

Trends

Ukraine Eurobonds Extend Rally as Long-Dated Bonds Gain 2.7%

Ukraine's Eurobonds extended their rally last week. Long-dated sovereign bonds gained 2.7% to 68.9 cents on the dollar, implying a yield to maturity of 12.1%.

The benchmark Ukraine-2029 issue rose 1.0% to 84.5 cents on the dollar, bringing its yield to 14.1%.

Ukrainian corporate Eurobonds also advanced over the week. Bonds issued by MHP gained 0.6% to 104.4 cents on the dollar, implying a yield of 8.9%. The notes were initially placed with a yield of 10.5%, while the company later sold an additional tranche at 104 cents on the dollar, corresponding to a yield of 9.5%. As a result, the bonds are now trading above the price of the follow-on placement.

MHP reported first-quarter results last week and, despite earnings coming in below expectations, the company's net debt-to-EBITDA ratio remained at a manageable 2.6x.

DTEK's 2027 Eurobonds rose 0.6% to 87.6 cents on the dollar, implying a yield to maturity of about 17%. However, investors continue to price in the risk that the company may seek to extend the bonds' maturity profile.

On the currency front, the hryvnia was virtually unchanged over the week trading at 44.91 UAH/USD. The US dollar has gained by 5.9% against the Ukrainian currency so far this yet.

In the war developments, Ukraine has issued a bombshell threat to take military action against Belarus as soon as next weekend in a move that could significantly widen its ongoing war with Russia. President Volodymyr Zelensky has given Vladimir Putin's ally Alexander Lukashenko seven days to dismantle relay equipment on his territory which he alleges helps direct Russian drone strikes to kill and maim Ukrainian people.

As well as getting rid of the so called Russian corresponding towers, Zelensky called on Lukashenko to halt refined oil supplies to the Russian war machine.

Highlights

- > Kremlin Repudiates Anchorage Deal with US, Criticizes Trump Admin
- > MHP Posts USD 85mn Net Loss in 1Q2026 Despite USD 1 bn Revenue

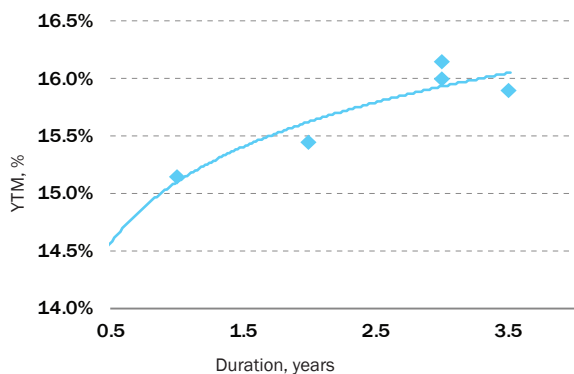
The National Bank of Ukraine has opened a special fundraising account to support the Armed Forces of Ukraine. Please find more at the National Bank's official website under the link below:

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

UAH-DENOMINATED BOND YIELD CURVE



Source: Bloomberg, Eavex Capital

FIXED INCOME

	Last	1W ch	YTD
NBU Key Rate	15.0%	0.0 p.p.	-0.5 p.p.
UAH 1-year bond yield	15.2%	0.0 p.p.	-1.2 p.p.
Ukraine-2029 yield	14.1%	-0.3 p.p.	-3.9 p.p.
Ukraine-2036 yield	12.1%	-0.4 p.p.	-2.4 p.p.

OFFICIAL EXCHANGE RATES

	Last, UAH	1W chg.	YTD
USD/UAH	44.91	0.0%	5.9%
EUR/UAH	51.46	-0.7%	3.2%

Source: Eavex Capital

Kremlin Repudiates Anchorage Deal with US, Criticizes Trump Admin

by Will Ritter
w.ritter@eavex.com.ua

NEWS

The Putin regime appeared to retreat from its long-held explicit demand that Ukraine cede the remainder of Donetsk province as the key condition for ending the war, in comments made by top Kremlin foreign policy advisor Yuriy Ushakov to Russian media on Sunday (Jun 21).

Russian President Putin and US President Trump are believed to have made a deal at last year's summit in Alaska intended to force Ukraine to give up the territory, although this was never publicly confirmed by Washington. Ushakov accused the Trump administration of being "unable to fulfill the agreements" made in Anchorage. Instead, Ushakov said, Moscow is now focused on "victory" and "achievement of our own goals", without providing further specifics. There was no immediate reaction from the Trump or Zelenskiy administrations to the comments.

COMMENTARY

This development confirms our prior view that occupying the remainder of the Donbas was never Putin's real goal, and that he was simply using the demand as way to destabilize Ukraine's domestic politics while justifying the continuation of the war.

By repudiating the Anchorage framework with the US, the Kremlin is trying to obtain the flexibility to both escalate militarily and to pursue negotiations with Zelenskiy, we believe.

In this vein, Russia is likely to beef up its offensives along the front line in July and August - although not necessarily in the Donetsk province direction - in order to capture more territory.

