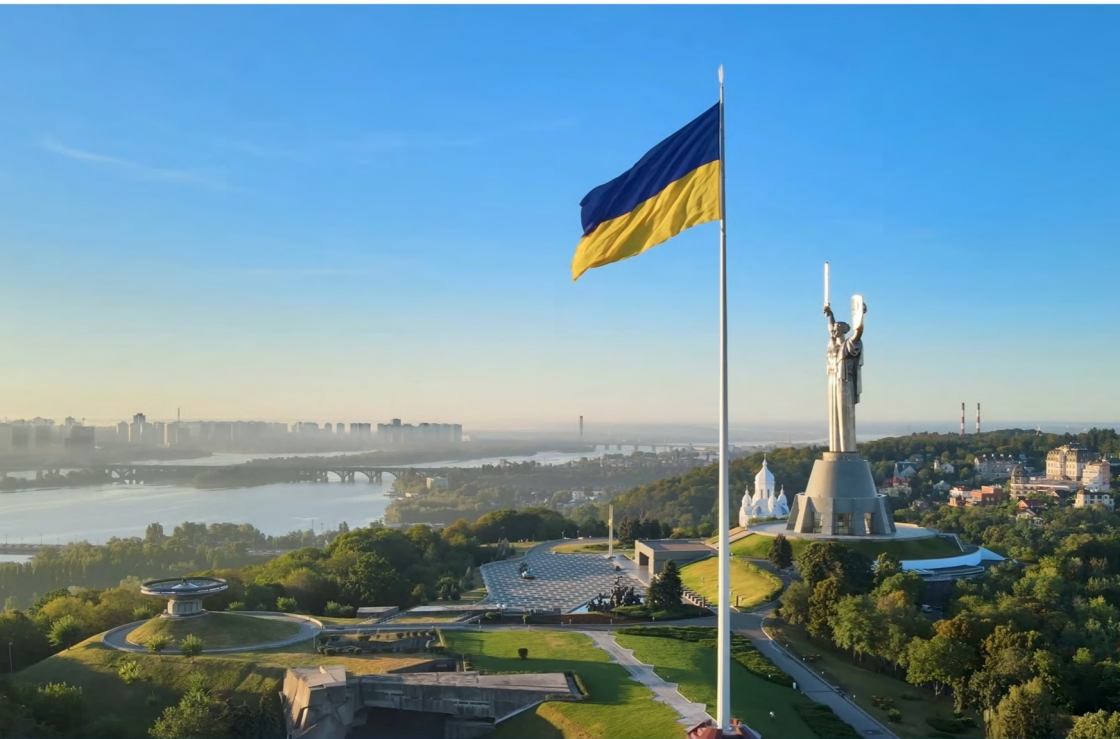




MARKET ENTRY UKRAINE 2026



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та розпорядників видавничої продукції від 24.07.2009 р., серія ДК № 3534*

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WHY ENTER UKRAINE DURING THE WAR?



The war will end someday. No one can predict when or how, but one thing is for sure: peace will prevail at some point in a not-too-distant future.

Looking ahead, many foreign companies are positioning to participate in Ukraine's reconstruction efforts once the war ends. Others capitalize on today's opportunities by acquiring strategic assets in the private sector or via privatization, mining critical metals, setting up production plants in industrial parks. They believe that long-term rewards during post-war recovery will outweigh the today's disruptions.

Admittedly, business risks exist during times of war, but they are manageable. Many Ukrainian businesses have demonstrated admirable resilience and impressive capacity to adapt to war-related uncertainty. Foreign companies that decide to enter Ukraine will also face similar challenges, including regular power outages, logistical disruptions, shortages of qualified employees, and currency regulations restrictions. And, like everyone else, they will adapt.

