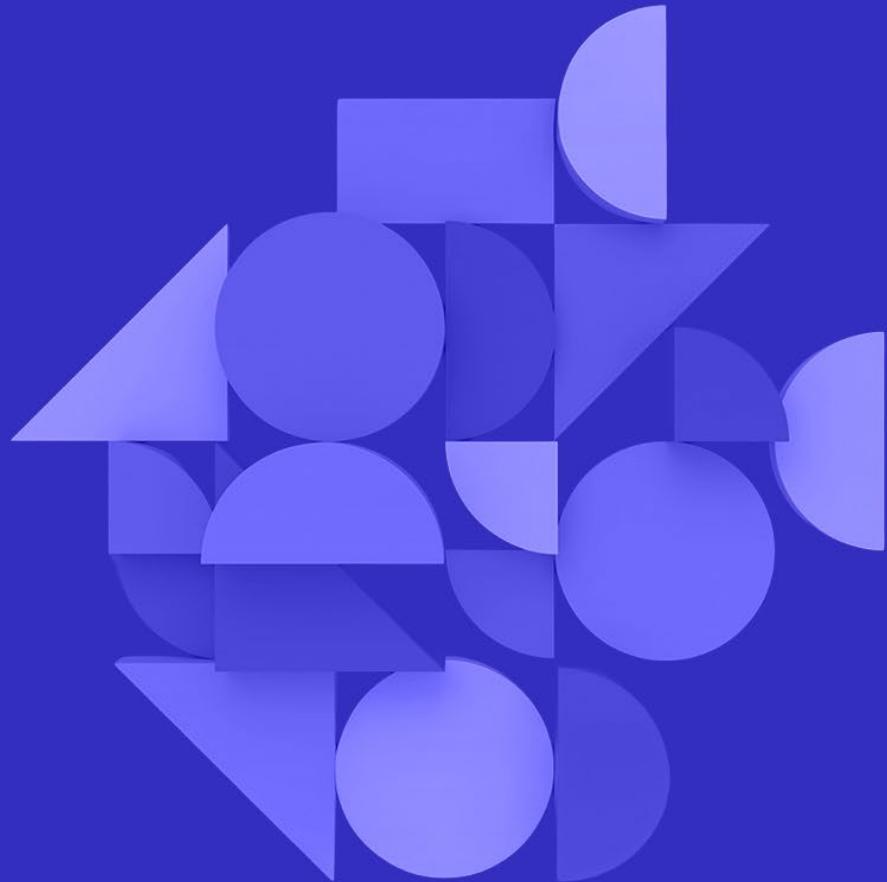




M&A Radar 2025: Ukraine

February 2026



KPMG in Ukraine

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Setting the scene

M&A Radar 2025: Those Who Act Now Shape the Market

Ukraine's M&A landscape in 2025 built on recent improved deal momentum since a clear decline in 2022. Growth of more than 20% in terms of deal volume and more than 17% in overall disclosed deal value signalled the return of more confident investor behaviour, underscored by a rise in early-stage interest and increased requests for transaction services.

As for macroeconomic trends, the Ukrainian economy also saw improvements despite challenging circumstances, managing to deliver modest GDP growth against a backdrop of ongoing security risks. Inflation, while still elevated, also experienced a clear downward trajectory. Nevertheless, such positive developments were necessarily underpinned by substantial and sustained international financial support as a critical source of funding for Ukraine's budgeting needs.

Global investor sentiment in 2025 likewise started the year facing up to geopolitical uncertainty and a potential crisis of confidence after two consecutive years of contraction. Nonetheless, global M&A activity rebounded strongly, with announced deal value increasing by more than 40% year-on-year. This backdrop of renewed international dealmaking, improved market momentum, and increased megadeal activity could signify potential for inbound deal interest to return to Ukraine, with bold investors prepared to act early primed to capture emerging regional opportunities.

Although H1 2025 initially saw international investors cautious regarding local dealmaking, with overall inbound deal value remaining consistent with 2024, H2 2025 witnessed a marked increase in global interest and a number of potential deals across various sectors currently under discussion for 2026 and beyond.

This dynamic of subdued international interest in H1 2025 gave rise to domestic investors who now had space to come to the fore, accounting for the majority of all transactions and playing a defining role in shaping Ukrainian M&A activity in 2025. Traditional pillars of the economy, notably agriculture and innovation and technology, remained central to dealmaking, reflecting their continued contribution to economic resilience and export capacity. However, while there has been increased interest in market mainstays from traditional and non-traditional players alike, the structure of the Ukrainian M&A market has also continued to evolve in response to wartime realities. Defence-related assets have naturally increased in prominence as a direct result of ramping up domestic production and greater international integration. Energy and real estate and construction similarly attracted attention amid efforts to restore damaged infrastructure, enhance energy resilience, and prepare for post-war recovery.

Despite the challenges posed by ongoing hostilities, infrastructure damage, and further need for reform, Ukraine's M&A market managed to grow in both deal volume and value. In order to capitalise on such progress, the nation will need to address labour-market inefficiencies, ensure reconstruction modernises infrastructure, and expand the availability of effective war-risk insurance mechanisms. Ukraine's approach to these specific challenges will determine whether the country has the potential to materially improve the local investment environment.

As conditions evolve over the course of the coming year, such improvements could set the stage for Ukraine's M&A market to welcome a broader base of domestic and international investors who are willing and able to deploy capital. Early movers would also be wise to note that proper positioning would enable them to capture opportunities emerging from the foundations of post-war recovery.



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Ukraine's M&A market in 2025



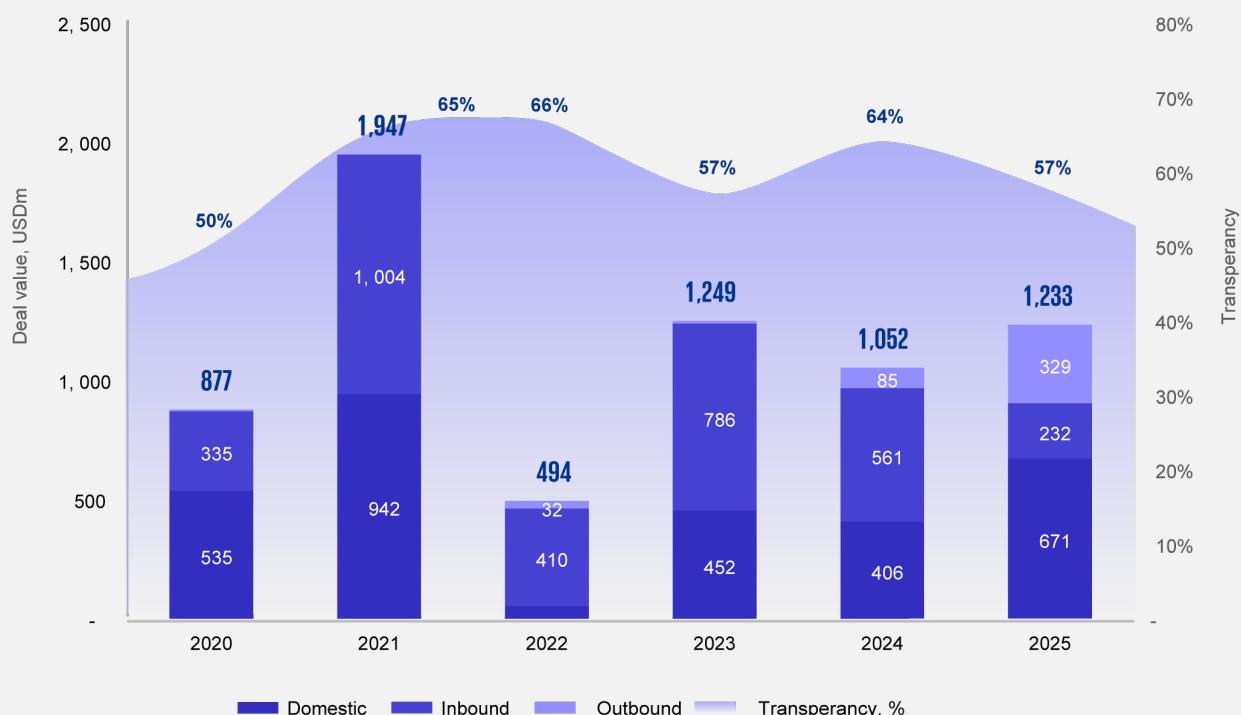
While Ukraine's M&A market experienced a downturn in 2022 as a direct consequence of Russia's full-scale invasion, it has managed to recover a measure of momentum: building a stable foundation over the last two years that has helped to encourage notable growth in both transaction value and volume in 2025.

Deal volume specifically reached its highest level since 2022, with 63 disclosed transactions exceeding USD5 million (a 26% increase compared to 50 deals in 2024). Total disclosed deal value also followed a demonstrable positive

trajectory in 2025, increasing to USD1.2 billion (up 17% on the previous year).

It must also be noted that such deal value dynamics were influenced by a decline in deal transparency, with the share of transactions disclosing value falling from 64% in 2024 to 57% in 2025. As well as broader year-on-year fluctuations across all deal types, this trend towards declining transparency reflects the higher proportion of domestic transactions in the overall M&A market landscape (with domestic deals traditionally exhibiting lower levels of disclosure).

Ukrainian M&A deal value, 2020–2025



Nonetheless, 2025 saw the overall value of disclosed domestic transactions increase by approximately 50%, increasing to USD635 million: the highest level recorded since the onset of Russia's full-scale invasion of Ukraine. The significant size of this increase, as well as a higher proportion of domestic dealmaking in M&A transactions overall, is therefore indicative that the true value of all deals in 2025 may be even higher.

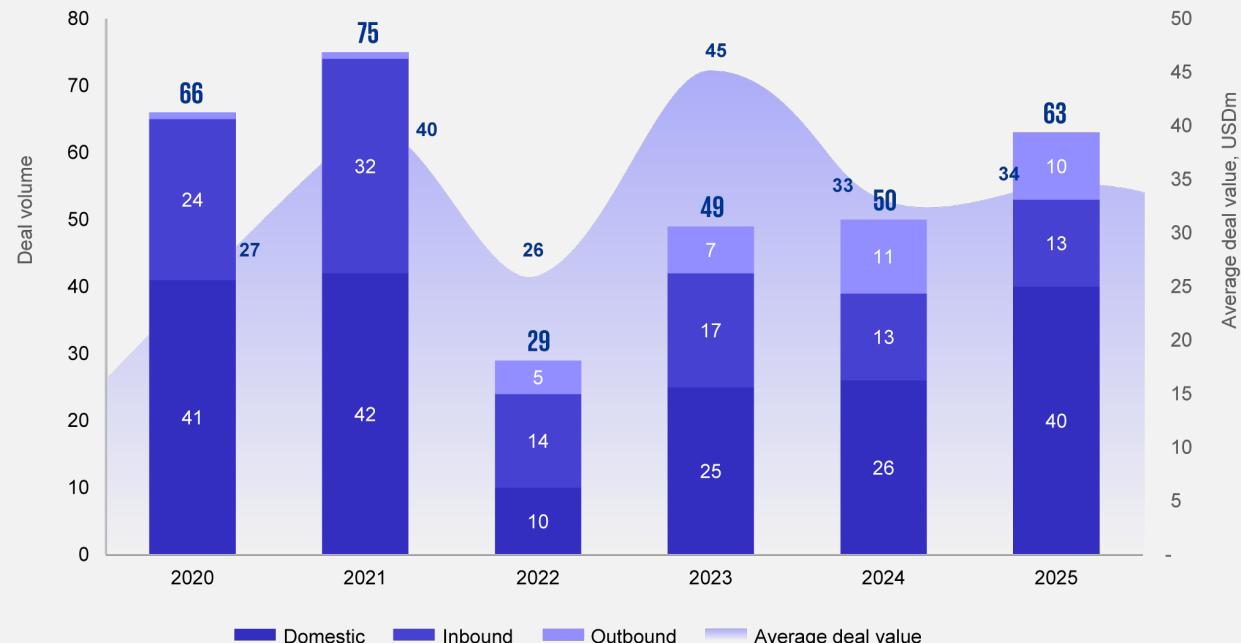
Inbound deal volume remained broadly unchanged year-on-year, with 13 transactions recorded in both 2024 and 2025. Outbound activity moderated somewhat, with 10 transactions completed in 2025 compared with 11 in the previous year. This decrease in Ukrainian deals abroad may reflect a continued rebalancing between domestic opportunities and the selective nature of investor focus on dealmaking for the purposes of cross-border expansion. However, it should also be noted that the largest deal in 2025 was agritech and food company MHP's outbound acquisition of a 92% stake in leading Spanish poultry and pork producer Uvesa as part of a [deal](#) reportedly worth upwards of EUR270 million (USD300 million).

