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CEE Legal Matters

In-Depth Analysis of the News and Newsmakers That Shape Europe's Emerging Legal Markets


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TABLE OF CONTENTS

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ACROSS THE WIRE: DEALS AND CASES

Date Covered	Firms Involved	Deal/Litigation	Value	Country
17-Apr	Schoenherr	Schoenherr advised Austrian shared-mobility start-up UBIQ on its series A financing round.	N/A	Austria
18-Apr	BPV Huegel; Fieldfisher	BPV Huegel, working with Fieldfisher, advised Next Generation Invest on its acquisition of a low-energy building in Vienna's Donaustadt district.	N/A	Austria
20-Apr	Schoenherr; Wolf Theiss	Schoenherr advised joint lead managers Erste Group Bank, Intesa Sanpaolo, Landesbank Baden-Wuerttemberg, Landesbank Hessen-Thueringen Girozentrale, Natixis, and TD Global Finance on Erste Group Bank's EUR 1 billion issuance of 3.125% mortgage Pfandbriefe due October 14, 2027. Wolf Theiss advised Erste.	EUR 1 billion	Austria
28-Apr	E+H	E+H, working with Willkie Farr & Gallagher, advised the Stark Group on its acquisition of Schilowsky Baumarkt und Baustoffhandel.	N/A	Austria
28-Apr	Kaan Cronenberg & Partner; Wolf Theiss	Wolf Theiss advised ZBI Zentral Boden Immobilien Group on its acquisition of the Karntner Strasse 1 tower from the KS Group. Kaan Cronenberg & Partner reportedly advised the seller.	N/A	Austria
09-May	Binder Groesswang; CMS; SCWP Schindhelm	Binder Groesswang advised Semperit Aktiengesellschaft Holding on its acquisition of the Austrian Rico Group. SCWP Schindhelm advised the seller. CMS advised a consortium of banks led by UniCredit Bank Austria and UniCredit Bank on providing EUR 250 million in financing for Semperit.	EUR 250 million	Austria
10-May	Cerha Hempel; Linklaters; Schoenherr	Schoenherr, working with Linklaters, advised joint global coordinators and joint bookrunners BNP Paribas and Citigroup Global Markets Europe and joint bookrunner UniCredit Bank on the oversubscribed EUR 250 million issuance of convertible bonds by Voestalpine AG. Cerha Hempel advised Voestalpine.	EUR 250 million	Austria
10-May	Linklaters; Schoenherr	Schoenherr, working with Linklaters, advised sole coordinator, documentation agent, bookrunner, and mandated lead arranger UniCredit Bank Austria, facility agent ING Bank, bookrunners and mandated lead arrangers Erste Group Bank, Raiffeisenbank International, and Commerzbank, as well as other banks on the EUR 1.7 billion revolving syndicated facility for Wiener Stadtwerke.	EUR 1.7 billion	Austria
11-May	Wolf Theiss	Wolf Theiss advised financial technology start-up BehaviorQuant Behavioral Finance Technologies and its US and French investors on a seed funding round.	N/A	Austria
10-May	CMS	CMS advised Best in Parking and its majority shareholder Breiteneder Immobilien Parking on receiving a minority investment from Macquarie Asset Management. Linklaters advised Macquarie Asset Management.	N/A	Austria; Croatia; Slovenia
02-May	Davis Polk & Wardwell; Hengeler Mueller; Linklaters; Paul Weiss; Schoenherr	Schoenherr, working alongside Linklaters and Paul Weiss Rifkind Wharton & Garrison, advised the Carrier Global Corporation on its acquisition of Viessmann Climate Solutions. Hengeler Mueller and, reportedly, Davis Polk & Wardwell advised Viessmann Climate Solutions.	EUR 12 billion	Austria; Czech Republic; Hungary; Romania; Serbia; Slovakia

Date Covered	Firms Involved	Deal/Litigation	Value	Country
28-Apr	BPV Grigorescu Stefanica; BPV Huegel; Schoenherr	Schoenherr advised HS Timber Group on its sale of HS Timber Productions Sebes to Ziegler Group. BPV Grigorescu Stefanica and BPV Huegel advised the buyer.	N/A	Austria; Romania
11-May	Dorda; Heuking Kuhn Luer Wojtek; Nestor Nestor Diculescu Kingston Petersen; SCWP Schindhelm	Dorda and Nestor Nestor Diculescu Kingston Petersen, working with Heuking Kuhn Luer Wojtek's Munich office, advised Cancom on the acquisition of K-Businesscom and all its subsidiaries. SCWP Schindhelm advised K-Businesscom's main shareholders, Invest Unternehmensbeteiligungs AG and Raiffeisen OOe Invest.	EUR 265 million	Austria; Romania
10-May	Barnes & Thornburg; Brandl Talos; Cerha Hempel; Clifford Chance; Eubelius; Harneys; Khaitan & Khaitan; Legance; Schoenherr; Ulcar & Partnerji	Schoenherr advised Seven Refractories on the EUR 93 million sale of its European, Indian, and US operations to RHI Magnesita. Brandl Talos advised Seven Refractories' founder and CEO Erik Zobec as well as other minority management shareholders. Cerha Hempel and Ulcar & Partnerji, working with Clifford Chance, Khaitan & Khaitan, Legance, Harneys, Eubelius, and Barnes & Thornburg, advised the buyer.	EUR 93 million	Austria; Slovenia
15-May	Cizmovic; Schoenherr; Vila	The Cizmovic law firm and Moravcevic, Vojnovic, and Partners in cooperation with Schoenherr successfully represented UniCredit Bank Banja Luka in a dispute with Bitminer Factory, leading to the overturning of a EUR 131 million first instance judgment. Reportedly, the Vila law firm is representing UniCredit Bank Banja Luka in relation to the criminal charges that the bank filed against Bitminer Factory.	EUR 131 million	Bosnia and Herzegovina
20-Apr	Boyanov&Co; Legal Consultancy	Boyanov & Co advised Eurobank and Alpha Bank – acting directly and through their subsidiaries – on financing Tyrbul's acquisition of the United Milk Company. The Legal Consultancy reportedly advised Tyrbul.	N/A	Bulgaria
20-Apr	Wolf Theiss	Wolf Theiss advised Eleven Ventures on three start-up investments in Bulgaria, including BibeCoffee, True Insight, and Native Teams.	N/A	Bulgaria
08-May	Bradvica Maric Wahl Cesarec; Jadek & Pensa; Kambourov & Partners; Kinstellar; Morgan Lewis; ODI Law; Paul Weiss	Kinstellar and ODI Law, working with Morgan Lewis London, advised TAWAL on its bid to acquire the Bulgarian, Croatian, and Slovenian tower assets of the United Group for EUR 1.2 billion. Jadek and Pensa and Bradvica, Maric, Wahl, Cesarec advised the United Group. Paul Weiss and Kambourov and Partners reportedly advised United as well.	EUR 1.2 billion	Bulgaria; Croatia; Czech Republic; Slovenia
09-May	Karanovic & Partners (Ilej & Partners)	Ilej & Partners in cooperation with Karanovic & Partners advised ALS on its acquisition of Hidro.Lab.	N/A	Croatia
09-May	Karanovic & Partners (Ilej & Partners); Karanovic & Partners (Ketler & Partners); Zagorc & Partners	Ketler & Partners, a member of Karanovic, and Ilej & Partners in cooperation with Karanovic & Partners advised the Volution Group on its acquisition of I-Vent in Slovenia and Croatia for EUR 25.2 million on a debt-free cash-free basis from Milan Kuster. Zagorc & Partners reportedly advised Kuster on the sale.	EUR 25.2 million	Croatia; Slovenia
17-Apr	Eversheds Sutherland	Eversheds Sutherland represented Itaka in the settlement proceedings with the minority shareholders of Czech travel agency Cedok.	N/A	Czech Republic

Date Covered	Firms Involved	Deal/Litigation	Value	Country
20-Apr	REALS; Siwy & Co	REALS advised the Redside investment company and its Nova Real Estate fund on the sale of the Baumax DIY store in Hradec Kralove to a company from the Baumax group. Siwy & Co advised Baumax.	N/A	Czech Republic
28-Apr	Kocian Solc Balastik	Kocian Solc Balasitk advised the Czech charity auction platform Dobrobot on its establishment and online auction-related tax matters.	N/A	Czech Republic
03-May	Dentons	Dentons advised the CPI Property Group on its successful tender offer of outstanding bonds due in 2026, 2027, and 2028.	EUR 335 million	Czech Republic
08-May	Kocian Solc Balastik; Taylor Wessing	Kocian Solc Balastik advised Arete on its acquisition – and leaseback – of an industrial site in Milovice from AAS Automotive and the Decotek Group. Taylor Wessing reportedly advised the sellers.	N/A	Czech Republic
08-May	Eversheds Sutherland; Moore Legal; Schoenherr	Schoenherr advised the Lindab group on its acquisition of the ventilation business of Ventilace EU. Moore Legal CZ and Eversheds Sutherland represented the sellers.	N/A	Czech Republic
08-May	Dentons; Reals	Reals advised J&T Real Estate CZ on the sale of the Red Court office building in Prague to a BlackBird Real Estate group company. Dentons advised the buyers.	N/A	Czech Republic
08-May	BBH	BBH advised the Kaprain Group on its sale of Nej.cz to PPF Group company Cetin.	N/A	Czech Republic
09-May	Advant (Beiten); Advant (NCTM); Advent (Altana); Kinstellar	Kinstellar, working with Advant NCTM, advised the Italian owner on the sale of Hotel Sovereign in Prague.	N/A	Czech Republic
10-May	Allen & Overy; Clifford Chance	Clifford Chance advised lottery operator Allwyn on its EUR 1.3 billion issuance of senior secured notes. Allen & Overy advised the initial purchasers.	EUR 1.3 billion	Czech Republic
10-May	Clifford Chance; Kinstellar	Kinstellar advised Cura Vermoegensverwaltung on its exit from the Arkady Pankrac-ownership joint venture with G City Europe. Clifford Chance reportedly advised G City Europe.	N/A	Czech Republic
10-May	Kocian Solc Balastik; Peyton Legal	Kocian Solc Balastik advised Sandberg Capital on its investment in Czech kindergarten management application Twigsee. Peyton Legal advised Twigsee early seed investors – the Jinej fund and Jiri Hlavenka – in the divestment of Jinej's stake.	N/A	Czech Republic
10-May	BPV Braun Partners; Wilsons	BPV Braun Partners advised Plzensky Prazdroj on its CZK 0.5 billion joint venture with QLS Assets to establish the Pilsner Urquell Experience in Prague. Wilsons advised the investor.	CZK 0.5 billion	Czech Republic
11-May	Kinstellar	Kinstellar advised S IMMO on its acquisition of three office buildings and a hotel in the Czech Republic – valued at EUR 167.7 million – from the CPI Property Group.	EUR 167.7 million	Czech Republic
15-May	JSK	JSK advised Sudop CIT on its acquisition of hardware and software infrastructure and services supplier Impromat-Computer. Impromat was reportedly advised by sole practitioner Jiri Nemec.	N/A	Czech Republic
17-Apr	Barrocas; Havel & Partners; MHJ Legal; Norton Rose Fulbright; Rymarz Zdort Maruta	Norton Rose Fulbright and Havel & Partners advised senior lender Santander Bank Polska on a refinancing facility for Exact Systems. Barrocas reportedly advised Santander Bank Polska on Portuguese legal matters. Rymarz Zdort Maruta reportedly advised Exact Systems. MHJ Legal reportedly advised mezzanine lender Accession Capital Partners.	N/A	Czech Republic; Poland; Slovakia
11-May	Clifford Chance	Clifford Chance advised LCN Capital Partners on the sale-and-leaseback acquisition of a portfolio of 11 car showrooms located in the Czech Republic and Slovakia and the related financing from UniCredit Bank Czech Republic and Slovakia.	N/A	Czech Republic; Slovakia
19-Apr	Cobalt; Sorainen	Sorainen advised Lagrotte and the Net Systems Group on selling Hohle to HellermannTyton. Cobalt advised the buyer.	N/A	Estonia

Date Covered	Firms Involved	Deal/Litigation	Value	Country
26-Apr	Sorainen	Sorainen successfully represented the Estonian State, acting through the Estonian Internal Security Service, in a civil dispute connected to a criminal proceeding.	N/A	Estonia
03-May	Sorainen	Sorainen advised the Estonian Artists Association on restoring legal and historical continuity with the Estonian Center of Visual Artists and changing the founding date of the union from 1943 to 1922.	N/A	Estonia
03-May	Sorainen	Sorainen advised the Estonian Guarantee Fund on a reusable credit line contract to be concluded with the Republic of Estonia as the lender.	EUR 720 million	Estonia
08-May	Cobalt	Cobalt advised the Estonian Transport Administration on the procurement procedure for the design and construction of the Sindi-Lodja Bridge on the Reiu River.	N/A	Estonia
09-May	Cobalt	Cobalt advised Tallinn's Creative Hub on public procurement proceedings for the design and maintenance of a reconstructed building as a center for cultural exports and the creative economy.	N/A	Estonia
09-May	Cobalt	Cobalt represented Hundipea in multiple disputes related to the Paljassaare port and related water area before the Estonian Transport Administration, the Ministry of Economic Affairs and Communications, and the Administrative Court.	N/A	Estonia
10-May	Sorainen	Sorainen advised Fairown on a EUR 3 million capital raising from investors including the Commerzbank Group, Gateway Ventures, and Stihl Digital and on structuring its business model.	EUR 3 million	Estonia
10-May	Cobalt; TGS Baltic	Cobalt advised the BaltCap Private Equity Fund III on its acquisition of a minority stake in Eesti Digiraamute Keskus. TGS Baltic advised the sellers.	N/A	Estonia
12-May	Sorainen	Sorainen successfully represented SA Kunstihoone in registering the Tallinna Kunstihoone trademark.	N/A	Estonia
28-Apr	Ellex (Klavins); Ellex (Raidla); KPMG Legal	Ellex advised Eesti Gaas on its EUR 120 million acquisition of Gaso from Latvijas Gaze. KPMG Law advised the seller.	EUR 120 million	Estonia; Latvia
28-Apr	Bernitsas	Bernitsas Law advised Pancreta Bank on its investment in Attica Bank.	N/A	Greece
02-May	Calavros	The Calavros Law Firm successfully represented Mytilineos before the Hellenic Competition Commission in a case related to the abuse of dominance by a supplier and the violation of interim measures rendered by the HCC.	N/A	Greece
12-May	Cerha Hempel; CMS	Cerha Hempel advised CA Immo on the sale of the Vizivaros Business Center in Budapest to the FLE SICAV FIS real estate fund managed by FLE. CMS advised the buyer.	N/A	Hungary
17-Apr	Squire Patton Boggs	Squire Patton Boggs successfully represented the Republic of Kosovo in arbitration proceedings under the rules of the International Chamber of Commerce for a dispute with a virtual mobile network operator.	EUR 1.3 million	Kosovo
18-Apr	Sorainen	Sorainen provided pro bono legal representation to Re:Baltica Center for Investigative Journalism journalist Inga Springe in harassment proceedings against Janis Sondars.	N/A	Latvia
02-May	Sorainen	Sorainen represented Latvian transport company AS Cata before the Administrative Court in a dispute over the right to conclude a public contract for passenger transport in the region of Vidzeme.	N/A	Latvia
03-May	Cobalt; Ellex (Klavins)	Cobalt advised the Amber Beverage Group on its EUR 30 million issuance of four-year senior secured bonds with Signet Bank as the arranger. Ellex was the collateral agent on the issuance.	EUR 30 million	Latvia
11-May	Ellex (Klavins)	Ellex advised the Latvia-based companies of the Adven Group on joining the consolidated financing available to the Adven Group globally, secured by commercial pledges.	N/A	Latvia

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12-May	Cobalt	Cobalt successfully represented the interests of Tukuma Auto in a dispute against the Road Transport Administration in Latvia regarding amendments to procurement agreements executed with Nordeka for the provision of public transport services by buses on regional route networks.	N/A	Latvia
17-Apr	Sorainen	Sorainen represented Belor in a dispute with Arvi Fertis administrator Aurimas Valaitis – the Marijampole fertilizer company being in bankruptcy – for compensation of damages amounting to almost EUR 1.2 million.	N/A	Lithuania
20-Apr	Adon Legal	Adon Legal advised the Galio Group on obtaining EUR 11 million in financing from Citadele Bank for the development of a residential project in Vilnius.	EUR 11 million	Lithuania
27-Apr	Ellex (Valiunas)	Ellex advised the EBRD on its EUR 38.23 million secured loan to Vilnius city municipality-owned public transport company Vilniaus Viesasis Transportas for the renewal of Vilnius public transport.	EUR 38.23 million	Lithuania
28-Apr	Sorainen; TGS Baltic	Sorainen advised Bagfactory on its investment from Livonia Partners. TGS Baltic advised Livonia Partners.	N/A	Lithuania
11-May	Walless	Walless successfully represented KC Projektai before the Supreme Court of Lithuania in a state land lease agreement-related dispute.	N/A	Lithuania
20-Apr	BDK Advokati; Schoenherr	Moravcevic, Vojnovic, and Partners in cooperation with Schoenherr advised the owner of the Adriatic Bank Podgorica on the acquisition of Expobank Belgrade. BDK Advokati advised the shareholders of Expobank Belgrade.	N/A	Montenegro; Serbia
25-Apr	BDK Advokati; Karanovic & Partners	BDK Advokati advised the Abu Dhabi Capital Group on its sale of The Capital Plaza in Podgorica to BIG Shopping Centers. Karanovic & Partners advised the buyer.	N/A	Montenegro; Serbia
17-Apr	Wolf Theiss	Wolf Theiss advised Mitiska REIM on its acquisition of the Europa Centralna retail center located in Gliwice, Poland.	N/A	Poland
17-Apr	Crido Legal	Crido Legal advised Polish Apple reseller iSpot on its acquisition of the competing Cortland chain.	N/A	Poland
20-Apr	DWF; Elzanowski & Partnerzy	DWF advised KGAL Investment Management on two long-term power purchase agreements with Lafarge Cement Polska for the Krasin and Rywald onshore wind farms owned by the KGAL ESPF 4 Renewable Energy Fund. Elzanowski & Partnerzy advised Lafarge Cement.	N/A	Poland
21-Apr	Norton Rose Fulbright; Pestalozzi Attorneys at Law; SSW Pragmatic Solutions	Norton Rose Fulbright, working with Pestalozzi Attorneys at Law, advised Bank Polska Kasa Opieki on financing the construction of a 67.7-megawatt portfolio of 36 PV installations sponsored by Lithuania's Lords LB Asset Management. SSW Pragmatic Solutions reportedly advised Lords LB.	N/A	Poland
21-Apr	Clifford Chance; Wolf Theiss	Clifford Chance advised a club of banks led by Ceska Sporitelna – including UniCredit Bank Czech Republic and Slovakia and the Czech branch of Citibank Europe – on a CZK 1 billion club financing for Packeta and its subsidiaries. Wolf Theiss advised Packeta.	CZK 1 billion	Poland
25-Apr	White & Case	White & Case advised Columbus Energy on the admission and listing of all the company's shares on the Warsaw Stock Exchange main market and the transfer of its shares from the NewConnect alternative market, on which the company had been listed since 2011.	N/A	Poland
25-Apr	Taylor Wessing; White & Case	Taylor Wessing advised a consortium of banks and financial institutions on the PLN 1.65 billion financing provided to Jastrzebska Spolka Weglowa under a sustainability-linked loan formula. White & Case advised JSW.	PLN 1.65 billion	Poland
25-Apr	DWF; Osborne Clarke	DWF advised Nebo Solar on the sale of its 100-megawatt solar projects portfolio to Hep Global. Osborne Clarke reportedly advised Hep Global.	N/A	Poland
28-Apr	Osborne Clarke; SSK&W	SSK&W advised bValue and THC Pathfinder on their investment in Innential. Osborne Clarke reportedly advised Innential.	N/A	Poland

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28-Apr	Kochanski & Partners	Kochanski & Partners advised Jansen on the structuring and execution of a management buyout.	N/A	Poland
28-Apr	Moskwa Jarmul Haladyj i Wspolnicy; Rymarz Zdort Maruta; WKB Wiercinski Kwiecinski Baehr	WKB Lawyers advised CVI Dom Maklerski on the exit of its managed fund, Noble Fund Mezzanine Fizan, from Exact Systems. MJH Moskwa, Jarmul, Haladyj i Partnerzy advised buyer Accession Capital Partners. Rymarz Zdort Maruta reportedly advised Exact Systems.	N/A	Poland
28-Apr	DSK; Gessel	Gessel advised VirtusLab on its merger with SoftwareMill. DSK Kancelaria advised SoftwareMill.	N/A	Poland
28-Apr	B2Rlaw; Dentons; Kirkland & Ellis; Simmons & Simmons	Dentons, working with Kirkland & Ellis, advised AXA IM Alts on its sale of data center platforms Data4 to Brookfield Infrastructure. B2RLaw, working with Simmons & Simmons, advised Brookfield Infrastructure.	N/A	Poland
28-Apr	DWF; Schoenherr	DWF advised the sole shareholder of Unitrailer Holding on the sale of the company to Vaalon Capital. Schoenherr advised Vaalon Capital.	N/A	Poland
03-May	Gide Loyrette Nouel; Greenberg Traurig	Greenberg Traurig advised KI Chemistry on its acquisition of Ciech shares under a voluntary tender sale offer. Gide advised KI Chemistry on the financing.	N/A	Poland
08-May	Kondracki Celej; Orrick Herrington & Sutcliffe; Think Legal	Kondracki Celej, working with Orrick, advised Dogmates – trading as Butternut Box B Corp – on its acquisition of PsiBufet. Think Legal advised the PsiBufet founder and shareholders.	N/A	Poland
09-May	Clifford Chance; Penteris	Clifford Chance advised Norsk Hydro on a renewed tender offer for the purchase of 100% of the shares in Alumetal. Penteris advised Alumetal.	N/A	Poland
09-May	CMS; Gide Loyrette Nouel	Gide Warsaw advised Mindspace on opening a co-working space in the Skyliner skyscraper in Warsaw and its lease agreement with Karimpol Polska. CMS reportedly advised Karimpol Polska.	N/A	Poland
10-May	Greenberg Traurig; White & Case	White & Case advised a syndicate of banks on CCC's over PLN 505 million offer of series M ordinary bearer shares and new series L ordinary registered shares in an accelerated book-building process. Greenberg Traurig advised CCC.	PLN 505 million	Poland
12-May	DLA Piper; Gomez-Acebo & Pombo; Wardynski & Partners	DLA Piper advised Halma on its acquisition of Sewertronics for an initial sale price of EUR 41 million. Gomez-Acebo & Pombo and Wardynski & Partners reportedly advised the sellers.	EUR 41 million	Poland
17-Apr	Dentons; Wolf Theiss	Dentons advised NEPI Rockcastle on a EUR 200 million secured green real estate financing from Erste Group Bank and Raiffeisen Bank. Wolf Theiss advised the banks on the financing for NEPI's Mega Mall Bucharest and Promenada Sibiu shopping centers.	EUR 200 million	Romania
17-Apr	Nestor Nestor Diculescu Kingston Petersen	Nestor Nestor Diculescu Kingston Petersen successfully represented Hammerer Aluminium Industries Santana in a fiscal dispute related to transfer pricing aspects before the High Court of Cassation and Justice.	N/A	Romania
18-Apr	Musat & Asociatii	Musat & Asociatii advised Adesgo on the sale of its seamless apparel manufacturing, marketing, and distribution business to Tefron Europe.	N/A	Romania
28-Apr	Clifford Chance	Clifford Chance Badea advised a bank syndicate coordinated by Banca Comerciala Romana on the USD 531.8 million syndicated loan facility – which can be increased to USD 600 million – for three KMG International Group companies in Romania: Rompetrol Rafinare, Rompetrol Downstream, and KMG Rompetrol.	USD 531.8 million	Romania
02-May	Popovici Nitu Stoica & Asociatii	Popovici Nitu Stoica & Asociatii announced it is acting as the exclusive legal advisor for Romanian swimmer David Popovici.	N/A	Romania