As part of preparation for market entry, a foreign company should assess whether the following challenges are worth the effort:

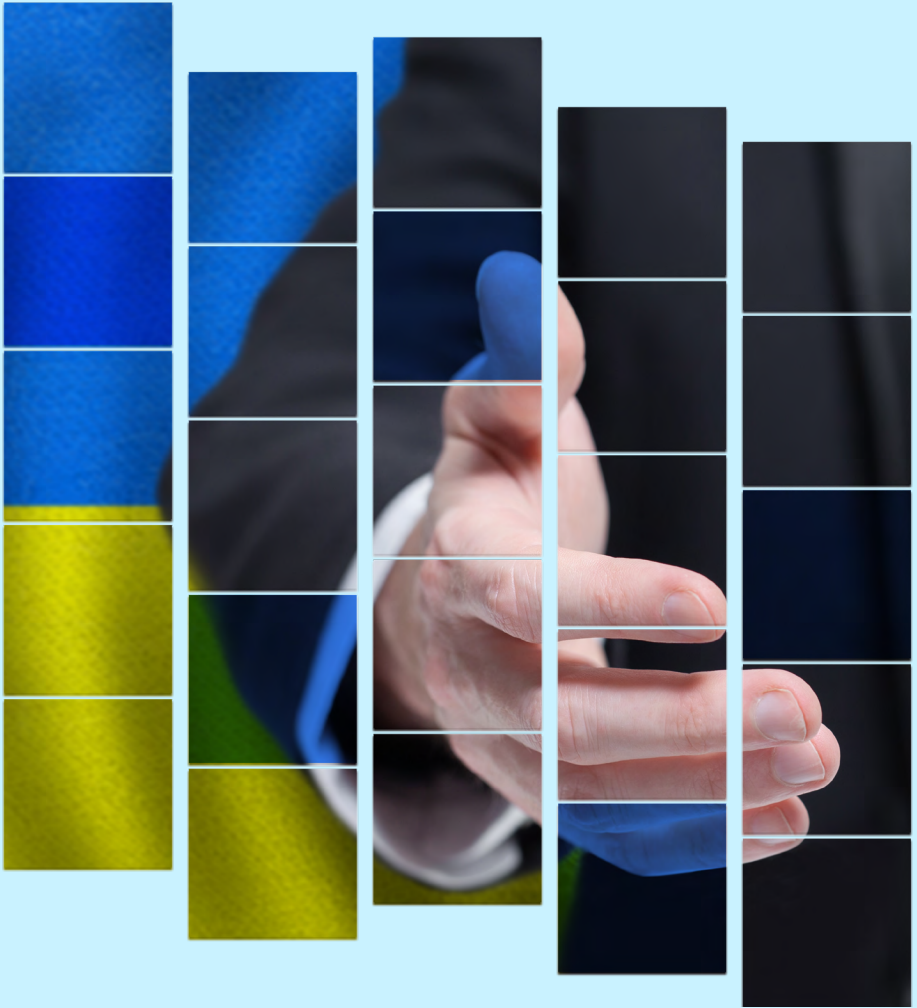
- attacks on energy infrastructure cause frequent power outages
- the destruction of logistics facilities and routes pose major operational threats
- labor shortages due to military conscription and migration are a constant challenge for many businesses





Some foreign companies prefer to wait until Ukraine wins the war, which is understandable, while others cannot afford to miss the train. For example, foreign producers of construction materials are investing heavily during the war, setting up modern production facilities in industrial parks. They are taking advantage of historic opportunities to expand their market share and position the company for the upcoming reconstruction projects.

Ultimately, the decision whether to start doing business in Ukraine during the war depends on your business area, subject to the universal business rule: an early bird captures bigger market share.



SUCCESSFUL Market Entry



Getting started in Ukraine takes more than pure luck — it requires detailed research and analysis of today’s economic reality in light of the war, and realistic assessment of business opportunities. Next, you will need to prepare a strategic market entry plan, and then implement it.

In our market entry guide, we summarize useful business strategies that will help you avoid typical mistakes and increase your chances of successful market entry in Ukraine.

IMPORTANCE OF LOCAL PARTNERS

A pre-requisite to setting up successful operations in Ukraine lies in building goodwill and personal relationships with your local partners, including lawyers, people who can leverage their long-term relationships with compatible businesses or industrial partners to help you streamline your market entry.

For investors, working with Ukrainian business consultants is useful for a variety of reasons. From identifying compatible joint venture partners and M&A targets in the private sector to monitoring and participating in privatization auctions and infrastructure reconstruction tenders, Ukrainian consultants often find unique investment opportunities at extraordinary prices.

