Ukraine's largest exhibition complex. The estimated value of the transaction is around $60 million. Krippa, who also owns the Parus Business Center, the Hotel Ukraine, and the NAVI esports team, increased his stake in the asset to more than 75%. The transaction covered not only shares in A.T.V.T., which held 50.04% of the center's share capital, but also stakes held by Anatoliy and Olena Tkachenko.

Another notable trend was rising demand for logistics assets, driven by the rapid growth of e-commerce and the retail sector's shift toward online channels. As a result, companies are increasingly opting to invest in their own infrastructure rather than rely on leasing.

In February 2025, RUSH LLC, the operator of the EVA retail chain, completed the acquisition of the SK Omega-1 logistics facility in Brovary from Dragon Capital, an investment company. The transaction was valued at $36 million.

The commercial real estate market also saw growing demand for asset acquisitions, including a landmark crowdfunding transaction. In late 2025, the Inzhur REIT investment fund completed the acquisition of Sky Park, Vinnytsia's most visited shopping mall. Nearly 38,000 Ukrainian investors participated in the fund. The transaction was valued at UAH 1.5 billion (approximately $35.8 million).

The 30,000 sq. m Sky Park mall is located in central Vinnytsia and hosts more than 150 tenants, including international brands such as Bershka, Pull&Bear, Stradivarius, Levi's, Colin's, and KFC.

Buying out a partner's stake in Modern Expo

In manufacturing, some transactions were driven less by expansion than by the consolidation of control within already established businesses.

In May 2025, Modern Expo co-owner Petro Pylypiuk, who held a 55% stake in the company, announced the acquisition of the remaining 45% from his partner, Polish businessman Bogdan Łukasik. The transaction is valued at approximately $60 million.

Under the terms of the agreement, the stake will be transferred gradually to Pylypiuk and his family through a series of annual payments, with full ownership expected to pass over the coming years, depending on the payment schedule.

As part of the arrangement, Łukasik stepped down from operational management and became a passive shareholder.

Maspex – Karpatska Dzherelna

Meanwhile, international manufacturers continued to strengthen their presence in Ukraine's consumer market, particularly in the relatively resilient mineral water segment.

In November 2025, the Antimonopoly Committee of Ukraine (AMCU) approved the Polish group Maspex, one of the largest food producers in Central and Eastern Europe, to establish joint control, together with a Ukrainian partner, over Carpathian Mineral Waters LLC and Carpathian Mineral Waters Trading House LLC. The transaction is valued at approximately $30–50 million.

The company extracts mineral water in the Lviv region and produces beverages under brands including Karpatska Dzherelna, Dzherelce, and Sokovynka. Carpathian Mineral Waters holds the second-largest share of Ukraine's mineral water market, at around 10%.

Ukrnafta helps Shell exit the market

A separate category of M&A activity involved assets linked to sanctioned Russian capital. Following Shell's attempt to consolidate control over the Alliance Holding gas station network, the Ukrainian authorities did not recognise the resulting change in ownership and proceeded to nationalize the 49% stake previously held through structures associated with Russian businessman Eduard Khudainatov. Shell subsequently decided to exit the Ukrainian asset and sold its remaining stake to state-owned Ukrnafta, transferring full control of the network to the state.

In August 2025, Ukrnafta and Shell completed a transaction under which the state-owned company acquired a 51% stake in Alliance Holding LLC, the owner of 118 Shell-branded gas stations in Ukraine.

The deal is valued at approximately $45 million. The remaining 49% is held by the State Property Fund, meaning the state effectively controls 100% of Alliance Holding LLC and will receive its share of future dividends.

Financial sector: Idea Bank

The financial sector also remained active, despite investor caution and a tighter regulatory environment. On April 22, 2025, the National Bank of Ukraine approved Serhiy Tihipko, owner of the TAS Group, for the indirect acquisition of 100% of Idea Bank.

The following day, Poland's Getin Holding SA completed the sale of 100% of the bank's shares to Cyprus-based Alkemi Limited, owned by Tihipko. The transaction was valued at $36.5 million and closed under the terms of a preliminary purchase agreement signed on October 18, 2024.

Landmark deals in energy

Energy investment was a major trend last year. Much of this investment took the form of capital expenditure – virtually every market player invested in repairing and rebuilding networks and generation capacity. DTEK, for example, was by far the largest private investor in fixed capital in Ukraine in 2025.

