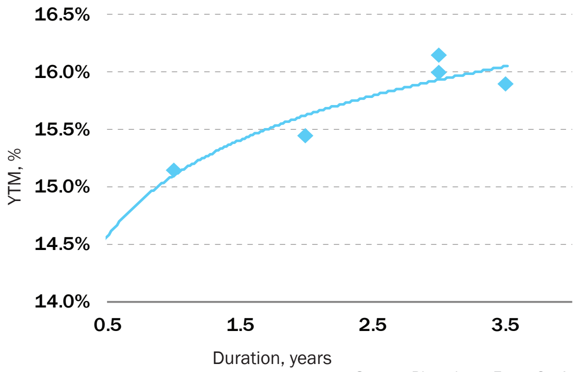
UAH-DENOMINATED BOND YIELD CURVE



Source: Bloomberg. Eavex Capital

FIXED INCOME

	Last	1W ch	YTD
NBU Key Rate	15.5%	0.0 p.p.	0.0 p.p.
UAH 1-year bond yield	15.2%	0.0 p.p.	-1.2 p.p.
Ukraine-2029 yield	13.6%	-0.8 p.p.	-4.4 p.p.
Ukraine-2036 yield	12.6%	-0.4 p.p.	-1.9 p.p.

OFFICIAL EXCHANGE RATES

	Last, UAH	1W chg.	YTD
USD/UAH	44.73	0.4%	5.5%
EUR/UAH	51.94	0.2%	4.2%

Source: Eavex Capital

Trends

Ukrainian Eurobonds Gain 1% as Prices Remain Range-Bound

Indicative prices for Ukrainian sovereign Eurobonds rose an average 1.0% over the week, remaining within a relatively narrow range in recent months. The Ukraine-2036 bond gained 1.2% to 66.8 cents on the dollar, implying a yield to maturity of 12.4%. The Ukraine-2029 issue rose 0.6% to 85.7 cents, with an implied yield of 13.4%.

In corporate Eurobonds, quotes for MHP-2029 issue continue to decline, edging 0.9% lower to 100.7 cents on the dollar with implied yield of 10.3%.

The recently restructured debt of the country's state-owned natural gas operator NaftoGaz with maturity in 2033 inched down by 0.3% to 89.5 (8.2% YTM) and debt of another state-owned energy giant UkrEnergo with maturity in 2028 traded at 98.5 (7.7% YTM).

In political news, President Donald Trump's special envoy Steve Witkoff and Trump's son-in-law, Jared Kushner, held a three-hour meeting with russian President on Saturday in Moscow, where they "discussed substantive plans for next steps, which will be announced in the coming weeks," according to a White House official.

Later both Witkoff and Kushner arrived in Kyiv on Sunday in a renewed White House push for progress on ending russia's full-scale invasion, now in its fifth year. The visit to Kyiv by Witkoff and Kushner is their first during the full-scale invasion. The pair have visited Russia several times during the conflict. The national security advisers of France, Germany and the U.K. were among senior European officials who also traveled to Kyiv to take part in Sunday's talks.

In the last two weeks, Russia has significantly intensified its air attacks on Kyiv, using jet-powered drones to relentlessly terrorize the capital.

On the currency front, the hryvnia weakened by 0.4% over the week to close at 44.73 UAH/USD. The National Bank spent a record USD 5.9bn on interventions to defend the hryvnia in August. Last week alone the regulator sold USD 1.3bn from the FX reserves.

Highlights

- Ferrexpo Raises USD 100mn to Resume Operations

The National Bank of Ukraine has opened a special fundraising account to support the Armed Forces of Ukraine. Please find more at the National Bank's official website under the link below:
www.bank.gov.ua/en/about/support-the-armed-forces

The National Bank also opened fundraising account for Humanitarian Assistance to Ukrainians. Please see details under the link below:
www.bank.gov.ua/en/about/humanitarian-aid-to-ukraine

Kyiv, Ukraine.
research@eavex.com.ua

Ferrexpo Raises USD 100mn to Resume Operations

by Dmitry Churin
d.churin@eavex.com.ua

FERREXPO (FXPO LN)

Price: GBp 16.5 Market Cap: USD 235mn

	P/B	EV/S	P/E	EV/EBITDA	Div. Yield
2025	0.3	0.3	neg	7.6	0.0%
2026E	0.4	0.4	neg	8.6	0.0%

NEWS

Ferrexpo, an iron ore producer with assets in Ukraine, said it raised USD 100mn through a share issue to strengthen liquidity and support the resumption of operations at its Ukrainian assets.

