Year 7, Issue 4
May 2020

CEE Legal Matters

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

Across the Wire: Deals and Cases in CEE ■ On the Move: New Firms and Practices ■ The Buzz in CEE
2019 CEE Deal of the Year Awards: Summaries and Interviews

EDITORIAL: NOT DELAYED FEEDBACK, BUT DELAY, AND FEEDBACK

By David Stuckey

A few random thoughts, in this unsettling time of social distancing and economic slowdown:

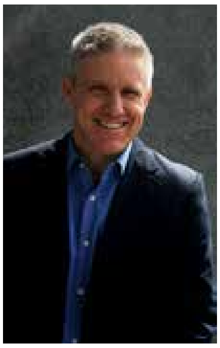
First, an explanation. This issue of the CEE Legal Matters magazine was originally going to feature content, including photos, interviews, and reporting, from the Dealer's Choice International Law Firm Summit and 2020 CEE Deal of the Year Awards Banquet, originally scheduled for April 23, 2020. As those events were, for obvious reasons, postponed (to October 13), those plans had to be scrapped.

In addition, we had been planning to run our annual Table of Deals in this issue. Unfortunately, as our coverage and/or the amount of work reported by law firms in the region has grown year-by-year, this year the Table simply became too big to fit in a single issue of the magazine.

As a result, this is a shortened, hybrid issue, with significant Covid-19 coverage in the form of The Buzz articles (beginning on page 16), and expanded coverage of the 2019 CEE Deal of the Year Award winners. And, like all previous annual CEELM Tables of Deals, the 2019 TOD is of course available (and easily sortable) on the CEE Legal Matters website, at ceelegalmatters.com/deal-list-2019. This year's table contains a remarkable 1782 entries involving 622 firms from all 24 CEE markets.

Finally, this seems like an ideal place to print a message we received last week from Emina Saracevic, Partner at SGL - Saracevic & Gazibegovic Lawyers in Sarajevo regarding Andrija Djonovic's two-part article in the January and March 2020 issues of the CEE Legal Matters magazine on the effects of the Bosnian War in the 1990s on the legal community in Bosnia & Herzegovina:

I wish to congratulate you David, as an editor, and your colleague, as a writer, for a remarkable article "Practice Under Pressure - How the Legal Profession in Bosnia & Herzegovina Experienced the Bosnian War." Well done Andrija! I just read part I, and it is so fantastic that someone made this topic alive again. There are so many lessons to learn from those days. It was indeed super-human to conduct any kind of professional activity under gunfire and grenades. My father was, just as Mr. Maric (who was also my mentor) and it is great you invited him for an interview, working during the entire war, as Head of Surgery at the University Hospital of Sarajevo. While my mother was the first woman (probably the only one too) who returned from freedom to Sarajevo under siege with her underage children (myself included). This is why, your article really brought some memories … mostly positive ones. Those days only remind me of strength and motivation to succeed no matter what the circumstances are. Thank you once again.



As a great fan of Bosnian history, I would just like to add a slight note concerning the introductory part, regarding the beginnings of Bosnia. It was indeed a top prize for its geostrategic position and natural resources in the agenda of many conquerors. However, before that, it was a mighty medieval kingdom – most prominent in the whole Balkans (safe-harbor of all non-Catholics during the Crusades), and before that a Roman province inhabited by Illyrians. The famous "stecci" tombstones on the other hand speak of its relation to Antique Greece. That's how old history and non-material treasure is associated with these areas, which is why it's no wonder people who live here are resilient to hardships and always, somehow, manage to regain their freedom.

– Thank you, Emina. We're glad you enjoyed it, and I agree – I thought Andrija did an excellent job at bringing that conflict to life.

Not everyone was so enthusiastic, however. We received one angry message from a senior lawyer in Bosnia & Herzegovina who felt the article misrepresented the conflict – though unfortunately the author did not accept our offer to publish his complaint.

Too bad, too, because we genuinely appreciate all feedback on our articles, both pro and con, and we are committed to publishing those that elaborate or provide useful comment on the articles as well.

Now … back to lockdown. I wonder if I've seen this episode of *Columbo* yet? ■

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If you like what you read in these pages (or even if you don't) we really do want to hear from you. Please send any comments, criticisms, questions, or ideas to us at: press@ceelm.com

DEALER'S CHOICE LAW FIRM SUMMIT & 2020 CEE DEAL OF THE YEAR AWARDS

OCTOBER 13, 2020

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2019 CEE DEAL OF THE YEAR

ACROSS THE WIRE: DEALS SUMMARY

Date covered	Firms Involved	Deal/Litigation	Value	Country
16-Mar	DLA Piper	DLA Piper advised PORR AG on the issuance of EUR 150 million hybrid bond.	EUR 150 million	Austria
16-Mar	Cerha Hempel; Linklaters	Cerha Hempel advised CA Immobilien Anlagen AG on its EUR 500 million benchmark bond issuance. Linklaters advised sole global coordinator J.P. Morgan and joint book-runners Erste Group, J.P. Morgan, and Morgan Stanley.	EUR 500 million	Austria
17-Mar	Act Legal (WMWP); Herbst Kinsky	Herbst Kinsky advised Earlybird Venture Capital on its investment into Mostly AI Solutions MP GmbH. Act Legal advised Mostly AI.	N/A	Austria
23-Mar	Binder Groesswang; Schoenherr	Binder Groesswang advised Austrian risk and insurance manager GrECo and its majority owners, the Neubrand family, on the buy-back of GrECo shares from former partner JLT. Schoenherr advised the sellers on the deal.	N/A	Austria
24-Mar	BPV Huegel; Dechert; Dorda	Dechert and BPV Huegel advised Valneva Austria GmbH on debt financing it received from the US-based Deerfield and OrbiMed healthcare funds. Dorda advised the lenders.	USD 85 million	Austria
27-Mar	Dorda; Reidlinger Schatzmann	Dorda advised Warburg-HIHInvest Real Estate on the sale of a multi-story office building in the Summering part of Vienna to a real estate fund managed by Luxembourg-based Blue Colibri Capital. Reidlinger Schatzmann advised the buyers.	N/A	Austria
3-Apr	Fellner Wratzfeld & Partner	Fellner Wratzfeld & Partner advised VTB Bank Europe on financing provided to an unidentified buyer for its acquisition of 50% of SEMA Vermoegensverwaltung GmbH, the Austrian holding company of the Planquadr.at development and real estate portfolio group.	N/A	Austria
7-Apr	Dorda; Herbst Kinsky	Dorda advised joint global coordinators UBS and HSBC on the EUR 1.65 billion capital increase of Austria's AMS AG.	EUR 1.65 billion	Austria
7-Apr	Dorda	Dorda advised Lernsieg Mobile Media GmbH on data protection issues related to the relaunch of its Lernsieg app, which allows students to evaluate their schools and teachers.	N/A	Austria
9-Apr	Weber & Co.; White & Case	Weber & Co. advised OMV AG on the issuance of multi-tranche corporate bonds. White & Case Frankfurt advised joint lead managers Barclays Bank Ireland PLC, Credit Agricole Corporate and Investment Bank, MUFG Securities, Societe Generale, and UniCredit Bank Austria AG.	EUR 1.75 billion	Austria
14-Apr	Allen & Overy; Dorda; Eisenberger & Herzog	Dorda advised Greiner AG on the takeover of Eurofoam GmbH from Recticel. The Brussels office of Allen & Overy and Eisenberger & Herzog advised Recticel on the deal.	N/A	Austria
15-Apr	Wolf Theiss	Wolf Theiss advised Japan's Takeda Pharmaceuticals on its acquisition of Plasmaspendedienst GmbH.	N/A	Austria
15-Apr	Cerha Hempel	Cerha Hempel advised Philip Morris Austria GmbH on the launch of a new tobacco product in Austria.	N/A	Austria
15-Apr	Dorda	Dorda successfully represented Willhaben in a dispute against AutoScout24 AS involving the Austrian Unfair Competition Act.	N/A	Austria
7-Apr	Sorainen	Sorainen advised the Kaamos Group, its Estonian subsidiary Kamos Timber, and its Belarusian subsidiary, Mozyr Sawmill, on a EUR 15 million loan it received from the EBRD for the construction of a new sawmill in Belarus.	EUR 15 million	Belarus; Estonia
17-Mar	Kambourov & Partners; Wolf Theiss	Kambourov & Partners advised DS Smith on Bulgarian aspects of the sale of it plastic packaging business to Liquibox. Wolf Theiss advised Liquidbox on the deal.	N/A	Bulgaria
17-Mar	D'Ornano Partners; Schoenherr	D'Ornano Partners advised the Groupama Group on its acquisition of Express Life Bulgaria IJSC, a member of the OTP Group. Schoenherr advised the OTP Group on the deal.	N/A	Bulgaria
26-Mar	Tsvetkova Bebov Komarevski	Tsvetkova Bebov Komarevski advised Eleven Capital on its IPO.	N/A	Bulgaria
27-Mar	Kambourov & Partners	Kambourov & Partners advised DEV.bg, a Bulgarian IT community developer, on the EUR 200,000 acquisition by hosting and software development company SiteGround of newly issued shares representing a 10% stake in the company.	EUR 200,000	Bulgaria

Date covered	Firms Involved	Deal/Litigation	Value	Country
27-Mar	Kinstellar	Kinstellar advised Earlybird Venture Capital on its EUR 3 million seed funding of fintech startup Payhawk.	EUR 3 million	Bulgaria; Turkey
17-Mar	Cipcic - Bragadin Mesic & Associates	Cipcic-Bragadin Mesic & Associates executed a public procurement advisory agreement with the Croatian Ministry of Public Administration in relation to the implementation of an e-Business project.	HRK 50 million	Croatia
31-Mar	Cipcic - Bragadin Mesic & Associates	Cipcic-Bragadin Mesic & Associates announced the launch of a "Covid-19 + Zagreb Earthquake" pro bono project to help those affected by Covid-19 and/or the earthquake that rocked the Croatian capital on March 22, 2020.	HRK 1 million	Croatia
16-Mar	Kocian Solc Balastik	Kocian Solc Balastik advised Czech hosting company IGNUM on its acquisition of web hosting and server services provider Stable.cz.	N/A	Czech Republic
16-Mar	Kocian Solc Balastik	Kocian Solc Balastik advised Solitea on the acquisition of Axiom Provis Int.	N/A	Czech Republic
17-Mar	Clifford Chance; Dentons	Clifford Chance advised Heimstaden Bostad AB on its EUR 1.3 billion acquisition of Residomo's residential portfolio, which consists of move 42,000 residential units primarily in the Moravia-Silesia region of the Czech Republic. Dentons advised Residomo on the deal.	EUR 1.3 billion	Czech Republic
17-Mar	Weinhold Legal	Weinhold Legal advised Skolnik Holding s.r.o. on the acquisition of a majority stake in Hobra-Skolnik from Switzerland's Filtrox.	N/A	Czech Republic
18-Mar	Kinstellar	Kinstellar helped Portiva acquire Astrid Offices, an administrative center under development in Prague's Holesovice district.	EUR 19.5 million	Czech Republic
26-Mar	Allen & Overy; Clifford Chance; Milbank, Tweed, Hadley & Mccloy	Allen & Overy advised J.P. Morgan, HSBC, Societe Generale, UniCredit, Erste Group, and J&T BANKA as initial purchasers of the EUR 300 million 3.875% Senior Notes due 2027 issued by the Sazka Group and guaranteed on a senior basis by subsidiary Sazka Czech. MIlbank acted as international and New York law counsel for Sazka, while Clifford Chance advised it on Czech law aspects.	EUR 300 million	Czech Republic
3-Apr	BPV Braun Partners; CEE Attorneys	BPV Braun Partners advised Generali Investments CEE on its acquisition of a residential building in Prague. CEE Attorneys advised the unidentified seller on the deal.	N/A	Czech Republic
8-Apr	Clifford Chance; Dolecek Advokati	Clifford Chance advised Generali Real Estate on its acquisition of the Kotva Department Store, a 28,000 square meter seven-story building in the Prague city center, from PSN. Dolecek Advokati advised the sellers.	N/A	Czech Republic
19-Mar	Allen & Overy; Greenberg Traurig; Kinstellar; Kirkland & Ellis	Greenberg Traurig provided Polish advice to GLP on its acquisition of Goodman Group's Central and Eastern Europe logistics portfolio. Kirkland & Ellis served as global legal counsel to GLP, while Kinstellar provided local legal advice with respect to Czech, Slovak, and Hungarian aspects of the transaction. Allen & Overy advised the Goodman Group on the deal.	N/A	Czech Republic; Hungary; Poland; Slovakia
31-Mar	White & Case	White & Case advised TPG Capital on a development loan for unidentified industrial premises to "serve as multi-purpose facilities for warehousing, administration, and trade and science and technology."	N/A	Czech Republic; Slovakia
17-Mar	Cobalt	Cobalt advised Luminor Bank on its inaugural issue of covered bonds, with an aggregate nominal value of EUR 500 million.	EUR 500 million	Estonia
27-Mar	Pohla & Hallmagi	Pohla & Hallmagi advised the Hobby Hall Group, operating under the Hansapost brand, on an agreement to manufacture and provide personal protective equipment to the seven clinics of the North Estonia Medical Center.	N/A	Estonia
30-Mar	Cobalt	Cobalt successfully represented Estonia's largest waste handler Ragn-Sells AS in a dispute regarding the public procurement of a waste removal concession organized by the Vinni municipality in northern Estonia.	N/A	Estonia
2-Apr	Cobalt	Cobalt advised fashion brand house AS Baltika on reorganization proceedings.	N/A	Estonia
24-Mar	Karatzas & Partners; White & Case; Zepos & Yannopoulos	White & Case and Zepos & Yannopoulos advised Centerbridge Partners and Elliott Advisors UK Limited on the acquisition of a EUR 900 million portfolio of secured non-performing small business lending and SME loans from the National Bank of Greece. Karatzas & Partners advised the NBG on the deal.	EUR 900 million	Greece
3-Apr	Dentons; Jalsovszky; Noerr; Szabo Kelemen & Partners	Noerr advised the Doktor24 Group on a series of transactions, including raising private equity capital and acquiring two healthcare companies in Hungary: Svabhegyi Gyermekgyogyintezet and Kastelypark Klinika. Dentons advised the co-investors on the funding, the Jalsovszky Law Firm advised the sellers of Svabhegyi Gyermekgyogyintezet, and Szabo Kelemen & Partners advised the sellers of Kastelypark Klinika.	N/A	Hungary
14-Apr	Jalsovszky; Oppenheim	Jalsovszky advised Szkaliczki Holding on the sale of Szkaliczki & Partners Plastic Processing Ltd to Nefab AB, a Swedish company that offers multi-material packaging solutions and logistics services. Oppenheim advised Nefab.	N/A	Hungary