At the same time, strong investor interest in the sector was also reflected in M&A activity. Beyond Kyivstar's acquisition of a solar power plant, discussed earlier, Concorde Capital, owned by Ihor Mazepa, acquired Beiken Energy Ukraine – the Ukrainian subsidiary of China's Beiken – in June 2025 in a transaction valued at approximately $25 million.

Beiken Energy Ukraine specializes in drilling services and integrated project management (IPM) for Ukraine's oil and gas industry, with its operational base in the Poltava region. Mazepa has been actively expanding his energy investments. In addition to acquiring Beiken, he established a power generation company in 2025, committing an initial $60 million to the business, including investments in energy storage systems.

Another notable transaction saw Lithuania's Green Genius sell its Ukrainian portfolio of energy assets to the Foxtrot Group. The deal illustrates a defining feature of wartime investment in Ukraine: while some foreign investors are unwilling to bear the risks associated with owning physical assets in Ukraine, domestic investors increasingly see an opportunity to enter strategically important sectors on attractive terms.

The transaction also highlights the growing interest of Ukrainian businesses in energy as a new avenue for growth. For Foxtrot, it marked the company's first major investment in a sector outside its traditional core business. The estimated value of the acquisition was approximately $15 million.

A strong start: 2026 deals

In the first five months of 2026, the Ukrainian M&A market maintained a high level of activity. Deals worth $1 billion were closed in that period – already around 60% of 2025's full-year volume.

This year also opened with another major outbound investment from Ukrainian agro-giant MHP. While the largest deal in the first five months of 2025 was MHP–Uvesa at $300 million, January–May 2026 brought a comparably sized deal: MHP's acquisition of Greek poultry producer Th. Nitsiakos AVEE for $290–330 million.

The sector mix continues shifting toward agribusiness and technology, whose combined share rose to 64%, with agribusiness emerging as the main anchor of the M&A market.

While the largest deal involving a foreign investor in 2025 was multinational agribusiness giant Bunge's $138 million acquisition of the Vinnytsia Oil and Fat Plant, leadership in the first five months of 2026 shifted to the tech sector: WestCap's roughly $150 million investment in Preply.

The concentration level of M&A deals in January–May 2026 remained almost unchanged – around half of total market volume came from just the two largest deals, the same as in January–May 2025. But it's worth noting that deal activity is typically strongest in the second half of the year, so this comparison may not be final, especially given the wave of announcements in the small-deal segment.

While there were no major privatizations in the first five months of 2026, unlike the same period in 2025, the potential for the second half of the year remains substantial given the calendar of planned large-scale privatizations. The total estimated starting value of assets up for sale is UAH 29.4 billion. The most expensive lots on the list are the Odesa Port Plant, Ocean Plaza, and the Mykolaiv Alumina Plant.

Kyivstar's acquisitions continued into 2026 as well. The company closed a deal to acquire six solar power

plants in Lviv region with a combined capacity of 105 MW, for UAH 3.6 billion ($81 million) – enough to cover roughly 30% of the company's consumption.

Another notable May deal was the acquisition of American MetLife's Ukrainian subsidiary by Polish insurance group PZU, valued at $100 million. This will strengthen PZU's presence in Ukraine and significantly expand its life insurance operations. According to the National Bank of Ukraine, as of the start of 2026, MetLife held 49.2% of the life insurance premium market, with PZU Ukraine at 6.8%.

Continuing last year's trend of bank M&A, in March the Ukrainian subsidiary of France's Crédit Agricole signed an agreement to acquire up to 100% of shares in Bank Lviv. The deal is valued at $40 million, and will strengthen Crédit Agricole's position in Western Ukraine while expanding its presence in the SME and agricultural segments.

In mid-May 2026, a deal was also finalized for Mediterranean Shipping Company (MSC), the world's largest container line, to acquire 51% of the TIS Container Terminal, valued at $30–40 million. It's the first time a global ocean-shipping operator of this scale has invested directly in the capital of a Ukrainian port terminal.

In short, the M&A market in 2026 has already gotten off to a strong start and has every chance of surpassing 2025's results, both in deal count and in total volume.

