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U.S.-UKRAINE BUSINESS COUNCIL
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RECOVERY & BUSINESS

ON THE ROAD TO THE UKRAINE RECOVERY CONFERENCE: URC 2026 - IN GDAŃSK

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Agenda

GEOPOLITICAL & MACROECONOMIC OUTLOOK

KEY TAKEAWAYS

1. The outlook is strategically shifting in Ukraine’s favor
2. Ukraine’s European integration is deepening as Russia’s Chinese “integration” is stalling
3. In the long-term, Ukraine is set to lead the Western world
4. Despite considerable pressures, economic resilience is clear as businesses have adapted

WHAT'S THE LATEST?

Since We Met Last Time…

- War in Iran continues (as expected)
- No major split in the West occurred (despite worries over Greenland, Hungary, etc.)
- No greater support from China to Russia (as dependency deepens)
- Pressures Mounting in Ukraine – Air War and Economy
- Pressures Worsening Notably in Russia – War, Politics, & Economy

HOW LONG CAN RUSSIA LAST?

- **Political pressures escalating**
  - Putin looks weak: ban on Telegram/VPNs, gas export ban, high interest rates
- **State GDP forecasts cut to 0.4% for 2026**
  - Budget deficit worsening despite high oil prices
    - *Energy export revenues down 30% YOY Jan-May*
    - *~40% of revenues to subsidize consumers*
  - Investment fell in 14% YOY in Q1, after contracting in 2025
  - In Q1, corporate debts highest since Covid
    - *Corporate earning fell 26%, ~40% of firms reported losses*
- **Manpower: Losses > Recruitment for 6 months in a row**
- **Putin facing a dilemma: what to do after September elections?**
  - Escalate war, pause the war, delay???

Technocrats condemned by Putin in April

POLLING: WHAT WILL PUTIN DO AFTER THE SEPTEMBER ELECTIONS?

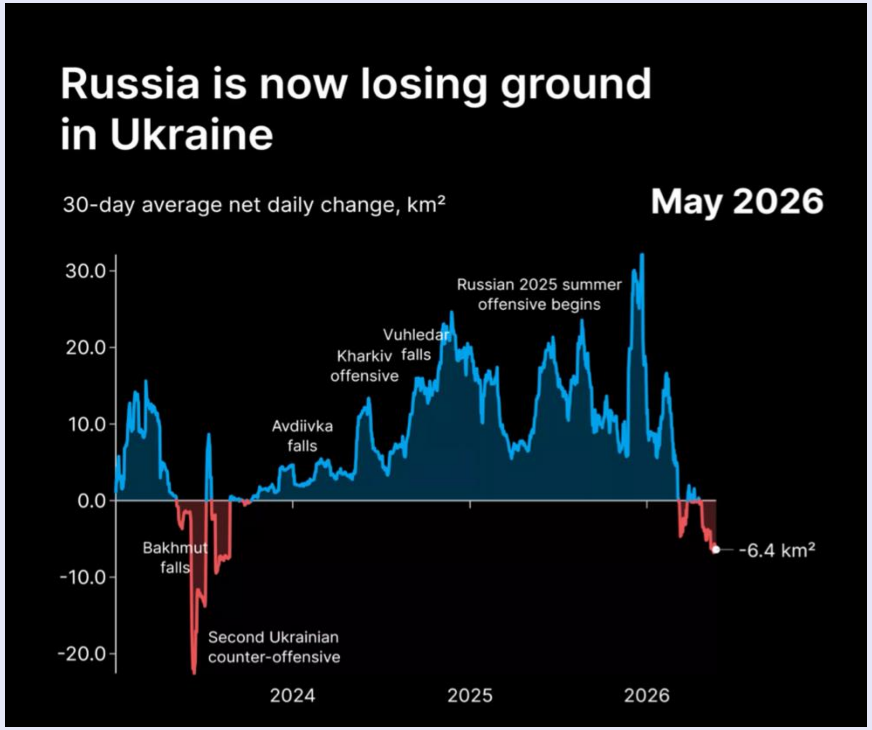
HOW LONG CAN UKRAINE LAST?