Date covered	Firms Involved	Deal/Litigation	Value	Country
9-Apr	Sorainen	Sorainen advised the Biolars chemical factory on starting the manufacturing of disinfectants in its Latvian production plants.	N/A	Latvia
14-Apr	Allen & Overy; Cobalt	Cobalt advised joint lead managers Barclays, J.P. Morgan, and Societe Generale on the Republic of Latvia's EUR 550 million Eurobond issuance. Allen & Overy advised the Republic of Latvia on the issuance.	EUR 550 million	Latvia
2-Apr	Sorainen	Sorainen, working alongside Sweden's Mannheimer Swartling, is advising KPMG Sweden on its acquisition of KPMG Latvia and KPMG Lithuania.	N/A	Latvia; Lithuania
16-Mar	TGS Baltic	TGS Baltic successfully represented Orlen Lietuva before the Court of Appeal of Lithuania in a dispute regarding Polocktransneft Druzhba's claim for damages of over USD 70 million.	USD 70 million	Lithuania
24-Mar	Motieka & Audzevicius	Motieka & Audzevicius helped Nandi Finance obtain an electronic money institution license from the Bank of Lithuania.	N/A	Lithuania
26-Mar	Sorainen	Sorainen helped E4F Money obtain an electronic money institution license in Lithuania.	N/A	Lithuania
30-Mar	Sorainen	Sorainen advised the Ignitis Group on the receipt of a loan by Pomerania Wind Farm, a Polish company belonging to the group, of a loan from EIB.	PLN 258 million	Lithuania
1-Apr	TGS Baltic	TGS Baltic successfully defended Klaipedos Naft before the Court of Appeal of Lithuania in a case involving EUR 6 million in damages.	EUR 6 million	Lithuania
3-Apr	Ellex (Valiunas)	Ellex Valiunas successfully defended the interests of the Kaunas City Municipality in a dispute involving the termination of a contract for the reconstruction of S. Darius and S. Girenas Stadium under public procurement rules.	N/A	Lithuania
6-Apr	TGS Baltic	TGS Baltic advised Viada LT on its issuance of EUR 1 million worth of bonds, which will be included to trading on Lithuania's alternative First North stock exchange.	EUR 1 million	Lithuania
7-Apr	Motieka & Audzevicius	Motieka & Audzevicius is representing big data company Oxylabs in an IP rights infringement dispute in Lithuania.	N/A	Lithuania
18-Mar	Dentons; Greenberg Traurig	Greenberg Traurig advised Heitman on the sale of the Marynarska Business Park A-class office building complex in Warsaw to Benson Elliot. Dentons advised the buyers on the deal.	N/A	Poland
18-Mar	Soltysinski Kawecki & Szlezak	Soltysinski Kawecki & Slezak successfully represented the interests of Polimex-Mostostal before the Court of Appeal in Katowice, Poland, in a dispute against the City of Katowice.	PLN 40.4 million	Poland
19-Mar	Act Legal (BSWW); Clifford Chance; Domanski Zakrzewski Palinka; Oles & Rodzynkiewicz	Act BSWW advised the Management Boards of the Buma Group companies on the sale of its real estate assets to Reino RF CEE Real Estate, a joint venture established by Reino Capital and RF CorVal International Holdings Limited. Clifford Chance, Domanski Zakrzewski Palinka, and Oles & Rodzeynkiewicz advised the sellers on the deal, while Greenberg Traurig advised the buyers.	N/A	Poland
19-Mar	Rymarz Zdort; White & Case	Rymarz Zdort advised Innova Capital and OPTeam on the sale of Centrum Rozliczen Elektronicznych Polskie ePlatnosci to Rementi Investments. White & Case advised Rementi Investments on the transaction.	N/A	Poland
19-Mar	Moore Blatch; Zieba & Partners	Zieba & Partners advised Gamma Communications on Polish Law aspects of its acquisition of Exactive Holdings Limited. England's Moore Blatch advised Exactive.	N/A	Poland
19-Mar	Domanski Zakrzewski Palinka	Domanski Zakrzewski Palinka advised TECS Telecommunication & e-Commerce Solutions GmbH on a tender for the implementation of a project for handling cashless payments and settling transactions in the Electronic Toll Collection System that was conducted by Poland's General Inspectorate of Road Transport.	N/A	Poland
19-Mar	Studnicki, Pleszka, Cwiakalski, Gorski	SPCG persuaded the District Court in Gdansk to rule in favor of its client, Talia Sp. z o.o., in a claim against Polska Energia - First Kompania Handlowa sp. z o. o.	N/A	Poland
23-Mar	Dentons; Penteris	Penteris advised Immofinanz on its sale of the Equator I office building in Warsaw to CPI Property Group. Dentons advised the buyers on the deal.	N/A	Poland
23-Mar	Dentons	Dentons helped Pro Patria Electronics win a public contract bid to deliver 104 battlefield reconnaissance radar sets in Poland.	N/A	Poland
23-Mar	Thommessen Law Firm; Zieba & Partners	Zieba & Partners advised EG A/S on its acquisition of Holte AS. Norway's Thommessen Law advised the sellers on the deal.	N/A	Poland
24-Mar	SMM Legal	SMM helped Energa-Obrot S.A. settle its seventh and final dispute in a series of conflicts involving green certificates for wind farms with unnamed business partners.	N/A	Poland
27-Mar	Dentons; DLA Piper	DLA Piper advised Elite Partners Capital on the purchase of a five-warehouse logistics park covering more than 200,000 square meters in the south-west of Warsaw, from P3 Mszczonow. Dentons advised the sellers.	N/A	Poland

Date covered	Firms Involved	Deal/Litigation	Value	Country
30-Mar	Dentons; Greenberg Traurig	Greenberg Traurig advised Deka Immobilien on the acquisition of the Generation Park Z office building from Skanska. Dentons advised Skanska.	N/A	Poland
2-Apr	Domanski Zakrzewski Palinka	Domanski Zakrzewski Palinka and solo practitioner Marzena Juskiewicz successfully represented the City of Krakow Road Administration before Poland's National Appeal Chamber regarding a PPP project involving the design, construction, and operation of part of a tramway.	N/A	Poland
3-Apr	Radzikowski, Szubielska i Wspolnicy	Radzikowski, Szubielska i Wspolnicy advised ZPUE on a PLN loan of 180 million it received from, among others, Santander Bank, Citihandlowy-Bank Handlowy w Warszawie, and ING Bank Slaski.	PLN 180 million	Poland
3-Apr	Dentons	Dentons advised CPI Property Group on its acquisition of the Moniuszki 1A office building in Warsaw from Canadian investment fund Catalyst Capital.	EUR 800 million	Poland
9-Apr	Clifford Chance; Linklaters	Clifford Chance advised a consortium of banks including Intesa Sanpaolo Oddział w Polsce as lender and paying agent, Banca IMI, London Branch and China Construction Bank Oddzial w Polsce as mandated lead arrangers and bookrunners, and Banca IMI S.p.A. as facility agent on a PLN 500 million syndicated loan to Tauron Polska Energia. Linklaters advised Tauron Polska Energia.	PLN 500 million	Poland
9-Apr	Baker Mckenzie; Dentons	Dentons advised Hines Poland Sustainable Income Fund on the sale of a portfolio of six Polish distribution parks and the Nord Point office building in Warsaw to Chinese investor CGL Investment Holdings Corporation Limited. Baker McKenzie advised the buyers.	N/A	Poland
14-Apr	Dentons	Dentons advised Savills Investment Management on its acquisition of the Leroy Merlin distribution center near Lodz from Invesco Real Estate. The purchase, which was valued at approximately EUR 71 million, was made on behalf of Korean institutional investors managed by Vestas Investment Management.	EUR 71 million	Poland
26-Mar	Baker Mckenzie (Esin Attorney Partnership); Caliskan Okkan Toker; Gessel	Gessel and Caliskan Okkan Tokker advised Polski Bank Komorek Macierzystych on its acquisition of 70% shares in the newly-created Famicord-Acibadem company. The Esin Attorney Partnership advised Acibadem on the transaction.	N/A	Poland; Turkey
19-Mar	Musat & Asociatii	Musat & Asociatii advised the EBRD on a EUR 16 million facility granted to the TeraPlast Group.	EUR 16 million	Romania
23-Mar	Arcliffe	Arcliffe advised Italian energy company Alerion on the acquisition of a 100 MW wind energy project in Romania from unnamed Romanian sellers.	N/A	Romania
3-Apr	Leaua Damcali Deaconu Paunescu	Leaua, Damcali, Deaconu, Paunescu successfully represented Trammo GmbH in a case involving the question of whether, in the firm's words, "temporary seizure of assets can preclude an enforcement procedure conducted by another creditor."	N/A	Romania
14-Apr	Deloitte Legal (Reff & Associates); Nestor Nestor Diculescu Kingston Petersen	Reff & Associates advised Forum Serdika, a Dutch financial holding group owned by British investment fund East Balkan Properties, on its sale of the Equest Logistic industrial park to CTP Bucharest. NNDKP advised the buyers on the deal..	EUR 30 million	Romania
18-Mar	Alrud; Integrites; Norton Rose Fulbright	Integrites and Switzerland's HFW law firm advised MUFG Bank and a syndicate of lending banks including Citi, Credit Agricole, and Societe Generale on a limited recourse term loan to finance Trafigura's acquisition of copper cathodes from the Swiss trading arm of the Russian mining group Norilsk Nickel. Trafigura was advised by Norton Rose Fulbright and Alrud.	N/A	Russia
19-Mar	Bryan Cave Leighton Paisner; Linklaters	Linklaters advised Sovcombank as arranger on the RUB 5.7 billion domestic green project bonds issued by an orphan special purpose vehicle, SFO RuSol 1 LLC, for the purpose of financing two of Solar Systems LLC's solar stations in the Astrakhan region of Russia. Bryan Cave Leighton Paisner advised the issuer.	RUB 5.7 billion	Russia
26-Mar	Stetom	Stetom advised Skoda Transportation on its entrance into a joint venture with Sinara-Transport Machines. The joint venture company, Sinara-Skoda, will be based in St. Petersburg, and will produce trams, trolleybuses and subway kits for the Russian market.	N/A	Russia
2-Apr	Clifford Chance	The Moscow office of Clifford Chance formed part of a multi-jurisdictional team helping GE obtain US and global merger clearance in connection with the USD 21.4 billion sale of its BioPharma business to Danaher.	USD 21.4 billion	Russia
8-Apr	Bryan Cave Leighton Paisner	Bryan Cave Leighton Paisner advised PJSC RusHydro on that sale of a 90% shareholding in JSC International Energy Corporation to OJSC Hrazdan Power Company. As part of the transaction, OJSC refinanced MEK's debt obligations to the EBRD and the Asian Development Bank.	N/A	Russia
8-Apr	Kachkin & Partners	Kachkin & Partners successfully defended the interests of the Mamoshin Architectural Workshop in a dispute over the creation of a new stage at the Maly Drama Theater in St. Petersburg.	RUB 22.4 million	Russia

Date covered	Firms Involved	Deal/Litigation	Value	Country
23-Mar	Samardzic, Oreski & Grbovic	SOG advised Tesla on the launch of its first fast-charging station in Serbia.	N/A	Serbia
2-Apr	JSP Law; Samardzic, Oreski & Grbovic	Samardzic, Oreski & Grbobic advised Serbian construction and infrastructure company Compact Industry on its EUR 8 million construction deal with Swiss lighting manufacturer Regent Lighting. JSP Legal advised Regent Lighting on the deal.	EUR 8 million	Serbia
6-Apr	CMS	CMS, in cooperation with GFA Consulting Group, helped the EBRD prepare a tendering process for the Serbian City of Pirot for the selection of a private partner in a PPP project titled "Reconstruction and Maintenance of the Public Lighting System in the City of Pirot."	N/A	Serbia
15-Apr	JPM Jankovic Popovic Mitic	JPM advised the German School Belgrade on its implementation of a GDPR program.	N/A	Serbia
23-Mar	ODI Law	ODI Law advised Agromarket's local Slovenian entity on its acquisition of Semenarna Ljubljana from Dezelna Banka Slovenije.	N/A	Slovenia
3-Apr	Jadek & Pensa; Kavcic Bracun & Partners; Wolf Theiss	Jadek & Pensa advised Abanka on its acquisition by NKBM from the Republic of Slovenia. NKBM was advised by Wolf Theiss, while Kavcic, Bracun & Partners advised the seller.	N/A	Slovenia
31-Mar	Guden Law Firm	The Guden Law Firm advised Turkish petroleum exporter BDY Group Yatirim A.S. on questions related to the impact of the growing COVID-19 crisis on their company's master sale and purchase agreements.	N/A	Turkey
17-Mar	Clifford Chance; Redcliffe Partners	Redcliffe Partners and Clifford Chance participated in a global mapping survey for the United Nations Special Rapporteur for Human Rights and the Environment related to the existence (or non-existence) of a fundamental human right to a healthy environment.	N/A	Ukraine
19-Mar	Eterna Law	Eterna Law successfully helped PZU Zycie complete an insurance case investigation.	N/A	Ukraine
25-Mar	Sayenko Kharenko	Sayenko Kharenko advised OH Holding Limited on the sale of a 51% stake in the Luxoptica Group and the creation of a joint venture with Essilor Nederland Holding B.V.	N/A	Ukraine
26-Mar	Avellum	Avellum advised the Black Sea Trade and Development Bank on a long-term secured loan of up to USD 10 million to Butsefal LLC and Prometey Swiss SA.	USD 10 million	Ukraine
27-Mar	Sayenko Kharenko	Sayenko Kharenko advised the EBRD on its provision of a four-year loan of up to EUR 15 million to OTP Leasing. The loan will be available for disbursement as Ukrainian hrivnya synthetic and/or euro denominated facilities.	EUR 15 million	Ukraine
30-Mar	Asters	Asters advised British oil and gas company Regal Petroleum on its acquisition of Arkona Gas-Energy, a Ukrainian company holding the license to explore, develop, and produce hydrocarbons in the Svystunkivsko-Chervonolutske field, in the Poltava region of Ukraine.	USD 8.63 million	Ukraine
31-Mar	Avellum; Watson Farley & Williams	Avellum and Watson Farley & Williams advised the EBRD on a long-term secured loan of up to EUR 52.5 million to Novi Biznes Poglyady.	EUR 52.5 million	Ukraine
1-Apr	Esquires Attorneys At Law	Ukraine's Esquires Attorneys at Law successfully represented Trade and Logistic Complex Arctic LLC in a dispute involving the unlawful transfer by a former director of the company of equipment related to the supply of electricity to a complex of storage and food production facilities to the ownership of another company that he was affiliated with.	N/A	Ukraine
7-Apr	Bird & Bird	Bird & Bird won a USD 149 million judgment from the English Commercial Court for Carpatsky Petroleum Corporation, a subsidiary of Kuwait Energy, in a dispute with PJSC Ukrnafta arising out of a joint activity agreement relating to gas fields in Ukraine.	USD 149 million	Ukraine
10-Apr	Integrites	Integrites helped the Agro Group complete a competition investigation project involving the sugar beet processing market initiated by the regional department of the Antimonopoly Committee of Ukraine in the country's Chernihiv region.	N/A	Ukraine
14-Apr	Avellum	Avellum advised Ukrainian development company UDP on the acquisition of a 33.35% stake in Ocean Plaza, a shopping and entertainment center in Ukraine.	N/A	Ukraine
14-Apr	Integrites	Integrites successfully defended the interests of renewable energy producer Eurocape Ukraine in a dispute against the Head Office of the State Tax Service in Ukraine's Zaporizhzhia region.	N/A	Ukraine

The Ticker:

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ON THE MOVE: NEW HOMES AND FRIENDS

Croatia: Slovenia's Nlaw Expands to Croatia

By Andrija Djonovic

Slovenian law firm Nlaw has opened an office in Croatia, with Frano Barovic, who joined the firm last fall, serving as Managing Partner.

According to an Nlaw press release "in recent years, Croatian entrepreneurs and businesses have been bringing many innovative products and services both locally and globally. Croatia's start-up scene has started to rapidly develop and the number of investors that are coming to Croatia to support this new development is steadily rising. We see more and more interesting high-level business projects, as well as a lot of cross-border economic activity between Croatian and Slovenian businesses. Consequently, we decided to bring our proven approach to serve these exciting developments in Croatia. We are happy to have Frano Barovic on board as our Local Partner and Head of Zagreb office."

Barovic is a graduate of the University of Zagreb Faculty of Law. Prior to joining Nlaw in 2019, he practiced law for three years with Hanzekovic & Partners, for a year with Igor Borcic Law Office, and then for several years as a solo practitioner. ■

Turkey: Toya Law Firm Opens for Business in Istanbul

By Radu Cotarcea


Cagla Yazdic Goncuv

Former Kordsa in-house lawyers Cagla Yazdic Goncu and Elsen Ece Tokat have launched the Toya Law Firm in Istanbul.

Before joining Kordsa (an affiliate of Sabanci Holding) in 2015, Goncu, who specializes in general corporate matters, M&A, and intellectual property, spent over two years as an Associate with ELIG Attorneys-at-Law and five months with the Gur Law Firm. Earlier still she worked for Sibel Ertekin Law Office.


Elsen Ece Tokat

Before joining Kordsa in 2018, Tokat, who specializes in corporate/commercial law and labor law, spent a year as an attorney with PwC Turkey, and she has previous experience with both Anil & Antonetti and Gun + Partners. ■

Ukraine: LCF Law Group Announces Absorption of Teams from Evris Law Firm and Sheverdin and Partners

By Djordje Radosavljevic

Ukraine's LCF Law Group has announced that it has been joined by teams from both the Evris Law Firm and Sheverdin and Partners.

As the result of the integration, the LCF Law Group reports, it is introducing new practices, including Tax, Antitrust and Competition, Intellectual Property, and Criminal Law and Cross-Border Investigations.

