

UKRAINE NEWSLETTER Q4/2017

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.**

POLITICAL AND ECONOMIC NEWS

- Ukraine's major investor, the **European Bank for Reconstruction and Development**, forecasts real GDP growth of Ukraine at **2 % in 2017 and another 3 % in 2018**, which is in line with a previous outlook released in May.
- Moody's Investors Service** (Moody's) has on August 25 upgraded the Government of Ukraine's local and foreign currency issuer and senior unsecured ratings to **Caa2 from Caa3**, and changed the **rating outlook to positive from stable**, according to the agency's report.
- Ukraine has climbed **four positions** in the **Doing Business 2018 ranking of the World Bank**, ranking **76th** among the **190 economies** studied, according to a press release from the Better Regulation Delivery Office.
- According to the **Doing Business 2018 ranking**, Ukraine this year has **advanced 105 positions** in the field of ease of obtaining construction permits, **41 positions** in the indicator of "tax payment," two in terms of "connection to power grids" and one in terms of "settlement of insolvency."
- Ukraine in January-September 2017 increased revenues from agricultural exports by almost **25 % year-over-year, to \$13.1 billion**, the Press service of the National Research Centre "Institute of Agrarian Economics" reported. (UNIAN)
- Export to Canada in the **last eight months increased by 74 %** according to Deputy Minister of Economic Development and Trade of Ukraine Mrs. Natalia Mykolska (MEDT).
- Ukrainian company **Ilaya** that has led innovation in the area of stem-cell treatments is now joining the ranks of financial innovators, using an **initial coin offering** to raise funds for expansion into the U.S. market. Ilaya is planning to **sell its own cryptocurrency** to fund clinical trials in America for its revolutionary treatment of avascular necrosis (AVN) (Interfax Ukraine)
- National Energy Company Ukrenergo, National Nuclear Generating Company Energoatom, public joint-stock company Ukrhydroenergo, DTEK Energo LLC, public joint-stock company Centrenergo and public joint-stock company Donbasenergo have signed a memorandum to jointly work on the achievement of the future **integration of Ukraine's power grid with the European Network of Transmission System Operators (ENTSO-E)**. (Ukrenergo).

UPCOMING EVENTS AND FAIRS

UKRAINIAN ENERGY FORUM

27.02-01.03.2018 | InterContinental Hotel | Kyiv | Ukraine | Tel.: + 38 044 219 19 19

GRAIN TECH EXPO

21-23.02.2018 | International Exhibition Center | Kyiv | Ukraine | Tel.: + 38 044 201 11 57

UKRAINIAN DEFENSE AND SECURITY FORUM 2018

22.02.2018 | Fairmont Grant Hotel | Kyiv | Ukraine | Tel.: + 38 044 322 88 88

KYIV TECHNICAL FAIR

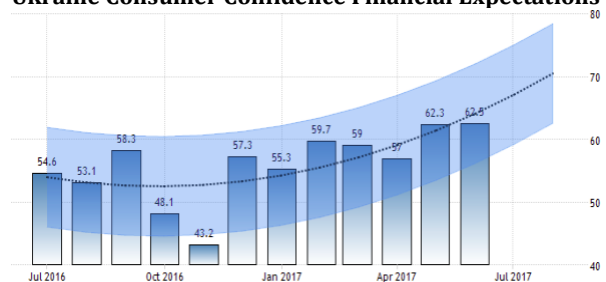
27-29.03.2018 | International Exhibition Center | Kyiv | Ukraine | Tel.: + 38 044 201 11 57

SELECTED CASE WORK

- VI2 Partners has been mandated to search for an investor for a successful casino operation in Eastern Europe.
- VI2 Partners has acquired a **20 % stake** in the Ukrainian FURSHET supermarket chain from France's Auchan Group and will jointly with the majority owner re-position the retail group.
- VI2 Partners has been mandated to find an investor for an important logistics infrastructure object in Odessa, Ukraine.
- VI2 Partners has started a co-operation with Kreisel Electric, a global leader in efficient battery and e-mobility solutions, for the markets of Romania, Turkey and Egypt.

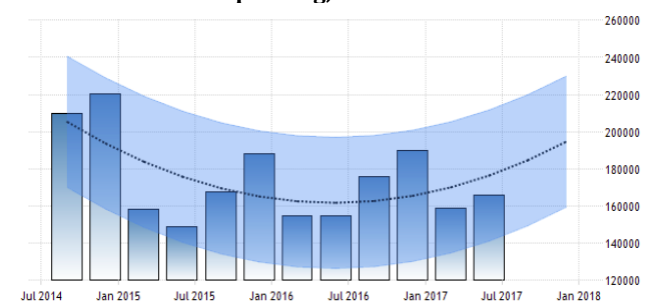
STATISTICS

Ukraine Consumer Confidence Financial Expectations



Source: State Statistics Service of Ukraine

Ukraine Consumer Spending, mln UAH



Source: State Statistics Service of Ukraine

Ukraine Foreign Exchange Reserves, mln USD



Source: State Statistics Service of Ukraine

Other Figures of Interest

- As of November 1, 2017, Ukraine's international reserves amounted to **\$18.736 billion** (in equivalent), according to preliminary data. The reserves **grew by \$98 million, or 0.5 percent**, over the previous month, the press service of the National Bank of Ukraine (NBU) reports.
- The net inflow of foreign direct investment in Ukraine in January-September 2017 totaled **US\$1.6 billion**, which was **40 % up** from \$1.15 billion year-over-year (NBU).