Meanwhile, the Zelenskiy government has sharply increased its drone attacks against Russian oil industry targets, creating shortages of gasoline for Russian consumers, in order to bring the war more directly to Russia's compliant civilian population. Although we believe that Putin prefers to continue the war into 2027, the current matrix of falling oil prices and US sanctions re-engagement may make it difficult for him to do so. Therefore, we do not rule out the possibility of serious peace talks taking place this autumn.

MHP Posts USD 85mn Net Loss in 1Q2026 Despite USD 1 bn Revenue

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

MHP (MHPC LI)

Price: USD 8.82 Market Cap: USD 944mn

	P/B	EV/S	P/E	EV/EBITDA	Div. Yield
2025	0.5	0.7	5.0	4.4	0.0%
2026E	0.4	0.6	4.5	4.3	0.0%

NEWS

Ukraine's largest poultry producer, MHP, reported a net loss of USD 85mn for the first quarter of 2026.

Revenue increased 31% year-on-year to USD 1.02bn during the reporting period, while EBITDA declined 29% to USD 79mn. As a result, the EBITDA margin narrowed to 7.7% in 1Q 2026 from 14.2% in the corresponding period of last year.

MHP's total debt stood at USD 2.37bn at the end of March. The company's net debt-to-EBITDA ratio remained at a manageable 2.6x. Total assets amounted to USD 5.5bn.

MHP FINANCIALS

USD mn	1Q2025	1Q2026	chg.
Net revenue	779	1,022	+31%
EBITDA	111	79	-29%
margin	14.2%	7.7%	-6.5 p.p.
Net Income	32	-85	+/-
net margin	4.1%	-8.3%	-12.4 p.p.

Source: Company data.

COMMENTARY

The bulk of MHP's net loss in January–March was attributable to a USD 53mn foreign-exchange loss from the revaluation of currency-denominated liabilities. By comparison, the company recorded a USD 13mn foreign-exchange gain in the same period a year earlier.

For now, we maintain our optimistic forecast that MHP could generate a net profit of approximately USD 210mn for full-year 2026. However, the outlook may be revised should the company report weak second-quarter results.

Ukraine remains MHP's core production platform, accounting for 65% of total revenue, while the company's European operations contribute the remaining 35%. Following MHP's acquisition of a poultry producer in Greece, the share of revenue generated by international assets is expected to increase further.

In absolute terms, MHP generated USD 453mn in revenue from poultry production in Ukraine during the first quarter, USD 116mn from vegetable oil sales, USD 99mn from crop production, and USD 354mn from its European operations.

The company operates a land bank of 350,000 hectares across 12 regions of Ukraine.

MHP shares listed in London have gained 22% since the beginning of the year, rising from USD 7.2 to USD 8.8 per share. The stock reached a local high of USD 10.2 in early May and has since retreated 14%. For comparison, MHP shares traded as high as USD 19 in 2011.

MHP's 2029 Eurobond rose 0.6% over the past week to 104.4 cents on the dollar. The bond currently offers a yield of 8.9%.

SELECTED UKRAINIAN EURO BONDS								
Issue	Indicative Price	Price change in one week	YTM, %	Coupon	Maturity Date	Volume USD mn	Currency	Ratings ¹
Sovereign Eurobonds								
Ukraine, 2029	84.5	1.0%	14.1%	4.50%	1 Feb 2029	1,168	USD	Ca/CCC+/CCC
Ukraine, 2030 (B)	71.8	2.1%	9.6%	-	1 Feb 2030	531	USD	Ca/CCC+/CCC
Ukraine, 2034	70.8	2.5%	12.3%	4.50%	1 Feb 2034	3,150	USD	Ca/CCC+/CCC
Ukraine, 2035	69.8	2.5%	12.2%	4.50%	1 Feb 2035	2,946	USD	Ca/CCC+/CCC
Ukraine, 2036	68.9	2.7%	12.1%	4.50%	1 Feb 2036	2,456	USD	Ca/CCC+/CCC
Corporate Eurobonds								
MHP, 2029	104.4	0.6%	8.9%	10.5%	28 Jul 2029	550	USD	//
Kernel, 2027	94.7	0.1%	11.2%	6.75%	27 Oct 2027	300	USD	//
DTEK Energy, 2027	87.6	0.6%	17%	5.00%	31 Dec 2027	1,645	USD	//
UkrEnergo, 2028	96.8	-0.6%	8.3%	6.875%	09 Nov 2028	825	USD	//
Metinvest, 2029	90.8	1.0%	11.1%	7.75%	17 Oct 2029	500	USD	Caa3//CCC
NaftoGaz, 2028	87.1	0.7%	n/a	7.625%	8 Nov 2028	500	USD	//
Ukrainian Railways, 2026	82.0	1.2%	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.korovitskiy@eavex.com.ua

RESEARCH

Dmytro Churin

Head of Research

d.churin@eavex.com.ua

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