The firm now has more than 60 lawyers. It announced that its executive team – consisting of Anna Ogrenchuk as Managing Partner, and Artem Stoyanov as Senior Partner – remains unchanged. The post-merger firm's Partners are: Olena Volianska – bankruptcy and restructuring; Yulia Atamanova – international arbitration, commercial and corporate disputes; Ihor Kravtsov – cross-border litigation; Sergiy Benedysiuk – corporate law, M&A and antitrust law; Andriy Reun – tax law; Alexander Molotai – intellectual property; Maksym Sheverdin – criminal law and cross-border investigations. ■

Poland: LWW Opens Doors in Poland

By Andrija Djonovic

Former KKLW Partners Krzysztof Lyszyk and Wiktor Wesolowski have left that Polish firm to open their own: LWW.


Krzysztof Lyszyk

According to LWW, the firm "provides services for both business and the public sector, advising both Polish investors and international corporations. It offers a full range of advisory services for business, at the same time paying particular attention to corporate affairs, mergers & acquisitions, the regulated market, public-private sector cooperation, and dispute resolution."


Wiktor Wesolowski

"We provide comprehensive legal advice for businesses, but in deciding to form LWW we wanted to focus on what we are best at – interdisciplinary projects whose fundamental goal is to build and protect our clients' market position," said Lyszyk.

"What sets us apart is our effectiveness, attitude, and innovation," added Wesolowski. "We know that, very often, it's an unwillingness to compromise and 120% engagement that ultimately decides a case. We don't have a cut-and-dried approach to our work – we look for opportunities and take advantage of them as they arise, and we respond to potential dangers well ahead of time."

Austria: Baker McKenzie Opens Procurement Practice in Austria

By Andrija Djonovic

Baker McKenzie has opened a new Procurement Law and Public Law practice in Austria, led by procurement expert Kathrin Hornbanger.


Kathrin Hornbanger

According to Baker McKenzie, "[Hornbanger's] most important task during the first months will be to navigate public sector suppliers through the corona crisis to enable them to continue providing their vital public services."

Hornbanger studied law in Salzburg and Vienna, and wrote her thesis in Paris. Before joining Baker McKenize, she spent time in private practice with Schoenherr and in-houe as Head of the Legal at the Austrian Federal Procurement Agency. She established her own law firm in 2005, where, according to Baker McKenzie, "she has, until recently, successfully advised domestic and non-domestic clients in public tenders. Last year, she started a cooperation with Heid & Partner."

"Joining Baker McKenzie provides me with the best possible conditions to align my expertise in procurement and European law with my international experience," Hornbanger said, "and to draw on a top organization. The corona crisis, in particular, demonstrates how international the public sector supply chains have become and which strategic challenges this entails for companies."

PARTNER APPOINTMENTS

Date Covered	Name	Practice(s)	Firm	Country
30-Mar	Irena Petkova	Energy/Natural Resources	Kambourov & Partners	Bulgaria
30-Mar	Martin Emanuilov	Litigation/Disputes	Kambourov & Partners	Bulgaria
30-Mar	Ivo Alexandrov	Compliance	Kambourov & Partners	Bulgaria
9-Apr	Agnieszka Hajos-Iwanska	Capital Markets	JSLegal	Poland
9-Apr	Roman Iwanski	Litigation/Disputes	JSLegal	Poland
9-Apr	George Havaris	Corporate/M&A	JSLegal	Poland
9-Apr	Michal Markowski	Banking/Finance	Eversheds Sutherland	Poland
9-Apr	Maciej Jozwiak	Litigation/Disputes	Eversheds Sutherland	Poland
15-Apr	Agnieszka Kulinska	Energy/Natural Resources	Dentons	Poland
15-Apr	Karol Laskowski	TMT/IP	Dentons	Poland
15-Apr	Agnieszka Lipska	Banking/Finance	Dentons	Poland
15-Apr	Bartosz Nojek	Banking/Finance	Dentons	Poland
15-Apr	Jakub Sobotkowski	Real Estate	Dentons	Poland
15-Apr	Dariusz Stolarek	Tax	Dentons	Poland
3-Apr	Iuliana Dinu	N/A	BNT Gilescu, Valeanu & Partnerii	Romania
3-Apr	Adela Fara	N/A	BNT Gilescu, Valeanu & Partnerii	Romania
15-Apr	Ozge Akman	Litigation/Disputes	Dentons	Turkey
15-Apr	Mahmut Karyagdi	TMT/IP	Dentons	Turkey
24-Mar	Yulia Atamanova	Litigation/Disputes	LCF Law Group	Ukraine

IN-HOUSE MOVES AND APPOINTMENTS

Date Covered	Name	Company/Firm	Moving From	Country
17-Mar	Adrienn Trinn	TV2 Media Group	TV2 Media Group (Head of Legal)	Hungary
18-Mar	Balazs Mathe	Magyar Telekom	Kinstellar	Hungary
6-Apr	Marton Kocsis	MOL	Cerha Hempel	Hungary
16-Mar	Dominika Niewiadomska-Siniecka	Aion	Vodeno	Poland
20-Mar	Basak Gurbuz	The Walt Disney Company	Visa	Turkey
6-Apr	Cagla Yazdic Goncu	Kordsa	Toya Law Firm	Turkey
6-Apr	Elsen Ece Tokat	Kordsa	Toya Law Firm	Turkey

PARTNER MOVES

Date Covered	Name	Practice(s)	Moving From	Moving To	Country
23-Mar	Tsvetelina Stoilova-Valkanova	Banking/Finance	Kinkin & Partners	Popov, Arnaudov & Partners	Bulgaria
9-Apr	Bozhko Poryazov	Real Estate	Delchev & Partners	Popov, Arnaudov and Partners	Bulgaria
3-Apr	Risto Agur	Corporate/M&A	KPMG Law	Nove	Estonia
6-Apr	Lauri Liivat	Corporate/M&A	KPMG Law Estonia	Sorainen	Estonia
6-Apr	Pirkko-Liis Harkmaa	Labor	PLH Legal	Sorainen	Estonia
27-Mar	Zita Albert	Corporate/M&A	Schoenherr	Cerha Hempel	Hungary
17-Mar	Marta Bijak-Haiduk	Real Estate	Linklaters	Schoenherr	Poland
3-Apr	Krzysztof Lyszyk	Corporate/M&A	KKLW Kurzynski Lyszyk Wierzbicki	LWW	Poland
3-Apr	Wiktor Wesolowski	Litigation/Disputes	KKLW Kurzynski Lyszyk Wierzbicki	LWW	Poland
7-Apr	Gabriel Olearnik	Private Equity	Kochanski & Partners	Delta Capital Partners Management LLC	Poland
17-Mar	Hakan Ozgokcen	Competition	ELIG Gurkaynak Attorneys at Law	Esin Attorney Partnership	Turkey
18-Mar	Gokce Sarisu Kanmaz	Tax	EY Law	BASEAK	Turkey
24-Mar	Yalin Akmenek	Litigation/Disputes	GKC Partners	Esin Attorney Partnership	Turkey
31-Mar	Alexander Molotai	TMT/IP	Evris Law Firm	LCF	Ukraine
31-Mar	Andrey Reun	Tax	Evris Law Firm	LCF	Ukraine
31-Mar	Ihor Kravtsov	Litigation/Disputes	Evris Law Firm	LCF	Ukraine
31-Mar	Maksym Sheverdin	Criminal Law	Sheverdin and Partners	LCF	Ukraine

On the Move:

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THE BUZZ

In "The Buzz" we check in on experts on the legal industry across the 24 jurisdictions of Central and Eastern Europe for updates about professional, political, and legislative 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.

Lithuania

Interview with Tomas Kontautas of Sorainen

Tomas Kontautas

"Although the coronavirus has effected the Baltics like everyone else, Sorainen Country Managing Partner for Lithuania Tomas Kontautas says it hasn't, at least in the short term, resulted in any slow-down in work, and he reports that commercial lawyers in Lithuania have been "not only busy – but much busier than normal" since the country's borders were closed on March 16, 2020. "There's been a lot of activity on hotlines, and lots of questions for law firms," he reports, "both in contract performance and employment matters, and in many other areas as well."

Business in Lithuania, Kontautas reports, is adapting to the new reality fairly quickly. "What we are observing in the market is that the immediate shock has passed," he says. "In the first week there was a substantial amount of heavy thinking about survival strategies and now business is pursuing a more cold-blooded approach." And in some areas more than simple survival is on the table. "Some sectors are actually expanding," he notes, citing both e-commerce and delivery (from supermarkets in particular, for instance, which used to represent a small fraction of all purchases, but now has a waiting list) as booming.

Kontautas notes that the Banking/Finance sector, which he focuses on along with Insurance, has been put on high alert. "In terms of regulatory," he says, "it seems like the regulator is relaxing rules, to make it easier for banks to pump money into the economy. And they're paying a lot of attention to what's happening at an even higher level, including the possibility to use the European Central Bank's asset purchase programs to finance affected sectors with liquidity issues, particularly SMEs. This is being watched."

"Also," he says, "banks are watching clients, saying, essentially, 'guys, we know you're affected, come in and let's discuss ways to reschedule payments and make this possible.'" According to him, "it's still premature to say refinancing is on the table, but it will come." Similarly, he says, "the same is true in the Insurance market – they see that claims may come in a couple months, for instance in financial lines areas such as credit or suretyship insurance, and D&O insurance, as these times require fast and sometimes difficult decisions by directors of many companies." He strikes a contemplative note: "It will be interesting to observe how the sector will react."

In terms of the legal market, he says, there are no lay-offs happening as yet. His own firm, it appears, is ready for whatever comes. "At Sorainen we have had several board meetings with partners from Lithuania, Latvia, Estonia, and Belarus," he reports. "We checked, and we have quite good liquidity, but of course we need to have a good strategy for financial discipline." Still, it's a not all about frugality. "We're even investing, when it comes to the tools we need to continue to operate and further improve our systems and business processes to work in this crisis, such as remote communication and work management tools."

And he notes that, while Sorainen's lawyers are working from home like everyone else in professional services, the firm's office remains open and operated by a skeleton crew for necessary and unavoidable client meetings, copying, and paper-based correspondence.

Kontautas credits the firm's IT and other business services teams for helping Sorainen adapt to the crisis in an orderly fashion. "A day before the quarantine was announced there was a governmental meeting explaining what was likely," he says, "and we mobilized the legal staff and created a special task force led by a corporate partner and a few capable senior associates from each practice group. The task force prepared advice to clients about the aspects of this crisis that would be most important for them, and coordinated various work streams in different practice groups." He emphasizes the need "provide a certain coherence, so that we don't have different recommendations or communications made from different lawyers for clients facing similar issues in different sectors."

Finally, Kontautas is asked for his personal perspective on the crisis. "We are dealing with elements which are unknown, so I don't want to go into panic-based scenarios and speculations. We have things that are known, we have various situations on the table – our clients do – they have to be helped with. The ultimate result, of course, will depend on when the crisis is over and when things will calm down. Personally, I think it will be several months – but it will require global coordination." ■

By David Stuckey (March 25)

Belarus

Interview with Sergei Makarchuk of Cerha Hempel

"The economy in Belarus has been stable for the past few years, but recently it has been heavily affected by both the negative impacts of the coronavirus and a tight situation with Russia," says Sergei Makarchuk, Partner at Cerha Hempel in Minsk. "Tensions between the two countries have really taken their toll over the past six months and a few conflicts have taken place, in most cases related to the supply of oil."

Makarchuk reports that sanctions imposed by both the European Union and the United States against Russia are also indirectly affecting Belarus's economic situation. "Russia was a major market for Belarusian economy for decades. Nowadays, because of the anti-Russian sanctions, the purchasing capacity of the Russian market has shrunk. As a result, the sales of Belarusian companies in Russia has also dropped. In addition, despite Belarus's membership in the Eurasian Economic Union, in fact, there is a lack of free movement of goods to Russia as a result of the restrictions systematically imposed on a number of Belarusian manufacturing companies by the Russian consumer protection authority Rospotrebnadzor. Considering how small Belarus's market is, this has resulted in a financial loss."

According to Makarchuk, it's not only Belarusian entrepreneurs that are affected, and he says that "the situation is rather discouraging for foreign investors too, as we have noticed that clients are tending to move their manufacturing businesses from Belarus to Russia. The effects are very visible in the M&A market, which in 2019 was record low for the past few years in terms of both numbers and volume of deals. The cause of this is also related to the fact that there is a lack of strategic investors interested in Belarusian companies, and the equity ratio in most of the local targets is around zero or even negative, so they have little strategic value for potential buyers, and there is a big gap in the price expectations of potential sellers and buyers."

Makarchuk doesn't believe things will improve anytime soon, noting that "the situation will stagnate further in the future as well," but he says he hopes that "the negative interest rates in the EU and low value of assets in Belarus will incentivize the M&A market to grow." He admits that the IT sector is prosperous, but says it is "not sufficient to overcome the greater geopolitical and structural trends. Besides, the growing difficulties in Russian export is forcing local businesses to open new markets, which will be very positive in the long run since such new markets as China and EU are rather promising."


Sergei Makarchuk

"In the legislative field, we have seen some positive trends, such as Presidential Decree No. 8 On Development of Digital Economy," which was adopted at the end of 2017, says Makarchuk. According to him, "many progressive legal innovations introduced by the decree and initially intended for IT companies are now expected to be incorporated into the Belarusian Civil Code this year, which would be positive not only for business but for the entire economy."

Finally, Makarchuk says there is "a big demand for structural reforms, which will hopefully open up the economy and lead to freer and more open competition." He says, "I hope that companies will become more competitive in the near future, which will hopefully result in a stronger market, attractive to investors." ■

By Djordje Radosavljevic (March 26)

Moldova

Interview with Daniel Cobzac of Cobzac & Partners


Daniel Cobzac

"The end of 2019 has marked the end of the Sandu Cabinet – led by former Prime Minister Maia Sandu – and the takeover of the Prime Minister position by Ion Chicu," says Daniel Cobzac, Managing Partner at Cobzac & Partners in Chisinau. "The Socialist Party now has its largest representation ever, and it was able to appoint one of its own to the Prime Minister's position."

According to Cobzac, "the other seats are reserved for the Democratic Party, which at this point is going through a tough period." According to him, "a couple of their representatives have recently left the Party, stating that they 'disagree with the Party's policies.' They currently have 22 seats, while the Socialists hold 37 seats. Thus, together both parties hold the majority with 59."

Cobzac reports that the Moldovan Parliament voted in a few new legal procedures, including, most notably, one related to preventing money laundering and the financing of terrorism. "The legislation itself existed since 2017," he explains, "but there was no mechanism of control by the state's institutions. These new laws were made to regulate the procedure, and were very welcome." Nonetheless, Cobzac reports being dissatisfied with how strict the laws are, as they provide for "very large fines for entities who are obliged to monitor deals, but also every other actor involved in the deal." He admits that many "still have no idea how this will eventually play out in practice."

Although he reports some chaos following the end of the Democratic Party's Government, Cobzac says that "the political situation in 2020 is improving," which he describes "a good sign for Western partners, as the new Prime Minister sympathizes with Russian Federation and makes attempts to improve relations with both the EU and USA."

Still, he says, "the newly-appointed Government will try to attract foreign investment, but personally I am not optimistic."

But there's another opportunity for change coming soon, Cobzac points out, noting that the upcoming Presidential election, which is set to take place in the fall, is now the hottest topic in Moldova. "Multiple promises were made, and while we remain skeptical, we hope some of them will actually come true."

Ultimately, Cobzac says, "our Western partners have already given us signs that they will not carry on with the investment plans and will cease cooperation if major reform in the judicial sector doesn't happen soon." He reports that the previous Government started working on some of those reforms, but those efforts tailed off. "It is time to continue walking down this path. Otherwise, we might find ourselves without any funding in the future. Isolation was, and still is, our biggest fear." ■

By Djordje Radosavljevic (March 27)

Slovakia

Interview with Andrej Leontiev of Taylor Wessing

"The newly elected Government led by Igor Matovic is constructed of parties who used strong anti-corruption rhetoric in their campaign, so we will be expecting a lot of reform," says Andrej Leontiev, Partner at Taylor Wessing in Bratislava.