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03-May	Clifford Chance; Filip & Company	Clifford Chance Badea advised the arrangers on implementing the EUR 500 million bond issuance of Banca Transilvania. Filip & Company advised issuer Banca Transilvania.	EUR 500 million	Romania
08-May	Act Legal (Botezatu Estrade); Tuca Zbarcea & Asociatii	Act Botezatu Estrade Partners advised Louis Delhaize on the sale of its Romanian Cora operations – including ten Cora hypermarkets and eight Cora Urban stores – to the Carrefour Group. Tuca Zbarcea & Asociatii advised Carrefour.	N/A	Romania
09-May	Filip & Company; Kinstellar; Linklaters	Kinstellar, working with Linklaters, advised a syndicate of banks on a EUR 500 million senior facility agreement with Romanian telecommunications service provider RCS & RDS. Filip & Company advised RCS & RDS.	EUR 500 million	Romania
09-May	RTPR	Radu Taracila Padurari Retevoescu advised Arobs Transilvania Software on its acquisition of the Cluj-Napoca-based Future WorkForce Global group.	N/A	Romania
10-May	Dentons	Dentons advised a consortium of banks including Raiffeisen Bank Romania, BCR, and BRD on a new RON 555 million bond issuance by the City of Bucharest.	RON 555 million	Romania
11-May	Stratulat Albulescu	Stratulat Albulescu advised the Bucharest Stock Exchange on leasing 2,235 square meters of office space in the America House building – for relocation purposes – from Complexul Multifunctional Victoria.	N/A	Romania
12-May	Clifford Chance	Clifford Chance, working with Hannes Snellman, advised ING on a Finnvera-covered export credit facility agreement and an EKN-covered export credit facility agreement with Digi Communications.	EUR 133 million	Romania
20-Apr	NKO Partners	NKO Partners advised CTP on the acquisition of Jagodina land intended for industrial development from the City of Jagodina, acting through its local government representatives.	N/A	Serbia
25-Apr	Andrejic & Partners	Andrejic & Partners advised Villa & Spa Stevic on submitting its successful application to the EU for Cultural Heritage and Tourism project.	N/A	Serbia
28-Apr	Andrejic & Partners	Andrejic & Partners advised Booking on offering insurance services in Serbia.	N/A	Serbia
02-May	Zivkovic Samardzic	Zivkovic Samardzic advised Fifth Quarter Ventures on the legal process for becoming an alternative investment fund in Serbia.	N/A	Serbia
03-May	DLA Piper; Sabev & Partners; SOG; Wolf Theiss	The SOG Law Firm, working with DLA Piper's office in France, advised the Renault Group on the divestment program for its import and distribution subsidiaries in six jurisdictions. Wolf Theiss reportedly advised the Emil Frey Group on acquiring the operations. Sabev & Partners reportedly advised the Renault Group as well.	N/A	Serbia
09-May	Vulic Law	Vulic Law advised Swiss hotel owner Cofis SA on the establishment of a new operator to manage a hotel in Belgrade.	N/A	Serbia
09-May	Schoenherr; SOG	The SOG Law Firm advised PowerChina Resources on its acquisition of a 51% stake in the Vetrozelena wind farm project from CWP Europe. Moravcevic Vojnovic and Partners in cooperation with Schoenherr reportedly advised the seller.	N/A	Serbia
17-Apr	Guclu Law Firm; Keco Legal	Kumkumoglu Ergun Cin Ozdogan advised Robeff Technology on its USD 200,000 seed investment round led by Yildiz Tekno GSYO and supported by Adventures GSYF. The Guclu Law Firm advised the lead investors.	USD 200,000	Turkey
17-Apr	KP Law; Paksoy	Paksoy advised Dogan Sirketler Grubu Holding and members of the Aytemiz family on the sale of Aytemiz Akaryakit Dagitim to Tatneft. KP Law advised Tatneft.	N/A	Turkey
18-Apr	Paksoy; Winston & Strawn	Paksoy, working with Winston & Strawn, advised MCC Verstraete on its acquisition of Korsini-Saf Ambalaj from Korozo Ambalaj and Enrico Corsini.	N/A	Turkey
19-Apr	Latham & Watkins; Paksoy	Paksoy, working with Latham & Watkins, advised Rivulis on its acquisition of a part of the international irrigation business of Jain Irrigation.	N/A	Turkey
21-Apr	Aksan	Aksan advised Simya VC on its investment in AI-powered content creation tool developer Evercopy.	N/A	Turkey
02-May	Hengeler Mueller	Hengeler Mueller advised Salzgitter Mannesmann on the sale of its 50% stake in Europipe US-based subsidiary Berg Pipe to Istanbul-based Borusan Mannesmann.	N/A	Turkey

Date Covered	Firms Involved	Deal/Litigation	Value	Country
08-May	Erdem & Erdem; Kinstellar (Gen Temizer Ozer)	Erdem & Erdem advised Sisecam on its acquisition of EBRD's stake in Sisecam Environmental Systems. Kinstellar Turkish affiliate Gen & Temizer Ozer advised the EBRD.	N/A	Turkey
11-May	Dentons (BASEAK); Keco Legal	Dentons Turkish affiliate Balcioglu Selcuk Ardiyok Keki Attorney Partnership advised Vgames and 500 Emerging Europe on their participation in Frantic Games' USD 2.4 million investment round that also included Golden Square I. Kumkumoglu Ergun Cin Ozdogan advised Frantic Games.	USD 2.4 million	Turkey
12-May	Baker Mckenzie; Gide Loyrette Nouel (Ozdirekcan Dundar Senocak)	Baker McKenzie Turkish affiliate Esin Attorney Partnership advised Groupama Assurances Mutuelles on the sale of Groupama Investment Bosphorus Holding to AXA Mediterranean Holding. Gide Turkish affiliate Ozdirekcan Dundar Senocak advised the buyer.	N/A	Turkey
17-Apr	Baker Mckenzie	Baker McKenzie advised Digital Media Solutions on its acquisition of the assets of global performance marketing company ClickDealer.	N/A	Ukraine
18-Apr	Asters	Asters successfully represented Andriy Kuzmenko's estate in copyright proceedings in Ukraine.	N/A	Ukraine
19-Apr	Arzinger	Arzinger successfully represented the interests of Lyudmyla Ivanivna Mayboroda before the European Court of Human Rights in the Mayboroda versus Ukraine case, on a pro bono basis.	N/A	Ukraine
28-Apr	Ilyashev & Partners	Ilyashev & Partners successfully represented Ferrexpo before the Supreme Court of Ukraine against claims of the share purchase agreement for a 40.19% stake in Ferrexpo Poltava Mining being invalid coming from four former shareholders seeking the reclamation of their shares.	N/A	Ukraine
08-May	Redcliffe Partners	Redcliffe Partners advised the EBRD on its up to USD 100 million secured loan to Ukrainian poultry and grain producer MHP.	USD 100 million	Ukraine
10-May	Everlegal	Everlegal successfully represented Agromino subsidiary Oliynikova Sloboda LLC before the Grand Chamber of the Supreme Court in a land lease-related dispute.	N/A	Ukraine
10-May	Ilyashev & Partners	Ilyashev & Partners successfully represented the creditors of bankrupt Fortuna-Bank's beneficiary, Serhii Tyshchenko, in bankruptcy proceedings before the Economic Court of Kyiv.	UAH 1 billion	Ukraine
10-May	Ilyashev & Partners	Ilyashev & Partners advised the Ukrainian Red Cross, on a pro bono basis, regarding the development of a construction contract for the capital repair of the old building of the First Medical Union of Lviv's clinic, on Mykolaichuka Street in Lviv, on the basis of which the Unbroken National Rehabilitation Center was created.	N/A	Ukraine
11-May	Avellum	Avellum advised the American University Kyiv on establishing its campus in the Kyiv River Port building, in Poshtova Square in Kyiv.	N/A	Ukraine
12-May	Avellum; Sayenko Kharenko	Avellum advised the Ministry of Finance of Ukraine on a CAD 2.4 billion concessional loan from Canada. Sayenko Kharenko advised the Government of Canada on Ukrainian law-related matters.	CAD 2.4 billion	Ukraine
12-May	Asters	Asters advised the Black Sea Trade and Development Bank on its EUR 25 million short-term revolving trade finance facility to Ukraine's Concern Galnaftogaz.	EUR 25 million	Ukraine

Table of Deals:

■ Full information available at:
www.ceelegalmatters.com
■ Period Covered:
April 16, 2022 - May 15, 2023

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We're not perfect;
we admit it. If something slipped past us, and if your firm has a deal, hire, promotion, or other piece of news you think we should cover, let us know. Write to us at: press@ceelm.com

GROWING ORGANICALLY ACROSS CEE: PETERKA & PARTNERS OPENS FOR BUSINESS IN CROATIA

By Teona Gelashvili

Peterka & Partners has been steadily expanding its reach across Europe for more than 23 years, with the recent addition of Croatia to the firm's network. Peterka & Partners Managing Partner Ondrej Peterka and the Croatian firm's Main Contact Person, Attorney-at-Law Anja Haramija, share details about the firm's vision and its recent expansion.

CEELM: Starting from the beginning, how was Peterka & Partners established initially and how did it grow to eight offices in eight countries in 23 years?

Peterka: Peterka & Partners was established in Prague back in 2000 with a team of ten lawyers. Over time, the firm has expanded its reach to other countries in Eastern Europe. In 2001, we opened an office in Slovakia, followed by Ukraine in 2005, and Bulgaria in 2008. In 2010, the firm extended its presence to Poland and Romania and, in 2013, we established an office in Hungary. The newest addition to the firm's network is the Croatian office, which opened in March 2023.

CEELM: Joining networks and establishing cross-border law firm partnerships seem to be much more frequent these days, in terms of expanding a law firm's footprint. What's your strategy and why is it different?

Peterka: Our approach to expanding our operations involves opening new offices as greenfield operations, rather than acquiring law firms. Typically, we send expat personnel to initiate the process, and then we transition to local management. However, over time, we opted to work directly with local people (without any expats), as happened during our recent expansion into Hungary and Croatia.

Although our model is more financially demanding, it allows us to invest in one firm's operation, including IT, marketing, and personnel, which, in return, provides significant benefits to our clients, who value an integrated firm. They appreciate the control we have over all our offices, our single system of fees, and the dialogue we have regarding the client-law firm relationship. Consequently, we find that regional firms like ours are in a better position to meet their needs.

CEELM: What about your latest expansion effort? Why did Croatia make sense, what was the initial plan, and how did that turn out, considering market specifics?

Peterka: We have established a strong presence in Croatia due to several reasons. Firstly, we have received numerous client requests over the years to cover the former Yugoslavia, and Croatia is the largest jurisdiction of theirs that is part of the EU. It makes great sense to coordinate services in the former Yugoslavia from Zagreb, as this is a central location. Secondly, many international groups – our clients – are already operating in Croatia or expressing interest in working with us there. Finally, there is a significant relationship between the Czech Republic, Slovakia, Poland, and Croatia, with a lot of cross-border investments in Croatia.

When we opened our office, we hired our first lawyers and started working to see how things would progress. Fortunately, things are going quite well, and we have proceeded similarly to how we had established our presence in other countries. We believe starting operations and working as you go is important, adapting to the circumstances as they arise.

CEELM: Anja, what were the factors that motivated you personally to consider joining the Peterka & Partners team?

Haramija: For the past six and a half years, I have worked in two prominent Croatian law firms, but their focus was mainly domestic, lacking the international orientation that I find most intriguing. As a result, I was drawn to the Peterka & Partners team, which operates in eight European countries and has a team of highly motivated and talented lawyers.

After my initial interview, I was impressed with the group's organized and goal-oriented approach, as well as their high-profile clients and challenging work. It was an opportunity that I couldn't resist and, three months later, I am thrilled to have accepted the offer.

Ondrej Peterka, Managing Partner, Peterka & Partners

Anja Haramija, Attorney-at-Law, Peterka & Partners

CEELM: Ondrej, how did you choose Anja, as you previously had no feet on the ground?

Peterka: The most crucial and challenging task for any organization is to select the right people. That's why I took a personal interest in the process when we were looking to add new team members. We reached out to firms, lawyers, and HR agencies in Croatia, using several channels to identify potential candidates. We conducted multiple interviews, and Anja stood out for her pragmatic approach, commitment, and ability to act quickly.

We were also pleased that, given that our firm has a high percentage of women – close to 70% – including in management, Anja would fit the team perfectly. This is not just a trendy statement but our long-standing commitment. After working with Anja for three months, we can confidently say that she was the right choice. She has integrated well into the team and is performing exceptionally.

CEELM: When setting up a new office in Croatia, what were the main priorities on your to-do list?

Haramija: Our initial thought was to hire competent personnel, including lawyers and administrative staff, who can deliver top-notch legal services. We utilized various networks and channels, including agencies, to search for suitable candidates, and conducted multiple rounds of interviews. We now have three lawyers and one administrative staff member on our team.

Secondly, we also had to find an office. Rather than opting for contemporary skyscrapers, we preferred the traditional architecture and charming essence of the old-fashioned buildings situated in the heart of Zagreb. Although it was challenging to find properties that met our requirements, we managed to locate suitable premises promptly. Today, our office is located in the most beautiful Zagreb Park – Zrinjevac – where we occupy 150 square meters of office space.

CEELM: What are your relatively short-term and long-term objectives in terms of operating in the Croatian market, and what is your focus now?

Haramija: Our objective is to offer legal services of the utmost quality while also attracting new clients. We aim to expand our team to ten lawyers, with each person specializing in their respective fields, ranging from corporate and M&A to labor, public procurement, real estate, and more. Until we achieve this, we will be pursuing a holistic approach to our services, with internal specializations for the time being. Our ultimate goal is to provide legal assistance in all areas, thus establishing ourselves as a full-service law firm, as we have done in all other countries.

CEELM: What's the one thing that's hardest for your firm when branching out into a new market?

Peterka: The crucial element is to find the right people. Our company caters to clients from both international and the local Czech, Slovak, and Polish markets who express an interest in collaborating with us. However, providing exceptional service relies heavily on having the appropriate personnel in place. Hence, we conducted thorough research to ensure that we can offer the same level of guidance in Croatia as we do in other countries.

CEELM: Finally, what's Peterka & Partners' strategy for the next 23 years?

Peterka: Our goal is for our law firm to continue beyond our tenure. As such, we are exploring opportunities for expansion into other regions, including all former Yugoslav countries, Scandinavia, the Baltics, and what we refer to as the former Austria-Hungary. As a regional legal service provider with a one-stop model, we are serious about these prospects and are considering them carefully, taking into account our experience in Croatia. We have received positive feedback from clients and are confident that they will continue to follow us into new markets. ■

ON THE MOVE: NEW HOMES AND FRIENDS

Croatia: Tarja Krehic Leaves Deloitte Legal Network to Establish Law Office Krehic

By Teona Gelashvili (April 28, 2023)

Tarja Krehic of Krehic & Partners has left the Deloitte Legal Network to set up Law Office Krehic in Zagreb.

Krehic, who is a Managing Partner at Krehic & Partners, has been cooperating with Deloitte Legal since 2019. Between 2010 and 2019, she was a Partner at Law Office Krehic & Stanicic. Prior to that, Krehic held positions at Wolf Theiss between 2003 and 2010, and at Croatian Telekom between 2000 and 2003.

"Besides focusing on M&A, Law Office Krehic will focus on supporting businesses looking for financing in the ICT and energy sector and to keep a strong focus on multi-disciplinary areas of privacy, AI, and overall compliance, as well as to introduce some new topics such as the immense effects of the Foreign Subsidies Regulation," Krehic commented. ■

Bulgaria: Dinova Rusev & Partners Joins SELA

By Andrija Djonovic (May 8, 2023)

Bulgarian law firm Dinova Rusev & Partners has joined the South East Legal Alliance.

According to SELA, "after much careful consideration, Dinova Rusev & Partners was selected as it shares the same values and goals as SELA and will therefore add significant value to the network while allowing us to maintain our guarantee for seamless legal service across Southeast Europe."

Founded in May 2005 by Anelia Dinova and Milen Rusev, Dinova Rusev & Partners is an independent law firm providing full-scope legal services.

SELA is a regional network of independent law across South East Europe. SELA's membership spans across eight jurisdictions, with alliance members in Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Montenegro, North Macedonia, Serbia, and Slovenia. ■

Hungary: Halmos & Janosi Law Office Opens Doors in Budapest in Partnership with Niveus Legal

By Radu Cotarcea (May 8, 2023)

Former Hogan Lovells Senior Associates Tamas Halmos and Zoltan Janosi have established Halmos & Janosi Law Office which will operate in partnership with the Niveus Group under the Niveus Legal | Halmos and Janosi Law Office brand.

The Niveus Group, which offers "tax, accounting, transfer pricing, audit, and advisory services in various strategic areas," established its legal consultancy business in 2019 under the lead of Adam Fischer of Fischer Law Firm.

Janosi joined the Budapest office of the international firm in 2006 as a Trainee Lawyer. He was promoted to Associate in 2010 and was appointed to Senior Associate in 2017. He specializes in corporate/M&A, restructuring, and real estate.

Halmos first joined Hogal Lovells in 2011, also as a Trainee Lawyer. In 2015 he was promoted to Associate and became a Senior Associate in 2022. He specializes in dispute resolution, real estate, public procurement, and data privacy. ■

Czech Republic: Zdenek Mikulas and Team Leave Samak to Establish Talers Advisory Group

By Teona Gelashvili (May 9, 2023)

Zdenek Mikulas, Petra Hajkova, and Jiri Cerny have left Samak to establish the Talers advisory group in the Czech Republic.

Talers will focus on providing legal, tax, accounting, and economic consulting services in the areas of M&A, generational changes, and the management of family wealth matters.

Mikulas specializes in corporate and M&A and was a Founding Partner of Samak between 2011 and 2023. Earlier, he spent over ten years at White & Case as a Senior Associate. Between 1999 and 2000, Mikulas was an Associate at Feddersen, Laule, Ewerwahn, Finkelnburg & Clemm.

Hajkova also has expertise in corporate and M&A and has been with Samak since 2021, having first joined as an Attorney-at-Law. Earlier, she was an Attorney-at-Law with Peyton, from 2018 to 2021, and with the Hajek Zrzavecky Law office, from 2011 to 2018, where she first joined as a Junior Associate in 2008. Earlier still, Hajkova was a Junior Associate with the Velisek & Podpera Law office from 2006 to 2008.

Focusing on corporate and M&A as well, Cerny previously worked as an Associate with Svehlik & Mikulas – the law firm within Samak – from 2012 to 2022. He was also a Junior Associate at Garris Legal from 2011 to 2012. Before that, Cerny was a Legal Assistant at Kotrlik Bourgeault Andrusko from 2008 to 2009, and at the Sophos Law Office from 2007 to 2008.

"Our team consists of experienced lawyers, tax advisors, and economic analysts," Mikulas commented. "We have a long-term practice in implementing sales, purchases, and transformations of companies, creating and proposing holding structures, selecting suitable methods for transferring company leadership to successors or providing daily support to clients in their business operations, such as legal agenda and tax services. This allows us to approach each client comprehensively and individually." ■

Turkey: Karahan & Aydin Joins CBC Law

By Andrija Djonovic (May 10, 2023)

Turkish law firm Karahan & Aydin has joined forces with CBC Law – formerly Cetinkaya Attorneys-at-Law – with Ahmet Karahan and Gurhan Aydin becoming CBC Law Partners, while Omer Faruk Ozdemir joined as a Senior Associate.

According to CBC Law, Karahan, who joined the firm's Dispute Resolution team, focuses primarily on administrative litigation and regulatory matters. Before founding Karahan & Aydin in 2018, he spent almost 12 years with Herguner Bilgen Ozeke.

According to the firm, Aydin, also joining the Dispute Resolution team, brings 15 years of experience in complex disputes and transactions. Before setting up Karahan & Aydin in 2018, he spent over four years with Kolcuoglu Demirkan Kocakli and over three years with Yamaner and Yamaner.

Karahan and Aydin's "contributions will enable CBC Law to offer even more exceptional and effective results," CBC Law announced. ■

PARTNER APPOINTMENTS

Date	Name	Practice(s)	Firm	Country
19-Apr	Arno Zimmermann	Corporate/M&A; Litigation/Disputes	CMS	Austria
19-Apr	Hans Lederer	TMT/IP	CMS	Austria
19-Apr	Klaus Pateter	TMT/IP	CMS	Austria
15-May	Nicole Daniel	Litigation/Disputes	DLA Piper	Austria
11-May	Marta Zavadilova	Litigation/Disputes	Briza & Trubac	Czech Republic
11-May	Barbora Klimesova	Labor; Corporate/M&A	Briza & Trubac	Czech Republic
15-May	Petra Konecna	Corporate/M&A; Banking/Finance	Eversheds Sutherland	Czech Republic
2-May	Miklos Kadar	Banking/Finance	Allen & Overy	Hungary
10-May	Akos Kovach	Competition	Hogan Lovells	Hungary
10-May	Daniel Aranyi	Corporate/M&A; Energy/Natural Resources; Competition	Bird & Bird	Hungary
11-May	Levente Hegedus	Banking/Finance; Capital Markets; Insolvency/Restructuring	Kinstellar	Hungary
26-Apr	Marta Cera	Banking/Finance	Ellex	Latvia
26-Apr	Anete Dimitrovska	Litigation/Disputes; Real Estate	Ellex	Latvia
26-Apr	Edvijs Zandars	TMT/IP; Competition	Ellex	Latvia
12-May	Audrius Slazinskas	Corporate/M&A; Private Equity	Noor	Lithuania
12-May	Evaldas Petraitis	Corporate/M&A; Private Equity	Noor	Lithuania
12-May	Ruslan Boiko	Compliance; White Collar Crime	Noor	Lithuania
19-Apr	Alicja Zalewska-Orabona	TMT/IP	CMS	Poland
3-May	Katarzyna Waclawek	Banking/Finance	DLA Piper	Poland
3-May	Piotr Miller	Corporate/M&A; Private Equity	DLA Piper	Poland
3-May	Irena Floras-Goode	Banking/Finance	Clifford Chance	Poland
19-Apr	Mihai Jiganie-Serban	Litigation/Disputes; White Collar Crime	CMS	Romania
12-May	Oana Dutu-Buzura	Corporate/M&A	DLA Piper	Romania
15-May	Ion Alexandru	Litigation/Disputes	Gavrila & Asociatii	Romania
28-Apr	Ivana Rackovic	Litigation/Disputes	Karanovic & Partners	Serbia
9-May	Milica Pesteric	Corporate/M&A; Energy/Natural Resources	BD2P	Serbia
9-May	Milos Andrejevic	Litigation/Disputes; Labor; Corporate/M&A	BD2P	Serbia
9-May	Stefan Golubovic	Litigation/Disputes; Corporate/M&A; Banking/Finance	BD2P	Serbia
11-May	Tomas Melisek	Banking/Finance; Capital Markets	Kinstellar	Slovakia
10-May	Ahmet Karahan	Litigation/Disputes	CBC Law	Turkey
10-May	Gurhan Aydin	Litigation/Disputes	CBC Law	Turkey
10-May	Cigdem Soysal	Labor	KP Law	Turkey
11-May	Bulut Girgin	Competition; Compliance	Kinstellar	Turkey
11-May	Anastasiya Bolkhovitinova	TMT/IP	Kinstellar	Ukraine
11-May	Natalia Kirichenko	TMT/IP	Kinstellar	Ukraine
11-May	Oleg Matiusha	Real Estate; Logistics/Transportation	Kinstellar	Ukraine
11-May	Illya Muchnyk	TMT/IP	Kinstellar	Ukraine

PARTNER MOVES

Date	Name	Practice(s)	Moving From	Moving To	Country
28-Apr	Tarja Krehic	Corporate/M&A; TMT/IP; Compliance; Data Protection	Deloitte Legal	Law Office Krehic	Croatia
9-May	Zdenek Mikulas	Corporate/M&A	Samak	Talers Advisory Group	Czech Republic
9-May	Petra Hajkova	Corporate/M&A	Samak	Talers Advisory Group	Czech Republic
9-May	Jiri Cerny	Corporate/M&A	Samak	Talers Advisory Group	Czech Republic
8-May	Tamas Halmos	Litigation/Disputes; Real Estate, Data Protection; Infrastructure/ PPA/Public Procurement	Hogan Lovells	Halmos & Janosi Law Office	Hungary
8-May	Zoltan Janosi	Corporate/M&A; Real Estate; Insolvency/Restructuring	Hogan Lovells	Halmos & Janosi Law Office	Hungary
11-May	Magdalena Nasilowska	Corporate/M&A; TMT/IP	Baker McKenzie	Allen & Overy	Poland
10-May	Ahmet Karahan	Litigation/Disputes	Karahan & Aydin	CBC Law	Turkey
10-May	Gurhan Aydin	Litigation/Disputes	Karahan & Aydin	CBC Law	Turkey

IN-HOUSE MOVES AND APPOINTMENTS

Date	Name	Moving From	Company/Firm	Country
12-May	Maris Liguts	Baltic International Bank	Fort Legal	Latvia
26-Apr	Karolis Gudas	Rail Baltica	Karolis Gudas Law Firm	Lithuania
10-May	Joanna Dynysiuk	Polish Development Fund	FTF Services	Poland
10-May	Alina Antonie	Huawei	DLA Piper	Romania
12-May	Gonca Sonmez Uyguc	Takeda	Takeda	Turkey

OTHER APPOINTMENTS

Date	Name	Firm	Appointed To	Country
11-May	Daniel Gera	Schoenherr	Managing Partner	Hungary
25-Apr	Anna Pukszto	Dentons	Managing Partner	Poland
25-Apr	Bartlomiej Kordeczka	Dentons	Managing Partner	Poland
3-May	Rafal Kluziak	DLA Piper	Equity Partner	Poland
18-Apr	Tugce Yalcin	Taylor Wessing	Head of CEE Turkish Desk	Turkey; Austria
17-Apr	Feyza Gerger Erdal	Ibrahimovic & Co	Head of Turkish Desk	Turkey; Bosnia and Herzegovina

On The Move:

- Full information available at: www.ceelegalmatters.com
- Period Covered: April 16, 2022 - May 15, 2023

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THE BUZZ

In The Buzz we check in on experts on the legal industry across CEE for updates about developments of significance. Because the interviews are carried out and published on the CEE Legal Matters website on a rolling basis, we've marked the dates on which the interviews were originally published.