About USD 50mn of the proceeds is being provided by Andriy Verevskyi, whose main business is agricultural holding company Kernel. Verevskyi has not previously been associated with the heavy-industrial sector.

Ferrexpo placed about 449mn new shares at GBp 16.5 each, a 42.3% discount to the company's share price of GBp 28.6 on April 30, 2026, the last trading day before the stock was suspended.

The proceeds are intended to bolster Ferrexpo's liquidity and enable the company to restart operations at its Ukrainian assets.

The share placement remains subject to shareholder approval at a general meeting on Sept. 21. The new shares are expected to begin trading on the London Stock Exchange on Sept. 22.

Meanwhile, trading in Ferrexpo's existing shares, which was suspended May 1, is expected to resume Sept. 7 following completion of the audit and publication of the company's annual report.

FERREXPO FINANCIALS

USD mn	2024	2025	chg.
Net revenue	933	787	-16%
EBITDA	69	28	-59%
margin	*7.4%*	*3.6%*	*-3.8 p.p.*
Net Income (loss)	-50	-224	-/-
net margin	*-5.4%*	*-28.5%*	*-23.1 p.p.*

Source: Company data.

COMMENTARY

At the issue price of GBp 16.5, Ferrexpo's implied valuation including the newly issued shares was just USD 235mn.

It remains unclear how Ferrexpo will restart production, which has been disrupted by difficulties with maritime logistics as well as a shortage of working capital. According to the company's operating report, production fell 54% in the first half of the year to 1.56mn tonnes.

Ferrexpo also faces difficulties securing export VAT refunds and is involved in a USD 105mn legal dispute related to the bankruptcy of the affiliated Finance and Credit bank.

Given the scale of the challenges facing Ferrexpo, it is difficult to see why Verevskyi decided to invest USD 50mn in the asset. On the other hand, if conditions begin to improve, the shares do have significant upside potential.

The investment could also prove to be a speculative transaction. With trading in Ferrexpo shares expected to resume, Verevskyi may eventually have an opportunity to partially exit the investment through the public market if the stock recovers.

SELECTED UKRAINIAN EUROBONDS

Issue	Indicative Price	Price change in one week	YTM, %	Coupon	Maturity Date	Volume USD mn	Currency	Ratings[1]
Sovereign Eurobonds								
Ukraine, 2029	85.7	0.6%	13.4%	4.50%	1 Feb 2029	1,168	USD	Ca/CCC+/CCC
Ukraine, 2030 (B)	72.3	1.1%	10.0%	-	1 Feb 2030	531	USD	Ca/CCC+/CCC
Ukraine, 2034	69.1	0.9%	12.7%	4.50%	1 Feb 2034	3,150	USD	Ca/CCC+/CCC
Ukraine, 2035	67.8	1.2%	12.6%	4.50%	1 Feb 2035	2,946	USD	Ca/CCC+/CCC
Ukraine, 2036	66.8	1.2%	12.4%	4.50%	1 Feb 2036	2,456	USD	Ca/CCC+/CCC
Corporate Eurobonds								
MHP, 2029	100.7	-0.9%	10.3%	10.5%	28 Jul 2029	550	USD	//
Kernel, 2027	92.6	-0.3%	14.1%	6.75%	27 Oct 2027	300	USD	//
DTEK Energy, 2027	88.4	-0.8%	17.2%	5.00%	31 Dec 2027	1,645	USD	//
UkrEnergo, 2028	98.5	-0.1%	7.7%	6.875%	09 Nov 2028	825	USD	//
Metinvest, 2029	92.1	0.0%	10.7%	7.75%	17 Oct 2029	500	USD	Caa3//CCC
NaftoGaz, 2033	89.5	-0.3%	8.2%	6.00%	15 Jan 2033	500	USD	//CC
Ukrainian Railways, 2026	83.9	0.0%	n/a	8.25%	9 Jul 2026	500	USD	//

[1] Moody's/S&P/Fitch

Source: Boerse-Berlin, Boerse-Stuttgart. TR Data, Eavex Research

Eavex Capital

7 Klovsky uzviz, 16th Floor
Carnegie Center
Kyiv, 01021, Ukraine

Telephone: +38 044 590 5454

E-mail: research@eavex.com.ua

Web-page: www.eavex.com.ua

Yuriy Yakovenko
Chairman of the Board

SALES & TRADING
Pavlo Korovitskiy
Managing Director
Equity and Fixed Income
p.korovitsky@eavex.com.ua

RESEARCH
Dmytro Churin
Head of Research
d.churin@eavex.com.ua