Average transaction size remained broadly stable, with a marginal increase in 2025 (up to USD34 million compared to USD33 million in 2024). Such consistency underscores continued investor willingness to pursue opportunities despite elevated security risks in Ukraine.

Also in line with previous years, Ukraine's M&A market remained highly concentrated by value: approximately 50% of the total disclosed deal value for 2025 was attributable to just three transactions exceeding USD100 million. These were:

- MHP's aforementioned outbound [acquisition](#) of food business Uvesa for a value of approximately USD300 million.
- Telecom giant Kyivstar's [USD155 million](#) domestic acquisition of Ukrainian ride-hailing and delivery services company Uklon.
- Global agribusiness and food company Bunge's acquisition of an [85%](#) share in Vinnitsa Oil Seeds Crushing Factory (ViOil), reportedly valued at [USD138 million](#) (building on an initial transaction to purchase a 15% stake for USD24 million in 2024).

Ukrainian M&A deal volume, 2020–2025



Eight of the top-10 M&A deals in 2025 involved Ukrainian investors, representing a more pronounced role in the local M&A market on the part of domestic parties than in previous years.

As noted, the largest M&A transaction in 2025 was the outbound MHP-Uvesa deal, while seven of the remaining nine TOP-10 deals were domestic. This pattern reflects the increasing adaptability of Ukrainian investors to actively deploy capital both domestically and abroad.

Foreign investors have generally remained more cautious, largely awaiting improvements in Ukraine's security environment.

However, Bunge's acquisition of the remaining 85% stake in ViOil highlights an alternative investor profile, suggesting that international groups with pre-established operations in Ukraine can demonstrate a higher degree of resilience and readiness to expand. Such local experience and longer-term market involvement enables these companies to broadly mirror the approach adopted by leading domestic players.

TOP-10 Ukrainian M&A deals by value¹ in 2025

Bidder	Target and % acquired	Value	Sector
MHP	Uvesa (91.77%)	USD300 m	Agriculture 
Kyivstar	Uklon (97%)	USD155 m	Innovations and technology 
Bunge Ltd.	ViOil (85%)	USD138 m	Agriculture 
City Capital Group	Quinn Properties Ukraine (100%)	USD70 m	Real estate and construction 
Citadel Ventures Cyprus Limited	International Exhibition Centre (Undisclosed %)	USD60 m	Real estate and construction 
Petro Pylypuk	Modern Expo (45%)	USD60 m	Industrial products 
RUSH LLC	SC Omega-1 Logistic (100%)	USD36 m	Real estate and construction 
Inzhur REIT	Sky Park (100%)	USD35 m	Real estate and construction 
Kyivstar	Tabletki.ua (Undisclosed %)	USD30 m	Innovations and technology 
Maspex	Carpathian Mineral Waters (Undisclosed %)	USD30 m	Consumer markets 

¹Only includes transactions with disclosed value.

Horizon Capital's Catalyst strategy: mobilising capital for Ukraine's next chapter



Svitlana Shcherbatyuk

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Svitlana Shcherbatyuk sat down with **Denys Sychkov**, Principal at Horizon Capital, to discuss how one of the country's most active investors navigated 2025, why they launched a new "asset-heavy" fund, and what they expect in 2026.

How would you characterise 2025 for Horizon Capital overall? Which strategic decisions or portfolio developments best illustrate how your approach has evolved under prolonged wartime conditions?

Our Firm stayed very active in 2025, much as in prior years where we did not stop investing for a single day, even during the first weeks of the full-scale invasion. We entered 2022 finalising the deployment of our third growth fund, the Emerging Europe Growth Fund III. Our final deal before the full-scale invasion closed in December 2021. By April 2022, we were already back to fundraising. This resulted in a new USD350 million tech-focused growth fund [Horizon Capital Growth Fund IV], which was oversubscribed almost twice over. The growth fund exceeded the original USD200–250 million hard cap and ultimately closed at USD350 million, attracting strong support from many development financial institutions (DFIs) in our limited partner (LP) base, as well as private investors. Since its launch, we have deployed roughly half of this fund, including multiple deals executed or enabled during 2025. In January 2026, we publicly announced our investment in [vertical-scrolling video platform] HOLYWATER from back in the fourth quarter of 2025, and we also have two more deals that are in the process of finalisation which we will speak about in the near future.

Alongside continued deployment of the growth fund, we started fundraising for our new strategy, the Catalyst Fund, which had its first closing in January 2026 after six months of fundraising; a record short period from start to first close. The Catalyst Fund is focused on "asset-heavy" opportunities, with strategies across distributed generation, digital infrastructure, and construction materials, enabling us to invest in sectors that would not be possible from our "asset-light", tech-focused growth fund. The Catalyst Fund is partially connected with anticipated reconstruction but also targets near-term opportunities that do not presuppose a change in Ukraine's security situation.

Moreover, we announced our first deal the same day as the first closing: a partnership with German strategic investor Notus Group to develop a 124 MW wind power plant in the Odesa region. Fundraising remained a major focus for our team, but we also advanced firm-level initiatives and transaction execution. We hired three Investment Directors, with one dedicated specifically to growth strategy, along with five junior colleagues, all contributing to the holistic development of the team itself. We continued our development pipeline, executing deals across multiple strategies and working on exits (which are obviously a priority for us in this business).

USD350 m

raised for technology-focused Horizon Capital Growth Fund IV



Two of our funds, the Horizon Capital Growth Fund II and the Emerging Europe Growth Fund III, are fully deployed and undergoing gradual divestment. Among the public stories that I can mention are our investment in Purcari Wineries, which was bought by Maspex; a strategic [food and beverage investor] from Poland who took the company private following listing on the Bucharest Stock Exchange. This was actually our second time as an investor in Purcari: we invested from an earlier fund, then divested, then invested through our new fund and finally exited last year. This was a great investment for us and we really appreciate working with the exceptional team there. There are a couple of other exits that remain undisclosed but such exit work was, and continues to be, one of the key priorities for our team.

Ukraine has never been an easy market for investment, especially under current circumstances. What do you see as the major success factors that enable you to succeed, and what should other investors considering the Ukrainian market keep in mind?

There is no simple answer, no “silver bullet”. Our strategy is supported by multiple factors working together. First, our team has been on the ground for 20 years. We will be celebrating the 20th anniversary of Horizon Capital this year. Even throughout turbulent times, we have maintained a solid team and stayed integrated into the Ukrainian economy. That gives us a real understanding of the market, the ability to distinguish outstanding businesses, a strong reputation with founders and business advisors, and access to high-quality deal flow even in challenging markets. Team strength and consistency are fundamental.

Exit work was, and continues to be

one of the key priorities for our team

Our job goes beyond pure returns:

it matters to us how those returns are delivered, by whom, and with what values



Second, our reputation with partners plays an important role. After 20 years as a Firm in this business, I am confident that in private, one to one discussions between the founders and partners from our portfolio, they will genuinely speak positively about us to potential targets even without us in the room. This kind of trust significantly supports deal execution. As minority growth investors, we are extremely focused on selecting the right founders and building strong relationships with them, supporting them in each and every way we can to help them grow exceptional businesses. This is central to our values and to closing new deals.

Third, as I mentioned, we are a value-driven investor. Our job goes beyond pure returns: it matters to us how those returns are delivered, by whom, and with what values. This may sound philosophical, but it also includes our ESG approach and the reputation we have built, both of which strengthen relationships.

Fourth, our LP base is a major advantage. We are privileged to be able to work with exceptional LPs, including many DFIs. To illustrate this, the first closing of the Catalyst Fund was backed by the IFC, EBRD, Proparco, Swedfund, Norfund, and FMO. Our other funds also consist of world-leading IFIs and private investors. We do not have a single domestic LP, which is a part of our philosophy to avoid any potential conflicts of interest in new deals.

Finally, our leadership matters. We are privileged to work alongside our partners and IC [Investment Committee] members who bring many years of experience and the highest professional standards. They help us develop the team and execute deals we believe in.

Let's talk about the Catalyst Fund. For Horizon Capital, it's been quite a change in terms of industries and focus compared with what you're used to. What pushed you toward this decision, and how will you tackle near term challenges versus the long-term strategy?

I would not call this a turn; it is an evolution rather than a revolution. Historically, our strategy has evolved alongside the economy. Our roots go back to the Western NIS Enterprise Fund, which invested in more traditional, heavy industries, bringing Western corporate governance standards. In the 2000s, when Horizon Capital was established, our strategy shifted to consumer-driven growth and narrowing the consumption gap between Ukraine and neighbouring Central European countries. Then tech businesses brought new opportunities in the 2010s. Our exposure and strategy have evolved accordingly, and the Catalyst Fund continues this progression.

Moreover, the Catalyst Fund also builds on the success of the Datagroup–Volia transaction completed in 2024. In that deal, we brought in world-leading strategic investor NJJ, merging Datagroup–Volia and Lifecell to create DVL, one of the leading telecom operators in Ukraine. During that transaction, we rolled part of our equity forward and remained partners in the business, and we helped catalyse financing from the EBRD and IFC, mobilising USD435 million in debt for the acquisition and CAPEX plans. This demonstrated that even with a relatively small equity ticket, one can mobilise a significantly larger investment in the country, both in terms of equity and debt.

EUR300 m Catalyst Fund

set to mobilise up to EUR3 billion of investment in sectors that urgently need immediate funding



We are also looking for such a multiplier effect in our Catalyst strategy, which can scale up to 10 times. With a targeted EUR300 million fund, we plan to mobilise up to EUR3 billion of investment in sectors that urgently need financing today: energy, torn apart by the full-scale invasion; digital infrastructure, which has potential for further development; and construction materials, central for any reconstruction efforts. We want to replicate this playbook and see the strategy as an evolution. We are not overloading the core team but instead building additional in-house capacity and broadening the team so we can implement multiple strategies simultaneously.

As an institutional investor,

we focus on both return and risk, seeking to hedge and mitigate risks at multiple levels.



Energy carries a unique risk profile. Which derisking tools are you implementing (e.g. government/agency cover, bespoke financing, or physical/locational dispersion)?

As an institutional investor, we focus on both returns and risk, and we try to hedge and mitigate risk on multiple levels. First, we use derisking mechanisms provided by international or domestic agencies, including products available from the governments of Germany, Poland, Denmark, and others. We are exploring those and will apply them deal by deal, selecting what is most appropriate in each case. These financial tools form one important layer of protection.

Second, we assess physical risk during the project evaluation stage, avoiding any excessive concentration of assets in a single location. In renewables, for example, CAPEX is significant, but wind turbines are distributed across a land plot, helping to mitigate location specific risk. We also consider geography carefully and do not consider projects in unreasonable proximity to the front line as of today. In short, we balance both financial and operational measures to mitigate risk and act as a responsible investor.

We focus on both returns and risk

and we hedge and mitigate risk on multiple levels



Businesses are preparing

to meet a window of opportunity in the best possible shape



Have you observed any changes in the issues that create obstacles to investment decisions? What advice would you share with companies seeking investment, in order to increase their chances of success?

Investment decisions are about balancing risk and reward, i.e. finding mechanisms to increase reward and decrease risk. The starting point is the commercial viability of the business model: how defensible it is, how successful it can be, how large the market is, and what the proven track record looks like. As a growth investor investing at relatively late stages (rather than, say, a venture capitalist), we have the privilege of seeing a business' trajectory and actual results. We are less focused on uncertain long-term projections and more on evaluating actual performance and forecasts based on historical results.

So my advice to founders is this: focus on substance, not on form. Put yourself in the investor's shoes. Which factors would raise questions or cause discomfort? Address them as you grow. Have a disaster recovery plan and a clear playbook for reacting to turbulence across multiple areas of the business. When it comes to more complex structuring or risk mitigation mechanics, international institutional investors are often well equipped to help find solutions to those challenges.

At KPMG, we've seen growing interest in vendor assistance (VA) and vendor due diligence (VDD), something that was relatively uncommon in Ukraine until somewhat recently. This seems like a sign of both growing market maturity and an upcoming pipeline of deals. How do you view this?

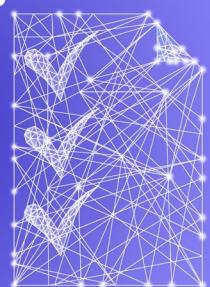
We are facing a backlog of M&A transactions: the market has been troubled by the ongoing war, and this does not help exits. Businesses are preparing to meet a window of opportunity in the best possible shape so that they can execute transactions rapidly, which explains the growing use of VA and VDD. We are taking the same approach across our own portfolio. While we are considering exiting many assets, we are definitely not doing forced exits or fire sales. Rather, we are investing time in thoughtful preparation: building the necessary equity story and materials, conducting VDDs, and holding early one-on-one discussions with potential buyers. This ensures that once that window opens, we can move quickly.

