

UKRAINE NEWSLETTER Q1/2017

POLITICAL AND ECONOMIC NEWS

- The Lower House of the Parliament of **Canada has ratified the free trade agreement with Ukraine**. After completion of all the ratification procedures, **Canada will abolish duties on 99.9% of Ukrainian imports**. In turn, Ukraine will cancel 86% of duties on imports from Canada.
- **Prime Minister of Ukraine Volodymyr Groysman hopes a free trade area agreement (FTA) with Israel will be signed in 2017**. "We have a free trade area agreement with Canada, which opens the market. I think this year we will complete and sign a free trade area agreement with Israel," the prime minister said.
- Fitch assumes the status of the outstanding USD3bn debt with Russia does not create risks for Ukraine's sovereign debt service and access to external financing.
- **Prime Minister Volodymyr Groysman forecasts 3% GDP growth in 2017**: "I think Ukraine's GDP growth will exceed 3 percent. This means only one thing: Ukrainians will have jobs, production output will increase, wages will rise, including wage share in the cost of production."
- The government's resolution to **recapitalize nationalized PrivatBank** for the amount of **Hr 9.8 billion** by the issue of 15-year government domestic loan bonds with the **indexed value** (with reference to the U.S. dollar exchange rate), adopted on Feb. 22, was executed on Feb. 24, according to the National Bank of Ukraine.

UPCOMING EVENTS AND FAIRS

INTERNATIONAL REAL ESTATE EXPO

01-02.04.2017 | International Exhibition Center | Kyiv | Ukraine |
 Tel.: + 380 44 201 1156

INTERNATIONAL CONFERENCE BLACK SEA GRAIN

05-06.04.2017 | InterContinental Kyiv | Kyiv | Ukraine |
 Tel.: + 380 44 219 1919

UKRAINIAN INFRASTRUCTURE FORUM'17

20.04.2017 | Fairmont Grand Hotel Kyiv | Kyiv | Ukraine |
 Tel.: + 380 44 322 8888

THE AGILE EASTERN EUROPE CONFERENCE

07-08.04.2017 | Ramada Encore Kiev | Kyiv | Ukraine |
 Tel. +380 44 205 1515

INTERNATIONAL TRADE EXHIBITION (INTER OIL&GAS)

24-26.05.2017 | International Exhibition Center | Kyiv | Ukraine |
 Tel.: + 380 44 201 1156

FRANCHISING EXPO UKRAINE

21-23.06.2017 | Kyiv Expo Plaza Exhibition Center | Kyiv | Ukraine |
 Tel.: + 380 44 461 9921

UKRAINIAN ENERGY EFFICIENCY FORUM'17

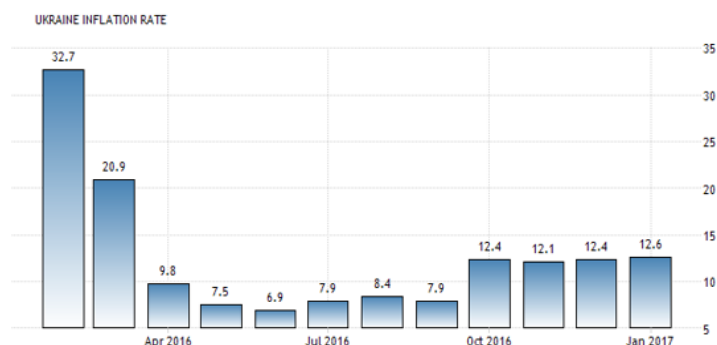
22.06.2017 | NSC Olimpiyskiy | Kyiv | Ukraine |
 Tel.: + 380 44 590 6751

ABOUT VI2 PARTNERS

VI2 Partners GmbH is an international M&A and corporate finance advisor, based in Vienna, Kyiv and London, with a focus on M&A, Debt Restructuring, and Consulting/Lobbying. Our core markets are CEE and Germany/Austria/Switzerland. **We support prime international clients to acquire, protect, restructure and develop critical assets in Ukraine.**

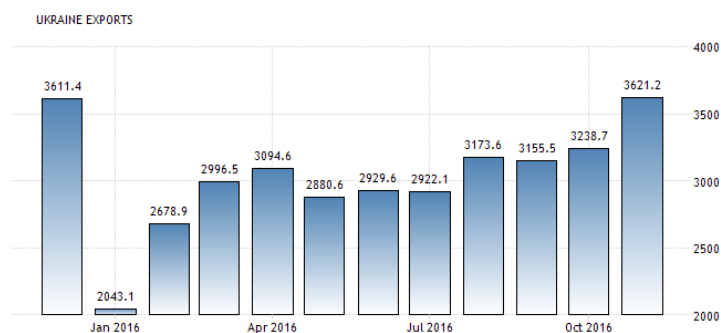
STATISTICS

Inflation shows signs of stabilization with a positive downward forecast in 2017, %



Source: State Statistics Service of Ukraine

Ukraine Exports - progress slow but steady, USD million



Source: State Statistics Service of Ukraine

Ukraine Imports - USD million



Source: State Statistics Service of Ukraine

Other Figures of Interest

- Ukraine's gross domestic product (GDP) increased by 4.7% in the fourth quarter (Q4) of 2016 compared to Q4 2015 (State Statistics Service of Ukraine)
- NBU assets grow by UAH 92 bln in 2016, the main factor being a 17% or \$ 2.2 bln increase in international reserves up to \$ 15.5 bln over the past year, according to the National Bank of Ukraine.

SELECTED CASE WORK

- **Buy-side support** for a US financial services company to find and acquire a Ukrainian bank, including execution of the transaction.
- **Establishment of a joint venture** between a European software developer and a global service provider to build a shared platform for mobile logistics solutions.