Defense M&A: evolution at hyperspeed

M&A in Ukraine's defense sector looks more like venture capital operating under extraordinary conditions. Most transactions are relatively small, close quickly, involve limited due diligence and do not disclose valuations. Yet this is only the beginning. A market that barely existed three years ago is now laying the groundwork for transactions on an entirely different scale.

Michael Lukashenko,
Partner, Aequo

Who is investing – and who comes next

The experience of 2025–2026 reveals a clear pattern: most investment rounds have been led by Ukrainian funds, including MITS Capital, Green Flag Ventures, Angel One, and Nezlamni. International capital is present, but highly selective. International investors tend to back companies that have already expanded beyond Ukraine or developed products with clear global applications. Examples include investments by Denmark's Maj Invest Holding and EIFO in Dropla, as well as U.S. funds backing Swarmer.

The logic for international investors is straightforward. As long as a company remains dependent on a single customer–the Ukrainian state–its exit options and long-term scalability remain uncertain. The issue is not product quality, but commercial scalability. That dynamic is beginning to change, removing one of the main barriers to the growth of Ukraine's DefenseTech sector.

A major milestone came in December 2025, when Ukraine and Germany announced their first joint combat drone manufacturing project under the Build with Ukraine initiative. Germany's Quantum Systems and Ukraine's Frontline Robotics will jointly manufacture combat drones in Germany. Under this model, the Ukrainian side contributes technology and critical components, the German partner provides financing and manufacturing capacity, and the German government purchases the drones for delivery to the Armed Forces of Ukraine.

The framework provides a scalable route for bringing Ukrainian defence technology to international markets through licensed production abroad. Host countries gain access to combat-proven capabilities, Ukraine receives additional weapons supplied by its partners, and Ukrainian defense companies reduce their reliance on a single domestic customer and establish an international presence. In turn, this makes them more attractive to investors and creates a much stronger pipeline for future M&A.

Since 2026, the initiative has been known as Drone Deal. According to Ukrainian President Volodymyr Zelensky, around 20 countries are at various stages of negotiating agreements with Ukraine on joint drone production. Since the beginning of 2026, dozens of memorandums on joint weapons manufacturing have been signed with partner countries, including Germany, France, Norway, and Sweden. As a result, 2026 is shaping up to be the year Ukraine's defense industry begins its transformation from a domestic wartime sector into a global player.

A path already paved

Companies expanding internationally through Drone Deal will need robust cross-border legal structures, adopt global standards of corporate governance, and meet international investors' reporting requirements. This transformation will not happen overnight, but it is a natural consequence of global expansion – and it opens the door to international capital and significantly larger transactions.

UForce provides an early example of this trajectory, which in March 2026 raised a $50 million funding round at a $1.1 billion valuation from Shield Capital, Lakestar, and Ballistic Ventures. The round differs markedly from most other transactions in the market: the investor syndicate consisted entirely of international defense-focused funds, while the $1.1 billion valuation set a new benchmark for a Ukrainian DefenseTech company.

The participation of investors such as Shield Capital and Ballistic Ventures signals that UForce is no longer viewed simply as a promising Ukrainian startup, but as a company competing in the global defense market. The transaction was possible precisely because UForce was among the first Ukrainian DefenseTech companies to build its business as a global enterprise from the outset. It is unlikely to remain the last.

Evolving at scale

The next steps will take several forms. Strategic investors – major American and European defense companies – are already looking at Ukrainian assets not just as joint-venture partners, but as potential M&A targets. At the same time, institutional capital is beginning to enter the sector: pension funds and sovereign wealth funds are starting to view DefenseTech as a distinct asset class. For the most mature companies, public markets may be the next step: an IPO on American or European exchanges as a way to raise capital and gain international visibility.

The question isn't whether this will happen, but which Ukrainian companies will manage to translate their combat-proven expertise into a corporate structure that different types of investors can understand and support.

Deals in Ukraine's defense sector are evolving faster than any other segment of the M&A market. Three years ago, this market barely existed. Today, it has its own venture funds and its first unicorn. Dozens of joint production lines across Europe may follow.

As the industry transforms, so do the deals themselves – from small local rounds built on trust to international syndicates and complex structures. The next phase is strategic acquisitions by major international players and multi-billion-dollar investments. What once seemed like science fiction is now, increasingly, just a matter of time.