Looking ahead to 2026, what is your basic outlook and what contingencies could shift your plan, given the uncertainty around the optimistic scenario timing?

We are optimistic by design. We fundraise, invest, and exit, so maintaining a positive outlook is essential. But it is also our genuine position: there are exceptional businesses in Ukraine, and we have an opportunity to achieve best-in-class returns, and that is why we are raising new funds. The obvious elephant in the room is that nobody knows the timing of peace. That will be a huge factor in catalysing investors and accelerating activity.

Put yourself in the investor's shoes

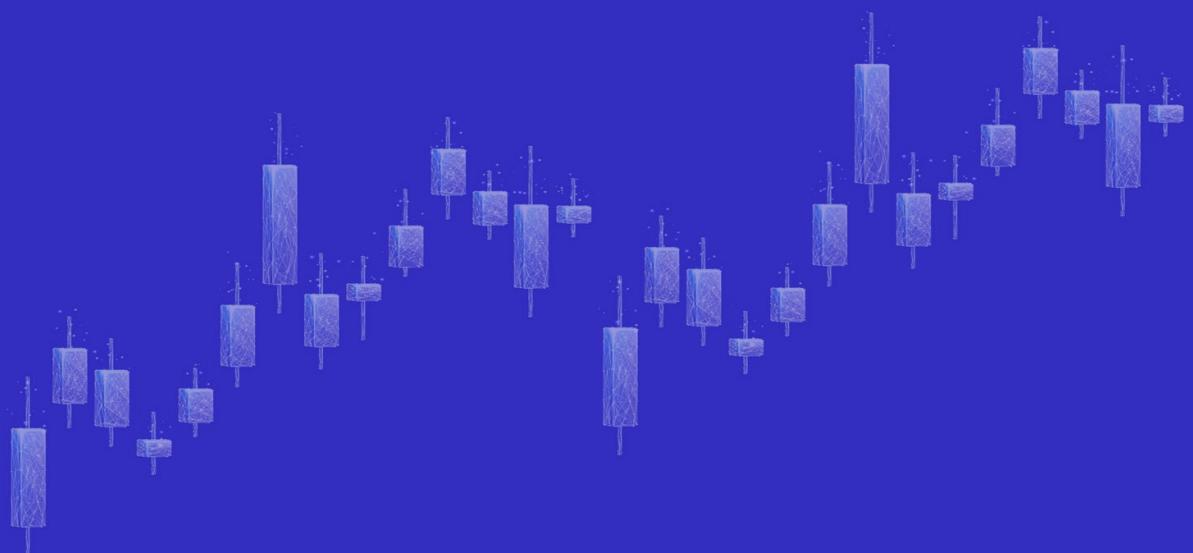
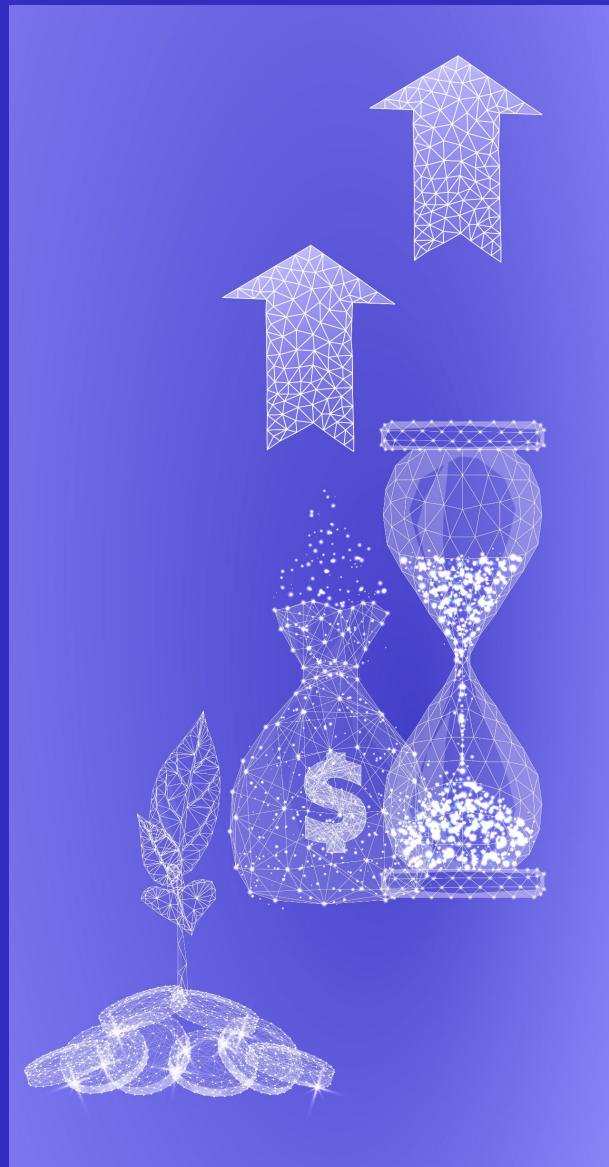
Which factors raise questions or cause discomfort? Address them as you grow



Putting that unknown aside, businesses, shareholders, and investors adapt to circumstances. Even with an unchanged status quo on the front line, deals will still occur as market participants recalibrate their risk appetite and assess risk more precisely. Adaptation enables deals that otherwise might not happen. I believe activity in 2026 will continue to increase organically. We will be deploying more capital, and we also see some of our colleagues raising funds who will also be investing in 2026. We welcome the development of the Ukrainian market and this growing activity as a benefit to targets, investors, and the whole ecosystem.

Given how fruitful 2025 was for Horizon, what additional announcements or milestones should the market expect from you in 2026, including any early signals around the Catalyst Fund pipeline or exit timelines that we have not discussed?

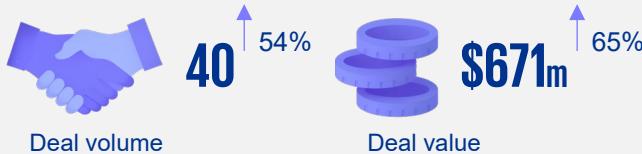
We hope to share more specific news and further announcements with you later in 2026. As you mentioned, 2025 was really fruitful for us, with new deals and new rounds for our portfolio companies. One update I did not mention was [e-learning platform] Preply's USD1.2 billion valuation. Preply was the first investment made by our Horizon Capital Growth Fund IV back in May 2023, and they recently closed a round at that valuation. This adds another tech unicorn with Ukrainian roots to the market. We believe more great announcements will follow in 2026.



M&A dynamics



Domestic M&A



Reversing 2023–2024 trends where the majority of transactions were inbound, domestic dealmaking represented the largest proportion of all dealmaking on Ukraine's M&A market in 2025. Given the overall year-on-year increase in the total value of all deals, domestic market players have therefore provided a foundation for future growth on the Ukrainian M&A market.

Forty domestic transactions with a combined disclosed value of USD671 million were announced over the course of the year, accounting for more than 60% of deal volume and over half of all disclosed deal value. This proportional increase in the overall deal structure reflects Ukrainian investors' improved ability to operate under wartime conditions compared with the constraints that elevated security risks place on foreign investors' appetites.

While agriculture, innovation and technology, and real estate and construction continue to represent the leading sectors in domestic M&A deals, domestic deal activity represented a notably larger share of all innovation and technology transactions in 2025. In a sector historically dominated by foreign investors, innovation and technology recorded just one domestic deal worth USD10 million in 2024². 2025, by contrast, saw six domestic technology transactions with a combined disclosed value of USD210 million (nearly 80% of the USD265 million invested in innovation and technology this year).

Domestic M&A activity in 2025 accelerated across multiple fronts, supported by a higher number of transactions and a noticeable uptick in investor interest. Several themes shaped this momentum, including strategic business transformation, companies expanding into adjacent segments, the emergence of new domestic investor groups, and supply-chain consolidation. The latter included a

number of transactions whereby Ukrainian firms made efforts to strengthen supply-chain resilience and operational integration through deals such as cosmetics outlet EVA's acquisition of [SC Omega-1 Logistic](#) complex for [USD36 million](#) which aimed to enhance the retail chain's distribution capabilities.

Transport and infrastructure also saw a steady revival in terms of investor interest following export operations stabilising along Ukraine's Black Sea maritime corridor. Reflecting changing trends and improved Black Sea access, home improvement chain Epicentr Group acquired a stake in [Promtechinnovatsia](#), a company which holds the rights to lease a 32-hectare plot within Pivdennyi Port, for prospective development of a grain terminal. Transactions in this sector underscore logistics and infrastructure assets' strategic importance in a shifting landscape of supply-chain disruption and realignment.

Strategic expansion and business transformation efforts were also among the key drivers influencing domestic M&A activity in Ukraine in 2025, with the most illustrative example being Kyivstar's ongoing execution of its overall acquisition strategy. The Ukrainian telecom giant is currently leveraging its experience in data analytics and scalable digital platforms to become a [holistic digital ecosystem](#), exemplified through the company's acquisition of ride-hailing and delivery platform [Uklon](#) for USD155 million. Representing both the second-largest transaction of 2025 and the largest wholly domestic transaction, this deal marked a decisive step towards Kyivstar's goal to transition beyond core telecommunications services. Such moves were complemented by the announcement of plans to acquire online pharmaceutical services provider [Tabletki.ua](#) in a potential deal with an estimated value of USD30–80 million (pending regulatory approval), dovetailing with Kyivstar also increasing its stake in online medical patient portal Helsi for a reported [USD10.5 million](#).

USD671m

Total disclosed value of domestic deals announced in 2025

²Based solely on transactions exceeding USD5 million, as per KPMG's M&A Radar: Ukraine methodology.

Ukraine's consumer sector, meanwhile, has continued to benefit from strong levels of private consumption, accounting for 60–70% of the country's GDP in 2025 and continuing to underpin dealmaking in this sector. Notable examples of domestic investor interest include the aforementioned privatisation of detergent producer Vinnytsiapiobutkhim for USD15 million by Afina Group (an entity controlled by Ruslan Shostak and Valerii Kiptik, co-founders of EVA and Varus), as well as the announced acquisition of consumer electronics retailer Citrus by its competitor Yabluka, estimated at USD10–20 million. Such transactions underscore ongoing consolidation and efforts by market participants to strengthen competitive positions amid resilient domestic demand.

Another defining feature of Ukraine's domestic M&A market in 2025 was the growing willingness of local companies to expand into adjacent sectors as a response to wartime challenges and structural shifts in the economy. This trend is particularly visible in the agriculture and energy sectors, as continued attacks on energy infrastructure have accelerated demand for renewable, flexible, and decentralised power generation capacities and attracted interest from non-traditional investors. As an example, the co-founders of Ukrainian consumer electronics retail chain Foxtrot acquired two operating solar power plants within the Bolokhivskyi Solar Park in the Zhytomyr region for an estimated USD15 million. Kyivstar similarly acquired a 13 MW operational solar power plant operated by SUNVIN-11 LLC for approximately USD8 million, also in the Zhytomyr region. Beyond typical financial investment goals, transactions of this type also benefit investors through enhanced network resilience and energy independence.



As noted, Ukraine's agriculture sector has similarly continued to attract investors from outside traditional participants. Using investment vehicle Vi.An Holding Limited, OKKO Group owner Vitaliy Antonov acquired both Borschivska Agricultural Company LLC and Kairos-Holding LLC in 2025, with the latter valued at USD20 million. These deals complement OKKO's earlier investments in Ukrpolfrukt and Hadz-Agro and exemplify an ongoing trend of cross-sector diversification into agricultural assets.

2025 also saw the continued emergence of new domestic investor groups. Looking to the real estate and construction sector, Inzhur REIT's USD35 million acquisition of the Sky Park shopping centre in Vinnytsia from Dragon Capital demonstrated the growing role of institutional and non-traditional investors in Ukraine's commercial property market. Domestic venture capital activity also continued to expand, with Ukrainian healthtech company Liki24 raising USD9 million in a Series A funding round that was primarily led by Ukrainian investors, including u.ventures, TA Ventures, iClub, N1 Ventures, SID Venture Partners, and DniproVC. This transaction reflects the gradual maturing of Ukraine's local investment ecosystem and its increasing capacity to support growth-stage companies without the need to rely on foreign capital.

Privatisation initiatives on the part of the Ukrainian government continued to support M&A activity in 2025, with all privatisation deals this year involving domestic buyers. Two "big" privatisation auctions were completed in 2025, with the largest being the October 2025 sale of state-owned construction company Ukrbud, with Tekhno Online LLC (owned by the Astion brothers) acquiring the asset for USD19.5 million³. The second significant privatisation transaction in 2025 involved Afina Group acquiring detergent producer Vinnytsiapiobutkhim, a sanctioned asset confiscated in 2022, for USD15 million. Four further privatisation transactions exceeding USD5 million were also completed in 2025.