"The Government has promised improvements in the Rule of Law and anti-corruption and major reform of the judiciary, all of which are very welcome," Leontiev says. The prospect of judicial reform is not a new one in Slovakia, he reports, and it has been attempted by previous Governments. "In the previous scenario, the Constitutional Court stopped the proposed background inspections of judges. Now, the new Government will try to carry on with the work, while the partially-newly-elected Constitutional Court will get an opportunity to overturn or amend its previous precedents. This might turn out to have a very interesting resolution to it."

Leontiev reports that the Government has proposed heavy investment in construction, promising 25,000 new flats (which he describes as "a very optimistic number") in the next four years. "The proposition is obviously impossible, but the idea itself is great," he says. "If even a quarter that number actually gets made, that is still good work."


Andrej Leontiev

Another notable proposal involves more transparency and less politics in the selection of the next General Prosecutor, scheduled for summer of this year. "This would be achieved by broadened nomination rights, public hearings, background checks, and multiple other tools that involve the public," Leontiev says. "Considering that this person is supposed to be the main authority in hunting down criminals, it is reasonable to presume that the public wishes to know who he is and asks for more transparency."

"The major problem the new Government is facing seems to be the presence of some ideologically conservative members of parliament," says Leontiev. "This means that it will be rather difficult for the Government to get the homogenous support of its own MPs when it gets to laws regarding certain ethical questions like euthanasia, abortion, and same-sex marriage. In truth, bills aimed at achieving conservative goals must be expected. Of course, the main party will try to avoid these discussions, but it's the opposition's job to exploit it, hence we expect bitter discussions in this field as well."

In general, Leontiev reports that the economy in Slovakia is doing "pretty well," as the country has, recently, experienced better-than-EU-average GDP growth. However, the recent pandemic outbreak has slowed various industries. "The automotive sector," he says, "which always worked well in Slovakia, is starting to feel the toughness of the situation on its skin. Manufacturers are being forced to send people home, and even close down factories – especially as most of the goods used in production are imported from China." According to him, "the Slovakian economy is rather dependent on the automotive sector, and this might lead to a recession."

Slovakia acted fast on implementing severe quarantine measures and substantially slowed down the spread of the pandemic. "However, the measures had an economic tag on them," reports Leontiev. "A EUR 1 billion per month economic stimulus package was announced recently." The measures include partial compensation of employment costs for closed businesses, individual employment subsidies for businesses that suffered decline in turnover, provision of state guarantees to banks enabling low interest loans, postponement of payments of tax prepayments and social and health contribution, and allowing the crediting of past losses on recent profits.

"From a mid-term perspective, the Government will have to work on cleaning up the mess in the judiciary and police, especially on trying to break the ties between the politicians and their sponsor and judges and law enforcement units, but at the same time counter the consequences of the crisis," concludes Leontiev, describing it all as "a Herculean job." According to him, "the prosecution for the killing of journalist Jan Kuciak and his fiancé has finally moved forward, as the accused, businessman Marian Kocner, is being put on trial for allegedly ordering the murder. This trial has had the public outraged, and we hope for a happy ending to it. All in all, it is clear that big challenges are ahead of us in the upcoming period." ■

By Djordje Radosavljevic (April 1)

Russia

Interview with Andrey Ryabinin of Integrites

Andrey Ryabinin

"The Russian Government has been very active in addressing concerns of business regarding inadequate regulatory control that has been increasing over recent years," says Andrey Ryabinin, Partner at Integrites in Moscow. "Several declarations have been made in this respect. As part of the reform known as the 'regulatory guillotine' the Government is expected to eliminate several thousand outdated and excessive regulations in 2020-2021 in various industries regarding technical standards and requirements in business practice, most of which date all the way back to Soviet times."

"If at least some of the declarations actually get implemented, I think we would be much better off," Ryabinin says. "Additionally, independence of the courts would potentially bring new business and investment, which is always a great thing, and something we hope to witness in the near future."

As everywhere else, the Covid-19 crisis has turned the agenda for business and government upside down in just few weeks, Ryabinin reports. According to him, "in Russia, a dramatic change in attitude and respective governmental actions took place in the second half of March, but regulatory changes have been very swift yet sporadic, creating a lot of stress for businesses to adapt and react." He adds that "major issues in this respect include labor issues related to remote work and significant labor cuts expected in many industries; non-performance of commercial contracts and massive attempts to avoid contracts with or without justified grounds and applicability of *force majeure*; massive personal and corporate bankruptcies and restructurings that will follow after a six-month moratorium on bankruptcy petitions lapses, and the enforcement of state regulations imposing restrictions and providing for support measures in response to Covid-19 and economic crisis situations."

Apart from the crisis, Ryabinin says that some investors are nervous about the Government's interference in commercial disputes. "This is supposed to change," says Ryabinin, "as the Ministry of Police recently proclaimed that it would, in the future, try to ensure that the police would not interfere when there is a pending civil dispute until a civil judgment is issued. We are skeptical how this will play out, however, considering that according to the law itself the police have to take measures once a case is filed, and we are hoping this is not just a declaration to make investors happier."

"There are currently two main drivers in litigation," reports Ryabinin. "The first is bankruptcy cases, where we have seen a lot of development, especially in making top management liable for debts or the bankruptcy of the company." According to him, "there have been a few examples recently in which the shareholders were held liable, such as when Dmitry and Aleksey Ananyev's bank Promsvyazbank was effectively nationalized by the Central Bank of Russia. This trend was strengthened after a recent judgement explained that the liability of former top management could also be inherited by their successors. On the other hand, there is now a bill to expand restructurings in bankruptcy instead of liquidations of assets which now is used in over 95% of bankruptcies."

The other trend, Ryabinin says, is an increase in litigation against state authorities. "Earlier we saw a big number of cases against tax authorities," he says. "This has forced tax authorities to be more efficient at the pre-litigation stage and minimize the number of cases against them, although the number of tax disputes is still rather significant." While he applauds the trend, Ryabinin is dissatisfied with the fact that the courts have demonstrated a pro-state bias. "When the situation is not completely obvious, the courts tend to rule in favor of the state authorities. This is not good, as it makes investors less optimistic and willing to invest."

"We have also seen an increasing number of cases against the customs authority, which makes for a very problematic situation for any business that relies on import," Ryabinin says, noting that this is unlikely to change soon.

Ryabinin says that the economy is not developing actively, although at least in early March there were no signs that a recession was coming, and many experts predicted 1-2% GDP growth and a stable rate of inflation. However, in light of Covid-19, crisis those predictions are changing, and a recession seems increasingly likely.

In terms of sectors, Ryabinin says that "the agriculture sector has been growing quickly," and he describes investment in the area as "great." According to him, "the State has supported agriculture with multiple subsidies, as well as low interest rates of only 2 or 3%." In other areas however, he says the government's approach is still "very cautious." ■

By Djordje Radosavljevic (April 6)

Kosovo

Interview with Sabina Lalaj of Deloitte Legal

According to Sabina Lalaj, the Local Legal Partner of Deloitte Legal in Albania and Kosovo, the current situation in Kosovo revolves around the unfortunate combination of the still-growing Covid-19 pandemic and the political crisis arising from the recent dismissal of Interior Minister Agim Veliu – a member of the Democratic League of Kosovo party, the junior partner leader of the country's fragile governing coalition – by Prime Minister Albin Kurti, a member of the senior Vetevendosje ("Self-Determination") party. According to Lalaj, the combination of the two crises has put the country's growth on hold, and significantly limited any chance of effective government.

Although elections were held last October, Lalaj reports, the governing coalition was only established at the beginning of this year. Then, on March 18, Kurti dismissed Agim Veliu, citing Veliu's support for declaring a state of emergency to handle the coronavirus pandemic, which would had given power to the Kosovo Security Council. The Democratic League of Kosovo filed a no-confidence vote motion, apparently in retaliation for Kurti's move, and on March 25 the Kosovo Assembly voted in favor of the motion, making Kosovo's the first government to be voted out of power due to disagreements over how to handle the coronavirus pandemic.


Sabina Lalaj

The Kurti cabinet continues as a caretaker government.

"We were hoping they would wait before that vote," Lalaj says, her disappointment evident. "Not only because of the situation with the pandemic, but also because of the fact that this government was showing signs of a new mentality for governing the country, committed to developing the country with honest work and on a meritocratic basis, not based on personal interest." She sighs. "So this vote by the Parliament was a severe blow to all the optimists."

"Remember, we had no fully-functional government since last October's elections, so we were in a sort of limbo"

According to her, "there are now two scenarios on the table. The minority party of the current coalition is trying to build a new coalition with the opposition parties and eventually form a new government. Meanwhile, Kurti – who at the moment has no real power – is pushing to have new elections as soon as the pandemic ends."

"I really believe that the Kosovo voters who cast their vote for the new generation of politicians and the long-awaited new mentality feel betrayed," Lalaj says, "because they voted for Mr. Kurti's government, so the general public feels a little bit used." According to her, "for these voters – especially for the young generation – a new election would be the best solution, because there would be no need for a forced coalition, and this would be best for growth, liberalization, and for improving the overall situation in the country." Still, she says, "the chances are 50/50 about which scenario will come to pass."

In the meantime, Lalaj reports, Kurti's ability to put reform into effect is limited by his diminished status. The most significant recent steps have, of course, involved proposals to support businesses and employees affected by the pandemic. Rules affecting so-called "social distancing" have been put in effect as well, Lalaj reports, ""'though even in this they had a dispute with the President, which went up to the Constitutional Court." According to her, "in Kosovo such decisions must be made by an Act of Parliament, which is difficult now, so when the government took limited action to restrict public interaction, the President objected that it was not constitutional." She sighs. "I agree he may have been technically right – but sometimes you need to act quickly, and it appears that the dispute is an excuse to create a controversy about the government."

It's pointed out to her that combination of the pandemic and the political dysfunction in the country is unfortunate. "The timing is the worst," she agrees, sadly.

"Remember, we had no fully-functional government since last October's elections, so we were in a sort of limbo," she points out, noting that, nonetheless, before the pandemic struck things were going fairly well. "Kosovo has had some good developments in the banking sector – that's an industry that's been going well. There are a lot of new ideas and projects in the energy sector too, including, in real estate, land for renewable energy projects. The construction and real estate markets are going well – the country is developing, so there is a lot of commercial and residential construction happening. The new international airport in Pristina was a very nice addition to the city and there is significant potential for foreign direct investment." So, she says, "it's not that the economy was dying. There was positive movement." Of course, not everything was rosy. "There was also some fear," she says, "because with the new government coming into power, people were concerned that there would be new developments with concessions and PPPs, which are traditionally a source of corruption around Europe, so people were skeptical about how the new government would treat and evaluate such relationships, both existing and new." Ultimately, she says, "Kosovo was not going to be immune to the effects of the regional economy, which had already shown signs of a slowdown, but things were still normal."

In conclusion, she's asked if she is optimistic about Kosovo's potential once the pandemic passes. "If things go in a positive direction," she says, "and we have a government chosen through new and free elections, yes I'm optimistic. There is a lot of room for growth, in energy, construction, even services. The population is very educated and talented so even in information software and development." In addition, she points out, "the administration overall is functional – ok, with some small problems – but they are responsive, you can build a relationship of communication with them." She wraps it up succinctly. "I believe that Kosovo has all the opportunity to have very significant growth going forward depending on which political solutions they find." ■

By David Stuckey (April 7)

Croatia

Interview with Mojmir Ostermann of Ostermann & Partners


Mojmir Ostermann

"Nobody has a crystal ball, so it's very difficult to foresee what the immediate future will look like," says Mojmir Ostermann, Managing Partner of Ostermann & Partners, referring to the current situation in Croatia and the COVID-19 crisis.

"To be serious, I think that Croatia has responded to the coronavirus crisis as well as it could have," Ostermann says. "The government team in charge of handling the situation is doing a good job, lockdown and social distancing measures have been implemented in time, and we're doing our best to flatten the curve." The measures Ostermann speaks of have been in place for almost a full month, and Croatia is approximately 995 active coronavirus cases.

> "Imagine a situation where an employee gets fired now, due to the crisis. They'd normally have 15 days to file an appeal against this but with most lawyers being difficult to reach, or simply overwhelmed with work – they're left stranded."

"I think that we're on a good path to avoid putting an insurmountable strain on our medical system," Ostermann reports, though he admits to some concerns for the aftermath of the crisis. "The lockdown, which also includes the closing of Croatia's borders, carries with it a huge threat to our tourism sector," he says, "which makes up a large part of the country's budget and our GDP." He reports that some continue to hope that the tourist season will open by June or July.

As part of its economic stimulus package, the Government of Croatia has undertaken measures to protect jobs, Ostermann says. "The Government has decided to pay HRK 4000 [approximately EUR 525] to most endangered workers from March to May in order to prevent employers laying people off, and some 400 thousand people have already applied for this aid," he reports. "The Government said that the country is liquid enough for three months of coverage and has also stated that negotiations with international financial institutions, such as the World Bank and the IMF, have also been initiated, in case additional funds are needed later on."

Ostermann reports that the Croatian Central Bank has made some good moves to protect the HRK-EUR exchange rate. "The Central Bank withdrew a lot of HRK from the market when the current crisis started and has protected the exchange rate efficiently. If it had gone up to HRK 8 to EUR 1, people could have raided banks to get to their money."

As if the COVID-19 pandemic weren't enough, the recent earthquake in Zagreb took a heavy toll on the capital city's downtown. "One of the towers of our Cathedral fell and was destroyed during the earthquake and the other one suffered so much structural damage that it'll have to be taken down as well," Ostermann states. The majority of downtown Zagreb's buildings date all the way back to the 19th century, he says, and a lot of them were hit pretty hard in the quake. "There's still no plan as to how and when these buildings will be fixed," he sighs. "That effort will take time."

Finally, speaking about how the crisis is impacting the legal profession, Ostermann reports that litigation has been heavily affected. "Most cases have been put on hold due to courts not working, but there's a problem: there hasn't been a law yet that would put all of the relevant court deadlines on hold during this crisis. This can lead to many cases being decided in a suboptimal fashion." In addition, he says, with the courts not working and the deadlines not being frozen, some people may be left stranded. "Imagine a situation where an employee gets fired now, due to the crisis. They'd normally have 15 days to file an appeal against this but with most lawyers being difficult to reach, or simply overwhelmed with work – they're left stranded."

In addition, Ostermann says, he expects lawyers who do dispute resolution to be swamped after the crisis ends. "We can expect a flood of court rulings that will be handed down and delivered after the crisis ends – this will leave lawyers with a lot of work and only 8 to 15 days to sort out most of it due to mandatory deadlines."

By contrast, Ostermann reports that Corporate lawyers are seeing a lot of work. "When times are good we work on transactions, and when times are poor we work on restructurings. "At this stage we have received a lot of inquiries about frustration of contract, and soon this work is expected to lead to restructurings of both debt and companies. In addition to restructuring and bankruptcy cases, he says, Labor lawyers are busy helping "people seeking ways to navigate the crisis by implementing remote work and filings for employees' incentive measures introduced by the Government." ■

By Andrija Djonovic (April 8)

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Interview with Maksim Znak of Borovtsov & Salei


Maksim Znak

"On its way through Europe, the Covid-19 pandemic has certainly not missed Belarus," says Maksim Znak, Managing Partner at Borovtsov & Salei in Minsk.

The country is staying in what Znak describes as a "guerrilla quarantine," and even though no strict Governmental policy regarding the crisis exists, various bodies have issued different instructions in order to stop the spread of the virus. "The National Bank, Ministry of Health, and even the local executive committees have urged businesses to start home-working programs and public to keep safe distances from one another," he says, "adding that "there is still no mandatory policy, but more and more companies have started working from home, while parents first could choose not to send their kids to school and then got a one-week prolongation of school spring holidays."

Znak reports that legislation in the past couple of weeks has been related to the pandemic and to other crisis issues. "A great example of this is the prohibition of any increase of price of more than 0.5 percent without special permission," he says, "in order to protect consumers in these difficult times." According to him, this prohibition has generated various questions, as it appears to conflict with certain higher normative acts, and it may hurt business. Some other anti-pandemic measures also are questionable from a legal perspective, he says, but he reports that lawyers are generally satisfied with overall measures, explaining that "sometimes things must work this way, because otherwise they would take way too long, when there is no time to waste."