The companies that first translated their combat-proven expertise into structures international investors could understand have gained a clear advantage in accessing capital. UForce is the first obvious example.

What makes these deals different

Several patterns have crystallized from our experience, recurring regardless of company size or round.

→ Regulatory constraints set the key deal parameters

In most industries, regulatory risk is a background factor. In defense, it's the opposite: the regulatory framework determines who can invest, what deal structures are possible, and whether a deal is possible at all. Until recently, the ban on exporting Ukrainian-made weapons significantly limited how attractive Ukrainian defense companies were to foreign investors. Now Ukraine's regulatory landscape is starting to shift, and that's affecting M&A.

→ Valuation is a question mark

Most deals don't disclose company valuations, and this isn't confidentiality for its own sake. Standard valuation methods simply don't work: conventional approaches don't apply to a company whose sole customer is a government at war. There are almost no comparable deals to benchmark against. Intellectual property is often left unprotected by patents – deliberately, to avoid revealing the underlying technology. So valuation is always a complicated question for a Ukrainian defense M&A deal.

→ Due diligence follows a fundamentally different mode

Some documentation simply can't be shown – not out of reluctance, but because of secrecy requirements. Visiting a production site in person isn't always realistic. Investors understand this and adapt: track record, feedback from military end-users, and team reputation matter more, while the classic document package matters less. Deals close fast – sometimes very fast.

→ Intellectual property is the core asset but lacks conventional legal protection

Patenting in DefenseTech is often impossible or undesirable. This creates nontrivial issues when structuring M&A deals, especially where technology transfer is a central element of the transaction.

The competition for approval: how the AMCU is changing the rules of the M&A game in Ukraine

As foreign investors return to Ukraine's deal market, the Antimonopoly Committee of Ukraine (AMCU) is quietly redefining its role. Once viewed largely as the final procedural step before closing, the regulator is increasingly becoming a decisive factor in how transactions are structured, negotiated, and ultimately completed.

This does not mean the AMCU has become a barrier to investment. It does, however, have a clear practical consequence for market participants: antitrust clearance can no longer be treated as a formality or deferred until the final stages of a transaction.

In 2025, the Committee significantly intensified its enforcement activity, imposing more than UAH 5.8 billion in fines – six times the total recorded a year earlier. At the same time, its scrutiny of merger notifications became noticeably more rigorous, particularly in strategically important sectors, transactions involving complex ownership structures, and deals attracting significant public interest.

For investors and businesses alike, the message is clear: the AMCU is no longer simply the final procedural checkpoint before closing. It is evolving into a substantive regulatory gatekeeper capable of shaping a transaction's structure, timetable, closing conditions – and, in some cases, determining whether it proceeds at all.

Mariya Nizhnik,
Executive Partner, Aequo

Time and transparency

Legally, the merger review process appears relatively predictable. A simplified review may take up to 25 days, while a standard review may take up to 45 days from the date the application is formally accepted for review. In more complex cases, the AMCU may initiate an in-depth investigation, including market inquiries involving customers, competitors, and public authorities, which may extend the review by at least a further three months.

In practice, however, the timetable is only part of the equation. Far more important are three factors: (1) when the application is formally accepted for review; (2) the scope of additional information requests issued by the regulator; and (3) whether the Committee considers that it has received a complete and transparent account of the proposed transaction.

The AMCU's primary task remains to assess the competitive effects of a concentration in Ukraine. This includes defining the relevant market and evaluating market shares, barriers to entry and potential horizontal or vertical effects.

In practice, however, the review extends well beyond traditional competition analysis. The Committee also examines ownership structures, ultimate beneficial owners, the origin of capital, sources of financing, and the parties' ability to demonstrate that sufficient funding is available to complete the transaction

Under wartime conditions, this broader approach is entirely understandable. Questions about the origin of capital, sanctions exposure and control over strategic assets go beyond traditional merger control analysis. They also raise questions of national security, critical infrastructure resilience and investor reliability.

Public attention adds another layer of complexity. While media coverage should not influence the substance of the regulator's decision, high-profile transactions often receive more intensive scrutiny as the Committee seeks to establish the facts as fully as possible.

