



30 September 2025

UKRPRODUCT GROUP LIMITED

(“Ukrproduct”, the “Company” or, together with its subsidiaries, the “Group”)

UNAUDITED INTERIM FINANCIAL RESULTS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

Ukrproduct Group Limited (AIM: UKR), one of the leading Ukrainian producers and distributors of branded dairy foods and beverages (kvass), today announces its unaudited interim financial results for the six months ended 30 June 2025.

The full unaudited interim financial results for the six months ended 30 June 2025 are available on the Company’s website at www.ukrproduct.com.

For further information contact:

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Chairman and Chief Executive Statement

Before we turn to the results for the 6 months to 30 June 2025 (“1H 2025” or the “Period”), , the Company would like to recognise everyone who made them possible. Firstly, we thank our team across our factories and offices in Ukraine. Throughout the six months ended 30 June 2025 you kept plants running despite air-raid alerts, intermittent power and disrupted routes. We remember colleagues and family members we have lost, and we know some of our people have seen their homes severely damaged or destroyed. You worked under missile threats, learned first-aid, covered for teammates who were mobilised or relocated, and kept delivering despite every adversity. Your professionalism, courage and care for one another kept essential foods moving to customers and communities. These results are yours.

Secondly, we thank our partners - farmers, drivers, distributors and retail networks - for standing with us when inputs were scarce and lead times stretched. Your trust, flexibility and problem-solving helped us keep shelves supplied and customers served.

Thirdly, we appreciate the European Bank for Reconstruction and Development (“EBRD”)’s continued engagement as we work towards a practical restructuring that preserves continuity for employees, farmers and customers. We value the collaborative, solutions-focused dialogue and look forward to an outcome aligned with the EBRD’s publicly stated commitments in Ukraine - supporting food security, export capacity and jobs during wartime - while remaining fair, bankable and timely for all parties.

Finally, above all, we thank all those who defend Ukraine. Your service makes any progress possible.

Ukrproduct, one of the leading Ukrainian producers and distributors of branded dairy foods and beverages, announces its interim results for 1H 2025 and provides an outlook for the remainder of 2025.

2025 Half-Year Highlights

Ukrproduct Group demonstrated solid resilience in a challenging environment, achieving revenue growth of 32.9% in local currency (UAH) during 1H 2025. This performance was primarily driven by inflation-related price adjustments and higher export volumes. Revenue reported in British pounds rose 21.6%, from £16.6 million in 1H 2024 to £20.2 million in 1H 2025. The lower sterling growth rate reflects the significant and ongoing depreciation of the Ukrainian hryvnia (UAH).

- **Processed cheese and processed cheese products:** Sales grew 4.7% year-on-year to £11.2 million (1H 2024: £10.7 million).
- **Butter:** Sales increased sharply to £3.3 million (1H 2024: £1.3 million), primarily due to expanded packaged butter exports. Domestic sales were deliberately scaled back to avoid unprofitable transactions, with sales in Ukraine limited to selected clients.
- **Spreads:** Sales rose to £2.0 million (1H 2024: £1.7 million), mainly on higher export volumes.
- **Skimmed milk powder and skimmed milk product:** Sales increased to £0.8 million (1H 2024: £0.5 million), reflecting strong EU demand at favourable prices. However, the possible withdrawal of duty- and quota-free access under the EU’s Autonomous Trade Measures (and any revision to quotas) may significantly reduce future export volumes.
- **Sandwich spreads:** This category remains stable, with sales of £0.6 million.
- **Kvass and beverages:** Sales were £1.0 million, slightly down from £1.1 million in 1H 2024, reflecting weaker kvass demand due to an unusually cool summer. Conversely, Kombucha sales are accelerating, benefiting from innovation and lifestyle-driven positioning.

- **Sunflower seeds:** In 1H 2025, the Group realised sales of sunflower seeds of £0.2 million, representing a 720% increase year-on-year. Profitability in this segment was supported by higher tonnage, albeit undermined by slightly lower market prices.

Operating amid active conflict. Since February 2022, our teams have operated under air-raid alerts, logistics disruption and intermittent power constraints. Periodic strikes on energy infrastructure have increased operating complexity and contingency costs. We continue to prioritise the safety of our people and continuity of supply to customers, but these conditions materially affect planning horizons, working capital needs and production efficiency.