Picking Up Speed in Romania: A Buzz Interview with Daniel Alexie of MPR Partners

By Andrija Djonovic (May 10, 2023)

Romania's markets faced a bit of a slow start to the year but have since overcome it and are back on the right track, according to MPR Partners Partner Daniel Alexie.

"The start of the year was somewhat slower and less energetic when it comes to M&A work," Alexie begins. "But I would not read much into it – the turn of the year is usually a slower period, with many investors taking a well-earned break and pausing some of their activities." Indeed, he reports that transactional work has spiked recently, with "IT and tech leading the charge. I feel that the market will only get stronger as the year progresses, to be honest."

> *Following the beginning of the war in Ukraine, we have seen high numbers of Ukrainian and Ukrainian-controlled businesses setting up shop in Romania.*

In addition to M&A and transactional work, Alexie reports spikes in activities on account of migration. "Following the beginning of the war in Ukraine, we have seen high numbers of Ukrainian and Ukrainian-controlled businesses setting up shop in Romania," he says. "We have witnessed movement in various areas, including IT, agriculture, and even the courier businesses. This relocation and, to a degree, expansion of businesses is logical, given the proximity of the two countries and the attractiveness of the business market in Romania," he explains. "It is a good sign that our neighbors from Ukraine are finding the energy to move forward in these difficult times."

Turning more to local legislative innovations, Alexie mentions a draft law specifically aimed at lawyers – which was shot down recently. "The draft law proposed setting up a central digital platform, created by the Romanian National Bar Union, which was supposed to be used by lawyers to interact with clients, courts, and other authorities," he says.

"If this had passed, lawyers that opted to use it would be expected to undertake all of their digital work through this platform. This created a lot of friction within the legal community, raising concerns about attorney-client privilege, the privacy of personal data, and confidentiality – leading to strong opposition to the proposal," Alexie explains. Ultimately, the draft law was not to pass, and "one can only wonder if a similar project will appear in the future."

Finally, from a more practical perspective, Alexie reports a market adjustment. "Following the updates to the trade registry procedures and regulations last November, the market is still adjusting to all of the amendments and innovations," he says. With the changes to the framework leading to a full digitalization of procedures and processes, Alexie reports that "we still find ourselves in a bit of a transitional period. While there clearly are a lot of benefits – for example, it is much easier to obtain certain documents that are essential for due diligence procedures – there are still some hurdles, for instance when submitting documents in multiple languages." However, even with the markets still getting used to these innovations, Alexie concludes that "they're a step in the right direction." ■

Hot Money in Hungary: A Buzz Interview with Peter Lakatos of Lakatos, Koves and Partners

By Andrija Djonovic (May 11, 2023)

The start of the year might have been a bit slow in Hungary as well, but things have shifted towards a more positive outlook for the legal industry in the country, according to Lakatos, Koves and Partners Managing Partner Peter Lakatos.

"In general, there was a kind of a slowdown at the beginning of the year, with activity levels being a bit lower when compared to recent years, but things have since started to pick up across all sectors," Lakatos begins. "The intensity of the activities is going up and this trend is likely to continue for the immediate future." According to him, the general areas that generate work for lawyers are cross-border M&A, real estate, finance, regulatory matters, and dispute resolution. "Following a tumultuous 2022 on account of the shock following the start of the war in Ukraine, real estate, for example, has picked up and is slowly but surely returning to its former strength," Lakatos says.

Additionally, healthy levels of cross-border M&A activity and associated movement mark Hungarian markets. "There are quite a few projects of note in the pipeline across many sectors, in particular concerning renewables (solar and geothermal) and with developments anticipated concerning wind power," Lakatos says. Among the spearheads of activity "we see the automotive industry, in the widest sense, including EV/battery or logistics related investments, creating a lot of work," Lakatos continues. "In the automotive sector, and more widely, Hungary continues to benefit from supply chain restructuring, remaining an attractive location for both manufacturing, R&D, and SSCs. While there are no specific drivers per se, we see continued exits taking place in multiple sectors with new investors seeking to fill out the gaps," he explains.

Focusing on M&A, Lakatos reports there are important legislative movements for cross-border transactions. "The new FDI control mechanism and associated regulatory framework are in a constant state of flux and change, and both M&A and financing transactions have been feeling this legislative evolution quite a bit," he reports. "With the framework evolving frequently, and changes being introduced often, businesses are becoming more cautious when navigating their course." Other continuing trends in transactional activity are succession sales and intra-regional transactions, "with a notable pick-up in activity involving the Baltics – investment in IT and software companies – and the continuing expansion of companies closely aligned with the governing party, e.g., the acquisition by 4iG of Vodafone Hungary," Lakatos reports.

Following a tumultuous 2022 on account of the shock following the start of the war in Ukraine, real estate, for example, has picked up and is slowly but surely returning to its former strength.

Finally, assessing the current status of the Hungarian economy, Lakatos reports several trends of note. "I keep hearing from clients and financial experts that, while inflation is still a large issue and therefore interest rates have been on a constant rise, there is also a lot of hot money in the market being placed into high interest-earning government bond-type lucrative investments," he explains. "Therefore, the forint is still quite stable at the moment, but there is reason to believe that this may quickly change once the prime interest rate of the National Bank of Hungary is lowered."

Lakatos stresses that, while this current status quo might be affecting the export sector in an adverse fashion, it has not had the same impact on other areas: "for example, the actual cost in forints of energy imports. Making predictions as to how the year will pan out from a national economic perspective is an arduous task, but I suspect that there will be room for glad tidings as the year progresses," he concludes. "If peace and stability could be restored in Ukraine, that would, while drawing investment away from the rest of the region, offer significant opportunities for involvement in reconstruction."

Commercial Disputes Gain Momentum in Turkey: A Buzz Interview with Demet Kasarcioglu of Esin Attorney Partnership

By Andrija Djonovic (May 12, 2023)

As the country quickly approaches the end of another election cycle, there appears to be an increase in litigation proceedings in Turkey – at least when it comes to the M&A and construction sectors – according to Esin Attorney Partnership Partner Demet Kasarcioglu.

"It's been pretty busy lately," Kasarcioglu begins. With elections just around the corner in Turkey, it would be expected for businesses to be slowing down but, quite to the contrary, Kasarcioglu reports that there is "activity across the board, which is very good and, additionally, spells good things for incoming work after the election cycle ends."

Kasarcioglu says that litigation, especially commercial litigation and white-collar crime, is on the up. "We have seen quite some activity in this area, especially in terms of the M&A and construction sectors for commercial cases," she says. "The Turkish construction sector, overall, does not have the requisite resources, it would appear at least for now, to lead to a massive escalation of disputes to official legal platforms in this area, but we are weary of the fact that there might be an uptick soon."

A first instance commercial case can take up to three years, to begin with, which only goes up to around five years in the best case but can be more than ten years for extreme cases for the proper finalization of matters – which is why most parties turn to arbitration as it is much quicker. This means that we might see an increase in arbitration proceedings that would, then, lead to a lower number of cases being tried before regular courts – thus lowering the burden on judges.

On the other hand, Kasarcioglu says the M&A sector is quite litigious. "Given the recent economic turmoil that the world found itself in, as well as the upcoming elections, we have seen a lot of disputes, settlements, but also transactions taking place." According to her, following the end of the election cycle, there might be more disputes incoming, depending on the overall economic status of the country.

"Not to mention that, consequently, there might be some impact on the work of judges themselves," Kasarcioglu says. "A first instance commercial case can take up to three years, to begin with, which only goes up to around five years in the best case but can be more than ten years for extreme cases for the proper finalization of matters – which is why most parties turn to arbitration as it is much quicker. This means that we might see an increase in arbitration proceedings that would, then, lead to a lower number of cases being tried before regular courts – thus lowering the burden on judges."

Focusing on the drivers behind such strong dispute levels, Kasarcioglu first mentions inflation. "The inflation rising has led to a big hit for the construction industry, with construction materials becoming more expensive. Coupled with the war in Ukraine and actual shortages in these materials, the prices have skyrocketed, which placed a lot of pressure on the sector and all of its adjacent areas," she explains.

As for M&A disputes, it appears that the root cause is a much more familiar one – breaches of representations and warranties. "Based on our experience, almost 40% of M&A disputes come about following a breach of representation and warranties, with some 20% caused by price adjustments," she continues. "These lead to shareholders choosing to exercise their options, in turn leading to positions in which corporate management principles might be breached," she points out, "which then has a domino effect – inciting disputes between a wide plethora of parties on all levels."

Seeing this, Kasarcioglu concludes "it is prudent to always remember that – when it comes to shareholder friction – dispute management and settlement is key in mitigating unnecessary lengthy legal proceedings and their related costs." ■

Tax and Labor Changes for Busy Czech Republic Markets: A Buzz Interview with Karla Rundtova of Kinstellar

By Andrija Djonovic (May 15, 2023)

A rather busy M&A market in the Czech Republic – with the IT, industrial, and energy sectors spearheading economic bustle – will soon face important legislative updates regarding the tax system and labor regulations, according to Kinstellar Partner Karla Rundtova.

"I would say that, perhaps surprisingly, we have seen that the M&A market has been quite busy lately," Rundtova begins. "There were a few huge deals completed at the start of 2023, and, just recently, a new major deal was announced – a bidding process for the Packeta sale." With such strong levels of transactional activity, it stands to reason to assume that the market is in good shape: "I am rather optimistic, we do see a lot of investor interest out there," she adds. Of course, there are some instances where there are slowdowns. "Real estate has not been as successful as it could be, overall," Rundtova continues. "But we do see strong activity on the logistics and retail parks front. Perhaps there will not be as much M&A work, but with the new construction law incoming and ESG considerations permeating every discussion – there will for sure be work for lawyers," she says.

And, talking about work, there seems to be a lot of it coming from outside of the European Union. "We see a lot of interest in the region, mostly coming from outside of the EU, which raises FDI screening mechanism considerations," Rundtova says. "So much are we engaged with this line of work that we have set up a dedicated service line for it."

Focusing on specific sectors that have demonstrated high levels of activity, Rundtova says that "tech, industrial (including defense), and automotive are leading the pack." Specifically, she reports that "the COVID-19 crisis and the subsequent supply shortages, coupled with the energy prices shift have all influenced the companies in the automotive industry to adapt their portfolios. We are seeing a number of divestments and restructurings ongoing," she explains. "Also, the automotive industry continues to be hugely impacted by the EU green deal – there is a lot of movement spurred on by it, for example, when it comes to battery production."

Furthermore, Rundtova reports there has been a lot of talk about financial technologies. "With fintech being a part of a lot of ongoing debates – and the subject of a lot of client inquiries – it would seem that it is here to stay when we talk about the financial markets," she says. According to her, investors are particularly interested in the regulatory conditions surrounding fintech, as well as in the direction those may evolve.

Finally, providing insights on recent legislative movements of note, Rundtova mentions the tax and labor frameworks. "Given the economic situation and the situation with the state budget, significant tax changes and other budget-saving measures have been announced just recently, such as an increase of the corporate income and real estate taxes, changes regarding VAT, pensions, social and health insurance contributions, the cancellation of certain state subsidy programs, etc.," she says. Additionally, the labor code stands to be overhauled in a significant way, making way for stricter regulations of "widely used agreements for part-time work, temp work, or work outside the employment relationship. This will likely have a significant impact on the labor market," Rundtova notes.

"Real estate has not been as successful as it could be, overall. But we do see strong activity on the logistics and retail parks front. Perhaps there will not be as much M&A work, but with the new construction law incoming and ESG considerations permeating every discussion – there will for sure be work for lawyers.

An Eye on the Balance in Estonia: A Buzz Interview with Kirsti Pent of TGS Baltic

By Andrija Djonovic (May 16, 2023)

Estonia is looking at reforming its tax system and the legal profession's standards, amid overall economic uncertainty that is impacting banking, finance, and start-ups, according to TGS Baltic Partner Kirsti Pent.

"One of the main general talking points in Estonia recently has been the planned governmental tax reform," Pent begins. According to her, the government of Estonia is planning to "balance the state budget by raising the income tax for both natural and legal persons by two percentage points." Currently, Estonian companies pay income tax only upon distributing profits. "For some years already, income tax at a lower rate has applied in case dividends are paid out regularly, but now the government is planning to abolish this advantage. The value-added tax will also be increased by two percentage points and accommodation services will become subject to the same general tax rate," she explains.

Furthermore, Pent reports that the government seeks to introduce a vehicle tax – the lack of which has set Estonia apart from most other countries up to this point. "We're one of the few countries that have yet to introduce a vehicle tax, but that stands to change soon," she says. "While it is still not clear how this will be done, it is expected that two factors will weigh heavily: carbon dioxide emissions and whether the vehicle is a luxurious one."

While Pent posits that the ongoing tax reform, if carried out correctly, might not generate much additional work for lawyers – and might not hold their interest for long – she says that the proposed reform to introduce a general legal exam very much will. "There have been substantial talks about potentially introducing a general legal exam in Estonia as means of remedying shortcomings in legal education and, potentially, also making it easier for legal professionals to change their career paths." Currently, the country has dedicated exams for judges, attorneys, notaries, prosecutors, etc. – but not a general legal exam. "The general position of the Bar Association is that the draft law that seeks to implement this exam is not as thought through as it should be, seeing as how the overarching goal – as publicly declared – is to improve the quality of legal professionals in the country," she says.

> *For some years already, income tax at a lower rate has applied in case dividends are paid out regularly, but now the government is planning to abolish this advantage. The value-added tax will also be increased by two percentage points and accommodation services will become subject to the same general tax rate.*

From a macro perspective, Pent says that the Estonian economy is in a bit of a gray area. "It is a sort of limbo status we are currently in, not being sure if we are going to enter into an even deeper downturn or if the worst has passed, given the highest inflation rates in the EEA we experienced recently," she shares. "As a testament to the general uncertainty, for the past two to three years, domestic start-ups have had no problem with accessing finance, but this has become increasingly more difficult of late. Several factors have played into this, including the war in Ukraine and Estonia sharing a border with the aggressor," Pent elucidates.

Finally, Pent reports that the banking and capital markets in Estonia are becoming more weary as well. "While we have had quite a few IPOs lately, especially on the alternative market, we do expect there to be fewer in the next couple of years." According to her, the banks have become more conservative "given the overall economic situation and it is becoming a bit more difficult to raise money at a reasonable price." Still, she points out, the "outcome will vary from one sector to another." ■

Bright Prospects and Busy Lawyers in Croatia: A Buzz Interview with Mojmir Ostermann of Ostermann & Partners

By Teona Gelashvili (May 18, 2023)

Despite the challenges, Croatia's M&A market appears to hold promise in 2023 – particularly in the retail, IT, and renewables sectors – according to Ostermann & Partners Managing Partner Mojmir Ostermann.

"As we approached the end of 2022, there was widespread concern about what 2023 would bring in terms of recession, inflation, and other negative economic indicators," Ostermann points out. "However, thankfully, things have been looking up so far, and we can anticipate a promising M&A market in 2023, with very interesting opportunities for mandates."

"It appears that this year holds great potential for professionals involved in M&A transactions, particularly in the retail, food, and energy sectors," Ostermann notes. "These industries are essential for sustenance, and people will continue to purchase food or energy regardless of fluctuating prices or weather conditions. Consequently, financial investors are keen to invest in these sectors. The main driver behind it is that these sectors are relatively resilient to challenges like a possible recession."

Ostermann highlights two significant M&A transactions that will probably happen in 2023 in Croatia. "Currently, the sale of Pevex, the largest DIY store in the Croatian market, has been announced by the main shareholder," he says. "Additionally, two weeks ago, Fortenova published that it started the process for examining interest by potential investors for the purchase of the Fortenova group, while Lazard has been engaged as an advisor."

Finally, Ostermann draws attention to significant developments in Croatia's renewables market. "We anticipate a significant influx of investments for photovoltaic power plants as Croatia's solar energy currently only accounts for less than 1% of the total energy produced, despite the favorable climate conditions," he points out. "The Ministry of Economy has recently begun issuing energy approvals for projects that have been in the works for over a year, though certain regulations are still lacking."

According to him, "due to a large number of applications, both the ministry and the transmission system operator require more time to determine not only how energy production will be implemented, but also how it will be integrated into the grid. This may be why the government is taking extra time to ensure that energy approvals are properly issued. It is likely that construction will begin on several projects by the end of the year, resulting in a significant increase in financing mandates." Overall, Ostermann believes that "the prospects for this year are bright, and lawyers can expect to remain busy."

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Serbia Welcomes IT, Pharma, and Energy Investments: A Buzz Interview with Vladimir Bojanovic of Bojanovic & Partners

By Teona Gelashvili (May 18, 2023)

Serbia seems to rank highly on the destination lists of foreign investors – as the country has been experiencing an uptick in M&A and the arrival of new players – with IT, pharmaceuticals, and energy being among the sectors seeing significant growth, according to Bojanovic & Partners Managing Partner Vladimir Bojanovic.

"Over the past few months, there has been an upward trend in the market with the arrival of new investors in Serbia," Bojanovic begins. "There have been several M&A deals that are considered landmarks. At the same time, the IT, pharmaceutical, and energy sectors are some of the most prominent industries experiencing significant growth."

And analyzing those sectors in order, Bojanovic first points out that the primary reason for the increased interest of international IT companies in Serbia is related to the local workforce. "Foreign IT companies are increasingly investing in human capital in Serbia," he says. "Artificial intelligence is gaining traction, and Serbian law firms are setting up departments focused on AI."

Second, moving on to the pharmaceutical industry in the country, Bojanovic notes, "it is also attractive to the region due to the availability of a talented workforce." He highlights that this has been an underlying trend in the past, adding that "pharmaceuticals have always been performing well in Serbia."

Third, Bojanovic mentions that – while there are some industries that are facing challenges – there are also new winners emerging. "One such sector is the renewable energy industry, which is experiencing phenomenal growth. There are numerous new laws being implemented to facilitate the transition to clean energy, resulting in significant investment in wind and solar energy," he says. "On the other hand, some sectors, such as coal mining, are not performing well and are gradually fading out. Despite this, coal is still being used due to the lack of alternatives, particularly given the situation with Russia."

Taking a step back and looking at legislative updates of note, Bojanovic points out that "currently, there is new legislation being adopted, mostly in the form of secondary legislation, including specific laws related to TMT, to develop practical solutions that are applicable to the current technological progress."

Finally, Bojanovic says "there are rumors that new elections may be held soon, either later this year or in the next. However, the situation regarding those elections remains unclear at this point."

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The Strategy for Better Times in Slovakia: A Buzz Interview with Katarina Mihalikova of Majernik & Mihalikova

By Andrija Djonovic (May 19, 2023)

With political instability leading to a legislative stall in Slovakia, a spark of hope flickers through the freshly approved National Research Development and Innovation Strategy, according to Majernik & Mihalikova Partner Katarina Mihalikova.

"A few weeks ago, the government approved a milestone in the Recovery plan – the *National Research Development and Innovation Strategy* – which is great news," Mihalikova begins. "This provides backup for swaths of resources, as well as a clear path and the requisite financial and implementation tools for innovation on a national level."

According to Mihalikova, the team around the Chief Innovation Officer at the Government of the Slovak Republic, Michaela Krskova, is to thank for this, because the "innovation agenda was not, historically speaking, a priority for our governments so far. People just didn't understand that the knowledge economy is the way forward and that the world would pull away from us if we just stuck to the traditionally successful endeavors like automotive construction facilities," she explains. "This new strategy is great news and, hopefully, it will bind future governments to the innovation agenda as well."

On the not-so-positive side of things, Mihalikova reports that the current government, which is in a state of dissolution, "has collapsed and will be replaced by a caretaker government. The President of Slovakia will appoint acting ministers – professionals with no political affiliations – to lead the country until the elections," she says. "This only exacerbated the already tumultuous state of political affairs and I hope that matters can stabilize by the time elections are around."

This also impacts the legislative agenda. "We are in a stall right now," Mihalikova continues. "The next parliamentary session had a scheduled agenda with more than 200 items on the docket – all of which are in a state of flux because there isn't a functioning parliament right now. Even the acts that we were supposed to have passed a long time ago, on account of harmonizing with the EU, are stalled," she explains.

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On the commercial side of things, Mihalikova reports a slowdown in the tech and start-up sector. "Investors are more careful with their money and are not handing it out as easily as they once did," she says. "Still, there are companies that are maturing after five to seven years on the market, and we have seen interesting exits. For example, Microsoft and Cisco are picking things up – but these are the results of hard work by the founders in previous years." She hopes that things will soon return to normal, with "valuations being more down to earth and more realistic, as there is still, perhaps more, potential to come up with and develop new ideas."

Finally, Mihalikova says it is becoming noticeable that the "deficiencies of our education system are catching up," with many people who are "studying abroad not coming back. This brain drain, coupled with the coming demographic crisis, would take years of systematic, focused work to offset," she notes. Connecting it all together, Mihalikova hopes the National Research Development and Innovation Strategy might help combat this: "Depending on its implementation, it might attract people and draw them back. And it might stimulate regional development as well as tech transfers from universities and the academic world to businesses."

Bulgaria Stable Despite Misstep: A Buzz Interview with Alexandra Doytchinova of Schoenherr

By Teona Gelashvili, (May 19, 2023)

In the midst of ongoing political gridlock following Bulgaria's fifth parliamentary election in two years, industries such as energy, renewables, high-tech, and healthcare still make the country an attractive investment destination, according to Schoenherr Office Managing Partner Alexandra Doytchinova.

"In April, Bulgaria witnessed its fifth parliamentary election in just two years, adding to the prevailing political deadlock," Doytchinova begins. "With no majority party and the inability to form a government, discussions on government formation continue to dominate the agenda."

> *We are witnessing a potentially encouraging development in the healthcare and life sciences sector. Historically, FDIs in this sector have been rare, with only occasional deals involving clinics and hospitals. However, we have already seen two interesting deals in the first quarter of this year.*

"Consequently, some international investors perceive it as a barrier to entering Bulgaria, and the country is starting to regain its reputation as (allegedly) politically unstable, reminiscent of an image we had 15 years ago," Doytchinova notes. "However, we strongly disagree with this viewpoint, and it seems the market shares a similar sentiment. While it is true that we currently lack a government, all election-winning parties have a clear Euro-Atlantic orientation and Bulgaria possesses a stable legal EU-based framework that facilitates business operations, with functioning authorities and courts. Although the absence of a government may result in slower progress, it does not introduce any increased risk to investments, nor should it hinder strategic and financial investors from pursuing opportunities in our country."

Regarding the market specifics, Doytchinova says "FDIs in 2022 surpassed the levels seen in 2021, indicating positive growth." However, she says there has been, reportedly, a concerning decline of 40% in FDIs during the first quarter of 2023 compared to the same period in 2022. "We hope that this is a temporary phenomenon limited to the start of this year," she notes.

"In terms of industries, we have not observed a significant shift compared to previous years," Doytchinova says. "There is a notable and continued strong interest in the energy and renewables sector, particularly in Bulgaria where the potential for solar power is promising. Furthermore, there is a consistent and ongoing interest in the high-tech/IT and telecommunication sector. This trend appears to be continuing at present."

"Additionally, we are witnessing a potentially encouraging development in the healthcare and life sciences sector," Doytchinova continues. "Historically, FDIs in this sector have been rare, with only occasional deals involving clinics and hospitals. However, we have already seen two interesting deals in the first quarter of this year – the acquisition of Home Medic by the SAT Health Group and the acquisition of Medical Center AmeriMed by the Bulstrad Life Vienna Insurance Group." This emerging trend is logical, she points out, "after the rapid development of telecommunications and the need for adequate medical care during the pandemic. The sector is very intriguing for us, as it may have positive implications for both individuals and overall societal well-being."

"Unfortunately, due to the lack of a stable parliament, there has been limited success in enacting legislation to adapt the laws to meet the requirements of the fast-developing economy," Doytchinova notes. "This has resulted in a lack of progress in updating laws and a slowdown with the absorption of European funds." For example, she says "Bulgaria is one of the few countries that still does not have any FDI regulation. Unlike other European jurisdictions, there are no state supervision or checks on the sources of investments. One could speculate that this intentional absence of regulations is aimed at attracting investors – who can freely make Europe-based, high-quality FDI without any filtering or scrutiny." ■

Montenegro Is Balancing the Books: A Buzz Interview with Luka Popovic of BDK Advokati

By Teona Gelashvili (May 22, 2023)

The political landscape in Montenegro is dominated by the upcoming elections and the formation of a new government – sometimes leading to populist measures that may negatively affect certain industries – yet sectors like energy, tourism, and IT keep experiencing growth, according to BDK Advokati Senior Partner Luka Popovic.