- **As Long as European Political, Financial, and Defense Support Continues**
  - Europe on Its Own, But They Know It Now
    - *€90 bn finally came through*
    - *Major rise in defense support to Ukraine and JVs set up*

- **Economy: Slowing, no new growth drivers**

- **Battlefield (Land and Air): Improving Picture**
  - Russia – In May 40% more attacks, yet slowest advances in 3 years
  - Ukraine has taken back the technological advantage

- **Ukraine winning the information war again in the West**
  - US Sec of State Rubio:
    - "Strategic disaster" for Russia
    - "Russia will not achieve its goals"



RUSSIA-UKRAINE WAR SCENARIOS INTO 2027

End point	**Scenario 1: Russian 'victory'** (Collapse of Western order)	**Scenario 2: Ukrainian 'victory', Land-for-Peace deal**	**Scenario 3: Frozen conflict, fighting persists at lower level**	**Scenario 4: Direct Russia-NATO confrontation**
Likelihood	**10%** (was 10%)	**60%** (was 60%)	**20%** (was 20%)	**10%** (was 10%)
Likely timeline	Early 2028	Late 2026	Late 2026	Through 2026 and beyond
Signposts	• Europe fails to provide adequate support • Trump cuts off US support • Kyiv forced to negotiate a bad peace • Russia seizes far more land • **Ukraine turns war into an insurgency**	• Neither side can shift the line of contact decisively • Russia seeks a ceasefire to pause the war • Zelenskyi offers land-for-peace • **West provides more aid and intensifies sanctions**	• Western aid to Ukraine moderates • Russia unable to sustain high-intensity warfare • Neither side can strategically shift the war in its favor • **The two sides get stuck in negotiations, fighting persists**	• NATO-Russian War initiated by a Russian attack on a NATO country or tactical nuclear strike in Ukraine • The West responds with an overwhelming conventional response • **Potential for Russian nuclear retaliation**

UKRAINE BUSINESS NEWS

LONGER-TERM CONSIDERATIONS

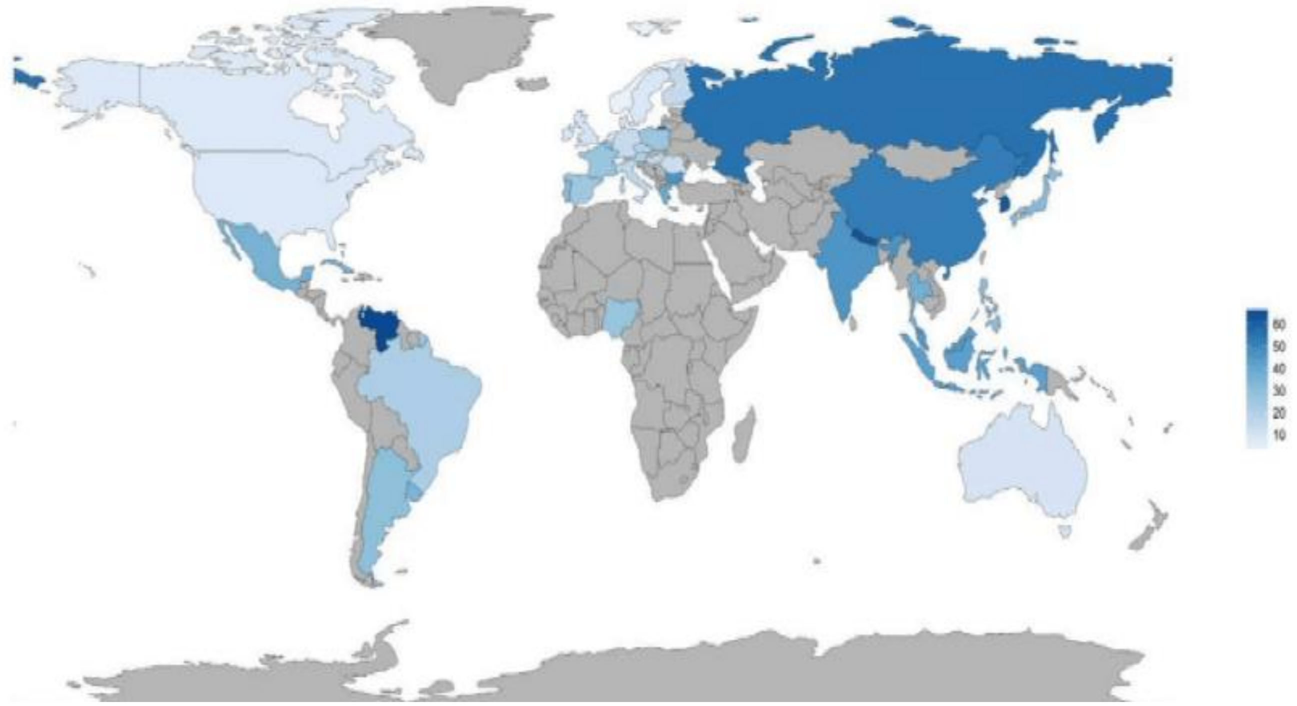
WHERE WILL GLOBAL LEADERSHIP COME FROM?