This year was supposed to kick off well for Belarus in terms of economic growth and foreign investment, but Znak notes that "given the current situation, we will have to reconsider our optimism," and he describes the status quo as "double-trouble." One part of that trouble comes from the pandemic, of course, while the other is related to the drastic fall of oil prices and consequent fall of the Belarusian ruble to the euro by more than 20% in three months. This means that those working with the Belarusian ruble now earn less, he says, but businesses involved with real estate traditionally calculate rate payments in euro equivalent, and businesses connected with important manufacturing still have to spend foreign currency in order to import goods and materials. Znak adds that the fall of the currency has happened before, but had less of an impact, as "the pandemic has stalled business in general, so we will need more time to recover from this crisis, compared to the previous ones."

Still, Znak notes that the situation won't last forever, and he believes that it might actually incentivize long-term investment in certain fields. "While it hasn't started yet," he says, "I expect to see investment in M&A, real estate, and other related areas, as people are getting used to the situation, and will be needing money more and more as time goes by."

Ultimately, Znak describes himself as optimistic about the future, and he says that "the upcoming period may be very interesting, because of the changes that occurred and the fact that the pandemic found us unprepared. People will start re-thinking their business models and focus more on distance working measures, different contractual procedures, and different public procurement procedures." He believes that this will be especially interesting for lawyers, "as it brings change to everyday work." According to him, "the new approach will require creativity, and some new market players will emerge. History has shown that people will live through every crisis. The interesting part, however, is what awaits us afterwards." ■

By Djordje Radosavljevic (April 10)

Estonia

Interview with Kristel Raidla-Talur of Cobalt

"It's the same in Estonia as everywhere else," says Kristel Raidla-Talur, Partner and Co-Chair of the Banking & Finance practice group at Cobalt Estonia. "The virus is dictating our professional and personal activities."

"In general the situation is not too bad," Raidla-Talur says. "It appears that the measures instituted by the government have been sufficient, and the medical system appears not to be overwhelmed, so at the moment it appears not to be the worst case." In fact, she reports, "although we also have had an emergency declaration, we do not have a complete lockdown – people can still move, but no more than two people, unless they're in a family. But of course shopping centers have closed, and those who can are working remotely."

Cobalt Estonia's office is still open, with a skeleton crew of assistants taking phone calls and accepting deliveries ▸▸▸


Kristel Raidla-Talur

and occasional lawyers stopping in here and there "in case they need a couple of hours of private time away from noisy kids and things." Still, Raidla-Talur says, "it's very quiet there." In general, she says with a smile, "everyone here is relying on Zoom as everywhere else – lots of Zoom calls both with clients and internally." But then she sighs. "It's the new reality, and probably it's not for a short period of time. But at the moment we're managing quite well."

"Of course our business has also been impacted," Raidla-Talur says, noting that some practices have been affected more than others. "We see that some M&A deals have been postponed or canceled, so it seems a little more quiet on that front, compared to a few months ago, but on the other hand we also have new legal issues – various non-performance matters and *force majeure* invocations, and so on." According to her, "our restructuring team is quite busy, as some businesses, among them a major shopping center and a retailer operating several fashion brands, have initiated reorganizations and things like that." Overall, she says, "the situation is not dramatic, but of course different practice groups have different experiences. Some have new types of work coming, and some of them have more down time. Overall we are in good shape, at least for now."

Indeed, she reports, her own practice group – Banking & Finance – "has been one of the busiest in the firm for a long time already, and this has not changed. We are working on financing deals, capital markets matters, venture capital transactions, financial regulatory matters, licensing matters, and our people are very busy." She smiles. "Fingers crossed. Our people need some rest but hopefully it does not get too quiet."

And so far, at least, Cobalt hasn't formally reorganized the practice groups or transferred lawyers from one to another. "We haven't done anything formal in terms of practice group reorganizations," Raidla-Talur says, "but we have encouraged everyone to pick up kinds of work that may be in demand. People have adapted and picked up quite nicely. Especially a lot of clients whose needs don't fit into specific practice areas – they just need a good lawyer." Still, she concedes, "down the road we'll have to see if things worsen, or if the recession lasts for a long time. For now the partners have all agreed that it is important to keep the team and keep them happy."

The crisis brought an abrupt change to what had been an encouraging first few months of 2020, Raidla-Talur reports. "We expected this to be a good year," she says, "but of course we were a little bit concerned because even before the virus hit there was discussion and evidence about the economy cooling down. We hadn't seen that yet to a significant extent, but we were considering that it could happen." Still, she points out, "but of course none of us could foresee this happening. This made it happen really quickly." Still, she insists, "there is no reason to panic or be overly pessimistic. We are realistic optimists." ■

By David Stuckey (April 14)

Hungary

Interview with Pal Jalsovszky of Jalsovszky Law

"These times are difficult for all governments and it's very difficult to predict what will occur in the next few weeks, let alone more than that," begins Pal Jalsovszky, Managing Partner of Jalsovszky Law in Budapest.

"When it comes to Hungary," he says, "I believe we're doing a bit worse than other countries in the region, as there are still a lot of people mingling in the streets and not practicing social distancing – but it's not just that." He believes that Hungarian lawmakers are "lagging behind," as there are "still no economic stimulus measures to put the economy back on track or mitigate the effects of the crisis." And, he says, time is of the essence, as the later the government implements its measures the more harm the economy will suffer.

Jalsovszky is frustrated that one of the first things the government did was to boost the pensions of retirees. "This has no direct relevance with the current economic situation," he says. "It does nothing other than protecting a social group which is strongly pro-government."


Pal Jalsovszky

Despite the Government's slowness to act, Jalsovszky reports that some valuable legislative measures are ▸▸▸

already in place. "There is a moratorium on the repayment of loans and interests. Now, while this may be good for some debtors, it is not a nuanced measure so it may hurt some folks as well." He says that the government has prohibited the termination of leases, but notes that, imposed as a blanket measure, this leaves some businesses that are dependent on customers, such as gyms, in trouble. "With fewer people leaving their homes due to the crisis these businesses suffer, and on top of that, they have to keep on paying their leases – which is very bad for them."

Despite his dissatisfaction with some elements of the Hungarian government's response, Jalsovszky says that he is pleased about the way it is communicating during the crisis. "The government is delivering information in a calm and collected manner, to avoid sparking panic and fear," he says. "And they have been pretty good at it so far; probably a four on a scale of five."

Jalsovszky says that the crisis has affected different business sectors differently. Still, he says, "the automotive sector has had massive layoffs, as there is less demand for certain types of employees in the production sector. The same goes for the aviation sector, hospitality, retail commerce … a lot of layoffs are expected."

The crisis, Jalsovszky says, has a mixed effect on the legal industry. On one hand, many business transactions have been suspended, which, obviously, reduced chargeable hours for lawyers. On the other hand, he says, "a lot of new legal issues have, however, arisen – especially in terms of determining if one can be fired from one's job due to the crisis and if contractual obligations can be voided." Indeed, he says a number of new legal questions pop up frequently that "require urgent handling," and that this creates work, balancing out the absence of transactional activity. "It is promising that lawyers will always be needed in these situations, and now more than ever, as the legal environment becomes more difficult to understand." He says, also, that liquidation, bankruptcy, and restructuring are highly active at the moment and that "much more work" is expected in these areas. ■

By Andrija Djonovic (April 15)

Greece

Interview with Virginia Murray of Watson Farley & Williams

Virginia Murray

"While the Greek government has responded well to the Covid-19 crisis, shutting down a lot of social hotspots very early on, there are some areas which remain troubled," says Virginia Murray, Partner at Watson Farley & Williams Partner in Athens. "Tourism is a massive part of the Greek economy and the crisis stands to leave a huge impact, which is a real shame given that Greece has started to turn a corner, economically speaking, particularly since the start of the year."

Greece is currently on lockdown, Murray says, with "numbers of new cases still being manageable." According to her, "people can leave the house by notifying the authorities via text message or written document, but mainly for going to get groceries, taking exercise, or going to work." She reports that some places "have put curfews in place, like Mykonos," and adds that "it wouldn't surprise me if a general curfew gets placed around Easter, which is a massive family holiday here."

"All the hotels are shut down, and while there haven't been waves of cancellations for the summer season yet, they may not be far off," Murray continues. To stem the effects of the crisis, the government has introduced a raft of measures, including support payments for people whose work has been suspended, delaying or discounting tax and social security payments for businesses, and suspending loan repayments, as well as making it illegal to lay people off because of the Covid-19 crisis. Still, she says, "these measures are expensive and come at a great price to the State, especially now, just as Greece was moving away from a period of recession."

Murray reports that Greek courts have been closed for almost a month, that court bailiffs have stopped working, and that most public registries are closed. "The notaries were initially banned from executing any deeds other than wills and no corporate registrations are possible since the registries are closed," she says. In her opinion, the Greek government is "doing everything it can to respond to the difficulties caused by the lockdown," and she adds that we can "expect to see further legislative changes in order to enable most work involving the State to be performed electronically."

Finally, Murray reports, the legal

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industry remains busy. "A lot of companies have term sheets and are rushing to finish loan agreements out of fear that margins may be increased," she says. The energy sector is booming as well, she says, noting that there have been no cancellations involving energy projects as yet. In addition, she says, "large law firms in Athens were hiring like crazy before the crisis started, so it is realistic to assume that no massive layoffs will occur within the short term, but there may be a transitional period until firms get accustomed to having their teams working remotely." ■

By Andrija Djonovic (April 15)

Austria

Interview with Raimund Cancola of Taylor Wessing


Raimund Cancola

"From the perspective of the Austrian people the government is doing a great job," says Raimund Cancola, Partner at Taylor Wessing in Vienna. "We're really lucky that the current coalition is working in unison – they're quite complementary. Almost nobody has any substantial negative remarks over their handling of the crisis."

Cancola reports that the government took steps to get ahead of the crisis early and is currently "striking a fine balance between protecting public health and the economy." He describes the government's approach as "very nuanced with the health of all the citizens being a clear priority." He also reports that Austria is subsidizing parts of the economy in an effort to protect businesses and jobs. "This goes against the budget deficit, but it seems that keeping a balanced budget is a pipe dream, as it is in many other countries right now."

Furthermore, Austria has recently announced that some of the restrictions that are currently in place are likely to be reduced after Easter. "It is likely that some smaller shops will be allowed to reopen and businesses that employ proper protective measures, like face-masks and gloves, will be back in play." Currently, he says, Austria has taken steps similar to Germany when it comes to protecting employees. "The country has established a short-time work scheme which subsidizes enterprises," he says. "This allows employers to keep workers on, thus preventing layoffs. This program must be applied for and many already have."

Of course, the announced intention to relax some measures is contingent on the number of infections going down. "The government is practicing cautious optimism, and if current trends persist, relaxations are likely," Cancola says. All of the other governmental efforts are aimed at "keeping businesses and the economy liquid – we've yet to see concrete post-crisis plans that will deal with revitalizing the economy."

"These are tough times for law firms too, particularly larger ones," Cancola says. "Corporate transactions are slowing down, apart from those that were in their final stages of completion and the economic reality of which was not altered by the Covid-19 crisis."

"However," he adds, "the number of distressed M&A deals as well as commercial and dispute work are expected to increase in the back half of the year." According to him, in those areas at least, "a huge volume of work is to be expected." And Cancola states that labor and employment practices are "hot right now" as is IP/IT, "especially concerning data protection matters."

"Overall," he says, "it's still too early to have a clear picture, and developments over the coming 2-3 months at least will hopefully bring more clarity." ■

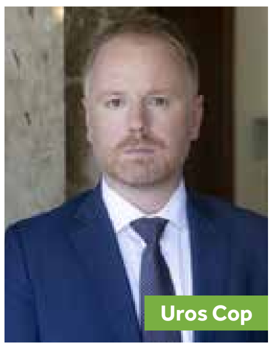
By Andrija Djonovic (April 16)

Slovenia

Interview with Uros Cop of Miro Senica and Attorneys

"The new Slovenian Prime Minister was elected by the National Assembly on March 13th, just as the crisis was picking up in this part of Europe," says Uros Cop, Managing Partner at Law Firm Miro Senica and Attorneys in Ljubljana. "Fairly quickly, the new Prime Minister formed a team of ministers, which was confirmed the following week by the Parliament – we were in luck that this process went smoothly."

In fact, Cop reports, the previous government had already initiated many important measures to help stem the crisis, which made the work of the new government a bit easier. "The new government made it a priority to mitigate the social and economic impacts of COVID-19 pandemic," Cop says, "and in the past two weeks has undertaken a lot of effort to


Uros Cop

protect businesses in these economically difficult times."

"Slovenia has the fact that it's a small country going for it," Cop continues, noting that the country of 2 million people can "isolate and shut down rather quickly and make quick moves to change directions. Furthermore, Slovene people are quite disciplined and considerate of others, so they self-isolated quickly and effectively. But probably the most important advantage in this situation was that Slovenia still has a very strong public health system which played an enormous role in containing the epidemic and saving lives."

Still, he notes, although its size may have helped Slovenia get ahead of the crisis early, it may eventually prove to be a bit of a problem later on. "Due to our relative size, we're mainly an export-oriented economy, contingent on our main export partners – Germany, France, Italy, and the UK – all of which are experiencing major difficulties," he says. "Until these countries reopen for business, Slovenia is jammed."

However, with China's economy slowly getting back on track, Cop reports that the production part of the Slovenian economy may be able to pick up at least a little sooner after the crisis dies down. "Slovenia's major contributor to production materials is China, and insofar as it keeps its distribution lines open, we can count on our factories reopening quickly after our borders do." Also, Cop believes that the country's banking sector may play a large role in reanimating the economy. "Slovenian banks work closely with domestic clients, so if they get back in play and continue to finance domestic projects, I think that the economy might be on course to get back to its pre-crisis speed."

For the time being, though, Cop reports that both Slovenia's Government and Parliament are heavily focused on combating the new coronavirus, with all other efforts put on hold. "There isn't really any new legislation which isn't related to Covid-19," he says. "However, as soon as this is all over, as much as it can be, the changes most likely to occur will be those to the election system. The Constitutional Court of the Republic of Slovenia established that 26 years after the adoption of the electoral legislation, the areas of the electoral districts no longer correspond to the criteria outlined in our constitution and gave the legislature a two-year time limit to eliminate the established unconstitutionality. In what direction will the new electoral legislation go is still not clear." Also, Cop feels it likely that new legislation will rationalize administrative proceedings and bureaucracy in general, stimulate renewable energy investments, upgrade the tax system, and address the need for infrastructural overhauls. ■

By Andrija Djonovic (April 16)

Serbia

Interview with Boris Baklaja of Baklaja Igric Tintor

"The Government has responded timely to the crisis and I think that the economic measures it has put in place can have positive effects," states Boris Baklaja, Partner at Baklaja Igric Tintor in Belgrade. "The Decrees adopted on April 10 provide for legislative follow-through for some of the measures previously announced by the Government are designed to produce two types of effects: support to companies primarily by postponing the regular obligatory payments – such as the tax and social contributions which are due as part of the employee's gross salaries and advanced payment of profit tax – due in this period, and a direct, minimum wage, non-refundable financial aid for employees' salaries for March through May."

However, these measures do not come without cost, Baklaja says. "Companies that opt to use this state support will have to accept certain restraints as part of the package, such as a moratorium on payment of dividends in 2020." According to him, this may pose a problem, because "shareholders of private companies and businesses have a right to dividends from previous financial years and it is possible that they would try to dispute the legality of such an executive decision." This places them in an "unfortunate position," because "companies, businesses, factories … all of these economic units have planned budgets, term sheets, and so on. Most of them need to receive financial support and aid in order for them to be able to cover the operational costs at all."


Boris Baklaja

Baklaja says that the uncertainty of the Covid-19 crisis is inhibiting any chances of "getting a new normal going." According to him, "this is not likely to be an overnight switch to a new way of doing business, and some clarity and predictability would go a long way to help all those affected begin adapting to the new status quo."

Finally, speaking about the legal market in Serbia, Baklaja says that "the first month of the crisis in Serbia was fraught with fear, doubt, and misunderstandings – a very clear adjustment ▶▶▶

period." However, as the second month of the state of emergency begins, "it would appear that clients are beginning to slowly come back to some regular volumes of work." As everywhere else, some practices are going to be more active than others. "I think that labor disputes, restructurings, bankruptcies, liquidations, and contract dissolution due to *force majeure* are probably going to spike and make the most work for lawyers in Serbia in the near future." ■

By Andrija Djonovic (April 17)

Czech Republic

Interview with Roman Kramarik of JSK

Roman Kramarik

Roman Kramarik, Partner at JSK in Prague, is making every effort to distance himself from politics, although he reports that "you can't even call it politics anymore, but rather a showing off of the state's executive power."