"In general, politics has become inescapable in Montenegro due to the recent and upcoming elections," Popovic says. "This constant pressure on politicians to win over voters often leads to adopting populist measures. For instance, the gaming industry requires a new, robust regulation but, instead, we have recently seen minor adjustments that add complexity without contributing to the sector's improvement."

Another such measure, according to Popovic, is the planned windfall tax, to be imposed on entities exceeding a threshold in revenue. "It is a kind of retroactive tax, and the need for it was the result of a budget deficit – which was itself largely the result of a populist measure," he points out. "The Europe Now program, which abolished the health insurance contribution a while ago to increase salaries, resulted in a revenue shortfall for the healthcare system," he adds. "This is why we are now facing tax increases, such as last year's increase in personal and corporate income taxes and this year's increase in real estate taxes."

Consequently, Popovic says, "although Montenegro remains an appealing investment destination, we are starting to witness a lack of predictability in regulations, particularly in the area of taxation." Still, he highlights that certain industries are staying busy: "In the first part of the year, there has been a surge of interest in the energy sector, with several renewable projects, such as solar and wind, receiving approval throughout the country," he notes. "Furthermore, there are good signs in the tourism sector, with some major operators establishing a presence in Montenegro and attracting new players and investors. Lastly, the IT sector's growth remains strong, with many local companies contributing to its expansion. Montenegro is becoming a regional hub for technology companies."

Popovic emphasizes that some significant transactions have already taken place in Montenegro. "The most significant acquisition in Montenegro this year has recently been closed," he says. "The Capital Plaza – a group of companies managing the largest residential and business complex in the country – has been sold to BIG from Israel, which is expanding in the region."

"In terms of general trends, one issue that has arisen is that banks are becoming stricter towards companies with complex shareholder structures which do not align with their preferences," Popovic adds. "This is due to anti-money laundering rules and, in some cases, banks opt to outright reject a client instead of properly conducting their KYC checks under AML regulations. This can pose challenges for companies attempting to relocate their offices and personnel to Montenegro, particularly from those countries impacted by the war. Banks view such situations as risky and prefer not to get involved." ■

"This constant pressure on politicians to win over voters often leads to adopting populist measures. For instance, the gaming industry requires a new, robust regulation but, instead, we have recently seen minor adjustments that add complexity without contributing to the sector's improvement.

Slovenia Started Its Green Transition: A Buzz Interview with Blaz Ogorevc of Selih & Partnerji

By Teona Gelashvili (May 23, 2023)

Slovenia strongly emphasizes infrastructure development as an integral component of its commitment to the green transition, together with developments in solar, wind, geothermal, and hydrogen energy projects, according to Selih & Partnerji Partner Blaz Ogorevc.

"Infrastructure is a major focus for the energy transition in Slovenia," Ogorevc begins. "The government has been making concerted efforts to keep pace with other markets and is actively promoting new infrastructural developments." He says that, according to the Ministry of Infrastructure, "while the country made significant progress in developing our road network, society recognizes that the future of the green transition lies in investments in railroads and energy." To this end, Ogorevc adds that Slovenia has undertaken a major project to build a second railway line from the Port of Koper to the mainland and expand its rail connections from the airport to Ljubljana.

Slovenia's reputation is primarily built on its logistics developments. While the state has made efforts to reduce administrative barriers, there is still room for improvement. This pertains also to the fact that 37% of the country is still covered by Natura 2000 sites. [Therefore], the importance of updating the current legislative framework and establishing a flexible system in which development and environmental efforts go hand in hand and do not act like arch-enemies.

"In addition, there has been discussion about solar projects, for which it is currently still a favorable time for private solar investment, though the grid capacity might be limited in certain areas," Ogorevc adds. "However, this limitation may soon impact smaller projects such as those for homeowners and shopping centers. Therefore, the government has acknowledged the limitations of the grid infrastructure and is making significant efforts to expand it to keep pace with the rate of development."

Additionally, Ogorevc highlights that "in Slovenia, currently, there are only two wind turbines, and there is a relevant potential in that regard, along with the anticipated expansion of a second-stage nuclear power plant." According to him, "the North Adriatic Hydrogen Valley initiative, involving Slovenia, the Italian region of Friuli-Venezia Giulia, and Croatia, aims to establish infrastructure for the production and distribution of hydrogen. This project is designed to balance the excess production from renewable sources."

As for the other market trends, Ogorevc highlights there has been significant M&A activity in the small and medium-sized deal space. "Moreover, the OTP acquisition of NKBM will result in consolidation of the largest (one of the two) banks in Slovenia once the merger with SKB is finalized," he notes. "We are also seeing many private and family companies either exiting or partnering with private equity funds, with venture capital transactions remaining highly prominent."

Furthermore, Ogorevc says, "Slovenia's reputation is primarily built on its logistics developments. While the state has made efforts to reduce administrative barriers, there is still room for improvement. This pertains also to the fact that 37% of the country is still covered by Natura 2000 sites." Therefore, he highlights "the importance of updating the current legislative framework and establishing a flexible system in which development and environmental efforts go hand in hand and do not act like arch-enemies."

Ogorevc also notes that the new FDI regulation will soon be implemented: "Over the past three years, we have had a particular piece of legislation regarding FDI adopted in the context of the COVID-19 pandemic. However, it is now being replaced by a more transparent law that should make it easier for EU investors to come to Slovenia." ■

Business as Usual in Greece: A Buzz Interview with Evi Tsilou of Papapolitis & Papapolitis

By Andrija Djonovic (May 25, 2023)

As elections loom large, Greece continues to play to its strengths – with energy and hospitality & leisure leading the charge – while the legislative process has been slowing down and some investors have adopted a holding-pattern approach, according to Papapolitis & Papapolitis Partner Evi Tsilou.

"With the first round of elections ending at the end of May, the markets are a bit explorative, as it is to be expected," Tsilou begins. "There are, of course, areas of strong investor interest that are impervious to this – the hotel industry, for example, and the leisure sector overall." Aside from these areas, which have been traditionally strong for Greece, she stresses that the energy sector is performing rather well, too, with investors primarily looking for opportunities in photovoltaics.

With business sectors doing well and the economy, consequently, booming, Tsilou believes that Greece is looking at a good rest of the year. "What we see as lawyers, right now, is that there is enough market activity to keep the economy going strong. And we expect this to be picking up even more after the elections pass, and those investors that have applied a wait-and-see approach start kicking it into gear," she says.

However, some areas are going a bit slower, in terms of legislation, mainly because of the upcoming elections. "For a while now, Greece has been looking at a restructurings tax reform package, following the restructurings corporate reform that took place in April 2019, but it looks likely that this will be stalled until after the elections," Tsilou continues. "When this package does pass, it is likely that almost all previous tax incentive legislation will be abolished, to reflect the changes of the corporate legal framework concerning restructurings and transformations."

"The new restructurings corporate law has created room for more restructurings, which is exactly what we are seeing these days – and a lot of them," Tsilou says. "The law integrates all kinds of corporate transformations and restructurings into one act, meaning that a number of transformations that were scattered across many documents before are now regulated by one source," she explains. The new law reinforced and extended the notion of universal succession, she points out, meaning that "all 'new' legal entities, coming about as a consequence of a corporate transformation, are automatically in the same position as the 'old' company was – continuing in its place for all transactions, relationships, and licenses."

In conclusion, Tsilou says that, until the elections pass, not a lot is likely to change in this direction in Greece. "Depending on the agreements between political parties, it remains to be seen what the structure of the new government will look like, but – if the polls are anything to go by – not much is likely to change. The new government will likely be the same, which means there is a high likelihood of business continuing as usual in Greece."

"What we see as lawyers, right now, is that there is enough market activity to keep the economy going strong. And we expect this to be picking up even more after the elections pass, and those investors that have applied a wait-and-see approach start kicking it into gear.

Ukraine Is Moving Past the War: A Buzz Interview with Illya Tkachuk of Integrites

By Teona Gelashvili (May 25, 2023)

Reconstruction efforts, the relocation and diversification of businesses, currency control restrictions buoying the local M&A market, and the restart of privatizations and concessions are among the key developments in Ukraine's business landscape, according to Integrites Senior Partner Illya Tkachuk.

"Over the past six months, the most active sectors in Ukraine have been IT and agriculture," Tkachuk begins. "These two sectors have consistently shown profitability and, even in the realm of M&A, they continue to dominate with the highest number of deals and movements." He notes that "due to currency control restrictions, it is challenging to transfer money abroad, leading to the accumulation of funds within Ukraine. As a result, businesses in these sectors are utilizing these funds to foster internal growth and development."

> *The projects underway are progressing rapidly, mainly due to funding from international partners. For instance, the construction of residential houses for temporarily relocated people is already underway. These initiatives aim to stimulate the economy not only through construction but also by creating opportunities in related sectors such as furniture production.*

Tkachuk reports that agriculture companies, for example, "are investing in acquiring other farms or undertaking new projects such as biomass, demonstrating their commitment to progress despite facing negative impacts." He says the IT sector "has been experiencing similar conditions, although some profits are also accumulating abroad. Well-established businesses in this industry actively seek growth opportunities by acquiring new units, hiring new talent, and exploring fresh avenues locally."

"Another noteworthy trend is the increased interest of private investors and investment funds in the market," Tkachuk continues. "They are displaying heightened activity, with some focusing on distressed assets while others seek out opportunities that were appealing even before the war."

"And positive news is emerging regarding the reconstruction and rebuilding efforts in Ukraine," Tkachuk adds. "The projects underway are progressing rapidly, mainly due to funding from international partners. For instance, the construction of residential houses for temporarily relocated people is already underway. These initiatives aim to stimulate the economy not only through construction but also by creating opportunities in related sectors such as furniture production," he says.

According to Tkachuk, the participation of international and development financial institutions is a significant step forward. "The US DFC is to mobilize over USD 1 billion for investment projects to support the economy of Ukraine," he says. "This positive approach is a reassuring sign for the market. As a part of this support, the DFC avowed its interest in participating in Horizon Capital's new fund and in supporting the Dobrobut chain of hospitals."

"The government is also striving to resume the privatization process to finance the budget and attract more efficient investors for state assets," Tkachuk notes. "Additionally, Russian assets in Ukraine are being confiscated, and most of these businesses and assets are now under the temporary administration of state authorities. Apparently," he explains, "the objective is to transfer them to the management of private investors first and, ultimately, sell them to private companies. This shift towards privatization and asset management will likely contribute to the future growth of the M&A market."

"Finally, despite the availability of remote work, we have noticed that an increasing number of people are returning to the office," Tkachuk says in conclusion. "As a law firm, we have also resumed the educational classes we used to have, as part of our efforts to return to normal day-to-day activities and keep our team members connected and motivated. We understand the importance of personal interactions in maintaining a positive work environment." ■

The Judicial Faux Pas in North Macedonia: A Buzz Interview with Aleksandar Joanidis of Law Firm Joanidis

By Radu Neag (May 26, 2023)

The recent dismissal of Vesna Dameva from her position as President of the Judicial Council of North Macedonia was both surprising and concerning – and could spell disaster for the country's judicial system – according to Law Firm Joanidis Partner Aleksandar Joanidis.

"There is no bigger topic in Macedonia right now," Joanidis begins. "The dismissal was illegal, in my opinion, as there is no legal ground to terminate the President of the Judicial Council, outside of their mandate naturally expiring," he points out.

Joanidis explains that Dameva "was dismissed with a majority vote of the Judicial Council, which had no precedent, and no basis in law – it has never happened before since the council's establishment – but the development itself is now a precedent." He says he's both disappointed and worried: "This is the body that oversees the nomination of judges and stands as the guarantor of the legality of courts functioning in general. Which is why it's such a problem when the council does not obey the laws that should apply to it. There's an erosion of the belief that the judges it appoints and the courts it oversees will themselves obey the law."

To make matters worse, Joanidis highlights that "a significant number of judges have retired of late. We have courts with no appointed judges and no new appointments coming. Or worse, there are doubts on the legality of those judges' appointments." As he sees it, "the courts are not functioning according to the law. So, we are being left to our devices. Which is a very dangerous situation that's quite toxic in practice. We're still hoping that the debacle in the judicial system will be addressed, but no news so far."

This is why Joanidis finds the Judicial Council's decision to go out on a limb so odd. "It has created such an inconvenient situation, casting a shadow on court practice in general," he says. "We became lawyers – and we advise clients – with the understanding that our advice should incorporate the evolution of court practice. It's not just a dry recitation of legal texts. And it should not have to come with a 'This was the practice thus far, but since yesterday that's all out the window' disclaimer."

A significant number of judges have retired of late. We have courts with no appointed judges and no new appointments coming. Or worse, there are doubts on the legality of those judges' appointments. The courts are not functioning according to the law. So, we are being left to our devices. Which is a very dangerous situation that's quite toxic in practice. We're still hoping that the debacle in the judicial system will be addressed, but no news so far.

In practice, this unprecedented situation means uncertainty for clients and a shift in the role of lawyers. "We're trying to help clients avoid the courts," Joanidis says. "We're advising them to get everything they can get done through a Notary Public, a Judicial Officer, or executive clauses in contract writing – to be able to bypass the whole court situation and minimize disputes. We're creatively trying to protect the rights of our clients as well as their enforcement later."

The final nail in the coffin, Joanidis points out, is the judges' and the authorities' silence on the matter. "So far, no statement has been issued by Parliament (which appoints people to the Judicial Council). The worst of it is that the judges themselves, and the courts, are being quiet. There were no opinions expressed on this unprecedented development. Once you're disappointed by the courts," Joanidis concludes, "your belief in the whole system fades. We're in court every day – we expect justice to be served there – if the legality principle is being ignored, all expectations fly out the window."

CRITICAL SKILLS IN THE GC TOOLKIT

By Andrija Djonovic

Setting the stage at the recently held CEE Legal Matters GC Summit in Istanbul, top-tier legal professionals at prominent companies and law firms alike – from across CEE and beyond – shared their insights on what General Counsels must have in their toolbox to guarantee the delivery of high-quality work. Specifically, the experts considered the importance of the GC role as a trusted advisor, getting the most out of negotiations, and the specifics of client service from a GC perspective.

General Counsel: The Trusted Advisor

In recent years, the role of the General Counsel has evolved from that of a legal advisor to one that more closely resembles a strategic business partner. The level at which GCs are intertwined with not only daily tasks but overall business strategies and the decision-making process is increasing exponentially and, given that fact, all in-house legal staff should be cognizant of what it takes to be a trusted advisor.

A panel of experts including J&T Finance Group's Marian Husar, Visa's Basak Gurbuz, Siemens' Bige Yucel, and Turcas Petrol's Eda Yuksel discussed this very matter, highlighting the importance of GCs in creating practical solutions for their company.

The experts agreed that GCs need to understand the business issues of the company and provide practical advice while emphasizing the importance of balancing the legal and business aspects of the company's operations. "In the past, GCs were seen as barriers or creators of unnecessary procedures," Yuksel said. "However, with the increasing legal acumen and multifaceted mindsets of the leadership teams, the importance of the GC has grown. To be effective in their role, GCs need to be team players and understand why the company is seeking legal advice."

The panelists also highlighted the importance of communicating in simple language and often putting themselves in the shoes of the counterparty. "GCs need to work closely with the business department of the company – the legal team is not just a support function but a critical part of the governance structure," Yucel underscored. The panelists further emphasized the need for GCs to understand the business and its commercial angles – which is precisely the aspect that highlights the shift to a strategic business position.

Furthermore, the panel stressed the need for sincerity and continuous learning in the digital age. "Legal professionals need to be open to digitalization and AI to keep up with the market's future, but I do not believe that AI can replace legal professionals in any way whatsoever. We need to be open to using them as support tools," Gurbuz said. "During hiring, interviewers may think of asking candidates about their openness to AI and digitalization as well as their openness to learning new things and their level of curiosity."

Gurbuz went on to add that "learning is a lifetime matter, and GCs need to merge their legal capabilities with technical ones, as digital products are becoming increasingly important. Therefore, GCs need to be alert, practical, and solution-oriented, and technology can help them perfectly."

In terms of personal development, the panelists all agreed that GCs should balance deepening their knowledge of legal issues and expanding their knowledge in other areas such as business, financials, and technology. "GCs need to be versatile and have a multifaceted mindset to be effective in their role as a strategic business partner," Yucel stressed.

Getting the Most out of Negotiations

From the position of a trusted advisor, GCs – or any legal professional, for that matter – often find themselves engaging in negotiations. Delving deep into what makes a negotiation toolbox effective, Slaughter and May Partner Richard Jones shared his insights.

"Negotiation is a crucial skill in various aspects of life, from business deals to personal relationships," Jones said at the GC Summit. "An important initial step in negotiation is to define your objectives clearly and identify your 'red lines'. It can also be helpful to consider possible acceptable alternatives to your preferred solutions, in order to offer your counterparty options." He stressed that, in general, "being open and friendly, while firmly communicating you are not a pushover, will assist in advancing your objectives during negotiations whilst also moving matters forward efficiently."

While active communication is important, Jones also stressed the importance of active listening. "Asking open questions

Basak Gurbuz, Lead Regional Counsel Southern Europe, Visa

Bige Yucel, Lead Country General Counsel, Siemens Turkey

Christian Blatchford, General Counsel, Energo Pro

Eda Yuksel, Chief Legal Officer, Turcas Petrol

Richard Jones, Partner, Slaughter and May

to prompt the other party to provide more information and explain their position can assist in understanding the other party's objectives, help prevent misunderstandings, and provide additional insights which may assist you in achieving your objectives".

He also covered the importance of creating a connection with the other side. "Taking steps to build a rapport is an important strategy that leads to building much-needed trust," he said. "Establishing a connection requires finding common ground and interests, even if the negotiations don't necessitate a long-term relationship." On the flip side, he advises caution when dealing with disingenuous counterparties while underscoring that "trust-building takes time and effort."

In addition to covering some negotiation techniques, Jones also discussed the different ways in which persuasion can be used to bring someone round to your position. "Persuasion can be achieved on an emotional and intellectual level alike – meaning that it is important to be cognizant of both methods," he said.

Finally, Jones indicated the crucial importance of problem-solving skills and the willingness to compromise for successful negotiations. "It is quite important to be seen as a problem solver rather than a roadblock in these situations, while not compromising too much, however. Remember to always have clean and clear boundaries, and ideally have an alternative solution ready in case negotiations fail, in order to give yourself options."

Client Service from a GC Perspective

Flipping the script somewhat, Energo Pro General Counsel Christian Blatchford shared his thoughts and experiences on client service – from a GC perspective. Blatchford provided the GC Summit attendees with his experiences of working with external lawyers and shared what GCs appreciate – and what they don't take kindly to.

"It is important for lawyers who are bidding for work to think about the scope of work ahead," Blatchford began. "This means, as a must, responding to specific requests for information set out in the RFP. If the lawyer wants to add value, they can offer something more, like pointing out a different or better way to approach a problem based on local law or practice." According to him, the engagement letter signed with the selected firm should be "short and sweet, not going overboard in regulating the relationship in advance. Mutual trust, respect, and professionalism are more important than pages of assumptions."

Moreover, Blatchford highlighted how important deadlines are in legal work. "As an external lawyer, please do deliver your work on time. We in-house lawyers understand that drafting, research, and internal discussions take time, but once the deadline is agreed it must be respected in order to avoid frustrations and possible delays on the client side." Speaking of frustrations, Blatchford concludes by saying that it is always "good to keep emotions under control when working with other lawyers, especially when the clients in the room are trying to build a business relationship together."

ALBANIA: CONSOLIDATING COMMUNICATION LINES

4IG'S ACQUISITION OF ONE TELECOMMUNICATIONS

Firm	Role	Client(s)
CMS	Buyer's Counsel	4iG
Boyanov & Co	Seller's Counsel	Albania Telecom Invest
Dentons	Seller's Counsel	Albania Telecom Invest
Kalo & Associates	Seller's Counsel	Albania Telecom Invest

Summary

In December 2021, Hungarian IT service management company 4iG announced that it had executed a contract for the takeover of Albania's One Telecommunications, shortly after agreeing to buy a majority stake in another Albanian telecommunications operator, ALBtelecom.

One Telecommunications is an Albanian telecommunications company and the second-largest mobile operator in Albania with 1.36 million subscribers. It previously operated as Albanian Mobile Communications and as Telekom Albania. AMC was part of the Cosmote Group from 2000 onwards, and joined the Deutsche Telekom group in 2008. According to CMS, "One Telecommunications is a major telecommunication operator, with a history of 25 years in Albania. The acquisition transaction has been cleared by the competent Albanian authorities, making 4iG one of the most important investors in the country."

Following the approval of the Albanian Competition Authority, 4iG Plc has acquired a 99.899% indirect stake in One Telecommunications and the transaction closed on March 21, 2022.

"Thanks to its telecoms network, which was renewed last year, ONE Telecommunications is an operator with strong growth potential and will fit well into our Western Balkan telecoms portfolio once the acquisition is completed," 4iG Chairman and CEO Gellert Jaszai commented. "We are proud that with the acquisition of ONE Telecommunications and ALBtelecom, the 4iG Group will become one of the largest investors in Albania and the largest player in the Albanian telco market. We have come to the country as a professional investor with a long-term vision to be present in the country, providing high-quality services to residential and business customers."

In 2019, One Telecommunications agreed on a five-year partnership with Ericsson to upgrade its mobile network and services, improving network quality with state-of-the-art Swedish systems and equipment, and the preparation for the introduction of 5G. The network upgrade, which has already been completed, has been confirmed at the beginning of 2021, by Umlaut's independent "Best in Test" survey: in Albania, One Telecommunications' mobile network offered the best quality and the fastest download speeds. Thanks to, among other things, the high quality of its services, the company has significantly increased its share of the mobile market in recent years. In the period of 2020-2022, One Telecommunications has invested a total of EUR 92 million in the Albanian telecoms market, making it the largest telecoms industrial development in the country.

One Telecommunications has 137 flagship customer sites and 632 dedicated towers, which are 4G/LTE and 5G capable, giving the operator a population coverage of 98.5%. The company employs 420 people. One Telecommunications' mobile market share exceeded 41% in 2021, and the company's EBITDA increased by 28.5% to EUR 27 million in 2021, compared to 2020.

"We are proud that the 4iG Group has become a leader in the Albanian telecommunications market thanks to the successful acquisitions of ONE Telecommunications and ALBtelecom, and one of the largest foreign investors in the country," Jaszai added. "We want to be present in the country for the long term, with the aim of contributing to the digital development and transformation of the country. Accordingly, we want to enter the market in the Western Balkans country with our IT solutions in addition to our telecom services."

According to CMS, "the deal is important for the Albanian market as One Telecommunications is the second largest and fastest-growing telecommunications operator in Albania. In addition, purchaser 4iG was already in the process of acquiring the third biggest telecommunications operator in Albania (ALBtelecom), therefore the acquisition of One Telecommunications changed the telecommunications market structure from three to two operators, and 4iG became the largest operator in Albania. The transaction involved an extensive process with both the electronic communications' regulatory body and the Competition Authority." ■

AUSTRIA: THE EUR 1.5 BILLION ISSUANCE

ERSTE GROUP'S EUR 1.5 BILLION MORTGAGE BOND ISSUANCE

Firm	Role	Client(s)
Schoenherr	Managers' Counsel	Commerzbank Aktiengesellschaft; Credit Agricole Corporate and Investment Bank; Danske Bank A/S; DekaBank Deutsche Girozentrale; DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main; Erste Group Bank AG; ING Bank NV; Landes-bank Baden-Wurttemberg; Landesbank Hessen-Thuringen Girozentrale; UniCredit
Wolf Theiss	Issuer's Counsel	Erste Group Bank AG

Summary

On January 12, 2022, Erste Group Bank AG issued EUR 750 million in 0.01% mortgage bond securities due 2028 and EUR 750 million in 0.50% mortgage bond securities due 2037, with the dual issuance managed by a consortium of banks. The notes had a denomination of EUR 100,000 each, were rated Aaa by Moody's, and were admitted to the Official Market of the Vienna Stock Exchange.

The banking consortium included joint lead managers Commerzbank Aktiengesellschaft, Credit Agricole Corporate and Investment Bank, Danske Bank A/S, DekaBank Deutsche Girozentrale, DZ BANK AG Deutsche Zentral-Genossenschaftsbank, Frankfurt am Main, Erste Group Bank AG, ING Bank NV, Landesbank Baden-Wurttemberg, Landesbank Hessen-Thuringen Girozentrale, and UniCredit and co-lead manager Hypo Noe Landesbank fur Niederosterreich und Wien AG.