Ultimately, developing friendly relations and business collaborations with Ukrainian partners is one of the most effective strategies for



setting up business operations in Ukraine, because these long-term relationships can bring not only business opportunities, but also allow you to select the preferred market entry strategy of your choice and integrate your company into Ukraine's fast-growing new economic reality.

BUSINESS INTELLIGENCE AND ANALYSIS

Pre-entry market intelligence and analysis is indispensable. Foreign companies have to carefully analyze several key areas of Ukrainian market, which may impact their activities, before committing significant resources and implementing their selected market entry strategy.

This preparation phase consists of comprehensive research and analysis of business environment, legal and regulatory issues, and



competition analysis. The final result is a comprehensive market entry plan with a step-by-step roadmap and calculated budget. Your success largely depends on the content of your market research and business plan.

Some of the key questions to consider before choosing the best market entry approach include:

- do you have sufficient capital beyond initial expenses for sustaining operations? A short and long-term business plan?
- who are your main competitors, how do they work, what is your competitive advantage?
- what legal or regulatory compliance requirements exist in your line of business?
- what are all the applicable taxes?

Fact-based analysis of these issues will help determine if it makes sense for your company to enter Ukrainian market at this time. For your convenience, we address each of these topics immediately below.

FINANCIAL PLANNING

When entering Ukrainian market, foreign companies should always maintain a sizeable emergency fund to provide for life's unexpected challenges.

In the best of times, foreign businesses often find that they require more capital than their initial projections anticipated, because costs



of market entry include not just initial setup expenses, but also the costs of maintaining your operations for the long term.

Today, additional buffer funding is necessary to cover unforeseen costs due to war conditions, such as diesel generators and fuel, losses due to supply chain disruptions and payment delays, so you need to plan your finances carefully.

Here is a brief checklist to consider:

- Initial investment (set up costs)
- Operational costs for 12-24 months
- Tax obligations and regulatory compliance costs
- Emergency funds for unexpected challenges

COMPETITION ANALYSIS

A thorough competition analysis will help you understand how your Ukrainian and foreign business competitors operate. Knowing your competitors' strengths and weaknesses will allow you to maximize your opportunities. Specifically, you should:

- identify all companies that sell similar products or services
- analyze their prices and marketing strategies
- learn about their distribution channels (online, retail stores, direct sales to customers)
- evaluate their client base and what differentiates your company in the market



After you perform background research regarding your competitors, you will be able to make an informed decision whether to work alone or enter into a business relationship with a Ukrainian partner.

REGULATORY COMPLIANCE

Regulatory compliance in Ukraine is complex and multifaceted, with frequent legislative changes.

For example, as of January 1, 2024, the Ukrainian Antimonopoly Committee applies new merger clearance criteria that aligns with international standards, where closing deals without pre-clearance can result in hefty fines or worse.

To avoid compliance-related penalties, you should assess your planned business activities in light of the following requirements:

- corporate governance and antimonopoly regulations
- product certification and labelling
- construction licenses and permits
- mining and mineral extraction



TAX CONSIDERATIONS

A detailed analysis of all Ukrainian taxes applicable to your business operations should be included in the market research analysis and incorporated in the business plan, covering the following issues:

- **Tax options:** standard corporate income tax vs. simplified system for small businesses
- **Other applicable taxes:** value added tax, excise tax, employee-related social security tax, military tax, profit repatriation tax, real estate tax
- **Does your investment qualify for tax breaks as “significant investment project”?** Do your plans include operating within registered industrial parks for additional incentives?

The results of your market research, and the business plan calculations, will determine whether entering Ukraine during the war it is a good strategic decision for your company. If so, you will need to create a market entry strategy to fit your company’s plans. Fortunately, plenty of options exist.

To learn more about legal aspects of setting up a local presence, please see our reference guide, “Doing Business in Ukraine 2026” (we will be happy to send you a pdf copy upon request).



SIMPLIFIED MARKET ENTRY

Whether you're a startup, mid-size company, or multinational corporation, setting up Ukrainian operations and handling administrative tasks has never been easier.