Overall, domestic investors in Ukraine in 2025 focused on both consolidating core assets and pursuing transformative, resilient, long-term value creation. These trends suggest that domestic dealmaking will continue to play a pivotal role in the country's M&A market, while also laying the groundwork for broader economic transformation and recovery in Ukraine's post-war reconstruction landscape.

³ Privatisation deal amounts indicated in this section are stated excluding VAT. As such, the total economic impact (including VAT where applicable) will be even higher than the stated figures.

Inbound M&A



Although 2025 recorded fewer inbound deals than the number of domestic transactions, foreign investor appetite for Ukrainian assets has persisted and slowly broadened beyond the traditional investment bases of agriculture and innovation and technology. Inbound interest in dealmaking has increased in defence, energy, industrial markets, and logistics, with more early-stage investor discussions signalling a potential base for future cross-border deal flow in the coming year.

Inbound deal volume in 2025 remained stable year-on-year (with 13 inbound transactions recorded in both 2024 and 2025), though this represented a smaller share of an expanding overall market. In terms of value, inbound M&A in 2025 remained selective, primarily marked by a single large-scale inbound transaction: Bunge's acquisition of the remaining 85% share in ViOil for an estimated USD138 million. This relative decline in overall inbound M&A deal value contrasts with 2024, which saw landmark deals like Ukrainian tech startup Creatio become a "unicorn" company in a USD200 million funding round and NJJ Capital's acquisition of Datagroup-Volia for USD120 million. By contrast, the disclosed value of all inbound M&A transactions for 2025 was lower, declining to a total of USD232 million (down by 59% year-on-year).

13 inbound deals

registered in 2025 (unchanged from 2024 levels)

Key inbound sectors:

agriculture and innovation and technology



this sector (a slight decrease on the seven deals in 2024), underscoring continued international interest in Ukrainian technology companies despite elevated risk during wartime. Notable inbound transactions included investment rounds in Ukrainian crypto prediction startup Limitless which raised USD4 million in July 2025 in a funding round led by Coinbase Ventures, followed by an additional USD10 million in October 2025 in a round led by US-based venture capital fund 1confirmation. Headway Inc., an edtech company specialising in microlearning applications, attracted an undisclosed investment from Bullhound Capital, while Ukrainian web developer IDAP Group was acquired by international IT company Globaldev Group (also for an undisclosed consideration).

Beyond technology, other sectors that have traditionally shaped the domestic M&A landscape also attracted inbound investment, including agriculture and real estate and construction. Bunge's acquisition of ViOil accounted for the majority of disclosed inbound deal value in a transaction notable both in terms of its scale and in highlighting adaptability on the part of strategic inbound investors, whereby foreign companies with a pre-existing presence in Ukraine and a willingness to expand operations have been able to adapt to such challenging conditions in much the same manner as domestic firms. The added sectoral significance of such investments is in their reflecting a shift toward assets further along the agriculture production value chain, supporting higher value-added processing of products within Ukraine itself prior to exportation.

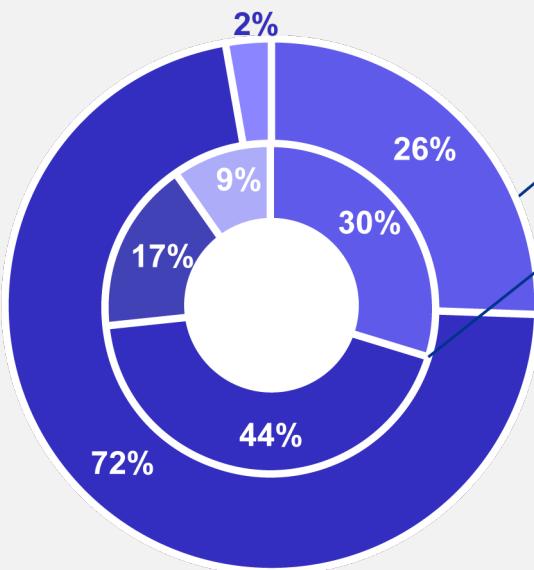
Much as with previous years, Ukraine's innovation and technology sector remained the primary focus for foreign investors; accounting for approximately half of all inbound transactions by value, despite representing less than 20% of inbound deal volume. 2025 saw six inbound deals recorded in

Inbound interest in real estate, meanwhile, was represented by [EUR8.5 million](#) investment in M10 Industrial Park in Lviv on the part of the Norwegian Ukraine Investment Fund (Norfund). Broader wartime supply-chain reconfiguration also saw ongoing foreign investor interest in the transport and infrastructure sector, exemplified by [Medlog SA](#), the logistics arm of Swiss MCS, acquiring 50% of intermodal operator N'UNIT and 25% of the cross-border terminal Mostyska via a transaction estimated as ranging between USD15–30 million. This marked Medlog SA's first investment in Ukrainian assets and could

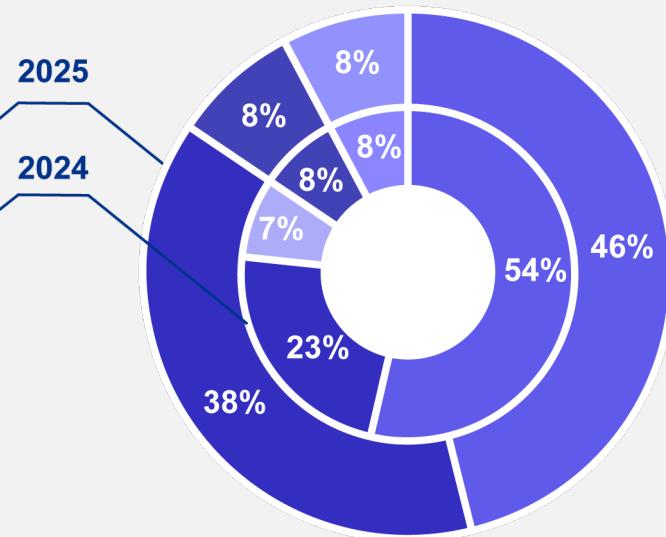
potentially serve as a signpost for a gradual revival of foreign investor interest in Ukraine's transport and logistics infrastructure.

In the consumer sector, Polish food group [Maspex](#) (one of the largest food producers in Central and Eastern Europe) acquired an undisclosed stake in mineral water producer Carpathian Mineral Waters (Karpatska Dzherelna) in a transaction reportedly valued at USD30–50 million. Such transactions underscore sustained foreign interest in consumer-facing assets, supported by resilient domestic demand.

Inbound M&A deal value by region



Inbound M&A deal volume by region



Europe



North America



Asia-Pacific



CIS



MEA

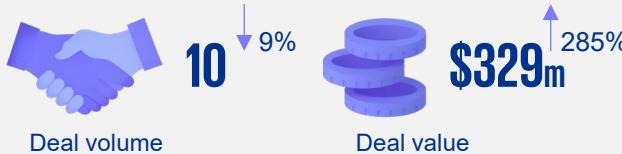
As in prior periods, inbound M&A activity was dominated by investors from Europe and North America; accounting for more than 90% of disclosed inbound 2025 deal value and more than 80% of inbound deal volume, both increasing proportionally compared to 2024.

>90% disclosed inbound deal value

in 2025 driven by investors from Europe and North America



Outbound M&A



Outbound M&A activity in 2025 comprised 10 transactions with a combined disclosed value of USD329 million (compared with 11 outbound transactions with a disclosed value of USD85 million in 2024). This sharp increase in outbound deal value was entirely driven by a single landmark transaction related to MHP's acquisition of a 92% stake in Spanish poultry and pork producer Uvesa (valued at approximately USD300 million).

This transaction represents both the largest outbound deal of 2025 and one of the most significant cross-border acquisitions by a Ukrainian company in recent years. Excluding this outsize transaction, outbound deal value would have followed a downward trajectory year-on-year, underscoring the highly concentrated nature of outbound M&A value in 2025.



Outbound activity by sector broadly aligned with domestic Ukrainian M&A trends, reflecting the international expansion strategies of Ukraine's leading companies. Innovation and technology accounted for more than 40% of outbound transactions by volume, with IT outsourcing company Ciklum following through on its expansion strategy from the previous year by acquiring Polish IT outsourcing firm [GoSolve](#) Group in 2025. Aimed at expanding Ciklum's client base and delivery capabilities, the transaction was valued at an estimated at USD5–10 million. Other notable outbound technology transactions included Sigma Software Group's acquisition of US-based IT consulting firm [A Society Group](#) and Ukrainian IT company TechMagic's acquisition of Polish consulting company [Hitteps](#).

Ukrainian capital has also played an increasingly visible role in international financial services and energy markets. Diligent Capital Partners led a [USD12 million](#) investment round in Philippine neobank Tonik, for example, with proceeds earmarked for scaling the company's digital banking and lending model. This transaction demonstrates growing participation in global fintech ecosystems on the part of Ukrainian investors.

Regarding the Ukrainian energy sector, DTEK Renewables International (DRI, the European renewable energy arm of Ukrainian energy company DTEK) has continued to scale its international portfolio to become one of the fastest-growing companies in the sector. Delivering Romania's first wind farm in a decade (constructed in under 10 months after permitting), DRI also opened [three](#) major solar parks in Romania: Glodeni I and II (113 MWp combined) and the 126 MWp Văcărești plant. Regarding investments, the company also acquired a 112 MW battery energy storage project from [Greenvolt](#) in Poland and is also developing a 133 MW battery energy storage project in Trzebinia under a 17-year capacity market contract starting in 2027, set to be the largest BESS project in the country. These achievements continue to illustrate DTEK's long-term strategy, aiming to expand the company's renewable energy and energy storage assets beyond Ukraine and across Europe.

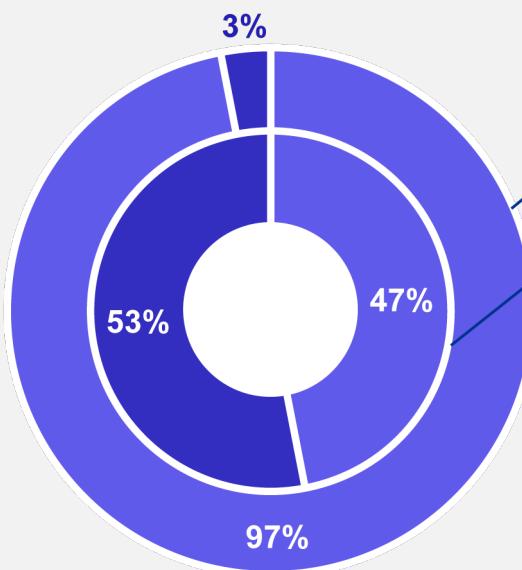
Further outbound activity also demonstrated a regional focus on neighbouring and nearby European markets, particularly Central and Eastern Europe. [Metinvest](#) and [Interpipe](#), for example, both acquired two separate Romanian pipe production companies from ArcelorMittal in transactions completed for an undisclosed consideration.



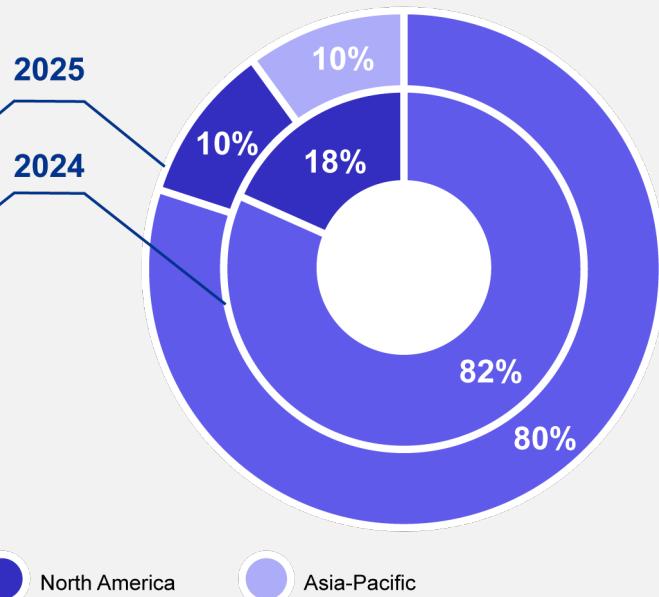
Such outbound activity reflects the logic influencing Ukrainian companies' wartime decision-making, with the scale of transactions executed in 2025 and the number of outbound approaches by local market participants demonstrating a strategically ambitious trend of transactions that utilise local expertise to solidify international presence in similar sectors.

Overall, outbound Ukrainian M&A activity in 2025 continued to represent Ukrainian companies' growing cross-border ambitions. Primarily focusing on nearby Central European markets, as well as Western Europe (albeit to a lesser extent), Ukrainian investments in other regions also continue to play an ongoing but secondary role.