Looking at Erste Group Bank AG's 2022 results, the issuance seems to have contributed to a successful year. Erste Group Bank AG reported a 16.3% rise in its operating result, to EUR 4 billion, in its preliminary results for 2022. Net interest income increased by 19.6% to EUR 5.95 billion on the back of strong loan volume growth and rate hikes across all of Erste Group's core markets. Net fee and commission income rose 6.5% to EUR 2.45 billion, supported by significant growth in payment services and asset management. The cost-income ratio improved to 53.4%, as the rise in operating income outpaced that in operating expenses. The banking group's bottom line in 2022 came in at EUR 2.16 billion. Erste Group also confirmed its financial outlook for 2023, which includes continued loan growth of around 5% and a rise in net interest income of approximately 10%.

"The economies in Central and Eastern Europe proved more resilient than expected this past year: they posted solid GDP growth despite the challenges brought about by the terrible war in Ukraine," Erste Group CEO Willi Cernko commented. "Like much of the world, the CEE region faces a sharp decline in economic growth this year. But we don't expect the region to slip into recession and are confident that its growth story remains intact. That confidence is also reflected in the robust financial outlook that we've just confirmed, which includes a solid loan growth target. We will continue to support the people and economies of our region to build up financial well-being, both through our lending practices and our commitment to customer-focused innovation."

"Supported by very solid loan growth across all of our markets and segments and a favorable rate environment, net interest income was the key driver for the strong operating performance we achieved in 2022," Erste Group CFO Stefan Doerfler added. "In addition to benefiting from a positive revenue momentum, we also managed to contain our operating expenses, even in the face of last year's significant inflationary pressures."

According to Schoenherr, "the issuance volume was fairly impressive and, to the best of our knowledge, it was the first major issuance worldwide in 2022. An issue volume of EUR 1.5 billion constitutes the largest covered bond volume issued in one transaction ever in Austria. The issuance occurred after a two-year break from the market by Erste Group Bank AG and the bonds were oversubscribed several times despite their low interest rates."

DEAL EXPANDED: SCHOENHERR'S CHRISTOPH MOSER AND ANGELIKA FISCHER TALK ABOUT THE DOTY IN AUSTRIA

By Radu Neag

CEELM: First, congratulations on winning the Deal of the Year award in Austria!

Moser & Fischer: Thank you very much! We are extremely pleased to be recognized for the deal of the year. It shows the importance of the debt capital markets for Austria and appreciation for the collaboration between the issuer, the dealers, the issuer's counsel, and us as dealers' counsel for the transaction.

CEELM: Please introduce yourselves and tell us a little bit about your professional history and your firm's history to date.

Moser: My passion for complex capital markets and finance matters can be seen in how I lead teams in numerous ECM transactions, including initial public offerings, rights issues, secondary placements, and debt capital market matters. After being an equity partner at a renowned Austrian capital markets and corporate finance boutique law firm from 2014 to 2020, I joined Schoenherr in 2021, where, on top of capital market deals, complex restructurings, refinancings, and boardroom advice also play an important role in my business and shape it accordingly.

Fischer: After receiving my law degree in 2017 and gaining work experience at a national capital markets and corporate finance law firm, as well as in the debt and equity capital markets department of one of Austria's largest banks, I joined Schoenherr in January 2021 and have been expanding my skills in those fields ever since.

Our capital markets department is a recognized top-tier practice for Austria. Schoenherr's fully integrated capital markets practice co-headed by Ursula Rath and Christoph spans a range of capital markets products covering equity, equity-linked, debt, regulatory capital, sovereign and high-yield transactions, as well as boardroom and capital market compliance advice. It is known for its broad expertise and interdisciplinary approach. The deal count, volume, and high-profile nature of these engagements showcase the team's strong ties to both the Austrian and international banking community, as well as the trust that high-profile Austrian clients, such as Austrian blue-chip issuers and the Austrian government, place in us. This is also recognized by Refinitiv, one of the world's largest providers of financial markets data and infrastructure, who have ranked Schoenherr as the only Austria-headquartered CEE law firm in its *Global Capital Markets Top 25*. Attesting the team's proven capabilities in structuring and executing complex transactions, the team has advised on more than 55 capital markets headline transactions since January 2021. Product and transaction specialties include equity and equity-linked transactions, regulatory capital including covered/mortgage bond and MREL transactions, green bonds and sustainability-linked bonds, sovereign debt issuances, derivatives, securitization and structured finance, as well as capital markets compliance and boardroom matters.

CEELM: Can you describe the deal for us and Schoenherr's role in making it happen?

Moser: Schoenherr advised the managers on the successful issuance of EUR 750 million in 0.01% covered bonds (*Pfandbriefe*) due in 2028 (AT0000A2UXM1) and EUR 750 million in 0.50% covered bonds due in 2037 (AT0000A2UXN9) by Erste Group Bank AG. The banking consortium comprised Commerzbank Aktiengesellschaft, Credit Agricole Corporate and Investment Bank, Danske Bank, DekaBank Deutsche Girozentrale, DZ BANK AG Deutsche Zentral-Genossenschaftsbank Frankfurt am Main, Erste Group Bank AG, ING Bank NV, Landesbank Baden-Wuerttemberg, Landesbank Hessen-Thueringen Girozentrale, and UniCredit acting as the joint lead managers in connection with the placement of the notes as well as HYPO NOE Landesbank fuer Niederoesterreich und Wien AG as co-lead manager.

CEELM: How did you land the mandate, and what do you believe it was about the team that got it for you?

Fischer: Our capital markets practice regularly advises dealers

Christoph Moser,
Partner,
Schoenherr

Angelika Fischer,
Attorney at Law,
Schoenherr

> Teamwork, definitely. The seamless collaboration between the issuer, the dealers, the issuer's counsel, and us as dealers' counsel worked well and led to a successful execution. For DCM issuances, the legal transaction setup needs to work, irrespective of any challenges on the legal end.

on benchmark and sub-benchmark issuances by Austrian credit institutions, including covered bonds (*Pfandbriefe*). In addition, we are program counsel to the arranger for the Erste Group Covered Bonds Program, which we assume was also a decisive factor.

CEELM: What were the most complex aspects of the deal from a legal perspective? And what were some of the biggest difficulties faced in the process?

Moser: Obviously, the deal volume is outstanding. Even though covered bond (*Pfandbriefe*) issuances follow the same concept, each issue program and transaction is different. Our teams are used to working under high pressure and tight deadlines and with a greater number of parties involved, like in this very special deal.

CEELM: In contrast, what, in your opinion, went particularly smoothly, and what do you believe contributed to it?

Fischer: Teamwork, definitely. The seamless collaboration between the issuer, the dealers, the issuer's counsel, and us as dealers' counsel worked well and led to a successful execution. For DCM issuances, the legal transaction setup needs to work, irrespective of any challenges on the legal end. If the bonds are placed among investors, they need to be settled. No exception. So, teamwork with all parties is the key to success.

CEELM: Why do you believe the judges voted for this deal over the others?

Moser: It is an exceptional deal in terms of issue size and marks a highlight in the capital markets area.

CEELM: In your view, what is the significance of this deal for the Austrian market?

Fischer: The deal is a recognition of the liquid and active Austrian debt capital market and all the issuers and dealers involved.

CEELM: Do you believe we can expect other similar deals in the near future? Why/Why not?

Moser: Covered bond issuances are still an active part of the debt capital market. Since January 2023, even more covered bond issuances hit the markets. There may be more to come later in 2023, but probably at a reduced speed. ■

BOSNIA AND HERZEGOVINA: THE LONG-DISTANCE GYPSUM PARTNERSHIP

BNBM'S JOINT VENTURE WITH COAL MINE AND THERMAL POWER PLANT UGLJEVIK

Firm	Role	Client(s)
Doklestic Repic & Gajin	Chinese Partner's Counsel	Beijing New Building Materials Plc
Shihui Law Firm	Chinese Partner's Counsel	Beijing New Building Materials Plc

Summary

Bosnia and Herzegovina state-owned utility company Elektroprivreda Republike Srpske's subsidiary – Coal Mine and Thermal Power Plant Ugljevik (RiTE Ugljeivk), a coal miner and energy producer – entered into an agreement to form a joint venture with China's Beijing New Building Materials for the construction of a EUR 50 million plasterboard production plant. The factory stands to employ about a hundred workers and will have the capacity to produce 250,000 tons of plasterboard per year, according to RiTE Ugljevik.

RiTE Ugljevik will hold a 10% ownership stake in the factory which will be built on an area of 12.5 hectares at a mine dump adjacent to the company's coal mine, according to an earlier statement. The plasterboard plant will use gypsum derived as a by-product at RiTE Ugljevik's flue gas desulphurization unit.

The annual output of the factory is projected to be 40 million square meters of gypsum boards for the construction industry. The factory will consume the gypsum obtained from the flue gas desulfurization systems of RiTE. More than 90% of the gypsum board products will be exported to meet the demand for gypsum board products in the European market, which will increase local investment and promote the development of local employment and economy.

"I am convinced that […] this large investment is additional proof that we did a good job when we built a flue gas desulphurization system a few years ago," Republika Srpska Minister of Mining and Energy Petar Djokic commented. "With this, we fulfilled a big goal of preventing the emission of harmful gases and large particles in the atmosphere and made a significant contribution to the improvement of environmental conditions in the region, because the Ugljevik thermal power plant was one of the major polluters."

BNBM is a Chinese company that has a history of over 43 years. As one of the top three gypsum board companies in the world, BNBM currently has nearly 80 gypsum board production lines in China, Tanzania, Uzbekistan, Egypt, and Thailand, with a production capacity of approximately 3 billion square meters. In 2021, BNBM overcame the impact of the COVID pandemic and achieved a net profit of about EUR 470 million. The construction of the plant in cooperation with RiTE is the first project for BNBM in Europe.

According to RiTE Ugljevik Director Cedomir Stojanovic, this factory will be "of great importance, not only for Ugljevik but also for the entire region, including Republika Srpska."

"I am convinced that the decision to invest here is also important as an expression of acceptance of Republika Srpska as a reliable partner [for the People's Republic of China]," Djokic added. We appreciate the efforts of the People's Republic of China, and we invite all other countries to invest with us."

According to Doklestic Repic & Gajin, "Beijing New Building Materials and Coal Mine and Thermal Power Plant Ugljevik's gypsum board joint venture – with a deal value exceeding EUR 50 million – was one of the biggest direct foreign investments in Bosnia last year. BNBM is one of the most reputable market players worldwide in the field of new-technology building materials." ■

BULGARIA: BUILDING BIOTECH BRIDGES
BIOIVT'S ACQUISITION OF FIDELIS RESEARCH

Firm	Role	Client(s)
BDK Advokati	Buyer's Counsel	BioIVT
Boyanov & Co	Buyer's Counsel	BioIVT
Divjak Topic Bahtijarevic & Krka	Buyer's Counsel	BioIVT
Kolcuoglu Demirkan Kocakli	Buyer's Counsel	BioIVT
Nestor Nestor Diculescu Kingston Petersen	Buyer's Counsel	BioIVT
Hristov & Partners	Seller's Counsel	Integrity Capital Investments
Penkov Markov & Partners	Seller's Counsel	Other Shareholders

Summary

BioIVT, a provider of biospecimens, research models, and services for drug and diagnostic development, has acquired Fidelis Research, an 85-site clinical biospecimen collection network in Southeastern Europe, with headquarters in Sofia, Bulgaria. Fidelis Research also possesses cell isolation capabilities and provides custom contract research services for pharmaceutical companies and clinical research organizations.

Throughout 2021, BioIVT has undertaken a program to annotate thousands of biospecimens with next-generation sequencing data, creating what it claims is the largest biorepository of specimens with mutation or genotype data. The samples collected through the Fidelis network will add to this annotation program, according to the company. With this acquisition, BioIVT expands its support of precision medicine research in multiple therapeutic areas, most notably in oncology.

"This transaction further increases the scale and depth of BioIVT's global operations by adding new clinical collection sites, which are predominantly hospital based, focused on oncology, heme-oncology, and autoimmune cases," BioIVT Chief Executive Officer Dr. Richard Haigh commented. "We now have an exemplary global footprint for the collection and provision of high-quality, fully annotated, disease-state biospecimens in Europe, Asia, and the US. Through Fidelis Research, we deepen our presence in Europe and can provide our clients with a broad array of fresh, clinically collected, disease-state tissues and biofluids, and expanded cell products globally."

BioIVT's business model is centered on delivering highly characterized biospecimens that can accelerate medical breakthroughs by marrying samples with clinical, demographic, genetic, and outcomes data. The company specializes in control and disease-state biospecimens, including human and animal tissues, cell products, blood, and other biofluids. Furthermore, it enables scientists to better understand the pharmacokinetics and drug metabolism of newly discovered compounds and their effects on disease processes. "By combining its technical expertise, customer service, and access to biological specimens, BioIVT serves the entire research community in elevating science," a company press release stated. "Recently, it has focused its energy on creating the largest repository of biospecimens with mutation or genotype data."

"We are delighted that the entire Fidelis Research team is joining BioIVT," BioIVT Vice President Shannon Richey said. "BioIVT and Fidelis share a commitment to collect biospecimens to exacting standards, ensuring our clients receive high quality, fit-for-purpose biospecimens, so they can reach their R&D goals and develop safe and effective new medicines faster. I am especially excited to add biospecimens collected through the Fidelis network to our NGS annotation program."

Fidelis Research provides client-tailored biospecimen collection, laboratory processing and analysis, clinical research, and patient support programs in Southeastern Europe. The company delivers services certified via the implementation of the ISO 9001:2015 standard and standard operating procedures developed in-house.

According to Boyanov & Co., during the transaction, "special attention was paid to the preservation and further development of the relations with the leading members of the Fidelis staff who kept their management roles." ■

CROATIA: HYPERSPEED UNICORNS
SOFTBANK AND GOLDMAN SACHS INVESTMENT IN RIMAC

Firm	Role	Client(s)
Linklaters	Investor's Counsel	Goldman Sachs
White & Case	Investor's Counsel	SoftBank
Savoric & Partners	Investor's Counsel	SoftBank and Goldman Sachs
CMS	Joint Venture Partner's Counsel	Porsche
Kunstek Halle & Simac	Target's Counsel	Rimac
Latham & Watkins	Target's Counsel	Rimac

Summary

Croatian supercar manufacturer Rimac Group announced, in the first half of 2022, that it had raised EUR 500 million in funds that will help it with expanding beyond its electric hypercar roots and grow into a global EV components supplier and, ultimately, a publicly traded company.

The Softbank Vision Fund 2 and Goldman Sachs led the Series D investment round in a deal that valued the manufacturer at EUR 2 billion. The round includes an "eight-figure sum" from Porsche, which now owns 20% of the company. Founder and CEO Mate Rimac will remain the largest shareholder of the Rimac Group, the majority shareholder of the recently merged Bugatti Rimac, and the sole shareholder of Rimac Technology.

The funding will be used to hire talent, build a USD 200 million campus for Rimac's headquarters in Zagreb, Croatia, and develop and produce batteries, software, and other components for electric cars. Above all, the money will also help Rimac stay independent from larger automakers, its CEO Mate Rimac noted: "it's very good for us to have Porsche and Hyundai onboard as shareholders, but we don't want to be fully dependent on them." He added that, while the company's hypercar business is sustainable, the investment is crucial to both the development of the company's Rimac Technology subsidiary and Rimac's prospects for going public in the future.

Rimac merged its hypercar division with French supercar maker Bugatti in November 2021. The resulting company, called Bugatti Rimac, is developing the USD 2.5 million Rimac Nevera hypercar, a 1,914-horsepower electric vehicle that the company claims can accelerate from 0 to 60 mph in 1.85 seconds, faster than any other production car. The car was unveiled in 2021, before seeking to make a market debut in 2022. Developing and building the Nevera in-house has helped the company develop a range of technologies that it can supply to other automakers: in addition to Porsche and Hyundai, the company has also partnered with Automobili Pininfarina, Koenigsegg, and Aston Martin to design, engineer, and manufacture batteries and other parts for high-performance EVs.

"Rimac has ambitious growth plans in the next few years, and we are humbled by the support of significant new investors

like the SoftBank Vision Fund 2 and Goldman Sachs Asset Management believing in our vision," Rimac added. "Our gratitude also goes to Porsche and InvestIndustrial who have played an important part in our success so far and reinforced their support with new investment."

Additionally, construction on the nearly 25-acre campus in Zagreb began as well. Rimac said that the project is on schedule to open in 2023. The headquarters will house research and development for Rimac and Bugatti, as well as the production of electric cars – including the Nevera – and a variety of components including battery systems and chassis.

The company said that the site will be able to produce tens of thousands of components annually once it ramps up to full capacity. In addition, the 95,000 square-meter campus is projected to have a capacity for over 2,500 people. The new funding also sought to help Rimac hire 700 employees in 2022, nearly doubling its workforce, and open new offices and factories across Europe.

"With new investors on board, Rimac is continuing to expand its position in electromobility, making it an even stronger partner for Porsche," Porsche AG Deputy Chairman of the Executive Board Lutz Meschke commented.

"We look forward to partnering with Mate Rimac and management in their innovation agenda and growth journey to push the limits of battery and electric powertrain performance," Goldman Sachs Asset Management EMEA Head of Private Equity Michael Bruun added.

According to Savoric & Partners firm, "based on the investment of EUR 350 million, Softbank and Goldman Sachs acquired a more than 20% shareholding in the Rimac Group. The raised capital will be used primarily for the further development of Rimac Technology in the field of large series production for global automakers [...] This is also the largest investment in a Croatian startup or scaleup."

According to CMS, "Rimac has grown from a tiny Croatian start-up founded in 2009 to a major player in the field of high-performance electric vehicles. The new funding will also allow Rimac to [...] open new offices and factories across Europe, including in Germany, England, and possibly Italy. Due to the entry of big financial investors in the shareholding structure, the transaction included restructuring of the venture capital portfolio and re-negotiations of new investment packages." The investment "is a big deal for the region and shows that Croatia can attract the best international investors in a competitive industry and build significant businesses," CMS stated.

DEAL EXPANDED: SAVORIC & PARTNERS' BORIS SAVORIC TALKS ABOUT THE DOTY IN CROATIA

By Radu Cotarcea

CEELM: Tell us a bit about the deal and your firm's role in getting it across the finish line.

Savoric: We acted as a legal advisor to the funds of the leading global banks Goldman Sachs and Softbank in their EUR 500 million investment into the Croatian Rimac Group unicorn, now known as Bugatti-Rimac. The Rimac Group is a Croatian tech and electric supercar production company, famously known for the world's fastest-accelerating production car, the Rimac Nevera. The Softbank and Goldman Sachs investment funds gave this leading electrified vehicle manufacturer and technology group a valuation of more than EUR 2 billion. The raised capital will be used primarily for the further development of Rimac Technology in the field of serial production for global automakers. This is also the largest investment in the Rimac Group so far – but also in a Croatian start-up or scale-up – investors such as Porsche, Hyundai, and Kia or Chinese battery manufacturer Camel Group have so far invested about USD 320 million. Founder and CEO Mate Rimac will remain the largest shareholder of the Rimac Group, the majority shareholder of the recently developed Bugatti-Rimac, and the sole shareholder of Rimac Technology.

Partner Nina Radic Kuzik was our team leader for the SoftBank investment, while Partner Mia Lazic led our team advising on the Goldman Sachs investment. The lead advisor for SoftBank was White & Case, while the lead advisor for Goldman Sachs was Linklaters.

CEELM: At what stage did you become involved and what do you believe it was about your firm/team that won you the mandate?

Savoric: As one of the leading Croatian law firms, in particular having an impeccable track record in private equity investments, we are one of the first choices for "best friends" law firms in the UK and US, so we were selected and appointed by the client and those firms. We were involved in the early stages of the transaction, providing comprehensive Croatian legal advice and guidance to both the Goldman Sachs and SoftBank investment funds. Our team's extensive experience in cross-border investments, equity injections, and corporate law, coupled with our deep understanding of the automotive and technology sectors, positioned us as the ideal choice for this mandate. Our unwavering commitment to excellence and our ability to navigate complex legal landscapes ultimately won us the trust of these esteemed clients.

CEELM: What do you believe were the main considerations for which the jurors picked this deal as the winner?

Savoric: We strongly believe that the winner is chosen not by the largest deals in terms of their value, but by how challenging they were and how the team was able to handle them and get them across the finish line. We believe and hope our colleagues – the reputable jurors – realized how challenging and important this deal was. Working with two different clients on the same project was a challenge in itself, but having to set up firm privacy walls was a one-of-a-kind experience.

The jurors who selected this deal as the winner most likely considered several key factors. Firstly, the sheer magnitude of the investment and the involvement of two prominent global investors underscore the significance of this transaction. Secondly, the deal highlights the growing prominence of the Croatian market and the CEE region as a whole, attracting international attention and fostering economic growth. Lastly, the successful completion of this deal demonstrates the exceptional capabilities of our firm and our team, showcasing our ability to handle complex transactions under pressure.

CEELM: What were the most complex aspects of the deal from a legal perspective? And what were some of the biggest difficulties faced in the process?

Savoric: The deal presented several intricate challenges. One of the more complex aspects was simultaneously acting for two clients and providing tailor-made advice and guidance with bullet-proof privacy walls. The main thing obviously was to provide focused, solution-oriented Croatian law advice and guidance at the highest standards, and, finally, navigate the regulatory requirements to successfully close this deal. The biggest difficulties faced in the process included coordinating with multiple parties involved in the transaction, managing timelines, and addressing any unexpected issues that arose. Additionally, the deal required a thorough understanding of the technology and automotive industries, as well as the unique intellectual property considerations associated with Rimac Group's cutting-edge innovations. Our team had to meticulously address these complexities while ensuring that the interests of both Goldman Sachs and SoftBank were protected throughout the process.

CEELM: In contrast, what, in your opinion, went particularly smoothly and what do you believe contributed to it?

Savoric: Despite the challenges, certain aspects of the deal proceeded remarkably smoothly. Our team's proactive approach to communication and collaboration with the great and reputable White & Case and Linklaters facilitated a seamless negotiation process. Furthermore, both international and local counsels' in-depth knowledge of the relevant industries and legal frameworks enabled us to anticipate potential roadblocks and devise effective solutions, ensuring a successful outcome for all parties.

CEELM: In your view, what is the significance of this deal for the Croatian market?

Savoric: This deal represents a significant milestone for the Croatian market, as it represents a significant investment in a local company with significant growth potential. It also demonstrates the country's ability to attract substantial foreign investment and showcases the potential of its burgeoning tech and automotive sectors. The investment in the Rimac Group will likely spur further growth and innovation within the industry, creating new opportunities for local businesses and talent.

CEELM: What about the wider CEE region?

Savoric: The deal's impact extends beyond Croatia, as it signals a growing interest in the CEE region from global investors. The success of this transaction may encourage further investments in the area, particularly in sectors such as technology, automotive, and renewable energy, stimulating economic growth and fostering innovation throughout the region.

CEELM: A company like Rimac is a rare breed – do you believe we can expect other similar deals in the near future? Why/Why not?

Savoric: While the Rimac Group, now named Bugatti-Rimac, is indeed a rare breed, we strongly believe that this deal will pave the way for similar transactions in the near future. The success of this investment showcases the immense potential of the Croatian market and the CEE region and it will undeniably inspire other innovative companies to pursue their ambitions and attract international investors. As the region as a whole, and Croatia in particular, continues to evolve and produce groundbreaking technologies and as global investors continue to seek opportunities in emerging markets, we expect to see more deals of this nature. ■

CZECH REPUBLIC: THE TELECOMMUNICATIONS INFRASTRUCTURE RESHUFFLE

GIC'S ACQUISITION OF A 30% STAKE IN CETIN FROM PPF

Firm	Role	Client(s)
Herbert Smith Freehills	Buyer's Counsel	GIC
Kinstellar	Buyer's Counsel	GIC
BDK Advokati	Seller's Counsel	PPF Group
Djingov Gouginski Kyutchukov & Velichkov	Seller's Counsel	PPF Group
Lakatos, Koves & Partners	Seller's Counsel	PPF Group
NautaDutilh	Seller's Counsel	PPF Group
White & Case	Seller's Counsel	PPF Group

Summary

In October 2021, the PPF Group and GIC agreed that GIC would acquire a 30% stake in the CETIN Group. PPF stood to retain a 70% majority ownership of its telecommunications infrastructure provider operating across Central and Eastern Europe. The transaction closed in March 2022.

PPF will retain four seats, including chair Jan Kadanik, in the seven-person board of directors of the CETIN Group. Under the acquisition agreement, the CETIN Group's board will also have an independent director, and the parties have agreed that the new minority shareholder will have appropriate representation as well. The transaction's financial details were not disclosed, but the deal was reportedly valued at EUR 6.7 billion.

The PPF Group is an international diversified investment group founded in 1991 in the Czech Republic. The PPF Group operates in 25 countries, investing in sectors including banking and financial services, telecommunications, media, biotechnology, real estate, engineering, and industry. The group owns EUR 39.7 billion in assets and employs 94,000 people globally.

