

Trends

Ukraine Bonds Rally as New Peace Proposal Fuels Risk Appetite

The emergence and intense discussion of a new peace plan aimed at ending the war boosted Ukrainian sovereign Eurobonds. The benchmark Ukraine 2029 note climbed 2.3% to 71.1 cents on the dollar, implying a yield to maturity of 19.2%. The 2036 issue advanced 2.2% to 56 cents, with yield around 15%.

A U.S. official told CBS News that Ukraine’s government had “agreed to a peace deal” brokered by the Trump administration to stop Russia’s nearly four-year assault. The American official and Ukraine’s national security adviser Rustem Umerov said a common understanding on a proposal had been reached, with details still to be worked out. Mr. Trump also told reporters aboard Air Force One that “we’re making progress.” Asked what points of disagreement remain, he said, “standard things,” but “people are starting to realize it’s a good deal for both parties.” The plan has been widely panned as too favorable to Russia, but U.S. officials have said the document is not the final offer and that it would likely change.

The VRI derivatives (linked to Ukraine’s future GDP growth with expiration in 2040) gained 3.4% to close at 91.5 cents on the dollar.

Among corporate Eurobonds, MHP 2026 stood out, jumping 4.5% to 98.2 cents (12.8% YTM), signaling growing market confidence in timely and full repayment next April. With external markets effectively closed to Ukrainian issuers, MHP is expected to rely on bank financing for refinancing, potentially using its European assets as collateral.

Ukrzaliznytsia’s (RAILUA-2026) Eurobond climbed 3.4% to 72.5 cents (yielding approximately 81%), despite broad expectations that the company will seek a restructuring given its limited capacity to redeem the notes next year.

Highlights

- > Astarta Profit Slides 42% on Weaker Sugar Sales

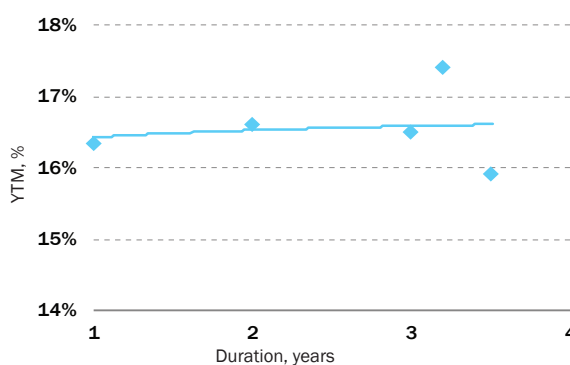
The National Bank of Ukraine has opened a special fundraising account to support the Armed Forces of Ukraine. Please find more at the National Bank’s official website under the link below:

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 | 15.5% | 0.0 p.p. | 2.0 p.p. |
| UAH 1-year bond yield | 16.4% | 0.0 p.p. | 0.0 p.p. |
| Ukraine-2029 yield | 19.2% | -0.8 p.p. | 3.3 p.p. |
| Ukraine-2036 yield | 15.0% | -0.3 p.p. | 0.6 p.p. |

CASH EXCHANGE RATES

| | Last, UAH | 1W chg. | YTD |
|---------|-----------|---------|-------|
| USD/UAH | 42.45 | 0.0% | 0.5% |
| EUR/UAH | 49.35 | 0.6% | 11.4% |

Source: Eavex Capital

Astarta Profit Slides 42% on Weaker Sugar Sales

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

ASTARTA (AST PW)

Price: PLN 47.00 Market Cap: USD 314mn

| | P/B | EV/S | P/E | EV/EBITDA | Div. Yield |
|-------|-----|------|-----|-----------|------------|
| 2024 | 0.5 | 0.8 | 3.5 | 2.6 | 4.5% |
| 2025E | 0.5 | 1.1 | 4.5 | 3.2 | 4.5% |

NEWS

Astarta Holding reported a 42% YoY drop in net income to EUR 44mn for January–September 2025 as revenue fell 22% YoY to EUR 343mn, dragged mainly by a 36% decline in sugar segment sales to EUR 108mn.