This is not unique to Ukraine. Across many mature jurisdictions, merger control increasingly overlaps with foreign investment screening, national security, data protection, and critical infrastructure regulation. The difference is that these regimes are generally governed by separate legal frameworks with well-established procedures and clearer assessment criteria. Ukraine is still developing this institutional architecture, making thorough preparation and regulatory engagement particularly important for parties to M&A transactions.

Public cases as a marker of new approaches

Recent high-profile cases illustrate how the focus of the AMCU's analysis is evolving.

In the DVL Telecom transaction involving Datagroup-Volia and lifecell, the Committee signaled that ownership structures and sanctions-related considerations have become integral to its assessment. Even where the expected impact on competition appears limited, these factors may justify more extensive regulatory scrutiny.

The privatization of United Mining and Chemical Company (UMCC) demonstrated a different aspect of this evolving approach. Although the buyer had no existing presence in the relevant markets, the Committee nevertheless conducted an in-depth review because of the strategic importance of the asset. The transaction was ultimately approved, subject to commitments focused less on traditional horizontal competition concerns and more on protecting domestic supply and safeguarding the interests of Ukrainian consumers.

The acquisition of Tabletki.ua by Kyivstar further illustrates the expanding scope of merger review. The Committee's assessment extended well beyond conventional market analysis to examine issues related to digital platforms, access to data, and non-discriminatory conditions for market participants. The investor ultimately accepted a substantial package of behavioural commitments.

The Aerok transaction also reflected the AMCU's broader approach. Beyond the acquisition of one of Ukraine's largest aerated concrete producers, the case raised questions about restoring production capacity in a sector expected to play a critical role in the country's reconstruction. In such circumstances, the review naturally extends beyond market-share analysis, market access, future demand, and the investor's ability to restore operations and ensure effective competition.

Check your past before you file

One issue that often emerges too late is that the AMCU may look beyond the transaction under review and examine the parties' historical compliance record.

This is particularly relevant for large corporate groups with complex structures and a history of frequent acquisitions. As part of its review, the Committee may examine whether the group completed any concentrations during the previous five years that required prior clearance in Ukraine but were implemented without obtaining it.

For a pending transaction, such findings can have significant consequences. They may delay the review process, trigger additional regulatory proceedings, and complicate the parties' engagement with the Committee.

For that reason, conducting an antitrust audit of historical transactions before submitting a merger notification is often a prudent step. Where potential compliance issues are identified, it is generally preferable to assess the risks and determine an appropriate strategy before the regulator identifies them.

What's next?

Foreign investment screening is the next major development on the horizon. In sensitive industries, deals will increasingly need to be planned along two tracks at once – competition and investment screening. This isn't necessarily bad news for investors. The approach to planning deals shouldn't rely on hopes for an accelerated AMCU process, and the questions it raises shouldn't come as a surprise.

This is not a matter of excessive caution – it is a matter of effective risk management. A transaction completed years ago should not become an avoidable obstacle to closing today's deal.

What this means

A Ukrainian clearance can unexpectedly become the critical path of the entire M&A process.

For a buyer, that means added costs: the cost of capital while waiting, the inability to begin integrating the businesses, the risk of changing market conditions, or the need to revise the closing timeline.

But it's not a death sentence. In many complex cases, constructive dialogue with the Committee is possible.

If a deal is transparent, the investor is well understood, and the concentration carries clear economic or strategic value for Ukraine – infrastructure, reconstruction, technology, manufacturing, energy, or defense capability, for example – the Committee can act pragmatically and quickly.

So before filing, companies should have clear answers to these basic questions:

→ Who actually controls the buyer and the seller?
→ Are there individuals in the ownership structure carrying sanctions, political, or reputational risk?
→ What are the sources of financing for the deal, and can they be documented?
→ Has the group carried out any prior transactions that may have required AMCU approval?
→ Which Ukrainian markets could be affected by the deal?
→ What evidence-based story can the parties tell the regulator about the deal's impact on the Ukrainian market?

The market through a participant's eyes

Invest now or wait? What's attracting capital to Ukraine

Dragon Capital, an investment company

Ukraine's story has the potential to become one of the largest postwar recovery narratives in Europe and an investment cycle spanning decades. Reconstruction in Ukraine is already underway: despite the turbulence and uncertainty, Ukrainian business is building new production capacity, constructing power-generation facilities, and creating jobs. All of this is happening with support from Ukraine's international partners and investment from foreign and Ukrainian companies that were already operating in the country before the full-scale war.