Once you found a good business opportunity, we will register a company that fits your business model, help you hire a director and accountant, obtain your foreign work permit and temporary residency, and handle tax reports.

We begin with a free consultation to better understand your business plans. Then we select a business structure most suitable for your Ukrainian project and register your company on a turnkey basis.

We offer support service packages for basic company registrations without regulatory compliance or licensing requirements. Please describe your plans and select the services you will need, and we will provide you with a fee estimate within 24 hours.

From basic company registrations and accounting services to screening acquisition targets and joint venture partners, we are uniquely well-positioned to help you succeed in doing business in Ukraine.



F&P BUSINESS INTELLIGENCE UNIT

Before investing in Ukraine, you need more than a registration check. We provide accurate market information about how your competition operates, the key players that can assist you, which business projects are realistic, as well as full risk assessment.

We also offer business intelligence to support investment transactions in all sectors, including energy, agribusiness, defense tech, logistics. Our extensive research often presents lucrative business opportunities and how to access them.

All communication is strictly confidential.





ABOUT US



Frishberg & Partners is an independent American-owned law firm based in Kyiv since 1991, one of the longest established international practices in Ukraine, with an extensive portfolio of distinguished clients, reference letters and publications.

Our focus is narrow: we help our clients implement their business projects in Ukraine, quickly and efficiently.

We specialize in Ukrainian business and corporate legislation – from company registrations, labor laws and tax-related advice to product liability, intellectual property protection and related regulatory compliance, we are here to assist at every step of the way.

In M&A, we offer a full scope of legal services, starting with due diligence, drafting and executing all related documents, including license procurement (if necessary). We also assist strategic investors in screening and identifying acquisition target companies and reliable Ukrainian joint venture partners.

Our construction and real estate practice is a close collaboration between our experienced property lawyers and consultants. In addition to providing our legal services, we identify land parcels for development, and obtain the licenses and permits to construct large structures (categories CC2 or CC3).

Ukraine's rebuilding efforts will bring unprecedented opportunities for foreign companies. We pre-screen projects in the pipeline and provide end-to-end support, including preparation of all required



legal, technical and financial documents for successful tender participation.

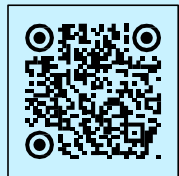
Over the years, we developed an extensive network of relationships across all levels of the government. Our Government Relations team members worked in the President's Administration, the Kyiv City Administration, the Ukrainian Parliament, the National Bank of Ukraine and the Ministry of Infrastructure.

At Frishberg & Partners, we bring effective solutions to complex legal and business challenges.





REFERENCES

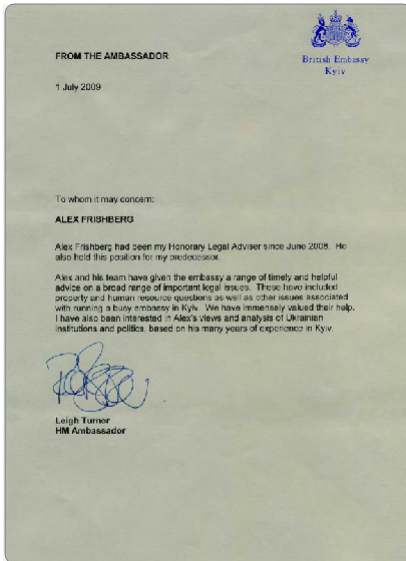




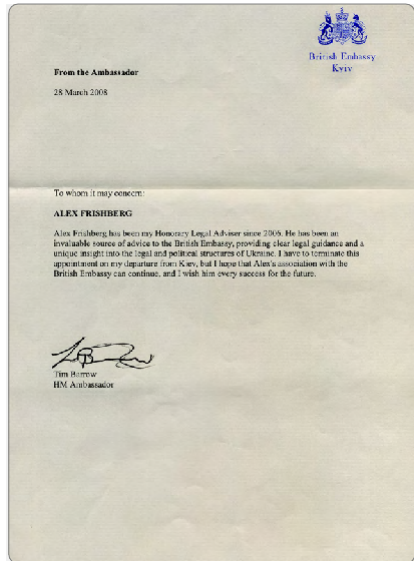
Jens Alsbrink, Consul General of Denmark, Shanghai