The CETIN Group, also known as Ceska Telekomunikacni Infrastruktura, is a telecommunications infrastructure provider in Central and Eastern Europe. Its history dates to the infrastructure separation from the O2 Czech Republic's telecommunications operator in 2015. The formation of the CETIN Group commenced in 2020 through the addition of infrastructure that PPF had acquired in 2018 from the Telenor operator in Hungary, Bulgaria, and Serbia. According to CETIN, it operates 69,700 kilometers of optical cables.

Singapore's GIC is a sovereign wealth fund established in 1981. As the manager of Singapore's foreign reserves, it takes a long-term approach to investing, and is uniquely positioned across a wide range of asset classes and active strategies globally, including equities, fixed income, real estate, private equity, venture capital, and infrastructure. Headquartered in Singapore, it has a workforce of over 1,800 people and investments in over 40 countries.

"When we entered the telecommunications sector almost eight years ago, we said that PPF wanted to offer state-of-the-art services to the European market," PPF Group CEO Ladislav Bartonicek commented. "We are proud to partner with GIC, a major and respected international investor renowned for its unparalleled ability to identify value in stable assets capable of generating solid long-term returns."

"As a long-term investor, we are confident that the digital infrastructure sector will continue to grow robustly and CETIN, as the leading telecom platform in Central Eastern Europe, is well positioned to capitalize on that growth," GIC Chief Investment Officer of Infrastructure Ang Eng Seng said. "We are committed to building a long-term partnership with PPF and CETIN's management to bring CETIN to the next stage of its development."

"Our partnership with GIC opens new possibilities for the CETIN Group to draw upon the expertise of a leading global infrastructure fund and new prospects in our pursuit of business and growth opportunities in the telecommunications infrastructure market," CETIN Group CEO Juraj Sedivy added. ■

ESTONIA: THE HEAT DISTRIBUTION BUSINESS IS HEATING UP

GREN'S ACQUISITION OF VKG SOOJUS

Firm	Role	Client(s)
Ellex	Buyer's Counsel	Gren Group
Cobalt	Seller's Counsel	VKG Soojus

Summary

On November 22, 2022, Gren announced it had finalized the acquisition process for VKG Soojus – a district heating network company operating in the northeastern part of Estonia, in the regions of Johvi and Kohtla-Jarve.

Gren is a Baltic green energy company whose fields of activity include energy production as well as the provision of district heating and cooling services. Gren also provides industrial energy solutions.

The Viru Keemia Grupp (VKG) is an Estonian holding group of oil shale industry, power generation, and public utility companies.

According to Gren, the company is committed to continuing operating the third largest heat distribution network in Estonia, with a total length of 164 kilometers, and distributing heat to the residents and businesses in the districts of Ahtme, Jarve, and Sompa, and the town and municipality of Johvi. Gren will continue providing district heating services under the name Gren Viru AS. Any changes of ownership, name, and brand would not lead to any changes to the obligations which had been agreed with customers – in the terms of their contracts or the offer of services and prices – the company announced.

According to Cobalt, "the deal involved an agreement with the selling group on the continued distribution of excess heat from the latter's industrial processes, thereby reducing the consumption of primary fuels and improving the overall environmental footprint."

Regarding the transaction, Gren stated that the "agreed long-term cooperation between VKG and Gren will bring benefits and added value to the customers and the entire region" seeing as how "the usage of excess heat from industrial processes is highly important in today's environment – it is a reliable local source of energy that reduces the consumption of primary fuels and improves the overall environmental footprint."

"We have been developing district heating services for our customers for more than 20 years in the cities of Tartu and Parnu," Gren Country Head in Estonia Margo Kulaots commented. "With our long-term experiences and expertise, we are committed to continuing the work of the Viru Keemia Grupp and providing sustainable district heating and new services for the Kohtla-Jarve, Ahtme, Sompa, and Johvi communities."

"VKG is a chemical industry enterprise whose business focus and competencies are primarily aimed at the development of industrial production in the Ida-Viru County," Viru Keemia Grupp CEO Ahti Asmann commented. "In the course of a strategic review performed at the beginning of 2022, we found that as a business line, the provision of heating energy to end consumers would be more gainful in the hands of a specialized company. We are pleased that such a strong partner as Gren has been found for the regulated district heating business. We will jointly continue working towards the entry into force of the transaction in the coming months and shall in any case continue to supply the local communities with efficient and environmentally sustainable heating energy."

Finally, Gren Group CEO Ilkka Niiranen stated that the "acquisition of Estonia's third largest district heating network is a continuation of our growth strategy execution. It is an important milestone for our businesses in Estonia. Gren has a proven track record of being a partner for societies, industries, and customers in the journey towards sustainable success. Long-term cooperation between the Viru Keemia Grupp and Gren will bring benefit and added value to customers and the entire region." ■

GREECE: MORE RES FOR MORE

MORE'S ACQUISITION OF ANEMOS RES AND FINANCING

Firm	Role	Client(s)
PotamitisVekris	Buyer's Counsel	MORE
Karatzas & Partners	Seller's Counsel	Ellaktor, Aktor Concessions, Anemos RES
Zepos & Yannopoulos	Borrower's Counsel	MORE
Lambadarios Law Firm	Lender's Counsel	Eurobank S.A.
AKL	Lender's Counsel	Eurobank S.A.
Watson Farley & Williams	Lender's Counsel	Eurobank S.A.

Summary

The Vardinogiannis Group, which controls Athens-listed fuel company Motor Oil, has reached a deal worth more than EUR 930 million with the shareholders of construction group Ellaktor – Dutch group Reggeborgh Invest and Greek shipowners Giannis Kaimenakis and Dimitris Bakos.

The Vardinogiannis Group of companies is a Greek conglomerate of companies with activities in the shipping and oil industries.

The Ellaktor Group is reportedly the largest infrastructure group in Greece, with an international presence and a diversified portfolio of activities focusing on construction, concessions, environment, renewable energy, and real estate development. Reggeborgh is a Dutch private investment company formed in 1990.

The initial stages of the deal saw the Vardinogiannis Group take over approximately 30% of the stake in Ellaktor from the two shipowners, while, at the same time, negotiating the acquisition of 75% of the group's renewable energy sources arm. Motor Oil subsequently confirmed, via a bourse filing, that it had reached an agreement to buy 104 million shares belonging to the two shipowner shareholders – via the Kiloman and Greenhill Investments vehicles – for a price of EUR 1.75 per share, totaling EUR 182 million. In addition, shareholders Kaimenakis and Bakos announced that this deal brought an end to a long period of internal friction within Ellaktor, following Reggeborgh rejecting their proposal for acquiring its shares in the construction company.

The Motor Oil Group had already set its sights on renewable energy and hydrogen as attractive sectors of growth – it already owned some 280 megawatts of wind and solar power production capacity. Moreover, it engaged in the construction of an 84-megawatt RES portfolio and acquired the required licenses for a total capacity of 650 megawatts to be developed. With the group's acquisition of Anemos, Motor Oil gained access to its 493 megawatts of wind energy, as well as a 2-megawatt photovoltaic park in Argolida and a 4.95-megawatt hydroelectric power station in Grevena.

For additional context, Ellaktor's RES sector in 2021 recorded revenues of EUR 105.7 million, up by 13% compared to 2020, and EBITDA of EUR 84.4 million, up by 15%.

To complete the 75% takeover of Ellaktor's RES activities, the Vardinogiannis Group agreed for a new company to be created, which would subsequently absorb the RES portfolio of Ellaktor. This portfolio amounted to 493 megawatts and has also included a series of projects under construction, with a total capacity going over 1.6 gigawatts. The parties agreed that the company value amounted to EUR 1 billion, which meant that Motor Oil's target stake of 75% would amount to EUR 750 million. Moreover, Ellaktor agreed to remain on and participate with a 25% stake in the share capital of the newly created company – Anemos.

Anemos was previously a subsidiary of Ellaktor but was absorbed by its parent company in 2018. For it to be sold off, it needed to be spun off once more. In December 2022, following the receipt of the required Hellenic Competition Commission's regulatory approval, the Motor Oil Group finalized the transaction that had begun in May 2022. The final amount paid out for the acquisition, which was completed on December 14, was EUR 671.5 million.

According to AKL, this deal involved "a high-value, complex, and phased suite of transactions resulting in the recapitalization of Ellaktor, the refinancing of its RES portfolio, the hive-down of that portfolio to the new Anemos RES entity, and financing for the acquisition of Anemos RES by Anemos RES Holdings, a joint venture of MORE (75%) and Ellaktor (25%). ■

HUNGARY: STELLANTIS GOES FULL SPEED

STELLANTIS' ACQUISITION OF AIMOTIVE

Firm	Role	Client(s)
Bird & Bird	Buyer's Counsel	Stellantis
Dentons	Buyer's Counsel	Stellantis
Noerr	Buyer's Counsel	Stellantis
VGG Associes	Buyer's Counsel	Stellantis
Dentons	Seller's Counsel	aiMotive
Baker McKenzie	Seller's Counsel	Szechenyi Funds; Lead Ventures

Summary

In late 2022, aiMotive Founder and CEO Laszlo Kishonti and angel and institutional investors including the Szechenyi Funds and Lead Ventures sold off their shares in aiMotive to Stellantis, with Stellantis acquiring 100% of the aiMotive group. The deal was consummated in December 2022.

The state-managed Szechenyi Funds is one of the larger and more active investors in the Hungarian capital market. It manages assets of more than HUF 150 billion, including 80 portfolio companies. According to a corporate statement, the company has been "able to multiply its investment activity in recent years, despite the coronavirus crisis, as a result of its renewed staff and expanded investment policy. Its focus has shifted from more mature SMEs, both innovative and traditional, to financial institutions and larger corporations."

Lead Ventures is a Budapest-based venture capital and private equity firm, specializing in financing scale-ups in Central Europe.

Stellantis is an automaker and a mobility provider. Its brands include Abarth, Alfa Romeo, Chrysler, Citroen, Dodge, DS Automobiles, Fiat, Jeep, Lancia, Maserati, Opel, Peugeot, Ram, Vauxhall, Free2move, and Leasys. "Powered by our diversity, we lead the way the world moves – aspiring to become the greatest sustainable mobility tech company, not the biggest, while creating added value for all stakeholders as well as the communities in which it operates," Stellantis announced.

aiMotive is an independent automotive technology company working on level-agnostic automated driving solutions. According to Stellantis, "based in Budapest, Hungary, with offices in Germany, the US, and Japan, aiMotive has over 200 highly skilled employees worldwide, including engineers with advanced artificial intelligence and autonomous driving expertise." The company delivers an integrated portfolio of software, tools, and hardware products complemented by proprietary data management tools, enabling customers to develop and deploy production automated driving features which, as Stellantis describes them, "combine in-house expertise with aiMotive modular capabilities while achieving substantial reductions in development costs and timescales. The company's product portfolio has been validated in mass production programs. Its lightweight execution stack and sensor-agnostic, reusable data pipeline accelerate customers' time to market."

"In 2015, I founded a company that would develop technologies to shape the future of mobility for everyone," aiMotive Founder and CEO Laszlo Kishonti said. "I'm delighted that seven years later we can contribute to Stellantis' ambition and work together to make millions of customers' cars better, safer, and more intelligent."

Moving forward, aiMotive will operate as a subsidiary of Stellantis, maintaining its operational independence. Kishonti will remain as CEO. Furthermore, according to Stellantis, aiMotive "will also continue operating on the market with aiSim, aiData, and aiWare, delivering its technology solutions in those key areas to third-party customers. Stellantis will establish a Board of Directors to oversee aiMotive while preserving its autonomy and start-up mindset of rapid innovation."

According to Dentons, the work, "over a seven-month period, helped bridge the divide between a traditional global automotive giant, on one hand, and a prominent Hungarian founder/entrepreneur and his more than 20 angel investor and venture capital backers, on the other hand." Working with a complex network of advisors, the mandate included "a variety of issues, including intellectual property, phantom share option plans, retention arrangements, shareholder and external financing arrangements, warranty insurance, and corporate and tax structuring." ■

KOSOVO: LOCAL EFFORTS, STRONGER TOGETHER

BEK'S ACQUISITION OF KS SIGURIA

Firm	Role	Client(s)
RPHS Law	Buyer's Counsel	Banka Ekonomike JSC
In-house Team	Seller's Counsel	KS Siguria

Summary

In July 2022, Kosovo's Banka Ekonomike JSC concluded the acquisition agreement for a 100% stake in the local KS Siguria insurance company, with the deal itself being finalized and closed on September 25, 2022.

Banka Ekonomike JSC is a bank in Kosovo: founded by private investors in 2001, it is one of the first banks to be founded in the country. By 2017, the bank had a total of 33 branches. It is a member of the *Fondi per Sigurimin e Depozitave te Kosoves*, a deposit protection fund established in 2011. The main shareholder of the bank is Kosovo-Albanian entrepreneur and former President of the Republic of Kosovo Behgjet Pacolli. According to RPHS Law, "Banka Ekonomike JSC is one of the largest banks in Kosovo and has shown significant growth in the market in recent years."

Banka Ekonomike currently has 29 banking units, of which seven branches are in the main centers of Kosovo and 22 sub-branches in smaller regional units. According to its website, "being a bank with 100% local capital, during our 21-year journey we have been very dedicated in terms of social responsibility, and this role will continue to be even more active in the future, being close to culture, sports, health, education, marginalized categories, and initiatives that directly affect social development and well-being."

KS Siguria, established in 2000, is a Kosovo-based insurance company. Operating for over 22 years, KS Siguria has issued over 70,000 insurance policies, has over 50,000 customers served, and received over EUR 10 million in premium payments to date. The company offers property and home insurance, vehicle and vehicle liability insurance, health insurance, personal accident insurance, travel insurance, money insurance, construction risk insurance, goods transportation insurance, and warranty insurance in its product portfolio. According to the firm, "KS Siguria is one of the insurance companies with a significant impact in the insurance industry in Kosovo."

According to RPHS, "this transaction was the biggest transaction in the financial sector in Kosovo for 2022." Moreover, the firm announced that, with this transaction, "Banka Ekonomike has become the first and the only bank with a share in an insurance company in the Kosovo market, combining banking services and insurance products. The deal has helped both companies grow, introduce innovative products and services, and become more competitive in Kosovo's financial market."

"The complexity of the work was significant, as these investments and transactions are supervised by the Central Bank of Kosovo, and its specific consent is required. In addition, various complex issues had to be addressed before the SPA, such as subordinated debt, a capital increase, and corporate governance and regulatory aspects, among others," RPHS reported.

LATVIA: BALTCAP UPROOTING UPRENT

RENTA GROUP'S ACQUISITION OF UPRENT GROUP FROM BALTCAP

Firm	Role	Client(s)
Sorainen	Buyer's counsel	Renta Group
Cobalt	Seller's counsel	BaltCap Private Equity Fund II

Summary

In June 2022, the BaltCap Private Equity Fund II executed an agreement to sell the Uprent Group – joined by the company's minority shareholders – to Finland's Renta Group.

The BaltCap Private Equity Fund II is a buyout fund that makes equity investments in companies based in the Baltic region, focusing on buy-and-build opportunities. The fund was established in cooperation with the European Investment Fund involved in the project through the Baltic Innovation Fund. The Baltic Innovation Fund is an initiative created through the cooperation between Estonia, Latvia, Lithuania, and the European Investment Fund. Other investors of the BaltCap Private Equity Fund II include the EBRD, Baltic pension funds, fund-of-funds, and family offices.

The Uprent Group is described by BaltCap as being a "leading specialized pumping company providing dewatering and bypassing solutions in the Baltics and Poland." Its key products are pumps and pumping systems, which are complemented by trench shoring systems and power generators.

The Renta Group is a Finnish construction machinery and equipment rental company with over 100 depots and 1,000 employees throughout Scandinavia and Europe.

The BaltCap Private Equity Fund II first invested in the Uprent Group in 2016. According to BaltCap, "during the investment period, the company successfully expanded its network of depots in the Baltics and Poland and broadened the range of service offerings, introducing new and sustainable technological solutions in the market of pumping services."

Backing Uprent was a "unique opportunity to work with a determined management team and founders and develop the company into the leading player in the Baltic and Polish markets," BaltCap Partner Sandijs Abolins-Abols commented. "The team had a very clear strategic growth objective to become a go-to-market player in pumping solutions specializing in high value-added services for dewatering and bypassing needs. We were fortunate to be a part of the transformation, during which the company expanded its geographic reach and grew professionally. We are grateful to the management and founding partners for making this investment successful."

According to Cobalt, specialized pumping "is an attractive and sizeable rental niche, especially in Poland and the Baltics, where pumping is typically required on construction sites due to wet soil conditions. Geographically, Renta strengthens its position in Poland and gains entry to the Baltics, further broadening its presence in Northern Europe."

"We consider specialized pumping a highly attractive niche rental segment, where Uprent is the clear market leader in the Baltics and Poland," Renta Group CEO Kari Aulasmaa said. "We are delighted to join forces with this high-quality company where we see a talented team and significant further growth potential."

Finally, Uprent CEO Martins Egle stressed the importance of having an experienced and professional partner onboard: "BaltCap's experienced team guided us through the crucial development phase of the company that contained both ups and downs in the market. We consider this transaction a high evaluation of our success until today," he noted. "Being aligned with the Renta Group in the future provides us with excellent opportunities to expand geographically and further develop our product range, technical capabilities, and professional expertise," Egle added. "We are genuinely glad to become a part of the Renta Group, which adheres to the highest operational standards and has ambitious future plans."

"The transaction was the result of a challenging, complex tendering process and extensive negotiations," Cobalt reported. "This deal marked one of the first notable successive exits by a local private equity fund from a portfolio company – built not only across three Baltic jurisdictions but with a significant business portion stemming from the group's operations beyond the Baltics, in this case, in Poland." ■

LITHUANIA: SECURING THE FUTURE OF SECURITY

NOVATOR PARTNERS' INVESTMENT IN NORDVPN

Firm	Role	Client(s)
Ellex	Investor's Counsel	Novator Partners
White & Case	Investor's Counsel	Novator Partners
Cooley	Target's Counsel	Nord Security
NautaDutilh	Target's Counsel	Nord Security
TGS Baltic	Target's Counsel	Nord Security

Summary

In early 2022, Nord Security raised USD 100 million, at a USD 1.6 billion valuation, in its first external investment round led by Novator Ventures, with the participation of Burda Principal Investments and General Catalyst.

According to the company's press statement, the round was needed to further Nord Security's mission to "enable both consumers and companies to secure online networks, information, and accounts. Founders and angel investors including Supercell CEO Ilkka Paananen, Wolt CEO Miki Kuusi, and Automatic CEO Matt Mullenweg also joined the round. The investment will be used to expand Nord Security's product suite and enterprise footprint while accelerating the growth of consumer cybersecurity company Surfshark, which Nord Security joined forces with in early 2022."

Lead investor Novator Ventures is an international growth equity fund. The fund, as described by Nord Security, seeks to "identify disruptive trends driven by digitization or technological innovation and then pick high-quality disruptor businesses that are driving these secular changes in their given industries. Novator Ventures offers founders and/or management teams an opportunity to capitalize on the back of an engaged, knowledgeable, and supportive investor." Among others, Novator Ventures' previous investments include Zwift, Monzo, Tier, and AppLovin.

Burda Principal Investments provides long-term growth equity for consumer digital and technology companies. Burda Principal Investments is a division of Hubert Burda Media, a European media and technology conglomerate with a history of investing in internet-centric businesses since 1998. BPI has previously invested in companies such as Vinted, Bloom & Wild, Carsome, Moneybox, Zapp, and Billease.

General Catalyst is a venture capital firm. According to the company, it supports "founders with a long-term view who challenge the status quo, partnering with them from seed to growth stage and beyond to build companies that withstand the test of time. With offices in San Francisco, Palo Alto, New York, London, and Boston, the firm has helped support the growth of businesses such as Airbnb, Deliveroo, Guild, Gusto, Hubspot, Illumio, Lemonade, Livongo, Oscar, Samsara, Snap, Stripe, and Warby Parker."

"Ten years ago, we set out to create security and privacy tools which would help create a safer and more peaceful online future; today, millions of people trust our products every day to protect them," Nord Security Co-CEO and Co-Founder Tom Okman commented. "We are profitable and have been bootstrapped until today but, in our investors, we have found partners who believe in our mission as much as we do, which will allow us to grow faster and double down on our aspiration to build a radically better internet. We're also humbled to play a part in helping Lithuania, a fiercely entrepreneurial country, enter into a new era of technological innovation."

"Modern internet security requires a completely new approach to address the secular growth of risks from expanding data regulations and ever-worsening cyber threats," Novator Ventures Managing Partner (and newly appointed Nord Security board member) Birgir Mar Ragnarsson said. "Tom and his team are well-positioned to deliver and usher in the new era of internet security with a powerful and best-in-class suite of privacy and security tools, designed to protect information, accounts, and networks. It's rare to find a company that can already demonstrate such an excellent track record, brand credibility, and unwavering focus on serving customers, so we are delighted to partner with Nord Security to support the team as they execute their vision at scale."

According to Ellex, "founded in 2008, Tesonet was practically a veteran in the thriving Lithuanian start-up scene and, for a long time, it has been rumored to be Lithuania's second unicorn. However, in this unicorn race, the famous Tesonet was overtaken by Nord Security – the company that grew out of Tesonet – which eventually raised USD 100 million in this first investment round, and has now been officially recognized as Lithuania's second tech unicorn."

MOLDOVA: MORE EFFICIENT DISTRICT HEATING
EBRD LOAN TO CET NORD

Firm	Role	Client(s)
Gladei & Partners	Borrower's Counsel	CET Nord
In-house Team	Lender's Counsel	EBRD

Summary

In 2022, the European Bank for Reconstruction and Development extended a EUR 14 million loan to Moldovan state-owned company CET Nord JSC, under the EBRD *Green Cities Program*. According to EBRD, following the approval of the loan, Moldova's second-largest city of Balti and its citizens stood to benefit from "more efficient district heating."

CET Nord JSC provides district heating services to around 70% of the population of the city of Balti, as well as to a varied range of public buildings and commercial entities.

The EUR 5 billion EBRD Green Cities Program, according to the bank, "helps member cities identify, prioritize, and tackle environmental issues by developing a tailor-made Green City Action Plan and making targeted investments to address each city's urban challenges. Established in 2016, it currently has 52 members. Balti joined the program in 2019."

As the European Bank for Reconstruction and Development revealed, it provided a "EUR 14 million loan, alongside a Green Climate Fund (GCF) financing of EUR 1 million." The loan was to be complemented by a EUR 2 million grant from the Eastern Europe Energy Efficiency and Environment Partnership (E5P) fund. The agreement was signed by EBRD Associate Director and Senior Banker Octavian Costas and the Moldovan Deputy Prime Minister and Minister of Infrastructure and Regional Development Andrei Spinu.

Furthermore, according to the EBRD, "the project is a follow-on investment in Balti's district heating system under the flagship urban sustainability program, EBRD Green Cities. It addresses the city's key environmental challenges, including air quality and climate change, exacerbated by the underperforming energy distribution network and the low level of investment in building energy efficiency. These elements were identified in Balti's Green City Action Plan, completed and approved by the city council in November 2021 and funded by the government of Sweden."

What's more, the European Bank for Reconstruction and Development believes that the investment will help "alleviate legacy infrastructural issues and promote systemic decarbonization. It will encourage a reduction in electricity imports, leading to better energy security and significant carbon dioxide emission savings. By enhancing the operational and energy efficiency of district heating with improved system controls, the project will enable the introduction of apartment-level, consumption-based billing to consumers and further optimize the use of the city's highly efficient combined heat and power plant."

According to the EBRD, "by reducing gas consumption for space heating through better energy regulation, the project will help reinstate the supply of affordable centralized domestic hot water to consumers that was discontinued more than 20 years ago. As part of the project, the EBRD and the GCF will help promote equal opportunities by supporting women's participation in climate policy and technical roles, as well as by developing training courses and awareness on gender and climate change issues. The EBRD's Early Transition Countries Fund also supported the project with technical cooperation for project preparation. The new investment builds on the improvements achieved in the first phase of the project, completed in 2019, which resulted in a significant reduction in natural gas consumption, reduced carbon dioxide emissions, and better-quality district heating services.

The EBRD is one of the largest institutional investors in Moldova. To date, it has invested around EUR 1.47 billion in more than 145 projects across the country, to support private businesses and key infrastructure and build a greener and more sustainable economy.

"I am particularly close to this project," Gladei & Partners Managing Partner Roger Gladei commented. "It doesn't compare in size to other DOTY deals (e.g., Ukraine's USD 25 billion sovereign debt restructuring), but it is important to the people of northern Moldova, where I'm from. People will have hot water in their taps – I didn't know what that was as a child – and will only pay for their own consumption. Balti is becoming a greener city through the EBRD Green Cities program, and people will have cleaner air." ■

DEAL EXPANDED:
GLADEI & PARTNERS' DAN NICOARA AND CET-NORD'S ADRIAN CRASNOBAEV TALK ABOUT THE DEAL OF THE YEAR IN MOLDOVA

Nicoara: First, congratulations on winning the Deal of the Year award in Moldova!