Yet the scale of the challenge remains immense. According to World Bank estimates, rebuilding Ukraine's damaged infrastructure alone will require approximately $588 billion – nearly three times the country's annual GDP. Meeting that challenge will require sustained private investment alongside public and international financing.

Ukraine's long-term recovery will ultimately depend on its ability to attract new capital, support entrepreneurship, and create the conditions for long-term investment. The most important decisions will not be made after the war ends, but while the country is rebuilding. Every investment made today contributes not only to Ukraine's economic recovery, but also to the foundations of one of Europe's most significant growth stories of the coming decades.

What's drawing investor interest in Ukraine

The war is having a major effect on many markets, and investor interest is strongest where it's creating new demand or a significant shortage. A vivid example is the MilTech sector, whose positive growth trajectory has contributed to Ukraine's progress on the battlefield in spring 2026 and has also drawn substantial interest from private investors.

Another example is the energy sector, which lost up to 80% of its generation capacity and, according to World Bank data from February 2026, needs up to $90 billion for reconstruction. But despite the war, many sectors have adapted to the new reality, stabilized, and are already showing growth – across an entire range of industries, from goods manufacturing and services to retail, agribusiness, fintech, and others.

According to a recent survey of members of Global Business for Ukraine and the European Business Association, 79% of foreign investors are interested in opportunities tied to Ukraine's reconstruction, and roughly half are already investing. Alongside private investors, leading international financial institutions (World Bank, IFC, EBRD, EIB) and development banks (DFC, FMO, BIO, Swedfund, Finnfund, Norfund, Proparco, etc.) all show strong interest in Ukraine. For these organizations, what matters isn't just financial return on investment, but also their contribution to economic development, job creation, business resilience, and high environmental and social standards.

Why now?

Early entry, greater upside – for many investors, this is the key argument both in peacetime and especially in wartime. Institutional investors direct capital to Ukraine in part to support the country through difficult times, and this is part of their mandate. For private investors, the answer to "why now?" needs to include extra motivation, such as war-risk insurance or other derisking instruments.

Ukraine's progress toward EU integration in 2026 – specifically, the opening of negotiations with the EU on Cluster 1 ("Fundamentals") on June 15, plus positive outlooks for the next five clusters – is, in a broader sense, positively shaping how international investors perceive Ukraine and its investment potential. EU support, having finally cleared the obstacle of Hungary's position on Ukraine, is helping to partially lower investment risk.

Through the Ukraine Investment Framework, the government plans to mobilize up to €40 billion in investment, including via €7.8 billion in guarantees. For a significant share of international private investors, willingness to invest in Ukraine right now hinges directly on the availability of guarantees and risk mitigation. In this context, the European Flagship Fund for Reconstruction of Ukraine, with a target size of €1 billion, goes a long way toward addressing investor concerns about risk.

Positive, consistent signals of support matter too. EBRD provided Ukraine with a record €2.9 billion in financing in 2025 (up from €2.4 billion in 2024), while EIB also hit a record €1.5 billion. Large institutional capital isn't waiting for the war to end – it's helping to offset risk for private capital.

Ukraine's EU accession will mean, above all, access to the single European market. The experience of Central and Eastern European countries that joined the EU earlier shows that the combination of reforms, investment inflows, and market integration has often fueled rapid GDP growth and a manufacturing boom, and that the most dynamic growth in investment activity often began several years before formal membership. Investors want to establish positions before a country is fully integrated into the single market, to capture the benefits of future economic growth and asset re-rating. That's why progress toward EU membership matters not just as a political signal, but as a factor shaping investment decisions today.

How Dragon Capital helps foreign investors enter the Ukrainian market

For 25 years in Ukraine's investment market, Dragon Capital has consistently pursued its mission: serving as the bridge through which international investors enter Ukraine. This takes several forms. First, Dragon Capital builds partnerships and helps foreign investors adapt to the Ukrainian environment and execute investments. One recent example is bringing a large private American investor into part of Dragon's commercial real estate business – a deal that also sends a positive

signal to the market about attracting new investors who haven't previously worked in Ukraine.

Second, for many years, Dragon has also helped Ukrainian businesses achieve the kind of bankability and transparency that investors typically look for in a target.