Christians Dons Christensen, Ambassador of Denmark to Ukraine, Georgia and Armenia

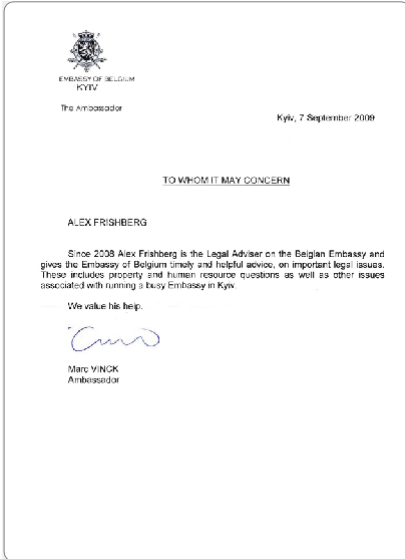


Leigh Turner, Her Majesty's Ambassador, British Embassy in Kyiv

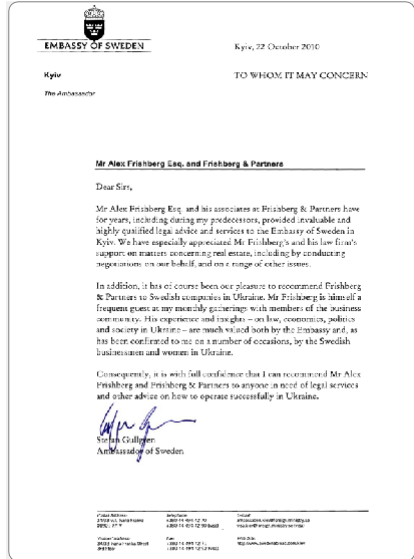


Tim Barrow, Her Majesty's Ambassador, British Embassy in Kyiv

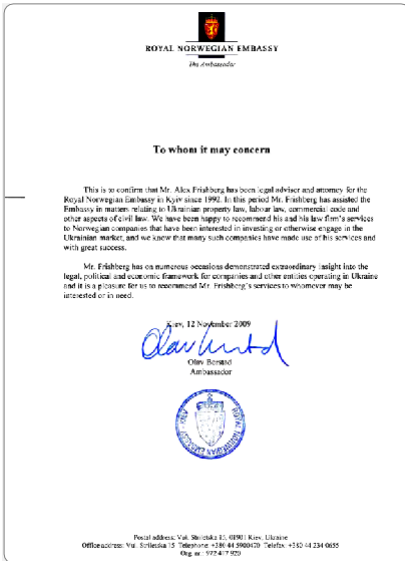




The Embassy
of Belgium in Kyiv



Stefan Gullgren, Ambassador, the Embassy
of Sweden in Kyiv




Olav Berstad, Ambassador, the Royal
Norwegian Embassy in Kyiv



Christian Albertus Basson, Ambassador
of the Republic of South Africa to Ukraine





KLM
Royal Dutch Airlines



AIRFRANCE

August 2, 2011

To whom it may concern:

Frishberg and Partners, Mr. Alex Frishberg

Since many years, Frishberg and Partners provides legal services to Air France and KLM. Alex Frishberg and his associates have provided excellent support on various legal matters such as litigation, contracting, experts' fees related issues and more. We are very pleased with the level of service provided by Alex and his team. It is also important to mention the added value of Alex as a person who has extensive knowledge of the social and economical system of Ukraine. His guidance positively contributed to our business.



Hanan Zweig
Chief of Manager Executive
Air France/KLM

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TO WHOM IT MAY CONCERN

Since several years Alex Frishberg and his competent team have successfully assisted us on a variety of matters. Besides the quality of their legal support, we have always been particularly pleased with their business oriented and pragmatic approach as well as with their high level of responsiveness.

Alex and his team have also proven to have an excellent insight in the Ukrainian political and economic context in which their clients operate.