- **China?**
  - No incentive to resolve the West’s problems: Covid, Ukraine, or Iran
  - Fear of becoming global hegemon (like the US in the 1920s)
- **US?**
  - Mired in domestic problems for years
  - Declining empire stuck in yet another war in the Middle East
- **Russia?**
  - Collapsing empire stuck in its own war (like the US)
- **What does it mean for Ukraine?**
  - Fragmenting international order & US influence demands self-strengthening

WHAT DO YOU DO?

A friend is driving too fast and kills a pedestrian. You are a passenger in the vehicle. If you lie and say he wasn't driving too fast, he won't go to prison. What do you do?

Passenger's Dilemma

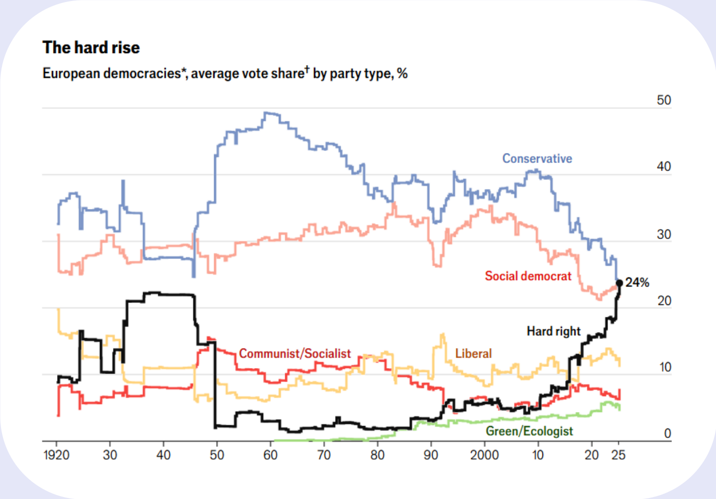


Darker shades lie for (i. e., help) their friends (% of people)

UKRAINE'S FUTURE = THE WESTERN WORLD'S FUTURE

- **Can the Western system endure this transition?**
  - The West's age-old dilemma:
    - *Where does communal belonging end and individual freedom begin?*
    - *Question for future: Can we add nationalism without destroying rights?*

- **1989…In Reverse…**
  - Nationalism of the East moving West
  - Nationalism means liberation in the East (not in the West)
  - *But what happens to the protection of rights of the West?*



THIS IS UKRAINE: LEADING THE WESTERN WORLD

- **Highlights the West's positive features: talents of the individual**
  - "Most adaptable that survives" – Darwin
  - Defense hub of Western world and beyond

- **Politically, Ukraine got a headstart on the next era**
  - Western world forgot the trauma of war…but war is back
  - Younger leadership promoted by competence under fire
    - Compare that to the previous leader of Western world (US)
    - Compare that to Russia/China

- **So, can we add healthy nationalism without destroying rights?**
  - *Yes: Nationalism on the right means fighting for rights on the left*
  - *Patriotism means liberty*
  - French Revolution, US War for Independence
  - …and now Ukraine's War for Independence

ECONOMIC & BUSINESS TRENDS

UKRAINE FORECAST SUMMARY

GDP consensus forecasts all revised down for 2026

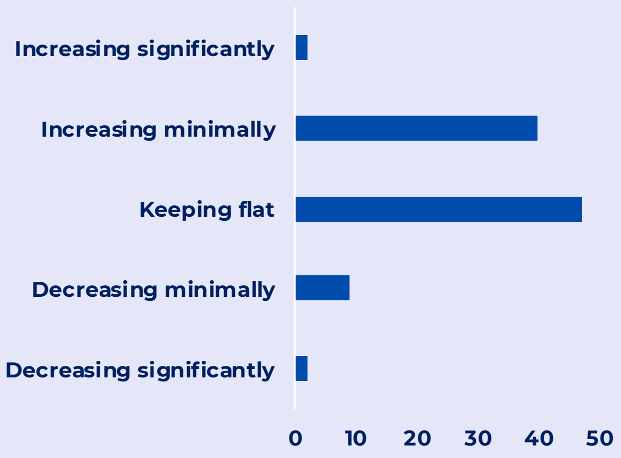
- 2027 growth based on expectation of a ceasefire
- Inflation and Exports a persistent problem
- USD:UAH protected by dollar weakness