Dragon Capital is also actively fundraising for two investment funds and has already announced first closes for both.

Amber Dragon Ukraine Infrastructure Fund I (ADUIF I), with a target size of €450 million, focuses on greenfield projects in sectors critical to Ukraine's reconstruction: energy, transport, and digital infrastructure. The fund held its first close in early 2026, raising €207 million with the backing of anchor investors including EBRD, EIB, IFC, Swedfund, and Impact Fund Denmark. Part of IFC's investment in ADUIF I will be backed by guarantees from the European Commission and the French government. Dragon Capital and Amber Infrastructure are co-managers of ADUIF I and have committed significant investments of their own.

Rebuild Ukraine Fund (REBUF), with a target size of $250 million, became the first fund since the start of the full-scale war to raise capital for investment in real assets inside Ukraine. The fund's investment mandate covers both small and medium-sized enterprises (SMEs) and larger Ukrainian companies operating in sectors critical to economic resilience and reconstruction. Priority areas include consumer goods and services, healthcare and pharmaceuticals, financial services, agribusiness-related sectors, construction materials manufacturing, retail, and technology.

In addition, the launch of the European Flagship Fund (EFF) was announced at the Ukraine Recovery Conference 2026 in Gdańsk. The fund was first unveiled at URC 2025 in Rome. EFF has already secured approximately €260 million in commitments from the European Commission, the European Investment Bank (EIB), and development finance institutions from France, Germany, Italy, and Poland. The fund's target size is €1 billion. It will be jointly managed by Dragon Capital and Amber Infrastructure, and is expected to combine the sectoral focus and investment strategies of ADUIF I and REBUF.

Dragon Capital is one of the most active independent investment management and investment banking companies in Ukraine, with $1 billion in assets under management. Over the past decade, the company has invested more than $700 million in private equity and real estate in Ukraine in partnership with leading global investors. Founded in 2000 by Tomas Fiala, Dragon Capital combines deep market expertise with a team of more than 200 Ukrainian and international professionals.

What's next? Market outlook

Any wartime forecast should come with a caveat for changing circumstances. As with other factors shaping investment valuations, overall sentiment about how events unfold is decisive for setting the final criteria used to value assets. As of June 2026, when these lines are being written, fighting is increasingly shifting toward infrastructure and logistics in territories controlled by the aggressor state, adding to optimism about the further course of the full-scale war.

Ukrainian business shares this optimism. Alongside the growth of the M&A market, businesses are actively ramping up fixed-capital investment. According to Forbes Ukraine research, Ukraine's top 20 private investors increased capital expenditure 1.6x in 2024–2025 compared with the previous two-year period – a case of cash flows telling us more about expectations than any expert could.

There's every reason to believe that Ukraine's M&A market will significantly outperform 2025's already strong result by the end of 2026 – and this isn't even an extrapolation of the growth recorded over the first five months of the year.

Several projects that started back in 2025 remain in the pipeline among market participants, most of them not yet publicly announced. This flow gives grounds to expect no less robust growth in the second half of 2026.

We also continue to see geometric growth in the number of DefenseTech projects. As Ukrainian developers and manufacturers gain further traction internationally, this trend will continue.

The potential for M&A market growth lies in the financial sector, where the state still controls more than half of the banking market. But successful privatization of large financial assets will require giving the market long-term clarity on the state's approach to taxing financial institutions. Strategic investors are unlikely to buy into a market that's become accustomed to going to the budget every year for direct financing.

The scale of the challenges facing the energy system after the destruction of a large share of generation capacity makes further investment projects in the sector inevitable – drawing both large local consumers and foreign investors.

As Horizon Capital partner Dmytro Boroday noted at a recent Forbes Money conference, Ukraine has locations with some of the best wind conditions in Europe. He noted that building a wind farm currently takes about five years in neighboring Poland – to which his colleague at Dragon Capital, Yevgen Baranov, added that in Ukraine it takes just 10 months.

A landmark event was the prospective investment by development funds Ampera and Dragon Capital into Power 1, which operates in energy storage systems. In total, Dragon Capital has raised around €600 million across three funds for Ukrainian reconstruction investments and plans to grow that to €1.3 billion by the end of 2027. It's quite likely that a substantial portion of this capital will flow into energy assets.