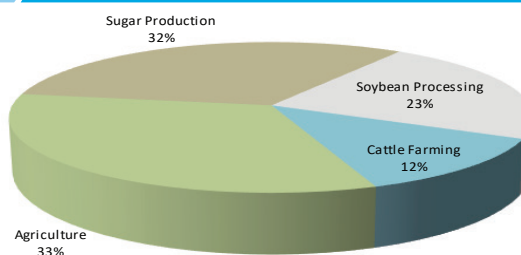
EBITDA margin remained solid at 29%, while net margin narrowed to 12.7% from 17.1% a year earlier.

As of September 30, net debt stood at EUR 193mn against total assets of EUR 783mn, putting net-debt-to-EBITDA at a manageable 1.5x.

ASTARTA FINANCIALS

| EUR mn | 9M2024 | 9M2025 | chg. |
|-------------------|--------|--------|-----------|
| Net revenue | 442 | 343 | -22.4% |
| EBITDA | 132 | 101 | -22.9% |
| <i>margin</i> | 29.8% | 29.6% | -0.2 p.p. |
| Net Income | 76 | 44 | -42.2% |
| <i>net margin</i> | 17.1% | 12.7% | -4.4 p.p. |

REVENUE BREAKDOWN



Source: Company data.

COMMENTARY

Despite results coming in weaker than expected, Astarta's Warsaw-listed shares gained 5.9% last week, supported by broader market strength. Poland's WIG20 advanced 2.8%, while the MSCI Global index jumped 3.5%.

Agricultural production and sugar remain the company's top revenue generators, contributing 33% and 32% respectively, followed by soybean processing at 22%.

Exports accounted for 63% of consolidated revenue, or EUR 218mn over the nine-month period.

The company invested EUR 75mn in capital expenditures this year, largely directed toward expanding its soybean processing operations. Overall financial health remains strong, helped by the fact that most liabilities relate to land lease obligations rather than conventional debt.

| 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 | 71.1 | 2.3% | 19.2% | 4.50% | 1 Feb 2029 | 1,168 | USD | Ca/SD/RD |
| Ukraine, 2030 (B) | 54.6 | 3.0% | 15.6% | - | 1 Feb 2030 | 531 | USD | Ca/SD/RD |
| Ukraine, 2034 | 57.7 | 3.4% | 15.6% | 4.50% | 1 Feb 2034 | 3,150 | USD | Ca/SD/RD |
| Ukraine, 2035 | 56.8 | 2.0% | 15.2% | 4.50% | 1 Feb 2035 | 2,946 | USD | Ca/SD/RD |
| Ukraine, 2036 | 56.0 | 2.2% | 15.0% | 4.50% | 1 Feb 2036 | 2,456 | USD | Ca/SD/RD |
| Ukraine, GDP-linked | 91.5 | 3.4% | | | 31 May 2040 | 3,239 | USD | // |
| Corporate Eurobonds | | | | | | | | |
| MHP, 2026 | 98.2 | 4.5% | 12.8% | 6.95% | 4 Apr 2026 | 550 | USD | // |
| Kernel, 2027 | 91.1 | 0.6% | 12.3% | 6.75% | 27 Oct 2027 | 300 | USD | // |
| DTEK Energy, 2027 | 66.5 | 1.8% | 31% | 5.00% | 31 Dec 2027 | 1,645 | USD | // |
| Metinvest, 2026 | 88.8 | 0.2% | 45% | 8.50% | 23 Apr 2026 | 648 | USD | Caa3//CCC |
| Metinvest, 2029 | 75.1 | 1.2% | 17.4% | 7.75% | 17 Oct 2029 | 500 | USD | Caa3//CCC |
| NaftoGaz, 2026 | 78.1 | 1.0% | 18.1% | 7.625% | 8 Nov 2026 | 500 | USD | // |
| Ukrainian Railways, 2026 | 72.5 | 3.4% | 81% | 8.25% | 9 Jul 2026 | 500 | USD | /CC/C |

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

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