



18 December 2025

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

TRADING UPDATE FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2025

Ukrproduct Group Limited (AIM: UKR), one of the leading Ukrainian producers and distributors of branded dairy foods and beverages (kvass), provides an unaudited operational and financial update for the nine months ended 30 September 2025.

Operating Environment

The operating environment has deteriorated significantly during 2025, compared with 2024, and even further during the second half of the year:

- Missile activity has increased across multiple regions, with several of the Group’s operating areas experiencing regular strikes and infrastructure disruptions.
- Many parts of Ukraine, including locations where Ukrproduct operates, have experienced electricity outages of up to 14 hours each day.
- As a result, factories and logistics, including Ukrproduct’s, are increasingly relying on diesel generators and alternative power sources, materially raising operating costs and forcing adjustments to production schedules.
- Spoilage increased across the Company’s supply chain due to unstable refrigeration at raw-milk supplier level and intermittent energy at production sites.
- The ongoing reduction of the national dairy herd, the loss of processing capacity elsewhere in the market and continued pressure on small farms has further strained raw-milk availability.
- Workforce availability has remained volatile due to mobilisation, migration and economic displacement, resulting in elevated staff turnover and training needs.
- Export routes have remained open but logistical costs have increased, and inland transportation times lengthened due to repeated infrastructure disruptions.

Despite these pressures, the Group maintained stable production across its core sites and implemented business-continuity protocols refined since the start of the full-scale invasion.

Operational Highlights for the 9 months to 30 September 2025 compared to the 9 months to 30 September 2024:

- Total production volumes overall remained broadly stable year-on-year.
- Export volumes accounted for 20.4% of total sales, reinforcing the Group’s position as one of Ukraine’s leading dairy exporters.
- Processed cheese volumes decreased by 8.5%, reflecting lower domestic demand.
- Sales of processed cheese products increased by 8.1%, indicating a consumer shift towards lower cost alternatives.
- Sales of butter increased by 25.8%, driven primarily by export demand. In the domestic market, butter sales were strategically reduced in light of significant margin pressure.
- Sales of spreads increased by 5%, supported by stronger export activity.
- Skimmed milk powder and skimmed milk product sales rose by 74.7%

- Kombucha sale volumes increased by 30.6%, while kvass sales declined by 13.3% due to cooler summer weather and fewer keg-sales points.
- Sunflower seed product sales more than quadrupled in volume, supporting product portfolio diversification.
- Profit margins remained under pressure due to diesel reliance, spoilage, inflation in raw-material inputs, increasing HR costs and ongoing energy instability.

Industry Conditions

The wider Ukrainian dairy sector continues to experience severe structural stress:

- Many small farms have reduced or halted operations.
- A significant share of the national cow herd has been lost since 2022.
- Industry-wide processing capacity continues to decline.
- Skilled labour shortages are widespread due to mobilisation and migration.
- The country's population continues to shrink, impacting domestic demand and the talent pool.

These pressures reinforce Ukrproduct's role as an important producer in regions where it operates and underscore the importance of maintaining operational resilience during wartime.

Business Priorities

Against this backdrop, we have embedded risk management into every aspect of our operations, strengthening process-level resilience across the Group. Our focus has been on building systems that remain stable when the external environment is not: assuring continuity of production through alternative energy supply, tightening quality controls along the supply chain, reinforcing safety and operational discipline at every site, and enhancing our ability to adapt quickly to disruption. This approach guides all of our priorities:

- Safeguarding employees and maintaining safe operating conditions.
- Ensuring business continuity through energy-resilience measures, alternative power sources and emergency stock cycles.
- Managing spoilage and protecting product quality in volatile supply conditions.
- Supporting farmers and preserving milk-collection networks.
- Disciplined working-capital management in an environment of constrained liquidity and elevated cost pressures.
- Maintaining export channels and diversifying product lines to offset domestic volatility.
- Investing in training and upskilling, recognising higher turnover caused by mobilisation and workforce displacement.

The Group continues its long-term commitment to the communities where it operates and to the thousands of families and farms connected to its supply chain.

Stakeholder Support

Ukrproduct is grateful for the ongoing support of its suppliers, customers, staff and financing partners during this challenging period.

The Group also acknowledges the constructive dialogue with the EBRD and continues to work collaboratively toward a restructuring solution appropriate to extremely challenging wartime operating conditions.

Board Statement

The Board remains focused on maintaining operational stability, protecting the workforce, and ensuring the continuation of essential food production during wartime. While the environment remains highly uncertain, Ukrproduct continues to operate reliably in exceptionally demanding conditions, and the Board is confident in the commitment and resilience demonstrated by its team.

Rinat Abdrasilov, Non-Executive Chairman of the Company commented:

“The past nine months have been among the most difficult in Ukrproduct’s history since Ukraine declared its independence in 1991. Across our regions, missile activity intensified, infrastructure weakened and our facilities frequently operated through fourteen-hour daily electricity outages. Behind the numbers in this update are thousands of people - our employees working under constant interruption, the small farmers who deliver milk despite losing livestock and facing evacuations, and their families whose livelihoods depend on our continuity. The pressures on the Ukrainian dairy sector today are unprecedented, yet the commitment of our team has allowed Ukrproduct to remain operational, stable and reliable in circumstances that few businesses anywhere in the world could withstand.

We do not take this resilience for granted. Keeping factories running on alternative power, protecting our workforce, maintaining milk-collection networks and ensuring food reaches civilians and frontline regions has required extraordinary effort at every level of the organisation. Our priorities remain unchanged: safeguarding our people, supporting our suppliers, maintaining business continuity and protecting the long-term viability of the Group for all stakeholders. We are grateful to our partners, lenders and customers, in particular, to the EBRD for their continued engagement during this period of deep national difficulty. In a year defined by uncertainty, we are proud of the dedication and professionalism of our team, and we remain committed to navigating these challenges with transparency, responsibility and enduring commitment.”

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