Crasnobaev: Thank you! I am delighted that our successful collaboration has been recognized by this fascinating award.

Nicoara: Tell us a bit about CET-Nord and its operations.

Crasnobaev: The Joint Stock Company CET-Nord is an enterprise with full state capital and represents an entity of public interest at the national level. The company is also the largest supplier of thermal energy and produces electricity in cogeneration in the north of the Republic of Moldova, providing approximately 65% of the population of the city of Balti with thermal energy. It should be noted that JSC CET-Nord is the first thermal energy unit in the Republic of Moldova that has built and put into operation a cogeneration station with internal combustion engines in the country.

Nicoara: The winning deal involved an EBRD Loan to CET-Nord. What were the specifics of the deal that you can share?

Crasnobaev: On December 24, 2021, the European Bank for Reconstruction and Development (EBRD) concluded a loan agreement with the Republic of Moldova for the financing of Phase 2 of the Balti District Heating project by granting a EUR 15 million loan.

In order to achieve the effectiveness conditions and those preceding the disbursement of financial means within the Balti District Heating project, on March 30, 2022, JSC CET-Nord initiated the procedure for selecting a law firm with experience in providing legal services on the territory of the Republic of Moldova – having the obligation to prepare and submit to the EBRD a legal opinion confirming that the Action Plan developed by to the Project Entity included all the necessary legal steps to obtain the release of the JSC CET-Nord accounts under seizure and the removal of any restrictions on these accounts that had been applied in relation to the historical natural gas debt, as well as the clarification of any other matters that the EBRD may reasonably request.

After the selection of the Gladei & Partners law firm, as well based on the legal opinion delivered to the bank by your team, on July 28, 2022, JSC CET-Nord managed to pay the historical debt to the natural gas supplier, thanks to the component for the refinancing of the historical debt offered by the EBRD.

Nicoara: What is the financing intended for?

Crasnobaev: The EUR 15 million investment represents an EBRD loan of which EUR 8.5 million were allocated for an investment component and the remaining EUR 5.5 million for the mentioned refinancing component of the historical debt towards the natural gas supplier.

The main investment component of the Balti District Heating project, Phase 2, consists of the installation of individual thermal points (ITP) in 166 housing blocks and the construction of thermal networks with horizontal distribution in 296 housing blocks. In total, it is estimated that about two thirds of the consumers in the Balti municipality will benefit from these services.

Other investment components are intended to optimize operational costs, automated control, and monitoring, increase the operating life of machinery and equipment, as well as reduce thermal energy losses through: (1) construction of a thermal energy accumulator; (2) modernization of water treatment facilities within the Chemical Section; (3) implementation of the SCADA system for the distribution of the thermal agent and the provision of the thermohydraulic modeling software.

Nicoara: What were the most complicated aspects of the deal?

Crasnobaev: We could consider the refinancing component of the historical debt towards the natural gas supplier and its payment as the most complicated phase of the deal since this step was preceded by a complex process related to the conclusion with the creditor of an agreement transaction on the execution conditions. The aim was to obtain the necessary guarantees in order to cancel all the insurance measures applied to the movable and immovable assets and the bank accounts of JSC CET-Nord. At the same time, a goal was to obtain guarantees that no late interest or penalties would be calculated in connection with the settlement of the historical debt formed according to the executive document in the foreclosure procedure.

Nicoara: And, in contrast, what did you feel ran particularly smoothly?

Crasnobaev: Thanks to a successful collaboration between the Gladei & Partners law office, JSC CET-Nord, and the EBRD, the Balti District Heating project successfully entered into effect. At the same time, the procedure for the disbursement of financial means for the refinancing of the historical debt conditioned the avoidance of the repeated application of seizures and the blocking of the company's bank accounts.

The payment of the historical debt to the gas supplier allowed the company to choose its own vector of development and to adapt its services according to international standards and the requirements of Balti municipality consumers.

Nicoara: What's next for CET-Nord, once this project is concluded?

Crasnobaev: We will continue to focus on delivering quality services, rehabilitating the domestic hot water supply service, and attracting new consumers by offering modern heating solutions, with the installation of individual thermal points.

We believe that, with the increase in thermal load, production costs and tariffs will decrease and, by ensuring the competitiveness of the centralized heating service, we will be able to develop an efficient, comfortable, safe, and ecological heating system. ■

Dan Nicoara, Senior Associate, Gladei & Partners

Adrian Crasnobaev, Administrative Director, CET-Nord

The aim was to obtain the necessary guarantees in order to cancel all the insurance measures applied to the movable and immovable assets and the bank accounts of JSC CET-Nord.

MONTENEGRO AND SLOVENIA: BANKING IN TIMES OF ADVERSITY

NLB´S ACQUISITION OF N BANKA D.D.

Firm	Role	Client(s)
Baros, Bicakcic & Partners	Buyer's Counsel	Nova Ljubljanska banka d.d.
BOPA Bojanovic & Partners	Buyer's Counsel	Nova Ljubljanska banka d.d.
Kavcic, Bracun & Partners	Buyer's Counsel	Nova Ljubljanska banka d.d.
Knezovic & Associates	Buyer's Counsel	Nova Ljubljanska banka d.d.
Prelevic Law Firm	Buyer's Counsel	Nova Ljubljanska banka d.d.
Tashko Pustina	Buyer's Counsel	Nova Ljubljanska banka d.d.
Allen & Overy	Seller's Counsel	Single Resolution Board
Rojs, Peljhan, Prelesnik & Partners	Seller's Counsel	Single Resolution Board

Summary

In 2022, Slovenia's Nova Ljubljanska Banka acquired Sberbank in Slovenia, while, at the same time, Hrvatska Postanska Banka acquired Sberbank in Croatia. With total assets of EUR 1.8 billion at the end of 2020, Sberbank had a market share of approximately 4% of the banking assets in Slovenia; at the same time, Sberbank in Croatia had HRK 11.1 billion of assets, comprising approximately 2% of the banking assets in the country.

Following Nova Ljubljanska Banka's announcement – via its filing with the Ljubljana Stock Exchange – of its intention to acquire Sberbank Slovenia, the Bank of Slovenia announced its decision to issue a resolution tool in respect of the sale of 100% of shares issued by Sberbank. As a consequence of the sale, NLB's market share stood to increase to roughly 30% in Slovenia. For context, Sberbank's customer loans amounted to EUR 1.2 billion at the end of 2020.

The transaction was significant for the Montenegrin market as well, as NLB Banka had just finalized its merger and integration of Komercijalna Banka AD Podgorica on November 14, 2021. "NLB Bank, as a member of the largest banking group based in the region of Southeast Europe and the second largest bank on the Montenegrin market, has a special responsibility to use the knowledge and experience of its employees to further improve services, develop the offer, and work dedicatedly on an even better user experience for its clients," NLB Banka Podgorica CEO Martin Leberle announced at the time. After the merger, NLB Banka's total assets in Montenegro stood at over EUR 700 million, with its loan portfolio increasing by 20% and amounting to over EUR 500 million, 27,000 new clients, and three new branches in Podgorica, Budva, and Kotor for a total of 22 branches in the country.

Looking at the Sberbank transaction more closely, it stood to add approximately EUR 1 billion of risk-weighted assets to NLB Group's existing EUR 12.7 billion of risk-weighted assets at the end of 2021. According to the bank, "the NLB Group will at all times keep exceeding its overall capital requirement and Pillar 2 Guidance (from March 1, 2022, onwards at 15.10% on a consolidated basis). NLB's acquisition of Sberbank's Slovenian subsidiary also sought to preserve the financial stability in the country after Russian-owned banks suffered a loss of trust due to sanctions against Russia, following the beginning of the war in Ukraine in early 2022.

"There were two options for the resolution of the Slovenian Sberbank: either it ceases operations and savers are compensated in accordance with the guarantee scheme rules, or it gets a new owner," the Slovenian central bank announced. Following the sale, "all Sberbank clients will conduct banking services without disturbances." The decision was reached in agreement with the EU's Single Resolution Board, which determined that Sberbank's subsidiaries in Slovenia and Croatia were "failing or likely to fail due to a rapid deterioration in their liquidity situation," even as it decided no resolution was necessary for their Austrian parent. EU SRB Chair Elke Koenig said the three decisions "protect financial stability and the depositors up to an amount of EUR 100,000 in Austria and with no limits in both Slovenia and Croatia." Furthermore, according to NLB's filing with the Ljubljana Stock Exchange, the transaction "presents the next step in banking sector consolidation in Slovenia and is fully aligned with the strategic ambitions of NLB to improve its market position and will, at the same time, provide certainty for Sberbank's customers."

"By completing this transaction, Sberbank Slovenia will get a strong and committed owner, who will, with its capital and professional background, ensure uninterrupted business for clients," NLB CEO Blaz Brodnjak said. ■

NORTH MACEDONIA: THE CONVERSION FROM COAL TO PHOTOVOLTAICS

FORTIS ENERGETIKA'S FINANCING FOR CONSTRUCTION OF PV POWER PLANT

Firm	Role	Client(s)
Karanovic & Partners	Lender's Counsel	Halk Banka AD
In-house Team	Borrower's Counsel	Fortis Energetika

Summary

On June 17, 2021, North Macedonia's government announced it had selected Turkish Fortis Energetika to build a 50-megawatt photovoltaic power plant at the location of an old mine in Oslomej. Subsequently, in 2022, Fortis Energetika received a EUR 43 million financing from Halk Banka AD Skopje for the project.

The EUR 43 million financing will be used for developing a 50-megawatt photovoltaic power plant at the location of the TPP Oslomej exhausted coal mine. In addition, on the actual site of the former Oslomej thermal power plant, Fortis Energetika – together with Bulgaria's Solarpro Holding – will build two other PV plants, each with a capacity of 50 megawatts.

The borrower, Fortis Energetika, is developing the project through a public-private partnership with state-owned ESM Skopje, the biggest domestic electricity producer. This project has crucial importance for North Macedonia since it brings sustainable regional development and increases domestic electricity production from renewable energy sources, hence, reducing the dependence on energy imports. With the obligation from the public-private partnership tender to employ 50 former coal workers, the project also has positive socio-economic effects and enables a fair energy transition.

Under the PPP, ESM will receive 18.51% of the electricity produced by Fortis Energy Electric. The agreement will have a 35-year term, after which the ownership of the solar parks will be transferred to ESM, according to an earlier statement by the government.

Fortis Energetika is a Turkish company that generates, transmits, distributes, and supplies electricity from renewable energy sources. Its power generation activities started in 2014 under the names Basak Energy and Berak Energy. Berak Energy, operating in the field of electricity generation with solar energy systems since 2014, changed its name to Fortis Energy in 2019. Continuing its energy generation projects abroad as well as in Turkey, Fortis Energetika plans to realize a total of 1000 megawatts of renewable energy projects in the Balkans. The first, 80-megawatt phase of these projects, the Oslomej Solar Power Plant, was established in North Macedonia.

Halkbank AD Skopje was established in 1993 as a joint stock company to perform universal banking operations in the Republic of Macedonia, including deposit collection, corporate and retail lending, foreign exchange operations, domestic and foreign payments, trading of fixed income instruments, and trade finance. Currently, the bank focuses on improving four areas: strategy, organizational structure, branch efficiency, and sales process. The bank has a wide national network consisting of 41 operating branches in Macedonia and correspondent relationships with many foreign banks.

According to Karanovic & Partners, "with the EUR 43 million financing line, Halk Banka AD Skopje supports the intention of North Macedonia to become the first energy community country to start converting coal mines to solar fields. As one of the largest energy investments in the country, the project is an example of a transition to renewable energy sources and decarbonization in the Western Balkans."

"A highly demanding element of the transaction was the short deadline for negotiating and preparing the financing documents, considering that the negotiations were ongoing right up until the 'last minute' and were very intensive" Karanovic & Partners reported. "The deal was especially challenging considering that the borrower had not contracted any external legal advisors and our team had to communicate with the management of Fortis directly." ■

POLAND: THE CEE E-COMMERCE PLATFORM

ALLEGRO'S ACQUISITION OF MALL GROUP AND WEDO FROM PPF, EC INVESTMENTS, AND ROCKAWAY CAPITAL

Firm	Role	Client(s)
Clifford Chance	Buyer's Counsel	Allegro
Savoric & Partners	Buyer's Counsel	Allegro
Selih & Partners	Buyer's Counsel	Allegro
Srubar & Partners	Target's Counsel	Mall Group a.s. and WeDo CZ s.r.o.
White & Case	Sellers' Counsel	PPF, EC Investments, and Rockaway Capital

Summary

On November 5, 2021, the PPF Group, EC Investments, and Rockaway Capital jointly entered an agreement to sell 100% of their shares in online store operator Mall Group and logistics company WeDo to Polish e-commerce platform Allegro. The transaction value was up to EUR 975 million, including a price adjustment of up to EUR 50 million. The transaction was subject to antitrust and regulatory approvals and closed on April 1, 2022.

PPF and EC Investments each owned 40% of the Mall Group and WeDo, while Rockaway Capital held the remaining 20% stake in the two companies.

The completion of the transaction required obtaining the consent of the appropriate antitrust authorities in the Czech Republic, Poland, Slovakia, Slovenia, and Ukraine, as well as obtaining FDI clearance in Slovenia.

The acquired business comprises the e-commerce assets of the Mall Group and the logistics assets of WeDo based across the Czech Republic, Slovakia, Hungary, Slovenia, Croatia, and Poland. In the 2021 financial year, the Mall Group achieved a gross merchandise volume of PLN 4.3 billion, a gross margin of 14%, and an EBITDA breakeven. According to Allegro, this game-changing merger of unique scale allowed international merchants from across the wider geographical footprint and beyond to benefit from listing once and selling everywhere, while granting tens of millions of EU consumers convenient access to an improved selection, and the best prices and delivery experience.

"The transaction will give the group access to Mall Group and WeDo's cross-border fulfillment and last-mile logistics infrastructure, while Allegro brings in its 3P marketplace expertise and state-of-the-art technology to accelerate joint growth," a Rockaway Capital press release stated. "The two companies' advantages will thus be leveraged to the full, helping build a truly international business flywheel, based on the know-how from the joint teams. As Allegro will strengthen Mall Group's 3P business, we also expect to see growth in Mall Group profitability through a significant increase in offer selection and transaction frequency."

Allegro is a popular Polish shopping platform and, in its own words, one of the world's top e-commerce websites. The company operates a marketplace model offering customers products from over 135,000 merchants, who can list an unlimited number of offers on the platform. Allegro offers products in key categories including automotive, fashion, home and garden, electronics, books and collectibles, kids, and health and beauty. The group operates an online marketplace in Poland, allegro.pl, as well as price comparison platform ceneo.pl.

"Over two decades, Allegro has become the favorite shopping destination for consumers in Poland," Allegro CEO Francois Nuyts commented. "Together with the Mall Group and WeDo, we will now be able to improve the everyday lives of not only the 18 million customers we already serve, but also reach out to the rest of Europe with our offer. Buyers will benefit from the improved selection, price, and convenience, while a joint base of around 135,000 merchants will be able to 'list once, sell everywhere.'"

"According to press announcements, it was one of the largest Polish foreign direct investments to date," Clifford Chance reported. According to the firm, the transaction's complexity was due to its cross-border nature, the transaction structure adopted, and its financing. The Mall Group was acquired for a total of EUR 867 million. Allegro's acquisition of "53% of the shares was financed with cash and new debt, while the acquisition of the remaining 47% stake was financed through a simultaneous issue to the selling shareholders of approximately 33.6 million shares of Allegro.eu – which were shortly after deal closing admitted to trading on the Warsaw Stock Exchange. At the same time, Allegro purchased WeDo for cash." ■

DEAL EXPANDED: SRUBAR & PARTNERS' LUDEK SRUBAR AND LUCIE BADUROVA TALK ABOUT THE DEAL OF THE YEAR IN POLAND

By Radu Cotarcea

CEELM: First, congratulations on your work on the deal picked by our jurors as the Deal of the Year!

Badurova: Thank you!

Srubar: Indeed, thank you!

CEELM: At what stage of the deal did you become involved?

Srubar: Our office was involved from the very beginning of the deal. It all started with a simple NDA (which turned out to be anything but). After the NDA was signed, the companies started to get to know each other, and negotiations began.

CEELM: What were the main challenges at that NDA stage which complicated things?

Srubar: I wouldn't say that there was something complicated, but the negotiation process and additional requirements for that document showed that we were at the beginning of something bigger than casual business cooperation.

CEELM: Can you describe the deal for us and Srubar & Partners' role in making it happen?

Badurova: The purpose of the deal was the sale of the Czech Mall Group company in its entirety, including all its subsidiaries – meaning e-commerce and logistics companies in five countries – to the Polish Allegro e-commerce platform. The vision then and now is to create the best e-commerce platform within the CEE region and help it expand further to face competition from overseas.

Our main role during the deal was to lead the due diligence process and review and amend transactional documentation mainly from the perspective of the target.

CEELM: How did you land the mandate and what do you believe it was about the team that got it for you?

Srubar: We have broad experience with transactional proce-

Ludek Srubar,
Managing Partner,
Srubar & Partners

Lucie Badurova,
Partner,
Srubar & Partners

> We believe that the deal is one of the most impactful in the whole CEE region in recent times and it can change how e-commerce works, not only in the CEE region but also globally. We are proud that we could be part of it.

dures, and we were highly trusted by the target's shareholders. It is known about us that we always go the extra mile to make any difficult deal happen or get any unsolvable issues solved.

CEELM: What were the most complex aspects of the deal from a legal perspective? And what were some of the biggest difficulties faced in the process?

Srubar: It was the most complex due diligence – in which a vast number of advisers on the buyer´s side were involved. We were dealing with an enormous number of additional questions which had to be answered or analyzed. The entire process was subject to many jurisdictions across the region, which gave rise to a lot of potential conflicts between the laws of all the countries involved in the transaction and the deal's documentation, which was driven by UK law. The biggest difficulties were the extremely extensive working hours and the stressful push from all parties involved.

CEELM: Can you give us some examples of situations where local legislation was a roadblock? And how did you overcome those barriers?

Badurova: We would love to be able to share with you more details about our work and those challenges but, unfortunately, that is all confidential.

CEELM: In contrast, what, in your opinion, went particularly smoothly and what do you believe contributed to it?

Srubar: From our side, the teamwork and especially our own team's cooperation went super smoothly. Everybody simply put all their things aside and we worked as one mind and one body – and that was impressive to see in action.

> *We were dealing with an enormous number of additional questions which had to be answered or analyzed. The entire process was subject to many jurisdictions across the region, which gave rise to a lot of potential conflicts between the laws of all the countries involved in the transaction and the deal's documentation, which was driven by UK law.*

CEELM: What do you believe we can expect next from the targets – the Mall Group and WeDo CZ – now that the deal is concluded?

Badurova: The Mall Group and WeDo will become part of Allegro and will help it to achieve the goal of becoming both the most successful and the biggest platform in the whole CEE region. Together, they will allow Allegro to face even its biggest competitors in the world.

CEELM: Why do you believe the judges voted for this deal over the others?

Srubar: We believe that the deal is one of the most impactful in the whole CEE region in recent times and it can change how e-commerce works, not only in the CEE region but also globally. We are proud that we could be part of it.

CEELM: How do you imagine it would impact e-commerce beyond CEE?

Badurova: We believe that, in some time, we could see it inspire other players from our region to aspire towards having a wider world impact.

CEELM: In your view, what is the significance of this deal for the wider CEE market?

Badurova: We believe that its significance is enormous because, together in CEE, we showed that we could build a platform that can be perceived not only as a regional platform but also as an e-commerce service and technology company changing the way people experience their shopping.

CEELM: And do you believe we can expect other similar deals in the near future? Why/Why not?

Badurova: This transaction was unique in the region, and it would be difficult to look for any similar transactions in the near future, but anything can happen. However, we manage all our cases with the same level of quality and enthusiasm, and we are always looking forward to future challenges. ■

ROMANIA: THE GOD OF FRESH WATER, THE SEA, AND ENERGY SECURITY

ROMGAZ' ACQUISITION OF EXXONMOBIL'S 50% STAKE IN NEPTUN DEEP

Firm	Role	Client(s)
Dentons	Buyer's Counsel	Romgaz
Suciu Popa	Buyer's Counsel	Romgaz
Nestor Nestor Diculescu Kingston Petersen	Seller's Counsel	ExxonMobil

Summary

On May 3, 2022, Romania's largest natural gas producer, SNGN Romgaz, signed an agreement to acquire the ExxonMobil subsidiary owning 50% of the rights and obligations for the Neptun Deep project in the Black Sea. The sale-purchase agreement was approved during the Extraordinary General Meeting of Romgaz Shareholders on April 28, 2022, and the transaction was finalized on August 1, 2022.

ExxonMobil has been present in Romania's upstream sector since November 2008, when it acquired an interest in the Neptun Deep deepwater block in the Black Sea. The agreement included all shares in ExxonMobil Exploration and Production Romania along with an interest in the XIX Neptun Block offshore Romania.

The Neptun Deep project is aimed at the exploration of the Neptun Block in the deepwater sector of the Black Sea. The block covers an area of approximately 7,500 square kilometers in water depths ranging from 100 to 1,700 meters.

SNGN Romgaz is a Bucharest Stock Exchange and London Stock Exchange-listed company that produces and supplies natural gas in Romania. Its main shareholder is the Romanian state, with a 70% stake. Established in 1909, the company has experience in the field of natural gas exploration and production and currently carries out geological exploration to discover new gas deposits, produces methane gas by exploiting the deposits in the company's portfolio, stores natural gas underground, performs interventions, capital repairs, and special operations at wells, and provides professional technological transportation services.

ExxonMobil is a publicly listed international energy and petrochemical company with headquarters in Texas, in the US. The company's main business areas include upstream, product solutions, and low-carbon solutions. ExxonMobil's resource portfolio includes integrated fuels, lubricants, and petrochemicals companies.

"The transaction, worth over USD 1 billion, is the expression of the government's commitment to supporting vital investments in energy and the exploitation of natural gas from the Black Sea for the benefit of Romanians and the Romanian economy," Prime Minister Nicolae-Ionel Ciuca commented. "The new offshore law debated in Parliament at an accelerated pace unlocks vital investments to secure natural gas resources. The vision of the development of the energy sector that the government of Romania has, based on investments, a pro-business approach, and stability, will reposition Romania as an important regional actor, able to ensure the necessary [supplies] for the consumption of citizens and the economy and even become an energy security provider in the region."

The "Black Sea Neptun Deep project is a strategic opportunity for Romania, representing an important source of gas in order to ensure the energy security of our country," Romgaz CEO Aristotel Jude said. "The current geopolitical and energy context gives the project even greater importance. We set out to complete the transaction in the second quarter of this year, so that together with the future partner we can move, as soon as possible, to the development-exploitation phase. In this context, we estimate that the first gas production from the XIX Neptun Deep block will be obtained at the end of 2026, or early in 2027. In the 2021-2030 development strategy of SNGN Romgaz, we included, as a priority, the completion of the Neptun Deep transaction, as well as investments in other onshore development projects and from renewable energy sources, in the context of European green energy policies." ■

SERBIA: THE GREEN TRANSITION BLUEPRINT

IVICOM ENERGY'S EUR 155 MILLION FINANCING FOR KRIVACA POWER PLANT

Firm	Role	Client(s)
Dentons	Lender's Counsel	Erste Group Bank AG (lead arranger); Erste Group Bank, Erste Bank Novi Sad, Raiffeisen Bank International, Raiffeisen Banka Beograd, Nova Ljubljanska Banka Ljubljana, NLB Komercijalna Banka Beograd, Oesterreichische Entwicklungsbank AG (lenders);
MLL Meyerlustenberger Lachenal Froriep	Lender's Counsel	
Selih & Partners	Lender's Counsel	
Stelios Americanos & Co	Lender's Counsel	
Zavisin Semiz & Partners	Lender's Counsel	
Doklestic Repic & Gajin	Turbine Supplier/Installer's Counsel	Nordex Energy
Karanovic & Partners	Electricity Off-Taker's Counsel	Axpo Solutions
Wenger Vieli	Electricity Off-Taker's Counsel	
Ulcar & Partnerji	Borrower's Counsel	Ivicom Energy
Ulcar & Partnerji	Sponsor's Counsel	Mk Group and Alfi Green Energy Fund

Summary

On February 3, 2023, the banking consortium announced their EUR 155 million financing for the 103.3-megawatt Krivaca wind farm project co-owned by Serbia's MK Group and Slovenia's Alfi Green Energy Fund.