Outbound M&A deal value by region



Outbound M&A deal volume by region



Europe

North America

Asia-Pacific

Outbound activity in 2025 continued to reflect Ukrainian companies' cross-border ambitions

Kyivstar CEO Oleksandr Komarov: how Kyivstar is transforming into a digital services operator and setting trends for the M&A market



Acquiring Uklon was among the largest M&A deals in Ukraine in 2025. What was the strategic rationale for this investment, and what role does Uklon play in building Kyivstar's integrated digital ecosystem?

Kyivstar is transforming from a telecom operator into a digital services operator with a telecom licence. We have been publicly articulating this strategy since 2020 and are moving in this direction step by step. Prior to acquiring Uklon, our company had already built and scaled digital services such as Big Data, Kyivstar Cloud, Kyivstar TV, My Kyivstar, and Helsi. The acquisition of ride-hailing service Uklon is a logical continuation of our stated course of transformation into a digital operator. It is no coincidence that this deal became one of the most notable in 2025: for both Kyivstar, where it was among the largest acquisitions in the company's history of nearly 30 years, and for the Ukrainian market, where this deal represented one of the most significant M&A transactions since the full-scale invasion.

In my view, acquiring Uklon gives Ukrainian entrepreneurs hope that it is possible, firstly, to create a successful business in our country and, secondly, to sell it profitably.

>UAH 1bn

Uklon revenue
as of the third
quarter of 2025



We are satisfied with how Uklon is developing today. The business case behind this acquisition has fully proven itself and I would go even further: it has exceeded our expectations. As of the third quarter of 2025, Uklon's revenue reached more than UAH1 billion, serving 3.6 million active users (MAU) in Ukraine and Uzbekistan. For me, the high NPS [Net Promoter Score] of 89% is particularly indicative. Uklon is a transparent and healthy Ukrainian business.

To what extent does this deal exemplify Kyivstar's new approach to M&A – not as an add-on to the core business, but as a vehicle for the company's large-scale transformation?

This deal is one of the strongest examples of such. Kyivstar's investment in Uklon is fully in line with our strategy of building a digital operator. Naturally, telecommunications remains our core business at the moment, but I would not rule out the possibility that its share in the company's portfolio would be less than 50% in the future.

As for Uklon's role, those financial results for the third quarter of 2025 clearly demonstrate its impact. Kyivstar Group's direct digital revenues also grew more than fivefold, increasing by 531.3% to UAH 1.5 billion, driven by the consolidation of Uklon.

Importantly, our direct digital revenues grew by 89% even excluding Uklon, a good indication that Kyivstar's transformation strategy is delivering results.

As you mentioned, Kyivstar has repeatedly stated its goal of increasing the share of revenue from non-telecom businesses to 50%. Which areas – digital services, fintech, e-health, mobility – are the key growth drivers, and what role do M&A transactions play in this?

We remain focused on further developing the verticals that are already in our portfolio, namely digital health and modern mobility. From a digital operator's point of view, fintech, e-commerce, cloud services, and digital advertising are all attractive too. We are also exploring projects in the field of green energy: Kyivstar began investing in the alternative energy sector in 2025 by acquiring a 100% stake in SUNVIN-11 LLC, the owner of an operational solar power plant with a capacity of nearly 13 MW. This investment enables us to partially hedge against the risks associated with fluctuating electricity prices.

How do you define the balance between the organic development of new services and acquiring already established digital platforms in terms of implementing this strategy?

Both approaches are valid. Kyivstar TV was a project developed in partnership with 1+1, Big Data was entirely developed and funded by Kyivstar, while we acquired Helsi. However, our primary focus is on developing services for end consumers, and this is now a completely different business with a new revenue structure.

Let me also rephrase your question. I think it is worth adding the criteria we use to assess how attractive a business is for investment.

Of course, economic metrics are important, IRR above WACC [internal rate of return above cost of capital] for example. In each case, we are ready to consider both approaches. Additional criteria include strong customer engagement, with the potential to reach at least one million active customers, as well as the ability to create synergies with other Kyivstar services. Taken together, this approach enables us to create a digital ecosystem and ensures a balance between different approaches.

Ukrainian healthcare

has the potential to become one of the most digitised healthcare systems in the world

Increasing Kyivstar's ownership stake in Helsi from 69.99% to 97.99% is a step toward fully integrating the platform as an asset. What strategic opportunities does this open up for Kyivstar in the e-health segment?

Helsi is the largest medical information system in Ukraine, used by both public and private healthcare providers. More than 2.5 million patients make appointments with doctors through Helsi every month, with more than 28 million registered users.

Kyivstar sees significant growth potential in the digital health sector. Thanks to medical reform, the Ukrainian healthcare industry has the potential to become one of the most digitised in the world.

We actively support and continue to develop Helsi Pro, a service for healthcare providers that connects them with millions of patients. The fastest growth, meanwhile, is driven by Helsi Neuron via analytics and targeted advertising tools, as well as through Helsi B2C's patient-focused services. Kyivstar has chosen to invest in digital health, among other things, to make healthy lifestyles a trend in Ukraine.

>28 m

registered Helsi users



How has Kyivstar's listing on the Nasdaq affected corporate governance, investment discipline, and Kyivstar's approach to making M&A decisions within the group?

Prior to listing, the company's management reported to Kyivstar's Supervisory Board which had been delegated nearly all decision-making authority. Today, there is a holding company, Kyivstar Group Ltd, which oversees JSC Kyivstar's operations. Accordingly, Kyivstar Group Ltd has a ten-member Supervisory Board, established in line with the requirements of the US Securities and Exchange Commission [SEC].

Becoming a public company listed on the Nasdaq has not changed our M&A strategy. It remains supportive of our core strategic priorities: building a digital operator and strengthening our position in the telecommunications market.

What has changed are the reporting and disclosure requirements. The SEC requires public companies to submit regular disclosures regarding financial statements, material facts, risks, changes in ownership structure, and other important information that may have a material impact on investment decisions. You have probably noticed how detailed Kyivstar's quarterly reports are.

As a result of its listing, Kyivstar has undergone perhaps the most rigorous compliance review [in terms of laws and ethical standards] in the world. I am confident that Kyivstar is one of the most transparent businesses in Ukraine today. We have become a member of a global club that includes only 4,000 companies out of a total of about 400 million companies worldwide. In other words, only 1 in 100,000 companies meets the strict requirements to be listed on the Nasdaq. As a Ukrainian company, Kyivstar is on this prestigious list.

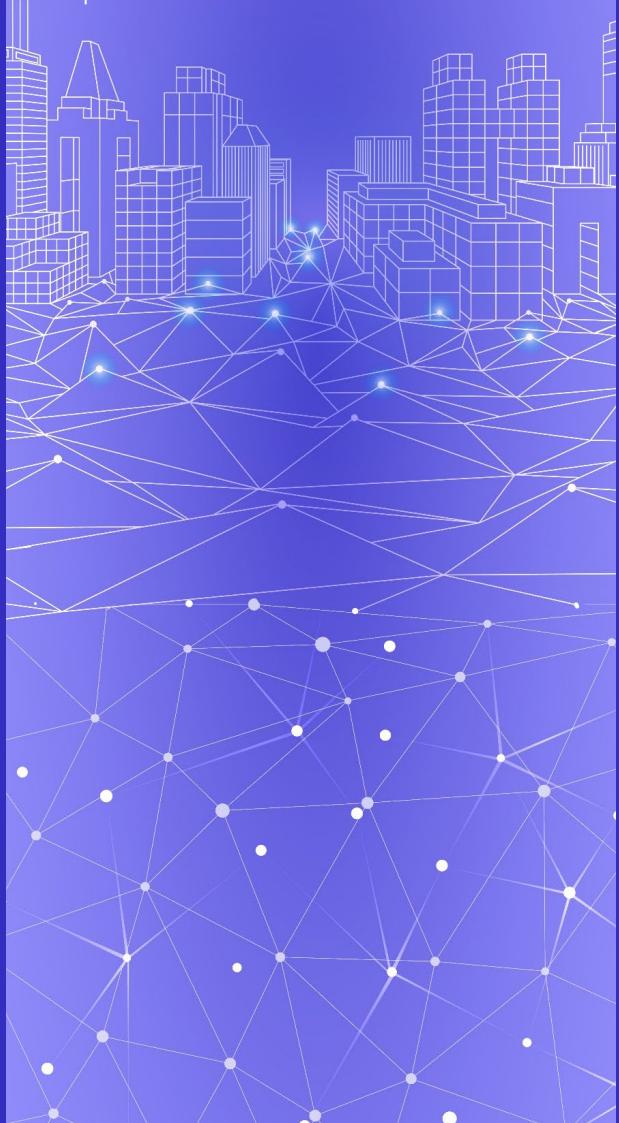
Looking at Kyivstar's experience in 2024–2025, how do you see the role of a major telecom operator evolving – from an infrastructure business to a digital platform that brings together diverse services and markets?

This is a natural evolution and a necessity of the time. To remain relevant to our customers' needs in the long term, we must continue to change. Kyivstar will remain a telecom operator and the largest provider of critical infrastructure, while steadily increasing the share of digital services in its business. Our understanding is that we need to restructure all these assets differently, give them the opportunity to develop in their segments, ensuring maximum synergy within the group. From a numbers perspective, revenue from digital businesses has already grown to nearly 12%. And from a broader, strategic perspective, Kyivstar has set the pace for transformation and, through its own experience, demonstrated that this strategy works.

Most importantly, in my view, Kyivstar has shown that anything is possible. It is possible to list on the Nasdaq during wartime. It is also possible (and necessary) to invest in Ukraine's economy, transform one's business, and, above all, plan for long-term development in Ukraine.

Joining Nasdaq, we have become a member of a global club

that includes only 4,000 companies out of a total of about 400 million companies worldwide



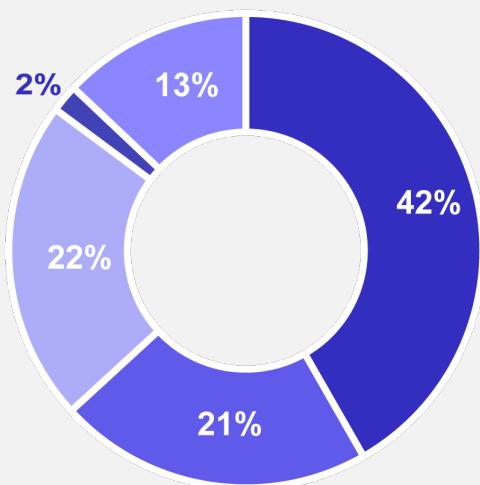
Key sectors



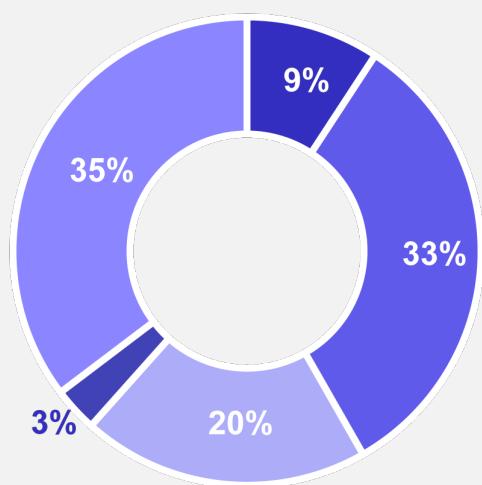
Key sectors

Ukraine's M&A landscape continues to mirror broader structural economic trends, with the sectors that generate the greatest contribution to GDP typically attracting the strongest investor interest. As with previous years, 2025 saw agriculture, innovation and technology, real estate and construction, and power and utilities remain the dominant sectors for investor interest, collectively accounting for more than 85% of total disclosed deal value (up from 65% of total disclosed deal value in 2024). The share of deal volume associated with the aforementioned sectors also grew, up from 66% in 2024 to 71% in 2025.