Profitability

- In line with the revenue growth, cost of sales increased by 26.4% year-on-year to £16.7 million, driven by higher raw material costs and intensified competition for milk resources.
- Gross profit was £3.5 million (flat year-on-year), as cost increases offset revenue gains.
- Operating expenses (general & administrative and selling & distribution) rose 13.5% to £2.3 million, primarily reflecting higher payroll (inflation and labour scarcity), statutory contributions and retention incentives. Labour turnover remains elevated as younger workers relocate abroad or are unavailable due to mobilisation and family dispersal. To protect throughput, we have focused on targeted retention, cross-training and selective hiring; however, these measures increase the short-term cost base. Post-period, the change permitting men aged 18–22 to travel abroad may further pressure workforce availability, and we are planning additional mitigation as needed.
- EBITDA declined 18.3% year-on-year to £1.5 million.
- Finance costs in 1H 2025 increased by 35.6% to £0.5 million compared with 1H 2024, primarily due to the recognition and capitalisation of deferred interest and fees related to the EBRD loan (c. €2.4 million or £2.1 million), with interest now accruing on the higher principal balance.
- Net foreign-exchange loss widened to £0.9 million (1H 2024: £0.2 million) due to the depreciation of the Ukrainian hryvnia.

As a result, the Group recorded a net loss after tax of £0.2 million, compared with a profit of £0.9 million in 1H 2024.

Financial position

As at 30 June 2025, Ukrproduct reported net assets of £1.6 million, down from £4.9 million year over year, with cash balances reduced to £0.1 million (1H 2024: £0.5 million).

For the six months ended 30 June 2025, the Group continued to be in breach of several provisions of the loan agreement with the EBRD, including failure to repay Tranches A and B by maturity and missed interest payments since 1 March 2022.

Discussions with the EBRD, initiated in 2021 regarding potential restructuring of the loan and accrued interest, remain ongoing. At present, the EBRD has not exercised its right to accelerate repayment of the outstanding loan.

Outlook for 2025

The operating environment is expected to remain fragile, with the war in Ukraine and financial constraints continuing to weigh on the Group. Our export growth has benefited from EU market access; however, any tightening of safeguards or re-imposition of quotas on Ukrainian dairy would reduce volumes and price realisation, particularly in commodities (e.g., SMP, butter). We are preparing

mitigation actions including mix optimisation towards value-added products, diversification of export destinations and closer alignment of production to confirmed orders. The Group's liquidity remains constrained and dependent on disciplined working-capital management and continued lender forbearance while restructuring discussions with EBRD are ongoing. We are limiting capital expenditure to essential safety and maintenance, pursuing prepayments where possible and rationalising lower-margin stock -and concentrating on the most profitable product range to preserve cash. The Group will support further development of recent product launches (kvass varieties, Kombucha, sandwich spreads), continue to follow a cautious capital allocation policy, prioritise liquidity preservation, seek new financing opportunities, and focus on fulfilling its existing obligations.

Rinat Abdrasilov

Non-Executive Chairman

Oleksandr Slipchuk

Chief Executive Officer

Ukrproduct Group
**CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE SIX MONTHS ENDED 30 June 2025**
(in thousand GBP, unless otherwise stated)

	Note	Six months ended 30 June 2025 £ '000	Six months ended 30 June 2024 £ '000
Revenue	8	20 232	16 645
Cost of sales		(16 701)	(13 211)
GROSS PROFIT		3 531	3 434
Administrative expenses		(1 201)	(797)
Selling and distribution expenses		(1 015)	(1 156)
Other operating expenses		(97)	(10)
PROFIT FROM OPERATIONS		1 218	1 471
Net finance expenses		(457)	(337)
Net foreign exchange loss		(924)	(159)
(LOSS) / PROFIT BEFORE TAXATION		(163)	975
Income tax expense		(27)	(78)
(LOSS) / PROFIT FOR THE SIX MONTHS		(190)	897
Attributable to:			
Owners of the Parent		(190)	897
Non-controlling interests		-	-
Earnings per share from continuing and total operations:			
Basic (in pence)	9	(0.48)	2.26
Diluted (in pence)	9	(0.48)	2.26
OTHER COMPREHENSIVE (LOSS)/INCOME:			
Items that may be subsequently reclassified to profit or loss			
Currency translation differences		(143)	(489)
OTHER COMPREHENSIVE (LOSS)/INCOME, NET OF TAX		(143)	(489)
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE SIX MONTHS		(333)	408
Attributable to:			
Owners of the Parent		(333)	408
Non-controlling interests		-	-

Ukrproduct Group
CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT 30 June 2025
(in thousand GBP, unless otherwise stated)