The lending consortium consisted of Erste Group Bank, Erste Bank Novi Sad, Raiffeisen Bank International, Raiffeisen Banka Beograd, Nova Ljubljanska Banka, NLB Komercijalna Banka Beograd, and Oesterreichische Entwichklungsbank.

"The basis of the project is a PPA, according to which the buyer of electricity undertakes to buy electricity directly from the producer of renewable energy," Erste Group's press release stated. "The conclusion of the PPA represents a major milestone in Serbia's transition to green energy, marking a new chapter in the energy transition in the entire Southeast Europe. The investors behind this joint venture project, MK Group and the Slovenian Alfi Green Energy Fund, are investing EUR 155 million in the Krivaca wind farm. Construction began at the end of the last year, and the wind farm is expected to be fully operational by the end of 2023."

Krivaca is the first wind farm to be built in Eastern Serbia, 120 kilometers southeast of Belgrade, and will cover 56 square kilometers in the territory of Golubac municipality. With a capacity of 105.6 megawatts and 22 wind turbines, it will produce 310 gigawatt-hours of green electricity annually. This is equivalent to supplying about 75,000 households and reducing carbon dioxide emissions by about 115,000 tons per year. The Krivaca wind farm is being developed by Ivicom Energy Zagubica, a renewable energy project co-owned by the MK Group and the Alfi Green Energy Fund. Ivicom Energy was established in 2009 as a start-up company for the purpose of the assessment of the wind energy potential and development of wind power plant projects in Serbia.

This is also the first renewable energy project in the country including a commercial power purchase agreement, which was concluded with Swiss renewables producer and trader Axpo. The Axpo Group is Switzerland's largest producer of renewable energy. The company already has a strong presence in the SEE region, with offices in Albania, Bulgaria, Croatia, Greece, Romania, and Serbia, offering services in power and gas supply, energy trading, and green certificates.

According to the Erste Group, "the Krivaca wind farm is a project that provides strong support for the achievement of the Government of the Republic of Serbia's goal of increasing the share of energy from renewable sources to at least 40% by 2040 and, at the same time, is an important step in the regional transition to green energy."

"The financing of the Krivaca wind farm represents a major milestone for the energy sector of Serbia, and we hope that more important steps like this will follow to expand the role of renewable energy in Southeast Europe," Erste Group Director of Corporate Finance Wolfgang Hargassner commented.

"We are pleased to facilitate yet another landmark agreement that advances the energy transition and supports the fight against climate change," Axpo Head of Origination Western & Eastern Europe Domenico Franceschino added. "While this is the first renewable PPA in Serbia, we are seeing an increasing number of companies seeking to purchase long-term electricity from renewable energy sources as part of their sustainability strategies." ■

DEAL EXPANDED: ZSP'S STOJAN SEMIZ, JELISAVETA STANISIC, AND TIJANA TRIVUNOVIC TALK ABOUT THE DEAL OF THE YEAR IN SERBIA

By Radu Cotarcea

CEELM: First, congratulations on winning the DOTY!

Semiz: Thank you! We'd like to thank the whole CEELM team and the jurors voting for it as well.

CEELM: Tell us a bit about the deal and your firm's role in getting it across the finish line.

Semiz: As you know, the deal was a EUR 155 million construction financing package for the Krivaca wind farm project – a joint venture between the Serbian MK Group and the Slovenian Alfi funds. Zavisin Semiz & Partners was the Serbian law advisor to the lenders, working with Dentons Bucharest, which acted as global counsel.

As in most complex Serbian project financings, our key role as local counsel was to give very pragmatic guidance to both the lenders and global counsel on the often underregulated and sometimes confusing local matters, walking a fine line between crafting a rock-solid financing structure and overcomplicating the process.

CEELM: At what stage did you become involved and what do you believe it was about your firm/team that won you the mandate?

Semiz: We were involved in the project from the outset – we carried out due diligence, assisted with drafting and negotiating the facilities agreement, and drafted and negotiated the local security package.

Erste Group Bank AG, which led the lenders' club, knew us well from previous transactions and reached out to us to help them navigate this project. Our excellent relationship with Dentons did not hurt, either.

CEELM: What do you believe were the main considerations for which the jurors picked this deal as the winner?

Semiz: This deal qualified on both key metrics. In terms of size, at EUR 155 million, it was probably the largest project financing deal in Serbia in 2022. In terms of novelty, this was the first Serbian renewables project financed on the basis of a private off-take contract.

While I'm reluctant to use the term "ground-breaking" due to indiscriminate overuse, this deal appears to deserve that label – a true groundbreaker in terms of bankable structure.

CEELM: What were the most complex aspects of the deal

Stojan Semiz, Partner, Zavisin Semiz & Partners

Jelisaveta Stanisic, Senior Associate, Zavisin Semiz & Partners

Tijana Trivunovic, Associate, Zavisin Semiz & Partners

from a legal perspective? And what were some of the biggest difficulties faced in the process?

Stanisic: As with all complex cross-border lending, we needed to carefully structure several different types of facilities into a single facilities agreement, in line with the sometimes not-so-simple local FX rules. We are happy that our solutions passed the regulator's review with flying colors.

When it comes to purely local (but by no means small!) challenges, we have been dealing extensively with establishing security over land rights for a large number of land plots owned mostly by third-party individuals. While that is not really cutting-edge legal work, the geographical spread, number of plots, and variety of titles presented a daunting logistical challenge, which ZSP and the borrower's team handled with aplomb.

CEELM: In contrast, what, in your opinion, went particularly smoothly and what do you believe contributed to it?

Trivunovic: Many years of working on the largest Serbian financings gave us a set of tried-and-tested Serbian-law governed documents, fine-tuned to the latest local market standards – this helped us a lot in efficiently negotiating this often-overlooked but important part of the overall package.

The lenders' in-house teams were efficient and picked up key points on the fly, thus greatly contributing to the speed and efficiency of negotiations.

And the borrower's legal counsels (global and local) were also a pleasure to work with – super-efficient, helpful, and attuned to market standards.

CEELM: In your view, what is the significance of this deal for the Serbian market?

Semiz: Renewables investors were looking for evidence that private off-take arrangements are bankable in Serbia – and this deal provided it. One cannot overstate the significance of proof of bankability in this segment which relies heavily on leverage. As such, this transaction paves the way for a greener future by encouraging new fully private investments in the renewables sector.

CEELM: And do you believe we can expect other similar deals in the near future? Why/Why not?

Semiz: Renewables is a white-hot sector these days, so yes, we expect many more deals – and many more mandates for us in this space. ■

DEAL EXPANDED: DENTONS' SIMON DAYES AND ULCAR & PARTNERJI'S MATJAZ ULCAR TALK ABOUT THE DEAL OF THE YEAR SERBIA

By Teona Gelashvili

Matjaz Ulcar, Managing Partner, Ulcar & Partnerji

Simon Dayes, Partner, Dentons Bucharest

CEELM: First, congratulations on winning the DOTY! Tell us a bit about the deal and your firm's role in getting it across the finish line.

Ulcar: For the project financing of the Krivaca wind plant, our team was legal advisor to the borrower (Ivicom Energy) and sponsors – Alfi Green Energy Fund (Slovenia) and MK Group (Serbia). Our primary responsibility was to negotiate and settle all financing agreements, including the facility agreement, security documents, and a large volume of other finance-related paperwork. In addition, we coordinated the work of legal advisors to the borrower in other jurisdictions and provided support in relation to electricity off-take arrangements.

Dayes: Dentons advised Erste Bank (Vienna) as lead arranger for the finance, and a group of seven specialist bank lenders from Vienna, Belgrade, and Ljubljana. Most also took on additional roles, perhaps most importantly three banks supported the borrower's payment obligations to the electricity off-taker Axpo, through a network of guarantees.

A key feature is that this is Serbia's first "merchant" transaction – the electricity price is that determined by whatever the electricity market is paying. The risk of falling prices is hedged with a financial derivative – Axpo tops up with additional payments if the market price of electricity falls below a certain benchmark. In this way, both sponsors and lenders can be sure of a minimum income level that will drive the financial model.

CEELM: What do you believe it was about your firm/team that won you the mandate?

Dayes: We know the Erste Bank renewable energy team from previous transactions, including three in Serbia. While this mandate was won through a competitive tender, Matjaz was also kind enough to recommend Dentons based on experiences working with our partners in CEE on other financing and M&A transactions.

Ulcar: We benefit from a strong and lasting relationship with the management team of Alfi Renewables (the fund manager) over many years. We have worked with them in other roles in the past and have a proven track record of trusted advice and support in similar transactions in Central Europe.

CEELM: What do you believe were the main considerations for which the jurors picked this deal as the winner?

Dayes: I would say two things: first, the structure of the electricity off-take arrangements, which are brand new and pioneering but which potentially have wide application across Central Europe (and we have seen subsequent deals which are taking up the challenge). Second, the general complexity of the contractual framework – so many different interests needed to be reconciled, across a number of legal jurisdictions including Serbia, Slovenia, Cyprus, Germany, Switzerland, Bosnia, Austria, and beyond. A large group of people worked around the clock to achieve this, not just lawyers but specialists and advisors from many different disciplines.

Ulcar: This was Serbia's first merchant project, the first to successfully secure financing without any form of state subsidy. Additionally, we ended up creating over forty finance documents (excluding the commercial project documents) involving multiple parties and multiple governing laws, which shows the complexity of the financing deal itself. The total amount financed, over EUR 150 million, is also significant for deals in this context.

> *A key feature is that this is Serbia's first "merchant" transaction – the electricity price is that determined by whatever the electricity market is paying. The risk of falling prices is hedged with a financial derivative – Axpo tops up with additional payments if the market price of electricity falls below a certain benchmark.*

CEELM: What were the most complex aspects of the deal from a legal perspective? And what were some of the biggest difficulties faced in the process?

Ulcar: The most challenging aspect was aligning all the timelines, especially due to the off-take arrangements. Project management needed to be flawless, a delicate operation where timing can be dependent on market forces. Additionally, the banks needed industry specialists to review and sign off on project timelines and underlying assumptions without any delay. Three-party and direct agreements involving suppliers and lenders, although standard practice, posed major challenges given the varying interests and different regions involved.

Dayes: New structures can be challenging, particularly when participators are faced with new documents that have no market precedent. But we benefited from some great thinking and expertise from sponsors and lenders – potentially thorny issues, particularly intricate inter-creditor arrangements and, Serbia's foreign exchange regulations, were ultimately resolved comfortably for all.

CEELM: In contrast, what, in your opinion, went particularly smoothly and what do you believe contributed to it?

Ulcar: Despite the complexity, the deal was negotiated in a reasonably short time, and we were able to get over the inevitable unexpected challenges. Our main task was to ensure that we could meet the deadlines, and this was done notwithstanding the strong commercial positions you would expect parties of this caliber to take. The volatility of market prices, beyond anyone's control, needed careful monitoring but, nonetheless, the Dentons team was extremely accommodating and readily available to discuss and try to come to solutions acceptable to us.

Dayes: We are particularly grateful to Matjaz and the sponsors' legal teams for their understanding of lenders' concerns and typical market positions, and for their willingness to spend time with us identifying and settling potential fixes. Also, the project benefited greatly from their deft handling of negotiations with third-party project suppliers and counterparties – this is a key skill of sponsors' counsel which (in my view at least) could and should be more widely recognized in CEE project finance.

CEELM: In your view, what is the significance of this deal for the Serbian market and the wider CEE region?

Dayes: This transaction could be a good blueprint for bankable merchant renewables financings across the region (or anywhere!). We think that it distributes risk fairly and logically between sponsors, lenders, suppliers, and other stakeholders. Although there are some complex issues and documents for participators to get their arms around, I think it can – and hope it will – prove successful!

Ulcar: Fully agree with Simon. This transaction is a good example that it is possible to structure and develop a sizeable (more than 100-megawatt) renewables project without any kind of state subsidizing, and, to achieve the ambitious goal of green transition, we believe the blueprint will be used for other projects as well. ■

SLOVAKIA: APPETITE FOR CUTTING-EDGE SOFTWARE

MICROSOFT'S ACQUISITION OF MINIT

Firm	Role	Client(s)
Dentons	Seller's Counsel	Minit Shareholders
Majernik & Mihalikova	Seller's Counsel	Minit Shareholders
Majernik & Mihalikova	Target's Counsel	Minit
Reed Smith	Buyer's Counsel	Microsoft

Summary

On March 31, 2022, the Microsoft Corporation announced the acquisition of Slovakia-based process mining technology vendor Minit for an undisclosed amount. Upon the transaction's closing, Microsoft became the sole shareholder of Slovakia's Minit and its Minit BV shareholder.

Microsoft announced that "Minit currently enables businesses to transform the way they analyze, monitor, and optimize their processes. Minit's solutions have helped businesses gain deep insights into how processes run, uncover root causes of operational challenges, and help mitigate undesired process outcomes." According to Microsoft, the transaction demonstrates its commitment to helping organizations quickly discover and optimize their business processes by bringing data and execution together to unlock powerful insights.

Founded in 2017, Minit is a Slovakia-based company specializing in process mining technology. The company offers services for enterprises from banking, insurance, logistics, and other sectors to optimize their processes and achieve their business objectives. Minit has offices in Amsterdam, London, New York, and Bratislava. Minit automatically analyzes process data from logs created by enterprise software applications organizations already work with, such as enterprise resource planning, (e.g., SAP, Oracle, Microsoft), customer relationship management (e.g., Salesforce), and customer service (e.g., ServiceNow).

According to KPMG in Slovakia – providing sell-side transaction management services on the deal – "Minit was founded in 2017 by Rasto Hlavac and had raised over EUR 10 million from global venture capital companies" at the time of the transaction. "The technology behind Minit's solution was in development since 2013 and is continuously ranked among the leaders in the process mining field. The clients of Minit include large multinational corporations from across the globe."

Back in 2018, Minit raised EUR 3.3 million in venture funding from Earlybird Venture Capital and OTB Ventures, to grow its team in research and development, sales, marketing, and consultancy, as well as to facilitate its expansion into global markets. Later, in 2019, Minit raised another EUR 7 million in a series A funding round led by Target Global, with participation from Salesforce Ventures and existing investors Earlybird Digital East Fund and OTB Ventures.

Microsoft is a Washington-headquartered multinational technology corporation. It focuses on the development of computer software, consumer electronics, personal computers, and related services. Microsoft was founded in 1975 by Bill Gates and, as of 2022, it ranks as the third largest company in the world by market capitalization, valued at over USD 2.2 trillion. The company's annual revenues reached over USD 198 billion that same year.

According to a Microsoft press statement, following the acquisition and integration of Minit, "customers will be able to better understand their process data, uncover what operations look like in reality, and drive process standardization and improvement across the entire organization to ensure compliance at every step."

"With Minit as part of the Microsoft family, we believe this strengthens the value Microsoft provides to its customers in the field of digital transformation," Minit CEO James Dening commented. "This acquisition will further empower Microsoft to help customers digitally transform and drive operational excellence by creating a complete picture of their business processes, enabling every process to be easily and automatically analyzed and improved."

According to Dentons, "Minit's growth is part of the wider European success story that is playing out across the process automation sector, with many of the current front-runners coming from this side of the Atlantic." ■

DEAL EXPANDED: REED SMITH'S MICHAEL YOUNG TALKS ABOUT THE DEAL OF THE YEAR IN SLOVAKIA

By Radu Cotarcea

CEELM: Tell us a bit about the deal and your firm's role in getting it across the finish line.

Young: The deal involved Microsoft's acquisition of Minit – a Slovakia-based company, specializing in process mining technology. It involved a Dutch holding company as well as subsidiaries in the UK, US, and Slovakia, where the founders grew their business. We were brought in to support Microsoft in dealing with the rather complicated structure and helping them get the acquisition done.

CEELM: At what stage did you become involved and what do you believe it was about your firm/team that won you the mandate?

Young: We got involved at the term sheet stage, so fairly early. We have a good relationship with Microsoft – we have acted for them on transactions for over 20 years now. We work with them primarily in the UK but, every now and then, we end up supporting them in other jurisdictions as well. Since we have covered so many transactions for them over time, I think it's a simple matter of them knowing and being comfortable with our team. And we know them and how they like things done quite well by now.

CEELM: What do you believe were the main considerations for which the jurors picked this deal as the winner?

Young: I think it's a great success story – a Slovak-founded business that now lives the dream. It's what all EU tech entrepreneurs are looking to do: grow through venture capital and then exit to a US giant. I don't think the value is disclosed but it represents a great endorsement of what the team there has done and what can be achieved in the country.

CEELM: What were the most complex aspects of the deal from a legal perspective? And what were some of the biggest difficulties faced in the process?

Young: It's difficult to say without going into any sensitive matters. If I had to point to one obvious challenge, it'd be the multi-jurisdictional element of the deal: a US buyer, a Dutch holding company, and all the subsidiaries involved across the board.

CEELM: In contrast, what, in your opinion, went particularly smoothly and what do you believe contributed to it?

Young: Again, it's difficult to go into detail but, in general terms, I'd say the deal was run as it should be: all were working towards the same general goal – getting the deal done. It was a very collaborative process: the sellers wanted to sell, and the buyer wanted to buy. Ultimately, the buyer wanted to incorporate the target's services into their own offering. That could only be a success if the team integrates and the process is collaborative. We were all there to help the transaction happen rather than hinder it.

CEELM: In your view, what is the significance of this deal for the Slovak market?

Young: As I mentioned already, I think it represents a great endorsement of what a tech company can achieve in the country. They built up a very exciting company that runs cutting-edge technology to the point that it was interesting for one of the largest tech companies in the world.

CEELM: What about the wider CEE region?

Young: I see a lot of companies having tech that is built out of the region. I get the impression that there are good universities producing well-educated software developers that a lot of companies use to build their tech. I think deals like this one will reinforce that impression and others might turn to the region for those capabilities.

CEELM: Do you believe we can expect other similar deals in the near future in the region? Why/Why not?

Young: It's always good for a market to have a success story such as this one. It represents a great endorsement to have one leading global company comfortable acquiring a company in the region. It sends a message that if they would, why would others shy away from it? At the end of the day, large tech companies need to remain cutting-edge. Since that is not always possible organically, I think they will continue to look around for opportunities to acquire good people and good tech through such deals. And deals such as this one send a message that CEE is a good place to look for targets. ■

TURKEY: THE 50:50 CLEAN ENERGY PARTNERSHIP
IHC'S ACQUISITION OF KALYON ENERJI

Firm	Role	Client(s)
GKC Partners	Seller's Counsel	International Energy Holding
Norton Rose Fulbright	Buyer's Counsel	W Solar Investment LLC
Pekin Bayar Mizrahi	Buyer's Counsel	W Solar Investment LLC

Summary

On August 11, 2022, Abu Dhabi-based conglomerate International Holding Company (IHC) announced its AED 1.8 billion acquisition – through its International Energy Holding subsidiary – of a 50% stake in Turkish clean energy company Kalyon Enerji.

The deal included a photovoltaic power plant project with an installed capacity of 1.348 gigawatts-peak in the Karapinar region in Konya. The Kalyon Karapinar Solar Power Plant was established on approximately 20 million square meters of land in Konya's Karapinar district. The installation and commissioning of 3.5 million panels started in August 2020 and is set to be completed in 2023. This facility was targeted to meet the annual electrical energy needs of approximately two million people, while two million tons of fossil waste and carbon emissions would be prevented.

The strategic partnership also included other renewable projects in Turkey, among them the 1-gigawatt wind project developed by YEKA in Ankara, a 100-megawatt solar project in Nigde, a 50-megawatt solar project in Gaziantep, as well as other renewable projects in various Turkish cities.

Founded in 1998, the IHC is an Abu Dhabi-based holding company that invests in diversified global sectors, enhancing social lives and driving economic development and growth. The IHC is a listed company with a market capitalization of AED 619 billion as of June 30, 2022. Comprising more than 30 entities and over 52,000 employees, the IHC seeks to expand and diversify its holdings across a growing number of sectors, including real estate, agriculture, healthcare, food and beverage, utilities, IT and communications, retail and leisure, and capital.

Turkish clean energy company Kalyon Enerji, part of Turkish conglomerate Kalyon Holding, focuses on research and development and innovation studies with the aim of making renewable energy sources accessible. Kalyon Holding operates in the construction, energy, and aviation industries and has nearly 35,000 employees and 78 years of experience in the construction, aviation, concessions, real estate, energy, industry, and venture capital sectors.

"This constitutes the IHC's second-largest acquisition in the renewable energy sector to date," IHC CEO Syed Basar Shueb commented. "With this transaction, the IHC is further accelerating its growth in the renewable energy sector by partnering with Kalyon Enerji, and this will complement our renewable energy portfolio, which we will continue to grow across different markets."

"The steps we have taken in the energy sector and the investments we have made have attracted the attention of foreign investors so far," Kalyon Holding Chairman of the Board Cemal Kalyoncu added. "This strategic cooperation is of historical importance in terms of realizing both potential projects in Turkey and new markets and business fields in geographies that we plan to enter in the world. It will make a great contribution to our geography as well as our country. We have always been committed to enriching human life by contributing to social development without losing environmental awareness. With climate change being the defining challenge of our time, we must accelerate our efforts to transform our planet into a sustainable green economy."

"The acquisition comes as part of the IHC's long-term investment strategy in the clean energy sector – and four months after its AED 7.3 billion investment in Indian conglomerate Adani Group's green energy companies – as the company continues to grow its clean energy portfolio investment and deliver sustainable growth in the energy sector," an IHC press statement on the acquisition announced. ■

UKRAINE AND CEE DEAL OF THE YEAR: VALUES OVER MONEY

UKRAINE'S CONSENSUAL DEFERRAL OF EXTERNAL DEBT WORTH OVER USD 25 BILLION

Firm	Role	Client(s)
Avellum	Issuer's Counsel	Ministry of Finance of Ukraine; Private Joint Stock Company "National Power Company Ukrenergo"; State Road Agency of Ukraine
Hogan Lovells	Trustee's Counsel	BNY Mellon
Latham & Watkins	Solicitation Agent's Counsel	J.P. Morgan Securities
Sayenko Kharenko	Solicitation Agent's Counsel	J.P. Morgan Securities
Weil, Gotshal & Manges	Eurobond Holder's Counsel	Amia Capital
White & Case	Issuer's Counsel	Ministry of Finance of Ukraine; Private Joint Stock Company "National Power Company Ukrenergo"; State Road Agency of Ukraine

Summary

On August 10, 2022, Ukraine announced it had received the requisite consents from the holders of its eurobonds and GDP-linked warrants. On the same date, Ukrenergo and Ukravtodor announced the same with respect to their eurobonds. The liability management transaction had been launched on July 20, 2022.

According to Avellum, the agreements "primarily allowed all three issuers to defer all payments due under their relevant debt instruments for two years. Most importantly, this will also allow Ukraine to refocus its limited foreign currency liquidity toward other pressing needs of the state budget of Ukraine."

This transaction followed the initiative announced on July 20, 2022, by Ukraine's international partners within the G7 and the Paris Club (excluding Russia) to suspend debt service payments for Ukraine until the end of 2023, with the possibility to extend the suspension by one more year.

The plan to suspend debt serviced by Ukraine for two years had been supported by a group of creditors which includes the UK, the US, Canada, France, Germany, and Japan. Observers of the group include Australia, Austria, Belgium, Brazil, Denmark, Finland, Ireland, Israel, Italy, Korea, the Netherlands, Norway, Spain, Sweden, and Switzerland.

"The three-week negotiations with bondholders and GDP warrants holders resulted in the successful amendment of all of Ukraine's sovereign international eurobonds and GDP warrants, as well as state-guaranteed eurobonds," Ukraine's Ministry of Finance announced. "Holders of around 75% of the aggregate principal amount of Ukraine's 13 eurobond series outstanding voted in favor of amending the conditions of the eurobonds. Furthermore, each series of sovereign eurobonds received more than 50% of votes in favor of amending the conditions, in line with the applicable consent requirements. Investors have also supported proposals from Ukrenergo and Ukravtodor on amendments to the conditions of their respective state-guaranteed eurobonds."

"We are very proud of the high-quality investor fund base we have built up during the last years," Ukrainian Government Commissioner for Public Debt Management Yuriy Butsa commented. "I'd like to emphasize that the support we've received during this transaction is hard to underestimate. Our core investor base was always real money investors and, by supporting us in this deal, they clearly showed that this market is now much more about values than it used to be. All the feedback was very constructive and I'm not aware of any holdouts from our key institutional investors. This allowed us to comfortably pass both the needed thresholds on bonds and warrants. We were also happy to hear that the majority of our investors expressed willingness to participate in the post-war reconstruction efforts of Ukraine. Hopefully, sooner rather than later, we will recover from the economic shock caused by the war started by Russia and we'll come back to the market as always as a responsible and reliable issuer."

"We are grateful to investors for accepting our proposal," Ukraine's Minister of Finance Sergii Marchenko added. "Thanks to the solidarity with Ukraine shown by the private investor community along with the official public sector, we will be able to meet the needs of the state budget of the country in war and keep our public finances sustainable." ■

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