

## 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

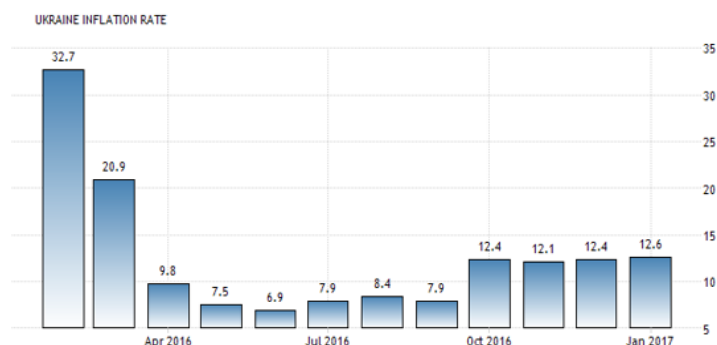
22.06.2017| NSC Olimpiyskiy | Kyiv | Ukraine |  
 Tel.: + 380 44 590 6751

### 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.**

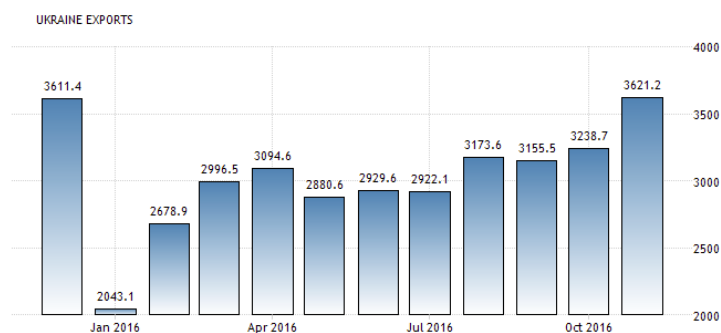
### STATISTICS

**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.