	Note	As at 30 June 2025 £ '000	As at 31 December 2024 £ '000	As at 30 June 2024 £ '000
ASSETS				
Non-current assets				
Property, plant and equipment		6 538	6 880	6 964
Intangible assets		266	338	415
		6 804	7 218	7 379
Current assets				
Inventories	5	4 207	3 522	3 734
Trade and other receivables	6	4 748	4 228	5 124
Current taxes		707	799	680
Other financial assets		26	28	100
Cash and cash equivalents		64	120	474
		9 752	8 697	10 112
TOTAL ASSETS		16 556	15 915	17 491
EQUITY AND LIABILITIES				
Equity attributable to owners of the parent				
Share capital		4 282	4 282	4 282
Treasury shares		(315)	(315)	(315)
Share premium		4 583	4 583	4 562
Translation reserve		(16 672)	(16 529)	(16 475)
Revaluation reserve		5 553	5 628	5 711
Retained earnings		4 209	4 324	7 177
		1 640	1 973	4 942
TOTAL EQUITY		1 640	1 973	4 942
Non-current Liabilities				
Deferred tax liabilities		285	324	354
		285	324	354
Current liabilities				
Bank loans		5 752	5 572	5 840
Short-term payables		441	584	438
Trade and other payables		8 370	7 397	5 791
Current income tax liabilities		16	2	12
Other taxes payable		52	63	114
		14 631	13 618	12 195
TOTAL LIABILITIES		14 916	13 942	12 549
TOTAL EQUITY AND LIABILITIES		16 556	15 915	17 491

Ukrproduct Group
**CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 June 2025
(in thousand GBP, unless otherwise stated)**

	Attributable to owners of the parent						Non- con- trolling interests	Total Equity
	Share capital	Treasury shares	Share premium	Revaluation reserve	Retained earnings	Translation reserve		
	£ '000	£ '000	£ '000	£ '000	£ '000	£ '000	£ '000	£ '000
As at 31 December 2023	4 282	(315)	4 562	5 797	6 194	(15 986)	4 534	4 534
Profit for the six months	-	-	-	-	897	-	897	897
Currency translation differences	-	-	-	-	-	(489)	(489)	(489)
Total comprehensive income	-	-	-	-	897	(489)	408	408
Depreciation on revaluation of property, plant and equipment	-	-	-	(86)	86	-	-	-
As at 30 June 2024	4 282	(315)	4 562	5 711	7 177	(16 475)	4 942	4 942
Loss for the six months	-	-	-	-	(2 936)	-	(2 936)	(2 936)
Currency translation differences	-	-	-	-	-	(54)	(54)	(54)
Other changes	-	-	21	-	-	-	21	21
Total comprehensive loss	-	-	21	-	(2 936)	(54)	(2 969)	(2 969)
Depreciation on revaluation of property, plant and equipment	-	-	-	(83)	83	-	-	-
As at 31 December 2024	4 282	(315)	4 583	5 628	4 324	(16 529)	1 973	1 973
Loss for the six months	-	-	-	-	(190)	-	(190)	(190)
Currency translation differences	-	-	-	-	-	(143)	(143)	(143)
Total comprehensive loss	-	-	-	-	(190)	(143)	(333)	(333)
Depreciation on revaluation of property, plant and equipment	-	-	-	(75)	75	-	-	-
As at 30 June 2025	4 282	(315)	4 583	5 553	4 209	(16 672)	1 640	1 640

Ukrproduct Group
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 June 2025
(in thousand GBP, unless otherwise stated)

	Six months ended 30 June 2025 £ '000	Six months ended 30 June 2024 £ '000
Cash flows from operating activities		
(Loss)/Profit before taxation	(162)	975
Adjustments for:		
Exchange difference	924	159
Depreciation and amortization	323	310
Loss on disposal of non-current assets	-	(2)
Provision for/ (Reversal of) bad debt	2	(7)
Impairment of inventories	354	269
Interest income	(1)	(1)
Interest expense on bank loans	459	339
Operating cash flow before working capital changes	1 899	2 042
Increase in inventories	(1 039)	(1 220)
(Increase) / (Decrease) in trade and other receivables	(435)	82
Decrease in trade and other payables	167	266
Changes in working capital	(1 307)	(872)
Cash generated from operations	592	1 170
Interest received	1	1
Income tax paid	(30)	(149)
Net cash generated from operating activities	563	1 022
Cash flows from investing activities		
Purchases of property, plant and equipment and intangible assets	(454)	(465)
Proceeds from sale of property, plant and equipment	-	35
Repayments of loans issued	-	(66)
Net cash used in investing activities	(454)	(496)
Cash flows from financing activities		
Interest paid	(55)	(139)
Net movement of borrowing	-	109
Net cash used in financing activities	(55)	(30)
Net increase in cash and cash equivalents	54	496
Effect of exchange rate changes on cash and cash equivalents	(110)	(458)
Cash and cash equivalents at the beginning of the six months	120	436
Cash and cash equivalents at the end of the six months	64	474

Ukrproduct Group

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

(in thousand GBP, unless otherwise stated)

EXTRACTS FROM NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of preparation

The unaudited condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards, International Accounting Standards and Interpretations issued by the International Accounting Standards Board (IASB), as adopted by the United Kingdom (collectively “IFRS”). The condensed consolidated financial information in this half yearly report has been prepared in accordance with International Accounting Standard 34 ‘Interim Financial Reporting’ (IAS 34), as adopted by the United Kingdom and the Disclosure Guidance and Transparency Rules of the Financial Conduct Authority.