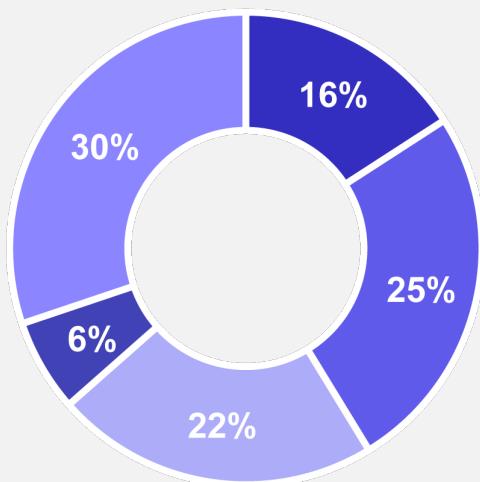
Ukrainian M&A deal value by sector 2025



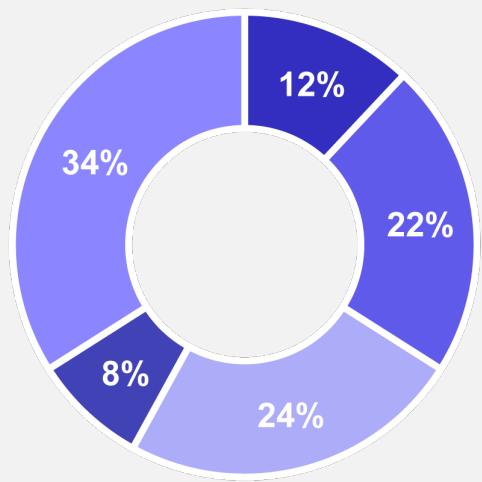
Ukrainian M&A deal value by sector 2024



Ukrainian M&A deal volume by sector 2025



Ukrainian M&A deal volume by sector 2024



Innovation and technology



Innovation and technology continued to play a pivotal role in Ukraine's economy in 2025 and remains the country's leading export-oriented sector. Export revenues from IT services reached approximately USD6.7 billion, reflecting a recovery in sector performance following two consecutive years of decline. Ukrainian IT service exports recorded 3.3% year-on-year growth, while the share of IT services in total service exports increased to over 40% in the first eleven months of 2025 (compared with 37% in the same period of 2024).

Dealmaking in the innovation and technology sector in 2025 exhibited a notable divergence between M&A deal volume and value. Despite disclosed deal value declining from USD342 million to USD265 million in 2025, deal volume for transactions exceeding USD5 million increased from 11 to 16, underscoring sustained investor interest. It is also worth noting that while this report only includes transactions with a value in excess of USD5 million, the innovation and technology sector remained active at the smaller end of the market that is typically outside the scope of this publication. 59 transactions with values below USD5 million were recorded in 2025, underscoring continued deal flow across early- and growth-stage companies, with the aggregate deal value reaching USD33 million for all transactions with a disclosed consideration (accounting for less than half of all sectoral deals). Such smaller scale dealmaking highlights the innovation and technology sector's sustained ability to attract investment despite ongoing economic and geopolitical stressors.

M&A deals in Ukrainian innovation and technology were also increasingly shaped by domestic investors in 2025, with six domestic innovation and technology transactions with a combined disclosed value of USD210 million recorded. This represents a noticeable shift for a sector historically dominated by foreign investors which recorded just one



domestic deal worth USD10 million in 2024. Innovations and technology M&A activity in 2025 was consequently shaped by domestic investors, most significantly through dealmaking by Kyivstar who continued to build out their digital ecosystem through the acquisition of Uklon and an increased stake in medical service portal Helsi, as well as the announced acquisition of Tabletki.ua. Growing domestic interest in healthtech was further evidenced by a Series A funding round for Ukrainian pharmaceutical platform Liki24 which was primarily led by Ukrainian venture capital funds.

Outside of information services, Ukraine's wartime economy has naturally continued to reshape the country's investment landscape, with the defence sector taking on existential importance for the nation. This shift has translated into a growing contribution to both the broader economy as a whole and to M&A activity specifically, with defence technology emerging as a distinct and rapidly developing investment segment.

Reflecting such trends, two defence-tech transactions exceeding USD5 million were announced in 2025, representing the largest deals to date in this segment:

- Autonomous drone company Swarmer raised [USD15 million](#) in a Series A funding round led by Broadband Capital Investments.
- British-Ukrainian deep-strike systems developer Trypillian raised [USD5 million](#) from a British investor.

Alongside these first transactions above the USD5 million threshold, overall investment volumes in Ukrainian defence-tech startups have increased sharply: exceeding [USD100 million](#) in 2025 (compared to [USD40 million](#) in 2024). This growing investor interest has been accompanied by a significant increase in average transaction sizes: rising from USD0.2–0.4 million in 2024 to USD2.5–5.0 million in 2025.

International financial and institutional support has played a key role in underpinning this momentum. In addition to financing civilian segments of Ukraine's economy, targeted international support for the defence sector has gained increasing importance. European governments procured over [USD6 billion](#) of defence products directly from Ukrainian manufacturers to support the Armed Forces of Ukraine in 2025. A further USD1.1 billion was financed through income generated from immobilised Russian financial assets, reinforcing demand for domestically-produced Ukrainian defence technologies and strengthening the investment case for local defence-tech companies. In parallel, [EIFO](#) (the Export and Investment Fund of Denmark) invested USD5 million in the D3 venture capital fund to support investments in early-stage Ukrainian defence-tech startups.

Ukraine's deepening integration with the EU defence ecosystem further enhances the sector's investment attractiveness, with participation in various collaborative initiatives strengthening the investment case for Ukrainian defence-technology companies. One such key milestone was Ukraine's acceptance as a [participant](#) in the European Defence Fund (EDF): with a total budget of EUR7.3 billion, the EDF facilitates closer cooperation with European defence companies and increases Ukraine's incorporation into EU defence infrastructure. This development was complemented by the EU's approval of the [European Defence Industry Programme](#) (EDIP) in December 2025, a EUR1.5 billion instrument with EUR300 million earmarked specifically for modernising Ukraine's defence industry.

EUR300 m

from the European Defence Industry Programme has been specifically allocated to modernise Ukraine's defence industry



Agriculture



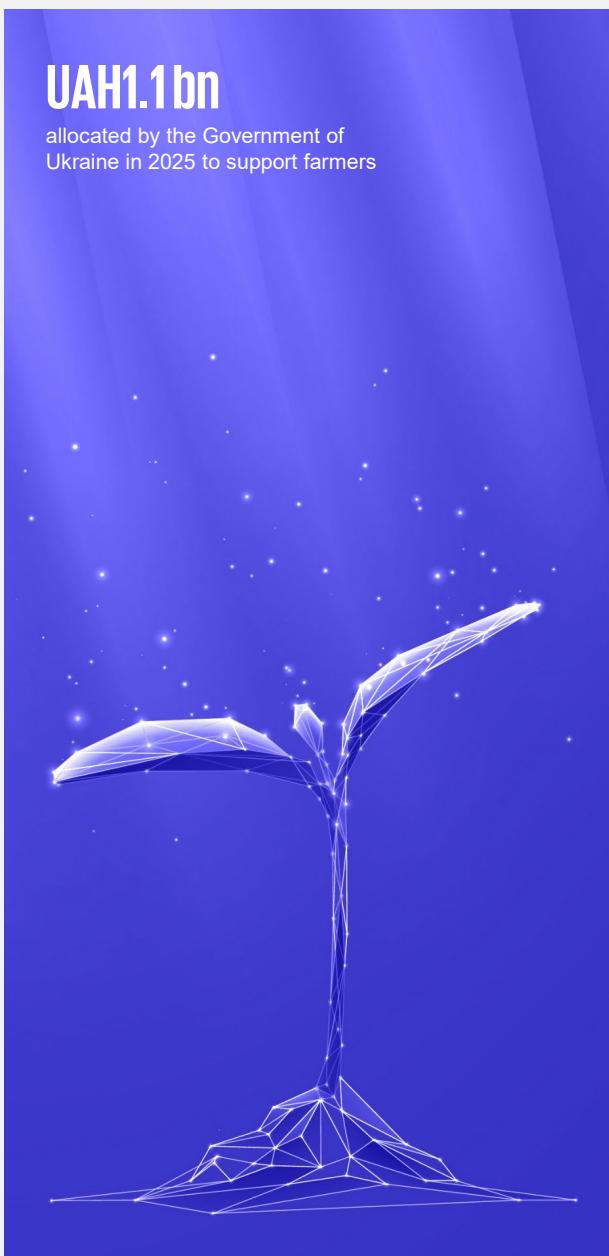
Agriculture has historically been an integral part of Ukraine's economy and a mainstay of the local M&A market, with 2025 being no different. Despite challenging weather conditions and ongoing wartime pressures, Ukrainian farmers were able to harvest 57.6 million tonnes of grain and 17.3 million tonnes of oilseeds, exceeding 2024 results. While Ukraine ranked second in Europe behind France in terms of grain output, average crop yields remain 40–50% lower than in France which highlights significant untapped productivity potential in Ukraine's agriculture sector.

Agriculture M&A activity strengthened markedly in 2025. Compared with 2024, disclosed deal value increased from USD97 million to USD514 million, while deal volume rose from six to ten transactions. This sharp increase in disclosed value was largely driven by two landmark transactions, one outbound and one inbound. Ukrainian agribusiness and food producer MHP's outbound acquisition of a 92% stake in Spanish poultry and pork producer Uvesa, reportedly valued at over EUR270 million (USD300 million) represented the largest transaction of 2025 in terms of value. Meanwhile, leading global agribusiness and food company Bunge's acquisition of the remaining 85% share in ViOil for an estimated USD138 million represented the largest inbound transaction of the year.

The MHP-Uvesa deal underscores the ongoing transformation of leading Ukrainian agribusinesses into international players, while Bunge's investment highlights a continued willingness and capacity on the part of strategic foreign investors with a pre-existing established presence in Ukraine to expand their operations despite a challenging operating environment.

UAH1.1bn

allocated by the Government of Ukraine in 2025 to support farmers



Russia's full-scale invasion has further reshaped investment patterns in Ukrainian agriculture, a sector with inherently limited relocation flexibility. Combined pressures from security risks mean an increasing focus on central and western regions of Ukraine, perceived as less exposed to such risks. As a result, several transactions in 2025 involved exits from regions closer to the frontline, as companies sought to rebalance geographic risk. Notable examples include [Agroprosperis](#) selling off two assets in the Sumy region to Krolevetsky Feed Mill LLC and [Zorya LLC](#) in the Kharkiv region to Agroton.

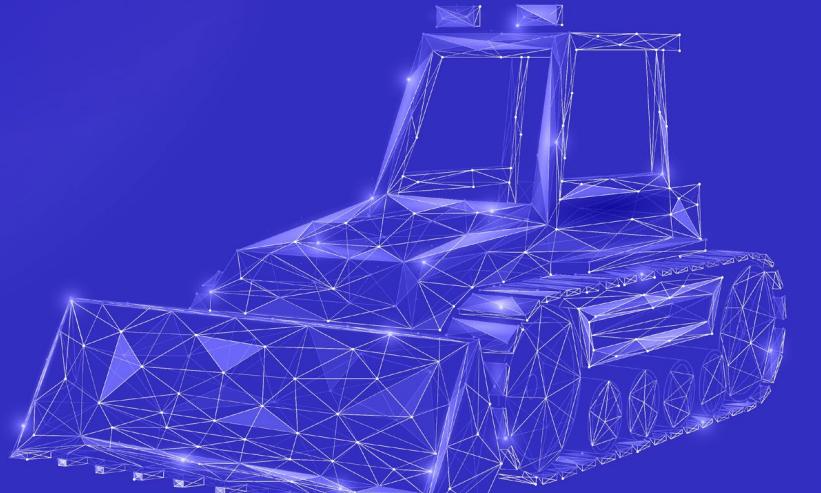
This shift westward has further supported upward pressure on land values, with Ukraine's agriculture sector continuing to attract domestic investors from outside traditional market players as investors seek to diversify their holdings. Further reinforcing this geographic rebalancing trend toward western Ukraine, owner of the OKKO Group Vitaliy Antonov expanded his agribusiness portfolio via Vi.An Holding Limited's acquisition of [Borschivska Agricultural Company LLC](#) and [Kairos-Holding LLC](#), both located in the Lviv region.

Government support has remained an important stabilising factor for Ukraine's agriculture sector, with the Government of Ukraine allocating [UAH1.1 billion](#) in 2025 to support farmers engaged in crop, fruit, and vegetable [production](#), including reimbursement for investments in irrigation systems. [UAH0.4 billion](#) in budgetary subsidies were also provided to livestock producers across all regions of Ukraine, including areas close to the frontline. Supplementary support from international financial institutions (IFIs) also proved essential to stabilising Ukraine's agricultural output through initiatives such as the third tranche of the World Bank's [ARISE](#) financing programme, which provided UAH1 billion to help further strengthen agricultural resilience under challenging conditions.

Investor confidence in Ukrainian agriculture was also evident in the strong [performance](#) of publicly-listed Ukrainian agricultural companies' share prices in 2025, reinforcing the sector's attractiveness as both a defensive and long-term growth investment opportunity.

USD514 m

total disclosed deal value of agriculture deals in 2025



Real estate and construction



Despite not being a primary driver of economic growth in 2025, the real estate and construction sector continued to play a notable role in Ukraine's M&A market, with the motivations behind deals and investments including capital appreciation, post-war redevelopment potential, and the sector's role in supply-chain integration.