Kramarik reports being worried what the future might hold for the Czech Republic. "We don't know how far this might go. As a result of the recent pandemic outbreak, the executive is able to take even more control over our lives." He sighs. "In the end, we might find ourselves in times worse than those during Socialism."

Kramarik reports that Czech Republic is in a three-week lockdown, and he says he is happy with the Government's fast reaction in imposing measures to stop the spread of the virus. "The Czech Government was one of the first in the region – if not the first – to impose these measures," he notes. "In addition to the lockdown, people are obliged to wear face masks everywhere outside their homes. The poor availability of most products during the Socialist times taught the Czechs to be DIY experts. This included sewing. So our wives have pulled the sewing machines from the cabinets and knit loads of masks at home overnight. Within a day from announcement of the masks mandate, everybody was already wearing them. Even the widow of the late President Havel, who is an actress when theaters are open, got involved. So the true heroes of this war in our country are not only the hospital staff and firemen, but also our wives. And that's even before I mention home schooling."

He says that the crisis could have a negative impact on European integration, as, "even though the EU Commission imposed some measures, its general response was perceived as disappointing, and this might mean that the future of EU is at stake."

As in most other countries, recent legislation in the Czech Republic has mainly been focused on the pandemic. For instance, Kramarik says, "a new law on Insolvency has been quickly proposed and is now being approved in the Parliament. Government has started handing out money to those in need, but their measures are seen as somewhat insufficient and too budget-minded. Other countries have been much more generous."

The Czech Republic's economy is heavily based on export, Kramarik says, mainly to Germany. As a result, the impact of the crisis on Germany's economy is extremely significant to Czech prospects, as "if Germany catches a cold, we might suffer from something much, much more serious." In addition, he says, "Prague has always been a tourist hotspot, and the fact that travel has been completely banned has hit hard. A lot of people whose livelihoods depend on tourism, such as waiters, guides, or people who used to rent places on AirBnB, are going to struggle."

Like so many, Kramarik concedes that there is a discrepancy between what he hopes will happen and what he is bracing for in the foreseeable future. "I hope that the situation goes back to normal in the next few months, and that our most serious worries will remain only the cancellation of events and certain travel restrictions," he says. "Those things may hurt, but they are not essential for the economy, regardless of how frustrating they will be." Unfortunately, he says, "what we must be prepared for is much worse. The crisis might have colossal effects. The globalized economy's response to this unprecedented disruption could be hiding something we can't even predict at this point. Because it is unknown, it is hard to prepare. And panic is not a preparation. In fact, self-induced damages from the panic can do more harm to the economy than the virus and all of the restrictive measures combined."

Ultimately, Kramarik looks to the past for analogy. "Take September 11th – most people worried that the world would not remain the same, when they watched the twin towers live on TV, as they were collapsing. And did it change? Certainly much less than people feared. The economy is as much about people's hope in the future as it is about their actual current output. Even though ▸▸▸

we need to be prepared for some economic decline, which is inevitable, we must not lose our hope for the future and our ability to cope with whatever it brings. This was the mentality of our grandparents, who lived through the war. And we need to learn from it and keep that in mind in these difficult times. After all, look at the silver lining: this is only nature. An external enemy, not another human. And we are quite a resilient and adaptive species when it comes to dealing with nature. And the nations' response so far has been amazingly humanistic."

By Djordje Radosavljevic (April 21)

Bulgaria

Interview with Diana Dimova of Kinstellar

"The main topic of all discussions in Bulgaria now is of course the Covid-19 crisis," says Diana Dimova, Managing Partner of Kinstellar's Sofia office. "The good news is that the epidemic situation is under control with some 700 active cases, largely due to decisive measures taken early."

Dimova reports that a state of emergency was declared in Bulgaria when the country registered only 16 cases. As a result of that declaration, she says, "public gatherings are limited and most public venues are closed, except for grocery stores, banks, pharmacies, and insurance offices. Intercity travel to and from Sofia is prohibited without proper reasons," she says. "We're cut off from the rest of the country at the moment."

Of course, the government is trying to ease the resulting damage to the Bulgarian economy. According to Dimova, "one of the measures it has offered is a stimulus package that will reimburse employers for 60% of employee salaries and social security contributions, with the employers covering the rest."

Also, she says, "the capital of the Bulgarian Development Bank will be increased by BGN 500 million (approximately EUR 255 million) to be used for portfolio guarantees to commercial banks on investment loans and working capital loans to SMEs affected by the coronavirus outbreak. In addition, the Fund Manager of Financial Instruments in Bulgaria EAD [the entity managing financial instruments co-financed by the European Structural and Investment Funds] will provide guarantees totaling BGN 170 million (approximately EUR 87 million) to third party lenders that will back up a fresh loan portfolio of up to BGN 850 million (approximately EUR 435 million)." Companies would be able to benefit from long-term loans of up to ten years mainly for working capital needs.

Still, she says, many believe this is not enough, and she reports "a push to expand the stimulus package even further."

The Bulgarian Development Bank, however, which is tasked with implementing some of these measures, is itself embroiled in scandal, Dimova reports. "The bank recently approved a multimillion euro loan to a debt collection agency that acquired NPL portfolios from two still publicly unnamed banks. This provoked public outrage and led to a removal of the current management of the bank – it was simply unacceptable to support this type of business undertaking during this crisis."

Dimova reports that the Bulgarian parliament approved an increase of the public debt ceiling, "so we may soon see the government issuing more bonds in an effort to raise financing to battle the crisis." Also, she says, Bulgaria's National Bank approved a private moratorium on credit facility payments for a period of up to six months. According to her, "unlike the 2008/2009 crisis, the banking sector comes into this situation strong and should be able to withstand the pressure."


Diana Dimova

And not everybody is suffering equally anyway, Dimova reports. "Not all sectors of business have suffered a huge hit," she says, as "certain IT companies providing support, data center services, e-commerce, and food distribution companies all see increased demand for their services."

Finally, Dimova reports, "the court system is going through a dramatic change right now, with testing currently underway to discern if court hearings can be held remotely." She says that Bulgaria's legal profession is adapting to the "new normal" as well. According to her, law firm M&A practices are "taking an expected hit, with many transactions stopping midway since valuations of targets, for example, may no longer be valid. Even the sectors which were strong, like energy, are experiencing a slowdown, due to expectations that banks may not be financing projects at a pace they did before the crisis." She believes that "a spike in restructurings is bound to happen, but not immediately due to all the measures implemented," and reports that "we are, however, seeing strong activity in the employment and commercial lease practice areas."

By Andrija Djonovic (April 22)

Romania

Interview with Sebastian Gutiu of Schoenherr


Sebastian Gutiu

"The Corona Bubble is taking up most of our life in Romania these days," begins Sebastian Gutiu, Managing Partner of Schoenherr's Bucharest office. "Everything is more or less related to it."

Romania has been in a state of emergency since March 16, and, though it was initially announced for 30 days, that state of emergency has since been extended until mid-May. Gutiu reports that strict social distancing measures have been taken, including "lockdowns and movement restrictions, except for professional reasons and specific personal reasons." He states that "mostly everything is happening remotely these days in Romania: working from home, liaising with authorities, signing transactions, and making payments."

In an effort to combat the crisis, Gutiu reports, the Romanian parliament and government have been very busy. "Since the state of emergency started, the number of normative acts published in the Official Gazette has been one third higher than in the same period of 2019," he says, noting that "the government was fairly good in terms of its reaction time and in taking preventive measures to limit the impact of the outbreak."

Gutiu believes that the time is right to start evaluating the economic impact of the crisis. "I am sure we cannot be too early in taking balancing measures to this end, otherwise it's likely that we're going to be hit very hard." According to him, Romania, as an emerging economy, does not have the strength and the critical mass of some western EU countries to cope with the crisis as well, and needs to prepare its strategy carefully.

In the meantime, Gutiu says, Romania has taken many measures to do what it can to support the business community, and companies can now apply for a "so-called 'state of emergency certificate' if they see a drop in their revenues or need to shut down their business." He reports that a draft law regarding rent payment exemptions is currently being processed by the parliament, and he says that a "EUR 3.3 billion state aid scheme for SMEs was recently approved by the European Commission, consisting mostly of direct grants and state guarantees for investment and working capital loans."

Nonetheless, of course, Romanian's workforce has been hard hit. Gutiu says that "nearly one million people are facing a temporary lay-off," and that the number of employment agreements terminated since the beginning of this crisis is "estimated at over 200,000." He reports that "various measures have been taken to protect employers and employees, including temporary lay-off compensations paid from the state budget, or paid days off for parents that need to take care of their children during the temporary shut-down of education units."

"Court hearings and procedural law deadlines have been suspended during the state of emergency, as has the statute of limitation," Gutiu says. "These measures apply to both civil and administrative courts, as well as insolvency proceedings, and even criminal trials, with only urgent cases being continued." Similarly, most authorities have "postponed hearings and controls until the end of the state of emergency."

In the banking sector, Gutiu says, "a moratorium of up to nine months is available to borrowers, both companies and individuals, that have been directly or indirectly impacted by the pandemic." However, he reports that "some uncertainties exist as the moratorium was already approved by a Government emergency ordinance, while the Parliament passed a separate law on it." That law is facing a challenge in the country's Constitutional Court.

Finally, Gutiu says that "law firms are more flexible these days; they are much more capable of adapting now." He states that the legal sector has had the opportunity to see other countries' examples in dealing with the pandemic and its fallout, "so we were able to adjust." He says that this crisis will most certainly change the "structure of the demand for legal advice" and that it can be used as an "opportunity to evolve." ■

By Andrija Djonovic (April 23)

The Buzz:

■ Full information available at:
www.ceelegalmatters.com
■ Period Covered:
March 25, 2020 - April 22, 2020

Did We Miss Something?

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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2019 CEE DEALS OF THE YEAR

It is with great pleasure that we announce the 2019 CEE Deal of the Year Award winners – the most important, complicated, significant, and valuable deals across Central and Eastern Europe.

The winners were selected by this year's Final Selection Committee:

- **Christian Blatchford of Energo-Pro (Czech Republic)**
- **Alexandra Doytchinova of Schoenherr (Bulgaria)**
- **Rene Frolov of Fort Legal (Estonia)**
- **Ron Given of Deloitte Legal (Czech Republic)**
- **Judith Gliniecki of CEE Equity Partners (Poland)**
- **Bora Kaya of Gama Power Systems (Turkey)**
- **Hugh Owen of Go2Law (Slovakia)**
- **Roman Pecenka of PRK Partners (Czech Republic)**
- **Andras Posztl of DLA Piper (Hungary)**
- **Mykola Stetsenko of Avellum (Ukraine)**
- **Pawel Szaja of Shearman & Sterling (United Kingdom)**
- **Damir Topic of Divjak, Topic & Bahtijarevic (Croatia)**

The actual awards will be handed out at the recently-rescheduled 2020 Deal of the Year Awards Banquet on October 13, 2020 in London, at which time the overall CEE Deal of the Year will also be announced.

AUSTRIA: STEINHOFF GROUP FINANCIAL RESTRUCTURING

Submitting Firm: Wolf Theiss

Other Firms: Allen & Overy; Binder Groesswang; Dorda; Eisenberger & Herzog; Fellner Wratzfeld & Partner; Gleiss Lutz; Kirkland & Ellis; Latham & Watkins; and Linklaters

Summary

With debt of approximately EUR 9 billion, and in order to stabilize its financial situation and continue operating, the Steinhoff Group underwent overall comprehensive restructuring, first entering into a "Company Voluntary Agreement" between Steinhoff Europe (and Steinhoff Finance Holding) and their creditors. The CVA is a legal process from the United Kingdom that allows a company with debt problems to reach a voluntary agreement with creditors involving the payment of debts but allowing it to continue to operate. In order to be eligible, Steinhoff had to undergo major corporate restructuring, including transferring its business operations from Austria to England.

In parallel, Steinhoff pursued debt refinancing negotiations with a syndicate of banks. A total of 12 Austrian holding companies were included in the financial restructuring process. In August 2019, the financial long-term restructuring of the Steinhoff-Group was finally implemented.

According to Wolf Theiss, the restructuring of Austrian debt via an English restructuring tool is the first of its kind in Austria.

Shortlist Panel Comments

"A crucial restructuring case in relation to one of Austria's (and CEE's) big furniture players. The transaction had implications on thousands of jobs in Austria and is therefore, in addition to the legal complexity, the "deal of the year" from my perspective."

"This was a good and large restructuring of a distressed company that had been advised by the submitting firm for a long time. At the time of the restructuring, the submitting firm appears to have followed the lead of an all-star cast of US, UK, and German firms, both for the debtor in distress and its various creditors. Notably, a special UK financial restructuring technique was utilized, as the submitting firm reports had not previously been used in Austria. "

"Most complex transaction that required highly skilled corporate, real estate, financing, and tax teams over a term of almost two years."

"Not necessarily an M&A deal but involving divestitures; highly complex restructuring cross border within and outside EU."

BELARUS: EBRD'S AND ZUBR CAPITAL'S INVESTMENTS IN MILA GROUP

■ **Submitting Firm:** SBH Law Offices

■ **Other Firms:** Bird & Bird; Revera

■ Summary

The EBRD provided financing for the Mila Group and the Zubr Capital Fund acquired a minority stake in the group, which supplies beauty and care products as well as selling them through its own Mila network of drugstores. The investment by Zubr Capital and the EBRD was designed to allow Mila to increase its number of stores, create flagship stores, and develop its product and assortment policy.

The SBH Law Offices described the deal, which was signed on May 29 and closed on September 4, 2019, as "another example of successful financing of development of private business in Belarus through capital entry."

BOSNIA & HERZEGOVINA: ACO KABANICA SALE OF ELTA-KABEL TO TELEKOM SRPSKE

■ **Submitting Firm:** Dimitrijevic & Partners

■ Summary

Bosnia's Mtel a.d. Banja Luka, the mobile arm of Telekom Srpske – the second-largest telecommunications company in Bosnia, majority-owned by Serbian state-controlled Telekom Srbija – acquired local cable operator Elta-Kabel, the leading cable operator in the Republic of Srpska.

Following the completion of the deal, and in line with its business strategy, Mtel's investments this year will add up to EUR 150 million (USD 165.9 million), the company reported.

According to Dimitrijevic & Partners, "negotiations took months and the structure of the deal in legal and economic aspects resulted in, according to the opinions of all participants, one of the most complex acquisitions."

The deal was signed on May 8 and closed on August 30, 2019.

BULGARIA: UNITED GROUP'S ACQUISITION OF VIVACOM BULGARIA

Submitting Firms: CMS; Schoenherr

Other Firms: Kambourov & Partners; Latham & Watkins; Paul, Weiss, Rifkind, Wharton & Garrison

Summary

United Group, a leading telecoms and media business in South-Eastern Europe, which is owned by BC Partners, acquired Vivacom, for EUR 1.2 billion in a private auction sale that was widely reported to be the largest deal in Bulgaria in 2019 in terms of both value and asset size.

Vivacom, which was the first telecommunications company in Bulgaria and remains the country's largest telecoms operator, provides advanced services including fiber broadband, mobile communications, and digital TV to over 1.8 million unique customers in Bulgaria.

The complexity of the deal was exacerbated by ongoing legal disputes initiated in various courts by an entity claiming to be a former shareholder in a holding company that owned Vivacom.

The deal was signed on November 7, 2019.

Shortlist Panel Comments

"The deal of the year in terms of value and complexity (e.g., shareholding structure and pending shareholder/ownership disputes). Sophisticated and demanding parties both on sell- (VTB Capital) and buy-side (BC Partners)"

"Apart from the significant value (likely the highest deal value for Bulgaria in 2019), this transaction was challenging as subject to various parallel work-streams, certain political sensitivity and huge media interest."

"This is the largest deal in Bulgaria ever, at 1.2 billion EUR. The deal was extremely complicated, with a lot of international and local law firms involved and complex litigation and arbitration issues. The exit was delayed by more than three years and it is by far the most complicated M&A deal in Bulgarian history."