Piet Grillet
Group Head
Lead Regional Counsel Europe

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2 October 2015

Alex Frishberg
Frishberg & Partners
Kyiv, Ukraine

Dear Alex,

I can't tell you how much I appreciate the support you have given over the years. You are definitely the most intelligent lawyer that I have worked with and what makes you stand out, is you also have the gift of common sense. I have found that there isn't a lot of common sense left in the world; it is a treasured commodity.

Sincerely,



E. Michael Tewelthomas
Director of Operations

E. Michael Tewelthomas, Quality Schools
International, Director of Operations



Date: 2012-02-20

1 of 1

To:

Frishberg & Partners
10 Serbskij Street, Suite 8
01034, Kyiv, Ukraine
Alex Frishberg (Scott Brown / Vinkovci)
Simerets / Tatarska Gyzadick

Dear Sirs,

Ref. our engagements with yourselves (in 2012 and also most recently this spring) with relation to Ukrainian filings with Anti-Monopoly Committee, we are writing this letter to thank you for your outstanding service rendered to us with attention on the two transactions that required highest degree of professional, combinate and timely execution.

We have appreciated your acceptance of Yara International Standard Terms and Conditions while engaging with lawyers globally.

We have also been reasonably happy with the costs, including your flexibility when it comes to charges for your services, (including a lump sum solution or clearly defined rates and engagement of your lawyers).

We highly appreciate your ability to act and react to our needs, in a manner that left us with confidence to continue cooperation with you also in the future.

Yara International ASA
Legal Department



(Alexey Lisin)



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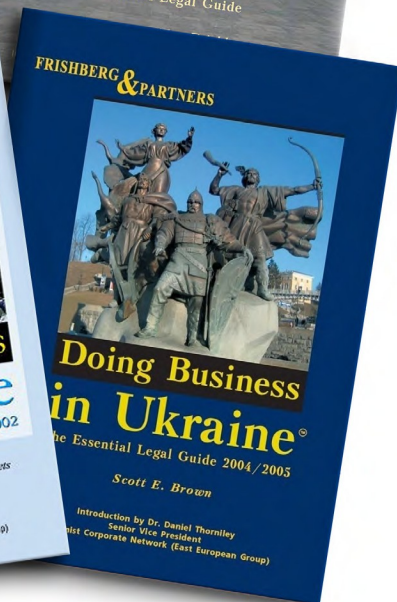
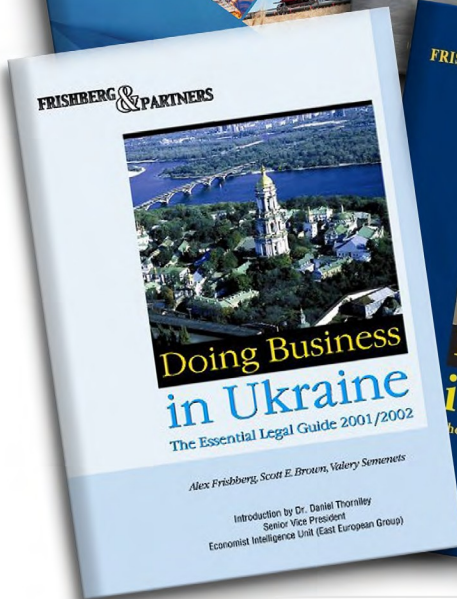
Alexey Lisin, Yara International ASA,
Legal Department

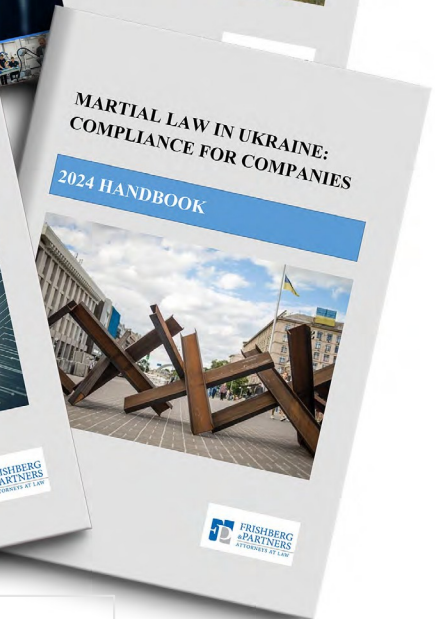




PUBLICATIONS







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