Total disclosed deal value increased moderately, rising from USD209 million in 2024 to USD271 million in 2025, while deal volume expanded from 12 to 14 transactions. This trend points indicates sustained investor interest in the real estate and construction sector despite the direct impact presented by ongoing wartime risks.

The largest 2025 transaction in the real estate and construction sector was [City Capital Group's](#) acquisition of the Leonardo Business Centre and Ukraina department store, two landmark assets in Kyiv, in a transaction valued at an estimated USD70–100 million. Demonstrating ongoing local investor interest in prime commercial real estate, this trend was complemented by [BGV Group's](#) acquisition of Zhytomyr Investments (owner of the TSUM central department store in Zhytomyr) and Maksym Krippa's investment in the [International Exhibition Centre](#) in Kyiv.

Signs of renewed interest in residential real estate also emerged in 2025. [Dragon Capital's](#) investment in the Viking Gardens residential complex, Maksym Krippa's investment in residential developer Dim, and the successful privatisation of the construction company [Ukrbud](#) all indicate a gradual recovery in residential development activity.

The Ukrainian state has a significant role in sustaining the country's real estate and construction sector, with several notable 2025 M&A transactions involving privatisation rounds for non-operating state-owned enterprises. Investment value associated with such deals was primarily linked to land plots and existing premises, with

examples including assets such as the [Kyiv Automotive Repair Plant](#), the [Plant Quantum \(Kvant\) factory](#) (also in Kyiv), and [Enerhostal](#) in Kharkiv. Economic activity in Ukraine's residential market was also supported by the ongoing state-backed [eOselia](#) programme which aims to expand access to affordable mortgage financing and stimulate housing demand, with the Ukrainian government allocating an additional [UAH30 billion](#) to the initiative in December 2025.

Ukraine's real estate and construction sector also saw its own measure of non-traditional investment activity, notably Kyiv School of Economics' acquisition of the [Obolon Golf Club](#) to develop a new university campus, highlighting growing investor interest in educational and social infrastructure assets.

Looking ahead, expectations of post-war reconstruction and associated demand for construction materials are already attracting strategic new investors. Such long-term expectations are illustrated by Austrian construction materials producer [Calmit's](#) recently announced plans to establish production facilities in the Zakarpattia region, signalling confidence in the sector's medium-to-long-term recovery prospects.



Power and utilities



Continued attacks on Ukraine's energy infrastructure throughout 2025 further reinforced the strategic importance of the country's power and utilities sector. Solutions to shortfalls in generation capacity increasingly involve new market entrants deploying renewable, flexible, and decentralised power solutions, including solar, wind, gas-based generation, and energy storage to meet contemporary business needs and enhance resilience against disruption.

Despite these efforts, M&A activity in the Ukrainian power and utilities sector remained relatively modest in 2025. Disclosed deal value totalled USD23 million, compared with USD32 million in 2024, while deal volume remained unchanged (four transactions in each year). Nonetheless, despite limited deal volumes, M&A activity in this sector has continued to reflect two prevailing trends that were broadly consistent with those observed in 2024: a focus on renewables and energy storage assets, and companies seeking to expand operations abroad.

The first trend involves acquiring energy assets either at the project development stage or renewable technologies that are already in operation. Such investments were exemplified by [Kyivstar's](#) acquisition of the operational SUNVIN-11 solar power plant in the Zhytomyr region, and the co-founders of electronic goods outlet [Foxtrot](#) acquiring two solar power plants forming part of the Bolokhivskyi Solar Park (also in the Zhytomyr region).

USD23 m

combined disclosed deal value in Ukraine's energy and utilities sectors in 2025

EUR125 m

investment to complete DTEK's 200 MW energy storage project in partnership with Fluence



The second trend reflects continued international expansion on the part of Ukrainian energy groups, notably DTEK Renewables International, the European arm of DTEK, which has continued to scale its solar generation assets in Romania and expand its [energy storage footprint](#) in Poland.

As one of Ukraine's largest power producers, DTEK has also been able to make large-scale moves on the domestic market, such as commissioning a 200 MW energy storage facility in partnership with [Fluence](#), a US-based energy storage solutions company, in September 2025. The project, completed on an accelerated timeline, involved total investments of EUR125 million.

While these recent developments have not yet translated into higher M&A volumes, they indicate that Ukraine's power and utilities sector is laying the groundwork to attract a broader investor base. The energy market continues to draw interest from both established players (such as DTEK) and firms in other sectors seeking to enhance their own energy autonomy, cost efficiency, and operational resilience amid persistent electricity shortages and grid disruptions. One such example is refuelling network OKKO which, following announcements in 2024, launched its own [20 MW](#) energy storage system in early 2025.

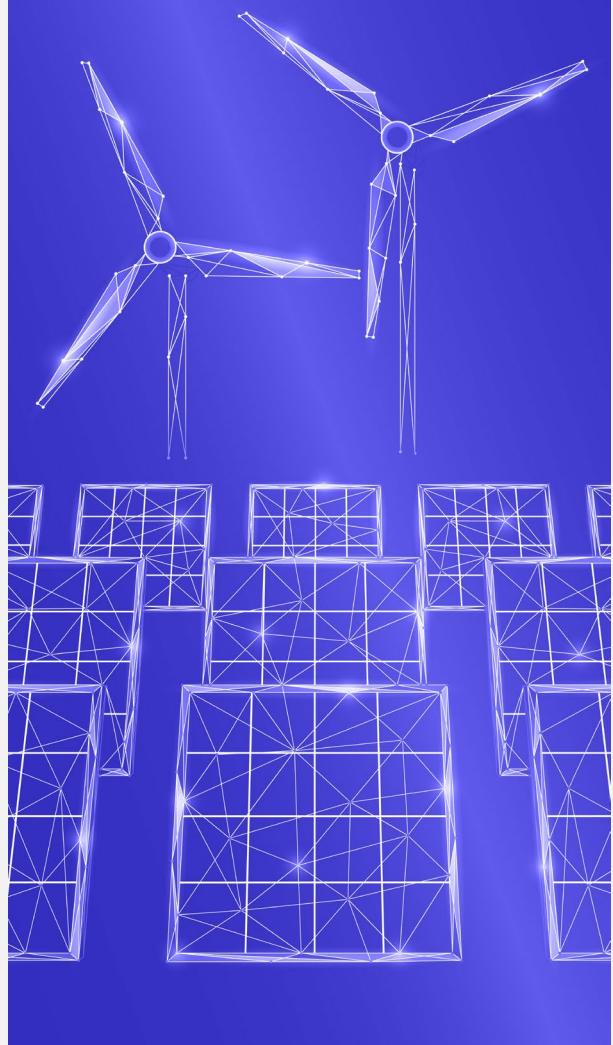
Industrial companies are also increasingly investing in self-generation solutions to meet their energy-intense operational needs. In July 2025, Metinvest-subsidiary Northern Iron Ore Enrichment Works installed two [2.8 MW](#) gas generators to produce electricity during peak pricing hours, generating cost savings. This investment is expected to be followed by the installation of two additional [gas generators](#) and [solar panels](#) at Metinvest's Central Iron Ore Enrichment Works, with the group targeting coverage of up to 50% of its electricity needs through its own generation capacities. Courier and delivery company Nova Post similarly launched a [1 MW](#) rooftop solar power plant at its new terminal in the Kyiv region in early 2025, while several Ukrainian companies have also expanded into [bioethanol](#) production; with construction of dedicated bioethanol facilities progressing for both Epicentr Group and OKKO.

Recent shifts in Ukraine's energy market have also attracted interest from local private equity investors. Concord Capital announced plans to invest [USD120 million](#) in energy projects in 2025, including the launch of 18MW of gas-piston [generation](#) capacity in 2026, reflecting a growing institutional appetite for flexible power assets. Dragon Capital, meanwhile, has launched a [EUR350 million](#) infrastructure fund in partnership with Amber Infrastructure, with energy identified as one of its core investment priorities. The fund has already completed its first investment through [Power One](#), having secured [EUR60 million](#) from the EBRD, [EUR50 million](#) from the EIB, and [EUR40 million](#) from the IFC. This energy sector project, supported by a [EUR22.3 million](#) loan and a [EUR3.0 million](#) grant from the EBRD, comprises 37 MW of decentralised gas-piston generation capacity and 32 MW of energy storage in the Zakarpattia region.

Dragon Capital also continues to pursue its own energy independence strategy, planning to install solar panels across at least 10 of its real estate properties with total anticipated investments of approximately USD4 million by the end of 2026. Private equity firm [Horizon Capital](#) has also similarly publicly signalled increasing interest in energy-related investments.

EUR350 m

fund from Dragon Capital and Amber Infrastructure, identifying energy as a core priority



Macroeconomic environment and foreign support



Macroeconomic environment and foreign support



Ukraine has faced severe challenges as Russia's war of attrition approaches its fourth year, including severe infrastructure damage, supply-chain disruption, population displacement, and sustained pressure on public finances. As such, any Ukrainian M&A activity in 2025 was necessarily underpinned by a relative level of economic stability, the maintenance of which would not have been possible without extensive and unwavering international support.

International financial assistance in 2025 reached more than USD52 billion, covering significant budgetary and trade deficits and accounting for approximately 24% of Ukraine's GDP. The G7 Extraordinary Revenue Acceleration Loans for Ukraine (ERA) initiative constituted a key component of this financial support, providing USD37.9 billion in lending to be repaid using proceeds from immobilised Russian assets. Alongside a further USD668 million in EU grants, the remainder of the financial support supplied to Ukraine in 2025 was also largely provided in the form of loans, with the EU continuing to act as the primary contributor through both the aforementioned ERA programme and its own Ukraine Facility assistance programme. This financial backing enabled the Ukrainian government and the National Bank of Ukraine (NBU) to stay the macroeconomic course, curb inflation (declining from 12.0% year-on-year in December 2024 to 8.0% by December 2025), and rebuild foreign exchange reserves, increasing to USD57.3 billion by 2025 year-end.

>USD52 bn

international financial assistance received by Ukraine in 2025



Even against a backdrop of ongoing Russian missile and drone attacks on civilian and energy infrastructure, Ukraine managed to achieve an estimated GDP growth of 1.8% in 2025. Largely in line with NBU estimates for the year, this modest outcome was still notable given that it represented an expansion in GDP even under wartime conditions. Such growth was supported by the "Made in Ukraine" government programme which reportedly contributed to approximately half of all GDP increases in 2025 (0.95%). Other Ukrainian government initiatives helped to fuel GDP growth, including the successful implementation of business recovery and development initiatives such as the Affordable Loans 5-7-9% programme, budget expenditures on reconstruction for critical infrastructure and housing (via eVidnovlennia, eOselia), and the procurement of domestically-produced goods for Ukraine's defence industry.

Ukrainian economic activity also benefited from the NBU's gradual easing of currency controls throughout 2025. Key measures included partially liberalising dividend repatriation for non-residents related to profits accrued since 2023 and permitting refunds in foreign currency for erroneously transferred funds. Such measures, including introducing allowances of up to the equivalent of EUR1 million for funding foreign branches in their own currency, have helped to enhance the credibility of Ukrainian companies in doing international business even under necessarily limited conditions. Incentives to stimulate foreign exchange liberalisation have also been established, whereby a company may make cross-border transactions above the currently established limits so long as an equal sum is invested in Ukrainian companies or donated to the Armed Forces of Ukraine.

Collectively, such steps on the part of the NBU and the Government of Ukraine have helped contribute to a more flexible operating environment for businesses and investors, supporting economic continuity amid ongoing war-related pressures. Vitally, this stability has helped to maintain investor confidence, as evidenced by increasing M&A inquiries initiated throughout the year and their implication for potential dealmaking in 2026.

Outlook



1 Macroeconomics and international support

A stable and predictable macroeconomic environment remains a prerequisite for sustained M&A activity. Ongoing hostilities, regular Russian attacks on Ukrainian energy and civilian infrastructure, population outflows, and persistent supply-chain disruptions all continue to have a negative impact on business confidence, increasing uncertainty for investors. Local GDP growth forecasts for 2026 ranged from [1.8%](#) according to the NBU to [2%](#) according to the Ministry of Economy of Ukraine. Regardless, most experts now assume the [continuation](#) of hostilities throughout 2026 will continue to affect Ukraine's economy and exert pressure on M&A dealmaking.

Nevertheless, even the modest GDP growth rate Ukraine has achieved over the last few years and a measure of muted optimism about future growth represent a positive signal for investors, though such growth and the relative macroeconomic stability that Ukraine has managed to maintain would not have been possible without extensive international financial support. In this context, the EU's approval of [EUR90 billion](#) in financing for 2026–2027, backed by proceeds from immobilised Russian assets, is expected to substantially cover Ukraine's budgetary and defence financing needs over the next two years. Further support is to be provided by the new [USD8.1 billion](#) 48-month IMF Extended Fund Facility (EFF). While smaller in scale than previous arrangements, the EFF serves as a strong [signal](#) to investors and donors by supporting continued momentum for fiscal discipline and reforms.