Deal Expanded: Schoenherr Partners Ilko Stoyanov in Bulgaria and Slaven Moravcevic in Serbia Talk About The Deal of the Year in Bulgaria

CEELM: First, congratulations on winning the Deal of the Year Award in Bulgaria!

Ilko: Thank you! Although 2019 was a bit slow at the start it ended with a few major deals for us, including one involving Vivacom. Ending the year on a strong note gives you a gentle push for the upcoming year – you want to keep going with the same pace and enthusiasm, so we are really happy with our overall performance!

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

Slaven: Vivacom has been probably the single most recognizable asset in the M&A market in Bulgaria. Since its privatization 2004, the company has gone through a number of follow-on sales which attracted media coverage and interest from professionals and the general public who are, in fact, Vivacom's subscribers. As a result of this deal, a large strategic investor with experience in CEE steps in, and we are happy to have been able to advise on all Bulgarian legal aspects. These included the legal due diligence review and advising on the Bulgarian angles of the deal structuring, the negotiations, and the offering memorandum related to the financing.

CEELM: Why did the United Group choose Schoenherr to assist it in this matter?

Slaven: Schoenherr has advised the United Group on almost all major deals across CEE in the last five years. The people from United Group know us and our work and it was natural for them to come back to us. But we do not take this for granted. There were a number of buy-side law firms on this deal advising on very specific aspects – transaction, financing, regulatory, deal insurance or local law. It was fiercely competitive and there were no generalists. Staying focused on your strengths in your particular field is what, we believe, matters in deals such as this.

CEELM: What was the significance of the deal, in your opinion?

Ilko: The deal had a very large value for Bulgaria – USD 1.3 billion, as reported. More importantly, however, the deal was complex and the complexity was driven by the ongoing legal disputes initiated in various courts/jurisdictions by a former shareholder. So, there was an element of hostility to this deal. The transaction structuring had to deal with this and the disentanglement of the legal disputes, which was challenging.

CEELM: This makes the second year in a row Schoenherr Sofia has won the Deal of the Year for Bulgaria, following the firm's success last year for its work on OTP's acquisition of Societe Generale Expressbank. How is the office continuing to obtain such high-profile mandates?

Ilko: Both mandates resulted from deals which went far beyond Bulgaria and included many other countries across CEE. The strategic decision of Schoenherr to position itself as a firm with a very strong CEE footprint has made these mandates possible. Our goal is to deliver stellar legal advice to all our clients. So on the cases where this also results in winning an award – even better! We were lucky to have won the awards in two consecutive years and we will do our best to make it three in a row next year. ■

Ilko Stoyanov

Slaven Moravcevic

schonherr
ATTORNEYS AT LAW

CROATIA: UNITED GROUP'S ACQUISITION OF TELE2 CROATIA FROM TELE2 AB

■ **Submitting Firm:** Divjak, Topic & Bahtijarevic

■ **Other Firms:** Kirkland & Ellis; Schoenherr

■ Shortlist Panel Comments

"In my view by far the most significant in terms of deal complexity, regional significance of the transaction, [and] legal complexity."

"The largest deal by size in 2019 in Croatia. First-ever M&A deal in the Croatian telecom market. Immensely challenging competition approval in two phases ended with success."

"This was without doubt the M&A transaction of the year in Croatia, not just because of its size and importance for the telecom market but also for the complexity of competition clearance the deal had to go through. United Media in Croatia also has one of the three leading TV broadcasters – NovaTV – while Croatia has an obsolete Act on Electronic Media which prevents holding stakes in the media and telecom sector. The deal was cleared by the Competition Agency ... after intense lobbying."

■ Summary

United Group acquired Tele2 Croatia from Sweden'sTele2 AB in what was reported to be the largest M&A deal in Croatia in 2019.

Tele2 is one of only three telecom providers operating in Croatia, with a market share of almost 20%.

The enterprise value of the deal – the first-ever sale of a mobile operator in Croatia – was EUR 220 million.

The deal was signed on May 31, 2019.

Deal Expanded: Schoenherr Partner Alexander Popp in Austria and Attorney at Law Ivan Einwalter in Croatia talk about the CEE 2019 Deal of the Year in Croatia

CEELM: First, congratulations on winning the Deal of the Year Award in Croatia!!

Ivan: Thank you, we are happy and proud to have received the award. We see the award as recognition of a strong business year in 2019, with the Tele2/United Group as one of the headline M&A transactions we worked on.
For our Croatian office it is our first CEELM Deal of the Year Award, so we are especially pleased for this recognition!

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

Ivan: We assisted Swedish telecommunications group Tele2 - a major telephone operator in the Nordic and Baltic countries and an alternative provider in many others, with about 17 million customers in eight countries and revenues of EUR 2.5 billion in 2019, on the sale of its Croatian business to the United Group, a leading telecoms and media provider in South East Europe, for an enterprise value of EUR 220 million.
The United Group has the broadest network coverage in the region with 3.82 million subscribers and offers both local and international content. The United Group has operations in six countries and employs around 4,400 employees.
The acquisition of Tele2 Croatia is, for the United Group, an important step in further strengthening its market position in South East Europe. We assisted Tele2 on all aspects of this auction sale transaction, including the setting up of the data room, the structuring, preparation, and negotiation of the transaction agreements, and providing assistance in relation to the regulatory proceedings.

CEELM: The team working on the Tele2/United Group consisted of attorneys and partners from both the firm's Austrian and Croatian offices. How did that affect your work on the deal?

Alexander: Being a regional law firm, Schoenherr possesses extensive local market knowledge with an operation model based on the principles of an international law firm. Advising on multi-jurisdictional mandates is therefore part of our daily business. Our strong CEE footprint allows us to combine knowledge about the local culture and habits with the high level legal expertise of an international law firm. The great results we achieve year after year show that this model is working! As for the Tele2/United Group deal, I truly believe that, with our mixed Croatian/Austrian team, we pulled all our strengths together, resulting in this success.

CEELM: Who were on those teams, exactly?

Alexander: The core Schoenherr team on this transaction consisted of me, Ivan, and Austrian attorneys Manuel Ritt-Huemer and Michael Marschall. I headed the team, and Michael and Manuel assisted in the first row on transaction structuring, drafting, and negotiating the contracts. Ivan handled all Croatian-law-related aspects (in particular corporate, regulatory, and commercial), in particular in the negotiations of the contracts, and organized the closing process. Vienna-based Partner Christoph Haid led the merger control working stream, and Vienna-based Partner Robert Bachner led the working stream for the transitional agreements.

CEELM: Schoenherr won four deals at this year's CEELM DOTY Awards, following similar success last year. Where do you think this success comes from?


Alexander Popp


Ivan Einwalter

schonherr
ATTORNEYS AT LAW

Alexander: To win an award obviously feels great – but the award always comes at the end of a process that involves many great minds and a lot of effort from everybody involved. Winning a total number of four awards in four different jurisdictions shows that our expertise across all offices is exceptional. Due to our ability to advise on transnational deals by working with Schoenherr teams from all over the region, we have traditionally been involved in a lot of international transactions. Over the past years, we were able to further strengthen this position, and I am positive that we will continue to do so in the future. ■

CZECH REPUBLIC: ADVENT INTERNATIONAL AND ZENTIVA'S ACQUISITION OF ALVOGEN'S CEE BUSINESS

Submitting Firm: CMS

Other Firms: Freshfields Bruckhaus Deringer; White & Case

Summary

Global private equity firm Advent International and its Czech portfolio company Zentiva acquired the CEE business of global generic and over-the-counter pharmaceuticals manufacturer Alvogen, bringing together two leading branded generics and over-the-counter businesses in CEE.

Financial details were not disclosed.

Alvogen CEE markets over 200 generic and OTC products – including the Lactacyd, Persen, and EuBiotic brands – across multiple therapeutic areas. The company has leading market positions in over 14 CEE jurisdictions, including Russia, Romania, Bulgaria, Poland, and the Balkans, and employs over 1,000 people.

Shortlist Panel Comments

"Regional deal following the previous acquisition of Zentiva, one of the largest PE deals in the CEE region."

"This deal was very significant for the whole CEE region as it touched many important key markets. The complexity was based not only on the scale of the deal, but also on the high level of regulation of the pharmaceutical industry and intensive cross-border cooperation of legal teams across several jurisdictions."

"Another CEE deal which involves various jurisdictions and it is great it was led from the Czech Republic."

ESTONIA: APAX'S ACQUISITION OF BALTIC CLASSIFIEDS GROUP FROM UP INVEST OU

Submitting Firms: Eversheds Sutherland Ots & Co; Cobalt; TGS Baltic

Other Firms: Ellex Raidla; Simpson Thacher & Bartlett

Summary

Apax Partners and Media Investments & Holding OU acquired the Baltic Classifieds Group, a portfolio of online classified advertising platforms in the Baltics for automotive, real estate, jobs, and general merchandise.

The portfolio includes Autoplius.lt, Aruodas.lt, Skelbiu.lt, CV-Bankas.lt, KV.ee, City24.ee, City24.lv, Osta.ee, and Soov.ee.

The portals generate more than 50 million monthly visits. The deal, which was signed on May 10 and closed on July 24, 2019, was made by auction and involved W&I insurance – described as "tools rarely used for such deals in the region."

It represented Apax's first investment in the Baltics.

Shortlist Panel Comments

"This was clearly a landmark deal in Estonia's M&A market – probably the largest deal in terms of deal value in 2019."

"This is simply the deal of the year not only in Estonia, but in the entire Baltics, standing out as the largest and most complex M&A deal by one of the largest PE funds in the world."

"Very large deal, involving all three Baltic countries; a historic entry of Apex Partners into Baltic markets."

"In terms of transaction value, surely one of the biggest deals. In addition, the merger clearance process must have been very challenging, as most of the sites (kv.ee, city24.ee, auto24.ee) are top used sites in Estonia. Thirdly, the whole deal from the owner's side was very well-packaged and thought through."

GREECE: HELLENIC REPUBLIC'S BOND ISSUANCE

Submitting Firm: Cleary Gottlieb Steen & Hamilton

Other Firms: Allen & Overy; Karatzas & Partners; Koutalidis Law Firm

Summary

The Hellenic Republic issued a ten-year benchmark bond, its return to the international capital markets on a "normal course" basis, in four offerings over the course of the year.

The market appetite for the instruments led to the Republic's tap issuance of EUR 1.5 billion aggregate principal amount of 3.875% notes due 2029 in October, which will be consolidated and form a single series with the notes issued in March.

In addition to the ten-year instruments, the Republic issued EUR 2.5 billion aggregate principal amount of 3.45% notes due 2024 and EUR 2.5 billion aggregate principal amount of 1.875% notes due 2026.

These were Greece's first bond offerings since the conclusion of the fiscal bailout program in 2018, and comprised a principal amount of EUR 9 billion issued over a range of benchmark maturities.

According to reports, the pricing demonstrated significant positive momentum for the Republic, and the bond issuances mark a return to business as usual for the Republic.

HUNGARY: EXTREME DIGITAL/EMAG MERGER

Submitting Firm: Dentons

Other Firms: Allen & Overy; DLA Piper

Summary

Hungarian online consumer electronics retailer Extreme Digital merged with eMAG Hungary – a member of South Africa's Naspers Group – in a merger of the number one and number two online retailers in Hungary. The deal was signed in February and closed in October, 2019. As a result of the merger, eMAG Romania (owner of eMAG's Hungarian subsidiary) became the majority shareholder of the new entity, with 52 percent of the shares, with the remaining 48 percent remaining with the Extreme Digital shareholders. The new company will initially be present in Hungary, Romania, Czech Republic, Slovakia, Slovenia, Croatia, Bulgaria, and Austria.

In addition, the Hungarian Competition Authority's approval of the merger was described by Dentons as "a milestone in [its] decision-making practice … and thus, can be used as a good precedent in the future given that [it] defined one single product market (online and offline combined) for the sale of electronic products.

Shortlist Panel Comments

"Undoubtedly, the largest e-commerce transaction to date in Hungary with long term impact on the e-commerce arena in Hungary."

"A truly free market deal between independent parties and private individuals as shareholders are always difficult and complex."

"A complex regional deal."

"I am voting on this due to the impact of the deal on the very competitive online sales market. These are two leading players merging and the deal has reshaped the market significantly."

"This was picked up by the media a lot, and indeed is one of the largest deals on the market."

"The transaction concerns a very interesting and upcoming market (e-commerce), seems to have been of high value and complex, with an increased complexity due to the partici-pants whose interests had to be considered."

Deal Expanded: Allen & Overy Counsel Balazs Sahin-Toth Talks About the Deal of the Year in Hungary

CEELM: What was Allen & Overy's role in the Extreme Digital/eMAG merger?

Balazs: Alongside DLA, we acted for the Naspers Group and their Romanian subsidiary, eMAG, in setting up a joint venture with Extreme Digital. The Budapest office of Dentons acted for Extreme Digital in that deal. After completion, Extreme Digital held 48% of the joint venture company, with eMAG's Hungarian affiliate holding the remaining 52%. Our main role was to negotiate and draft the shareholders' agreement, and we also commented on the new articles of association, capital increase, and board-related documentation. The capital increase consisted of new money plus in-kind contribution, including the transfer of purchase price receivables arising from a business transfer agreement, licence fees and a trademark transfer agreement. Through a series of transactions, the parties contributed their assets to Extreme Digital and merged their businesses.

As I said, we were holding the pen on the shareholders' agreement. This was a relatively complex document that set out a roadmap of which party did what to set up the agreed structure of the joint venture. We also drafted corporate governance clauses, how the business must be conducted, and which information must be provided to shareholders and directors. There are pre-emptive rights on the allotment and issue of new shares, restrictions of transfers of shares, rights of first refusal, tag along, drag along rights, put options and call options, exit support clauses, protection of shareholders, etc. So the full arsenal that you would expect to see in an international joint venture.

CEELM: How did Allen & Overy get the mandate in the first place – why did eMAG choose the firm to assist it in this matter?

Balazs: Our Amsterdam office was instrumental in securing this mandate. Prosus/Naspers is listed in Amsterdam and the relationship is based in Amsterdam. Justin Steer, who is an Allen & Overy partner in Amsterdam, was key to the client relationship and also led the negotiations over the shareholders' agreement. The shareholders' agreement is governed by English law, while the parties agreed that the rest of the documentation would be governed by Hungarian law.

Before this deal, we had acted for Naspers on another M&A mandate in Hungary and a number of transactions globally. In our previous deal, we acted for Naspers on the sale of a Hungarian company and our work included drafting and negotiating a share sale and purchase agreement, loan novation, termination of intragroup agreements, corporate documentation, sale of intellectual property rights, mobile applications, etc. Interestingly, on that previous deal, we also worked with Dentons, which acted for the purchaser.

CEELM: What was the significance of the deal, in your opinion?

Balazs: It helped cement the market position of Extreme Digital as a prime digital retail platform. In the past few years, this business has been on the rise and recently received a boost during the Covid-19 crisis as people have been turning to digital retail shopping more than ever before. Completion occurred in the fourth quarter of 2019, which shows that the timing was right.

Balazs Sahin-Toth

ALLEN & OVERY

eMAG

CEELM: It appears the majority shareholder of Extreme Digital is Steinhoff International, from South Africa, and the majority owner of eMAG is South Africa's Naspers Group. Did the fact that the owners were both South African affect the logistics of negotiating and structuring this deal in any way?

Balazs: I don't think so. Steinhoff is at the center of an international scandal and is insolvent. In South Africa the name Steinhoff is very damaged. Given the developments around Steinhoff at the time, their both being South African played no real role. We received instructions mainly from David Fiene of Naspers who is a very professional lawyer and very easy to deal with.

By the way, we generally see much interest from South African investors and financiers as well. For example, we are acting for Scitec, one of the leading manufacturers of sports supplements, its parent company Ascendis and their lenders on various finance matters. The majority of lenders are from South Africa.

CEELM: Finally, congratulations on winning the Deal of the Year Award in Hungary – the most competitive ballot in all CEE countries this year.

Balazs: Thank you and thanks to our client Naspers and our clients in general for their continued trust in us, DLA for the efficient division of work, and Dentons for their cooperation on the eMAG deal. Allen & Overy has had another great year with several good deals under our belt, including this transaction. We are grateful to CEE Legal Matters for awarding Allen & Overy the 2019 CEE Deal of the Year Award for Hungary.