2. Going concern

The war in Ukraine continues to pose significant risks to the Group’s operations, including potential infrastructure damage, logistics and energy disruptions, and workforce shortages due to conscription. Despite management’s forecasts, material uncertainties remain that may cast doubt on the Group’s ability to continue as a going concern.

In addition, the Group continues to operate under financial pressure and remains in breach of certain provisions of its loan agreement with the EBRD.

As at the date of approval of these interim financial statements, the EBRD has not exercised its rights to demand immediate repayment or to accelerate the outstanding balance. Management remains engaged in discussions with the EBRD regarding a potential restructuring. However, no binding agreement has been reached, and no assurance can be given as to the timing or outcome of those discussions, or that forbearance will continue.

The Directors have considered base and downside cash-flow forecasts for a period of at least twelve months from the date of approval. These forecasts incorporate feasible mitigating actions within the Group’s control, including disciplined working capital management, cost reductions, deferral of non-essential capital expenditure, and product mix optimisation. These forecasts assume no acceleration of the EBRD facility and ongoing access to key markets and suppliers. In certain downside scenarios, absent a restructuring or continued forbearance from the EBRD, the Group would require additional funding and there are no guarantees that this funding will be available.

Accordingly, the Directors note that a material uncertainty exists which may cast significant doubt on the Group’s ability to continue as a going concern. Nevertheless, having regard to the actions available to them and to the current status of discussions with the EBRD, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future and, therefore, the interim financial statements have been prepared on a going concern basis. The interim financial statements do not include any adjustments that would result if the Group were unable to continue as a going concern.

Ukrproduct Group

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

(in thousand GBP, unless otherwise stated)

Management acknowledges that future development of military actions and their duration represent a source of material uncertainty which may cast significant doubt about the Group's ability to continue as a going concern and, therefore, the Group may be unable to realize its assets and discharge its liabilities in the normal course of business. Despite the material uncertainty relating to the war in Ukraine, management is continuing to take actions to minimize the impact to the Group and thus believes that the application of the going concern assumption for the preparation of these consolidated financial statements is appropriate.

3. Foreign currency translation

Functional and presentation currency

Items included in the financial statements of each of the Group's companies are measured using the currency of the primary economic environment in which the company operates ("the functional currency"). For the companies operating in Cyprus and British Virgin Islands, the functional currency is United States Dollars ("USD"). For the Parent company, which is located in Jersey, the functional currency is Pound Sterling ("GBP"). For the companies operating in Ukraine, the functional currency is Ukrainian Hryvnia ("UAH").

These condensed consolidated interim financial statements are presented in the thousands of Pound Sterling ("GBP"), unless otherwise indicated.

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded by the Group entities at their respective functional currency rates prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

The principal exchange rates used in the preparation of these condensed consolidated interim financial statements are as follows:

Currency	30 June 2025 (spot rate)	Average rate for the six months ended 30 June 2025	31 December 2024 (spot rate)	30 June 2024 (spot rate)	Average rate for the six months ended 30 June 2024
UAH/GBP	57,20	53,98	52,95	51,24	49,35
UAH/USD	41,64	41,63	42,04	40,54	39,01
UAH/EUR	48,78	45,47	43,93	43,35	42,19

Ukrproduct Group
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2025
(in thousand GBP, unless otherwise stated)

4. Subsequent events

As of the date of this report, the war is ongoing in Ukraine. The Group continues to operate. The Group retains control over all of its operations. Since period end, the Ukrainian government has allowed men aged 18-22 to leave the country during martial law. While the Group's workforce spans all ages and roles, certain shop-floor and logistics positions have historically included many younger men, which may increase retention and recruitment risk in H2 2025. Since early September 2025, the frequency and scale of strikes on energy and rail infrastructure have intensified, increasing operational disruption risk, lead-time variability and contingency costs.

On 16 July 2025, Rinat Abdrasilov, the Non-Executive Chairman of the Board of Directors, acquired 100,000 ordinary shares of 10 pence each in the Company at a price of 5.364 pence per share. Following this transaction, Mr. Abdrasilov holds an interest in 100,000 ordinary shares, representing approximately 0.25% of the Company's issued ordinary share capital. The Board (excluding Mr. Abdrasilov) has assessed the implications of this transaction; see Note 7* for the related party disclosure and independence assessment.

As of the date of approval of these consolidated financial statements, the Group remains in active negotiations with the EBRD regarding the restructuring of its outstanding loan obligations. While no formal agreement has been reached as of the reporting date, the EBRD has not taken steps to accelerate repayment of the accumulated loan.

There were no other material events after the end of the reporting date, which have a bearing on the understanding of the condensed consolidated interim financial statements.

* Note 7 is presented in the financial report for the six months ended 30 June 2025, which is available on the Company's website