Another driver of investment in self-generation is Ukraine's longstanding tradition of unpredictable market rules. Facing frequent arbitrariness around commercial electricity tariffs and the state's systemic tendency to subsidize household consumers at a cost, large consumers increasingly see power-generation projects not just as a tool for improving supply reliability, but as a financial hedge against inflated energy tariffs.

The pulse of the market

Forbes' question is answered by

Sergiy Budkin,
Founding Partner,
FinPoint

We're seeing powerful M&A market momentum – the number of deals is growing geometrically. Are we already at the market's peak in mid-2026, or is further strong growth still possible? What's driving it?

S.B.: Barring a significant deterioration in the security situation, there will be at least four to five more deals exceeding $200 million before year-end. There are two reasons for this localized boom.

First, about a year ago, the prevailing view became that things won't get worse. We survived a winter without electricity, the front line isn't moving, and we got through the change of administration in the US. So now's the time to start looking seriously at the Ukrainian market. Any M&A project takes a minimum of nine months, often 12–14. What we're seeing now are the announcements of projects that started back in June–September 2025.

Second, some investors have money burning a hole in their pocket. The simplest example is the new Ukraine Flagship Fund, managed by Dragon Capital. The key factor behind that fund's approval was the Ukrainian partner's ability to build a strong pipeline of potential projects and deploy capital into them quickly. That means at least €350 million will hit the market in the second half of 2026, looking for a home.

What three main sectors will drive the M&A market over the next three years?

S.B.: 1. Finance. 2. Agribusiness. 3. DefenseTech.

In your view, how will M&A deals in the DefenseTech sector typically evolve? And what awaits this segment of the market once the active phase of the war ends?

S.B.: That's a very complex question. Briefly, I see three trends. First – local consolidation, where major drone users buy up local manufacturers. Second – cross-border consolidation, where Ukrainian unicorns acquire mid-sized companies, either inside Ukraine or abroad. Third – joint ventures and acquisitions of local companies by international players.

Major bank privatization has been pushed back year after year. Do you believe it will happen, and what are the preconditions?

S.B.: I believe it will start now – I just don't know when it will finish. It's a very complex project for the state, and I'd really like to see it succeed. The precondition is alignment among all the state-side stakeholders.

If you built a weighted-average dollar index of Ukrainian assets, with 2021 = 100, what would that index be at the end of 2022, in mid-2026, and what would you expect it to be in 2027?

S.B.: End of 2022 = 70. Mid-2026 = 90. 2027 = 100.

Where is the venture segment headed? Could we ever see a "dot-ua crash"? And how do we avoid it?

S.B.: I think there's already a crisis – a supply crisis. There's enough money out there; what's missing is enough solid investment targets.

There is also considerable scope for growth through the government's privatization program. While the privatization of state-owned banks still appears some way off – given the continuing uncertainty surrounding the tax regime for financial institutions, which has repeatedly been adjusted to provide additional budget revenues – the state has a substantial pipeline of other assets. For 2026, the government plans to privatize several large enterprises with a combined estimated value of approximately $0.4 billion, including the Odesa Port Plant and the Ocean Plaza shopping mall.

Another important catalyst is the emergence of reconstruction funds, which are creating an entirely new pool of investment capital for Ukraine. Collectively, these vehicles are already moving beyond the hundreds of millions of dollars and into the billions. The combination of private, public, and supranational capital has the potential to generate a powerful multiplier effect for investment and M&A activity.

At the same time, a growing number of Ukrainian business groups have outgrown the domestic market. For many of them, the next phase of expansion lies abroad, making outbound M&A an increasingly important growth strategy. This trend is particularly evident in agribusiness, selected industrial sectors, and DefenseTech. In the latter, joint ventures are likely to remain the dominant transaction model, with Ukrainian companies contributing technology, engineering expertise, and battlefield validation, while international partners provide financing, manufacturing capacity, and access to global markets.

Market development is always a two-way process. Investors who no longer view Ukraine as a strategic market are finally finding opportunities to exit, creating room for new owners with a longer-term commitment to the country. As a result, the coming years may well see another wave of ownership transitions.

From an economic perspective, however, the transfer of assets from passive owners to investors with the ambition and capacity to develop them is ultimately a positive dynamic. Assets are acquired not simply to be owned, but to be transformed and grown.

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