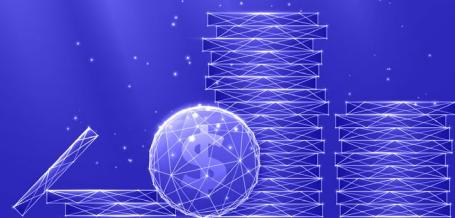
EUR90 bn

Expected EU-approved financing for 2026–2027



UAH21.5 bn

Financial support for defence sector enterprises provided through a credit consortium agreement signed by six Ukrainian banks



2 Defence sector in the spotlight

In countering Russia's ongoing full-scale invasion, Ukraine's defence sector has naturally emerged as one of the most strategically important segments of the country's economy. Ukrainian defence companies and startups are developing highly specialised products with extensively proven battlefield applications, providing these companies with an unparalleled competitive advantage and attracting growing investor interest.

In hopes of unleashing the innovation of such defence tech start-ups, the Ukrainian government introduced the special "[Defence City](#)" legal regime in January 2026. In a similar manner to Ukraine's existing Diia.City tax and legal framework for tech companies, Defence City aims to boost domestic defence production, improve coordination with public authorities, and expand access to financing. Such developments were accompanied by simplified cross-border contracting procedures introduced by the [Ministry of Economy of Ukraine](#) and the [NBU](#) easing currency restrictions for Defence City residents at the end of 2025. The rapid registration of the [first Defence City resident](#) at the start of January 2026 also highlights the accelerated pace of implementation. Additional financial support to support defence-sector companies was provided through a [UAH21.5 billion](#) loan consortium agreement signed by six Ukrainian banks. Given the unique experience accumulated by Ukrainian defence businesses, this sector is expected to continue attracting investor interest and demonstrate increasingly strong activity relative to the broader M&A market.

3 Recovery prospects

The Government of Ukraine continues to explore mechanisms to stimulate economic activity amid ongoing military hostilities. One such initiative is the announced [concession](#) of the Chornomorsk seaport, a public-private partnership opportunity which is expected to attract private investment, modernise port infrastructure, and deepen integration into global supply chains. This project forms part of a broader revival of PPP mechanisms in Ukraine and could serve as an additional catalyst for infrastructure investment.

In cooperation with the US International Development Finance Corporation (DFC), the [Ministry of Economy of Ukraine](#) announced the launch of the [US-Ukraine Reconstruction Investment Fund](#) (URIF) in December 2025 with an initial USD150 million available for investment. The URIF also received its first proceeds of [UAH110 million](#) from the sale of oil and gas licences in the same month. Given that war-related losses and damages exceed [USD520 billion](#), the Government of Ukraine is also considering establishing a broader reconstruction fund to mobilise long-term capital for recovery.

While Ukraine's GDP rebounded more strongly than anticipated in 2023 following the initial shock of the full-scale invasion and received an additional boost in 2024 through the [restoration](#) of the Black Sea maritime shipping corridor, sustained long-term growth will require deeper structural transformation. [Labour shortages](#), an [ageing population](#), and [low productivity](#) remain key constraints on Ukraine's economic performance. Addressing these challenges will require the adoption of new [technologies](#), including intensive use of AI, as well as targeted [labour-market policies](#) aimed at increasing participation among veterans, individuals aged 50+, and people with disabilities. Additional upside potential could also materialise if Ukrainians who left the country after 2022 were to return as security conditions improve. Overcoming these structural constraints will be critical to Ukraine's post-war economic recovery and enhancing the country's long-term investment attractiveness.

Chornomorsk seaport concession

forms part of a broader revival of PPP mechanisms and has the potential to stimulate additional infrastructure investment

USD150 m

available for investment through the US-Ukraine Reconstruction Investment Fund (URIF)



4 War risk insurance

Elevated security risks clearly remain an impediment to making longer-term investment decisions, especially for foreign investors wary of entering the Ukrainian market. The availability of effective war-risk insurance instruments is therefore critical to broadening the country's investor base, reducing valuation discounts, and unlocking capital for Ukrainian assets.

While comprehensive war-risk insurance products are not widely [available](#) in European markets, several initiatives have emerged. These include a programme launched at the end of 2024 by international reinsurance broker Aon in [cooperation](#) with the DFC and ARX, as well as the EBRD's [Ukraine Recovery Guarantee Facility](#) (URGF) aimed at supporting both investors and SMEs. The German government also introduced UkraineConnect in partnership with state development bank KfW, as well as providing preferential federal investment [guarantees](#) against political and war risks for German companies looking to invest. The Government of Ukraine, meanwhile, [launched](#) its own domestic war-risk insurance programme in January 2026, administered by the Export Credit Agency in cooperation with local insurers.

Together, these initiatives represent an important bridge between Ukrainian companies seeking capital and investors willing to engage despite elevated risks.

5 Sectors with promising M&A prospects

Major investors have historically shown interest in the mainstays of Ukraine's M&A landscape, such as innovation and technology and agriculture. While these sectors saw major movement in 2025 and are expected to remain key elements of M&A activity well into the future, other sectors (such as construction and energy infrastructure) and the revival of public-private partnerships will continue to have a significant impact on Ukraine's economic recovery.

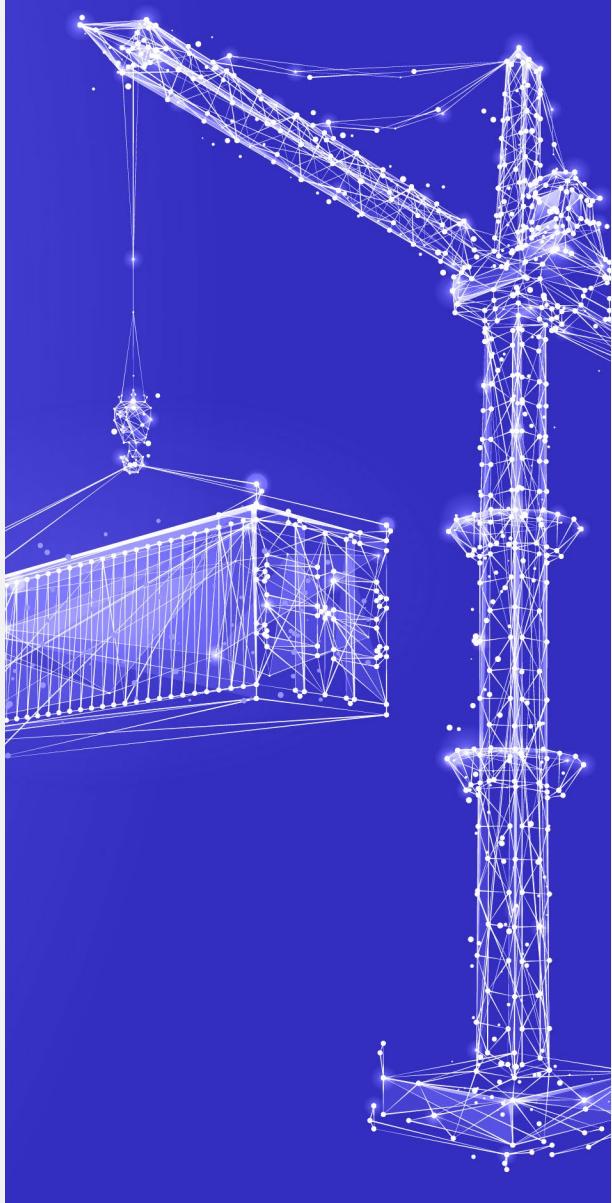
With external macro-financing now secured for Ukraine's budgetary needs, investor sentiment remains cautious but increasingly forward-looking, creating the foundation for a gradual recovery in M&A activity. Private equity activity has also shown early signs of revival: in addition to the aforementioned [Amber Dragon Ukraine Infrastructure Fund](#), Dragon Capital announced the launch of the USD250 million Rebuild Ukraine Fund ([REBUF](#)) with a focus on SMEs across multiple sectors, supported by [USD25 million](#) each in investment from the EBRD and IFC. Horizon Capital also announced the EUR300 million [Horizon Capital Catalyst Fund SCSP](#), targeting investments in [energy](#), [digital infrastructure](#), and construction materials.

The flow of investments into the Ukrainian M&A market will naturally be directed based on the demands of recovery, with Russia's prolonged war profoundly reshaping Ukraine's investment landscape. Defence, energy, and construction materials have emerged as increasingly attractive sectors for investment, with interest driven by immediate fundamental needs for security and shelter, as well as the colossal scale of longer-term reconstruction necessitated by such widespread destruction.

While the consensus expert [outlook](#) does not anticipate an end to military hostilities in 2026, those investors with the vision to anticipate market needs will find promising prospects in sectors related to reconstruction. Such future market developments will naturally hinge on the unified international support needed to meet the challenge of helping Ukraine to rebuild.

USD250m

Recovery Ukraine Fund (REBUF) launched by Dragon Capital, targeting SMEs across multiple sectors



Appendix



KPMG Ukraine M&A Database



This report is based on the KPMG M&A database for Ukraine which includes transactions where either the target (inbound) or acquirer (outbound) or both (domestic) are Ukrainian. All data is based on transactions completed between 1 January and 31 December 2025, or announced during this period but pending as at 31 December 2025. Historical data may differ from earlier versions of this report as the KPMG M&A Radar database is updated retrospectively for lapsed deals and information subsequently made public. The KPMG M&A Radar database has been compiled over a number of years based on information included in the Mergermarket M&A deals database and Refinitiv database, together with KPMG desktop research from other sources.

This data includes transactions valued in excess of USD5 million, as well as transactions with undisclosed deal values where the target's turnover exceeds USD10 million. Deal values are based on data included by Mergermarket, Refinitiv, as well as company press releases and market estimates disclosed in the public domain.

Transaction values were not publicly disclosed for 54% of known Ukrainian M&A deals between 2013 and 2025. This low level of transparency may distort the data included in the KPMG M&A Radar database and the comparability of deal data from one period to another.

Allocation of deals to industry sectors may involve using our own judgment and is therefore necessarily subjective. We have not extensively verified all data within the KPMG M&A Radar database and cannot be held responsible for its accuracy or completeness. Analysis of different databases and information sources may yield deviating results from those presented in this report.

Classification of the deal type between inbound, outbound, or domestic was made based on information in the sources available and from the public domain concerning the dominant geography of the acquirer's major shareholders and/or headquarters, as well as the dominant geography of the target (in turnover or asset terms).

Macro trend	2022	2023	2024	2025	2026	2027	2028	2029	2030
GDP, UAH bn nominal	5,239	6,628	7,659	8,668	9,689	10,961	12,463	13,965	15,492
GDP, USD m nominal	161,989	181,222	190,741	207,914	223,257	244,131	276,966	309,641	337,506
Growth, real % YoY	(28.8%)	5.5%	2.9%	2.0%	2.3%	5.1%	4.8%	4.0%	3.9%
CPI: average, % YoY	20.2%	12.9%	6.5%	12.7%	7.1%	5.0%	5.9%	5.2%	5%
CPI: period-end, % YoY	27.0%	5.1%	12.0%	8.0%	6.4%	4.8%	5.7%	5.1%	5.2%
Gross fixed investment, real % YoY	(33.9%)	65.9%	3.5%	14.5%	10.4%	12.4%	9.5%	5.4%	4.5%
Industrial production, real % YoY	(36.7%)	6.8%	4.6%	(2.2%)	2.3%	5.4%	5.2%	4.2%	3.9%
Agricultural output, % change YoY	(25.2%)	11.1%	(7.3%)	(5.0%)	3.2%	9.0%	5.1%	4.5%	4.0%
Bank average lending rate, %	18.6%	22.1%	19.6%	19.8%	16.2%	13.8%	12.5%	12.4%	12.4%
Real disposable income, % YoY	3.1%	6.9%	2.5%	1.9%	4.0%	2.8%	3.8%	3.5%	3.5%
Unemployment, % EOP	19.9%	19.2%	14.7%	13.4%	10.9%	11.0%	10.1%	9.1%	8.6%
Budget, balance % of GDP	(17.5%)	(20.3%)	(17.8%)	(20.0%)	(18.6%)	(15.8%)	(10.6%)	(8.0%)	(6.1%)
Current account, % of GDP	4.5%	(5.2%)	(8.0%)	(13.9%)	(15.4%)	(12.7%)	(8.8%)	(6.0%)	(3.6%)
UAH/USD, year-end	36.6	38.0	42.0	42.4	43.5	44.4	44.9	44.7	46.0
UAH/USD, average	32.3	36.6	40.2	41.7	43.4	44.9	45.0	45.1	45.9

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