

CONCESSION OF COMMERCIAL SEA PORT KHERSON



Key investment highlights:

- **Favorable location:**
 - On the mouth of the Dnieper river, the biggest river going through the key industrial and agricultural regions
 - Railway, road and river access to the port makes it an excellent multimodal cargo hub
- **Significant opportunities for operating performance growth:**
 - New logistics planning system could significantly increase efficiency of existing storage facilities
 - Port area could be utilized more efficiently to accommodate cargo flow growth potential
 - Equipment modernization could substantially improve handling efficiency
- **Cargo turnover growth opportunities:**
 - Grain is the most promising cargo in the port with considerable export growth potential
 - Further inland waterways development will provide additional cargo volumes for transshipment in the port
- **Sustainable financial position:**
 - Revenue ranged from \$8 to \$10 mln in the last 3 years
 - EBITDA margin averaged at 18% in the last 3 years
 - \$30 mln CAPEX required according to the estimations of international consultants
- **Well-structured transaction:**
 - The World Bank provided technical assistance in preparation of pre-feasibility study for the project
 - ✓ Pre-feasibility assessment – 6 months
 - > Market sounding – 1 month
 - Feasibility assessment – 10 months
 - Market to investors & pre-qualification – 2 month
 - Prepare PPP contract, negotiate with bidders – 3 months
 - Conduct tender, evaluate, award – 3 months
 - Commercial and financial closing – 3 months
 - IFIs will be deeply involved in transaction structuring

Key facts:

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|-------------------------------------|-------------------------------------|------------------------------------|-----------------------------|
| 47 Area (ha) | 4 Berths | 600 Quay Length (m) | 7.6 Max Depth (m) |
| 30 CAPEX Required (\$mln) | 7.9 Revenue (\$mln, 2016) | 14% EBITDA Margin (2016) | |