	2024	2025	2026f	2027f
GDP, %YOY	2.9	1.8	**0.9**	3.3
USD:UAH (avg)	40.1	41.7	**44.1**	45.5
Inflation, %YOY	6.3	12.6	**9.1**	7.4
Consumer Spending, %YOY	6.8	7.5	**3.1**	3.9
Investment, %YOY	8.9	19.8	**3.5**	7.5

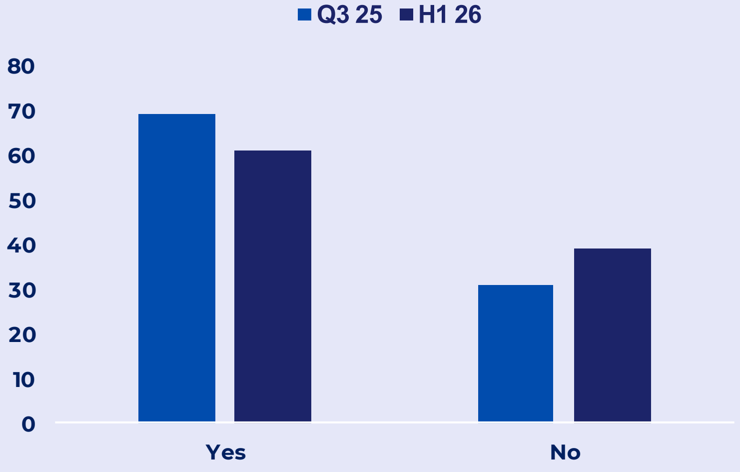
WHAT BUSINESSES ARE SAYING

- Businesses were happy to survive the winter, and now moods are picking up gradually
- Positively: Companies are still either keeping existing staff levels or doing limited hiring
- Worryingly: ~33% of companies are stopping expansion/discontinuing services due to labour issues
- Investors still feel an urgency to invest, and remain optimistic for the long term

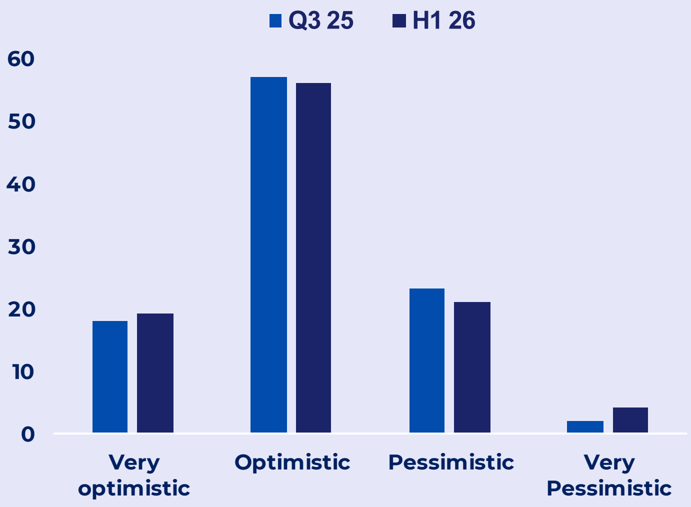
Are you increasing or decreasing your headcount this year?



Do you believe you need to start investing in the next 6 months, or you'll fall behind the competition?



My view over the medium and long-term is:



LONG-TERM INVESTMENT CONSIDERATIONS

- Corruption
  - Bribery vs. Corruption
  - "I'm tired of talking about corruption. We see almost no problems with it among our customers." – *Head of Consultancy*
  - Ultimately, corruption will become what we have in the US: formalized, standardized, institutionalized
    - *External pressure in joining the EU/NATO*
    - *Bottom-up pressure from younger generation, society*
    - *Political pressure from military groups*
    - *Competitive pressure from foreign investors*
- Labor Market
- Other: Energy Infrastructure, Reconstruction Financing, Russia as a neighbor
- Reconstruction starts now: defense, energy, AI, logistics, etc…

Zelenskyi's former Chief of Staff Andryi Yermak detained over corruption charges

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UBN PANEL: UKRAINE IS WINNING NOW & LEADING THE WEST TOMORROW

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UKRAINE IS WINNING NOW & LEADING THE WEST TOMORROW

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USUBC PANEL: PREVIEW: PRIVATE SECTOR PARTICIPATION IN THE BUSINESS DIMENSIONS AT URC 2026 IN GDAŃSK

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PREVIEW: PRIVATE SECTOR PARTICIPATION IN THE BUSINESS DIMENSIONS AT URC 2026 IN GDAŃSK

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CLOSING REMARKS

THANK YOU SO MUCH FOR ATTENDING

Save The Date For Our Next Event on

SEPTEMBER 18TH