Our business presentation on "Trends in M&A" earlier this year was again a success. It was delivered by our managing partner, Zoltan Lengyel, who shared with our clients and M&A specialists our guidance on recent market trends in M&A documentation based on hundreds of deals which Allen & Overy have been involved in globally in the past year.

We are hopeful for the future too. We lawyers are lucky so far because Covid-19 has not made our jobs redundant. Just the opposite – it has probably brought us more work than we have had to sacrifice. This crisis reminds us of our duty to contribute to the community.

On that note, I trust that the Supreme Court will soon pass a judgment upholding the approximately HUF 100 million in damages awarded for school segregation to 60 Roma students in Gyongyospata, in Northeast Hungary – a landmark case that we are conducting on a pro bono basis, along with lawyers Peter Gardos and Eleonora Hernadi, for the Chance for Children Foundation. This litigation has received much unwanted political attention and the Prime Minister announced that the state would not pay, despite the final and binding judgment requiring payment. We are convinced that the Roma children deserve access to justice and moral damages for their suffering due to segregation and loss of chances to succeed in life due to the poorer level of education that they have received. ■

LATVIA: AIR BALTIC'S EUR 200 MILLION DEBUT EUROBOND ISSUANCE

Submitting Firms: Cobalt; Linklaters

Other Firms: Dentons; Sorainen

Shortlist Panel Comments

"[It had an] impact on local capital markets, [involved the] flagship carrier, [and had both] novelty and complexity (legal and industry)."

"The largest bond issue from Latvia. A complex and careful deal structure. The importance of the deal relates to the possibility of broad effect on capital markets in Baltics later on."

"Largest Eurobond issuance for a Latvian company to date."

Summary

AS Air Baltic Corporation, the flag carrier of Latvia, issued EUR 200 million 6.75% notes due 2024 – the largest ever corporate bond issue originating from Latvia. J.P. Morgan Securities plc and AB SEB Bankas were joint lead managers and BNY Mellon Corporate Trustee Services Limited was trustee. The bonds were listed on the Euronext Dublin stock exchange.

Air Baltic is 80% owned by the government of Latvia and is the leading airline in the Baltic region, flying principally out of Riga, Vilnius, and Tallin.

The transaction was part of the company's growth strategy and helped to strengthened Air Baltic's liquidity, as well as allowing it to repay existing indebtedness, finance its upcoming aircraft purchase, and invest in further development.

LITHUANIA: IDEX'S ACQUISITION OF DANPOWER BALTIC UAB FROM DANPOWER AND GECO INVESTICIJOS

■ **Submitting Firms:** Cobalt; Triniti

■ **Other Firms:** DLA Piper

■ Summary

French renewable energy group Idex – a subsidiary of Antin Infrastructure Partners – acquired 50% of the shares of Danpower Baltic UAB (now Idex Baltic UAB) from Danpower GmbH and an additional 40% of the shares from UAB GECO Investicijos, which retained the remaining 10% stake.

Over its five years of operations, Germany's Danpower GmbH has invested around EUR 100 million in Lithuania.

The company operates six biofuel boiler-houses and a co-generation plant in the Lithuanian cities of Vilnius, Kaunas, and Joniskis. Idex's long-term investment is intended to be a platform for expansion into other Baltic and Nordic countries and Poland, resulting in total investment around 200 million euros in international development.

The value of the deal, which was signed on August 8 and closed on October 29, 2019, was not disclosed.

■ Shortlist Panel Comments

"Must have been a large volume deal."

"This is a strategically important entrance into Lithuanian heating sector which is very complex and resonating."

MOLDOVA: DUET PRIVATE EQUITY'S ACQUISITION OF RED UNION FENOSA SA AND GAS NATURAL FENOSA FURNIZARE ENERGIE SRL FROM NATURGY INVERSIONES INTERNACIONALES SA

Submitting Firm: ACI Partners

Other Firms: Bird & Bird; PeliFilip; Simmons & Simmons; Tuca Zbarcea & Asociatii; Turcan Cazac

Summary

Duet Private Equity, through one of its investment SPVs, acquired 100% of Red Union Fenosa S.A. and Gas Natural Fenosa Furnizare Energie S.R.L. ("GNF Moldova"). GNF Moldova, an affiliate of Naturgy Energy Group, is the leading operator in the electricity distribution and supply sector in Moldova, where it has been present since 2000, when the privatization of the electricity sector took place driven by the independence of Moldova. The company now holds a 70% market share in electricity distribution in the country and covers 2/3 of the population, including the capital of Moldova, Chisinau.

The transaction, which was valued at EUR 141 million – making it the largest private deal in Moldovan history – was signed on April 11 and closed on August 1, 2019.

Shortlist Panel Comments

"This is definitely the Deal of the Year in Moldova. The target is the biggest and the most important and strategical business for Moldova. The deal was quite complex and spanned several jurisdictions. It also required financing from an international consortium of banks (Moldova and Romania)."

"The deal itself is of vital importance for Moldovan economy, taking into consideration the industry of the target company – electricity supply and distribution, a basic, and at the same time inherently important, commodity for consumers. The deal value is also an important clue, and ... the fact that the target holds a 70% market share in electricity distribution shapes the conclusion that this is a deal that, directly and indirectly, affects most energy consumers in Moldova. Beyond its economic value and importance, it's a deal that requires, in my opinion, a lot of involvement from local lawyers from the legal perspective. Namely, the shares are sold/purchased by/from a local legal person, due diligence must be focused mostly on the assessment of compliance with local regulations, the deal itself must be done and completed under local procedures, at the local public bodies."

Deal Expanded:
ACI Partners' Igor Odobescu Interviews Duet Private Equity Limited Operating Partner Boris Salas, about the Deal of the Year in Moldova

Igor: How exactly did this deal come about – what was the purpose behind it?

Boris: I, through my investment firm Soterios Capital Partners (Duet Private Equity's partner for this investment), have a strong and long-standing relationship with leading Spanish utility group Naturgy (formerly Gas Natural Fenosa) which was the sole shareholder of Premier Energy Moldova (formerly Gas Natural Moldova). We were initially attracted by the quality of the company, its management team, and the prospects of Moldova. These aspects were later reconfirmed by the strong support of the Moldovan Government and Authorities for us investing in the country

Igor: Were you satisfied with ACI Partners' assistance? What parts of our service stood out the most to you?

Boris: It was our first investment in Moldova and thus top quality local advice is critical, in particular in a regulated sector such as energy and considering the strategic importance of Premier Energy Moldova in the country and region. ACI proved to be the ideal partner for us as not only did they perform an outstanding legal work but they also led us through the key administrative and political requirements we had to perform. ACI's participation has been critical for our successful investment and we regard them as our partners in Moldova

Igor: How about the process of the deal itself? Were you surprised by any of it, or frustrated by any of it? What stands out in your memory?

Boris: I would highlight, in particular, the continuous support by the Moldovan Government and Authorities. You would not expect this from the outset and, compared to other investments in regulated sectors we have completed, this one has proven to be less complex. Also, I would highlight the quality of the company's management teams which proved to be of tremendous support for the successful completion of the investment

Igor: In your opinion, what was so significant about this deal, and what do you think it means for Moldova?

Boris: This has been one of the largest foreign investments into Moldova since its independence which should support and mark the attractive future prospects of the country and its economy.

Igor: Thank you for allowing us to be a part of this award-winning deal. It was a pleasure working with you.

Boris: Thank you ACI for being the best partner we could have wished for to enter the Moldovan market. We trust this partnership will endure and we can further support the Moldovan economy going forward. ■


Igor Odobescu


Boris Salas

MONTENEGRO: CRNOGORSKA KOMERCIJALNA BANKA'S ACQUISITION OF MAJORITY STAKE IN SOCIETE GENERALE BANKA MONTENEGRO

- **Submitting Firms:** Jones Day; Moravcevic Vojnovic i Partneri in cooperation with Schoenherr
- **Other Firms:** CMS; Kalo & Associates; Sytnyk & Partners

Summary

Crnogorska Komercijalna Banka A.D. (OTP Bank Nyrt.'s Montenegrin subsidiary) acquired a 90.55% stake in Societe Generale Montenegro from Societe Generale. The deal was part of a cooperation agreement signed between Societe Generale and OTP Bank Nyrt. that encompassed the provision of mutual services in various fields (including, but not limited to investment banking, capital markets, financing cash, and liquidity management). The cooperation agreement includes or soon will include Hungary, Croatia, Bulgaria, Albania, Moldova, and Serbia.

The deal, which was the biggest transaction in the financial sector in Montenegro in 2019 and one of the largest in the market overall, was signed on February 27 and closed on July 16, 2019.

Shortlist Panel Comments

"A very important project for the region in general with great influence on the Montenegrin banking sector."

"Probably one of the most significant transactions in Montenegro in the last ten years ... due to the number of necessary clearances, the complexity of the banking operation, and due diligence as well. Therefore, I would dare to say that it deserves first place without any doubt."

"One of the biggest transactions in the Montenegrin market last year – successfully finalized."

POLAND: ACQUISITION OF DCT GDANSK S.A. FROM GLOBAL INFRASTRUCTURE FUND II

Submitting Firms: Dentons; Linklaters; Rymarz Zdort

Other Firms: Clifford Chance; Stibbe; Weil, Gotshal & Manges; White & Case

Summary

PSA International Ptd Ltd, the Polish Development Fund, and the IFM Global Infrastructure Fund (managed by IFM Investors) acquired DCT Gdansk S.A., Poland's largest container terminal, from Australia's Macquarie Infrastructure and Real Assets and Australia's MTAA Superannuation Fund, Statewide Superannuation Fund, and Westscheme Fund.

DCT Gdansk is Poland's largest and fastest-growing Polish container terminal, and it is the only deep-water terminal in the Baltic Sea region at which ships from the Far East call directly. It is also the only terminal in the Baltic that can serve ultra large container vessels with a capacity of up to 23,000 TEUs.

Through its Global Infrastructure Fund II, Macquarie Infrastructure and Real Assets held almost 64% of shares in DCT Gdansk S.A. MTAA Superannuation Fund held 18% of the shares, and Statewide Superannuation Fund and Westscheme Fund each held 9%.

Financial details were not disclosed, but the value was reported

to be over PLN 5 billion (EUR 1.18 billion), making it one of the largest transactions signed and closed in Poland in 2019.

The deal was signed on March 19 and closed on May 21, 2019.

ROMANIA: BLACKSTONE'S ACQUISITION OF MINORITY STAKE IN SUPERBET

Submitting Firm: Wolf Theiss

Other Firms: Bulboaca & Asociatii; Fox & Neeman; Herzog; Jones Day; Kirkland & Ellis; Simpson Thacher & Bartlett

Summary

Blackstone Tactical Opportunities – part of the Blackstone investment fund – acquired a 15% shareholding in Romania's Superbet Group for 175 million. The deal, which was one of the largest transactions in Romania in 2019, has an enterprise value of roughly EUR 1.2 billion. It was signed and closed on May 8, 2019.

The Superbet Group is a sports betting and gaming company that was co-founded in 2008 by Romanian entrepreneur Sacha Dragic, who is also the company's CEO. It operates a network of over 1,200 betting agencies across Romania and launched a digital platform in 2016 and a mobile application in 2018. In 2017, Superbet officially launched operations in Poland, and it has offices in Austria, Serbia, Croatia, Malta, and the United Kingdom.

Shortlist Panel Comments

"This was the largest transaction in the Romanian market in 2019 with an equity value of over EUR 1.2 billion. It also marked the first entry of Blackstone ... into the Romanian market."

"Fast paced legal advice, cross border matter, high-valued."

"It is the first direct acquisition of Blackstone in Romania, also a sign that the Romanian market is evolving. I believe Blackstone and Morgan Stanley Real Estate Investing were the most important newcomers on the Romanian market in 2019."

"The size of the deal is impressive for an M&A deal in Romania, but also the quality of the bidder implicated in the process."

RUSSIA: SEVERGROUP'S ACQUISITION OF TPG'S 34% SHAREHOLDING IN LENTA AND SUBSEQUENT MANDATORY TENDER OFFER

■ **Submitting Firm:** Cleary Gottlieb Steen & Hamilton

■ **Other Firms:** Clifford Chance; Freshfields Bruckhaus Deringer; Ogier

■ Summary

Severgroup, held by Russian entrepreneur Alexey Mordashov, acquired TPG's 34% shareholding in Lenta for USD 599 million and the EBRD's 7.5% stake in Lenta for USD 130 million.

The sale by TPG and the EBRD triggered a requirement for Severgroup to make a mandatory tender offer for all remaining shares in Lenta.

As a result of the MTO, a further 37% of Lenta shares were tendered by public shareholders and purchased for USD 640 million, in one of the largest public tender offers ever carried out for a Russian business, taking Severgroup to a 79% holding.

■ Shortlist Panel Comments

"This is a major transaction for the market. Importantly, it is legally complex. In particular, mandatory tender offers are still relatively rare in Russia."

SERBIA: COCA COLA HBC'S ACQUISITION OF BAMBI FROM MID EUROPA PARTNERS

■ **Submitting Firms:** BDK Advokati; Karanovic & Partners

■ **Other Firms:** Dechert; Latham & Watkins; Norton Rose Fulbright; White & Case; Zavisin, Semiz & Partneri

■ Summary

Coca Cola HBC AG acquired Bambi a.d., the leading cookie producer in the countries of the former Yugoslavia, from Mid Europa Partners, for EUR 260 million. The deal was signed on February 17 and closed on June 18, 2019.

Mid Europa had acquired Bambi, which was founded in 1967, in 2015, along with Imlek and Knjaz Miloc, the leading regional dairy and natural mineral water companies, forming the Moji Brendovi consumer group. In 2018, Bambi recorded revenues of approximately EUR 80 million, of which more than two-thirds were generated in Serbia and the rest predominantly in other countries in the Western Balkans. As a result of its acquisition, Coca Cola HBC will add well-known brands in the Balkan region, such as Bambi, Plazma, Wellness and Zlatni Pek, to its portfolio.

■ Shortlist Panel Comments

"This deal is significant not only because of its size ... but also because of its complexity. Moreover, it is of great importance for Serbian business market because it proves that a global leader such as Coca Cola believes that it is worth it to invest and expand their business in Western Balkans."

"One of the largest deals in Serbia in 2019."

"One of the largest conventional M&A transactions of 2019."

"This is a standard cross-border English law governed M&A, but the target is sizeable and the acquisition is interesting business-wise because it ushered Coca Cola into the Serbian confectionary market."

SLOVAKIA: PPF GROUP'S ACQUISITION OF CME

Submitting Firm: White & Case

Other Firms: Allen & Overy; Bondoc & Asociatii; Covington & Burling; Djingov, Gouginski, Kyutchukov & Velichkov; Sullivan & Cromwell

Summary

The PPF Group acquired Central European Media Enterprises, which operates television stations in Bulgaria, the Czech Republic, Romania, Slovakia (where it was the owner of the Markiza TV station, the largest private TV station in the country), and Slovenia, for USD 2.1 billion. BNP Paribas and Societe Generale acted as structuring advisors to PPF on the EUR 1.15 billion acquisition facilities, which were fully underwritten by BNP Paribas, Credit Agricole CIB, Credit Suisse, HSBC, Societe Generale, and UniCredit. The deal was signed on October 10, 2019.

Shortlist Panel Comments

"While this deal was not 'in Slovakia' as such (it was a regional deal and this is the Slovak part only), I still think that the Slovak part is significant and sufficiently complex and interesting."

"Biggest M&A deal in CEE with lots of specialist advice required."

"This is regionally significant deal ... and Markiza (the asset in Slovakia) would by itself represent a major challenge."

"By far the most significant transaction on the market."

SLOVENIA: ABANKA PRIVATIZATION

Submitting Firms: Kavcic, Bracun & Partners; Wolf Theiss

Other Firms: Jadek & Pensa; Paul, Weiss, Rifkind, Wharton & Garrison

Shortlist Panel Comments

"The largest deal locally."

"Very successful and complex privatization process. The transaction was governed by rules on privatization, state aid rules, and the banking regulatory framework under a strict timeline imposed due to EC commitments. The biggest transaction in the banking sector signed in 2019 and closed in 2020."

Summary

Biser Bidco and NKBM successfully bid for 100% shares of Abanka d.d., the third largest Slovenian bank, in a privatization process which concluded on June 20, 2019. The value of the transaction was approximately EUR 511 million.

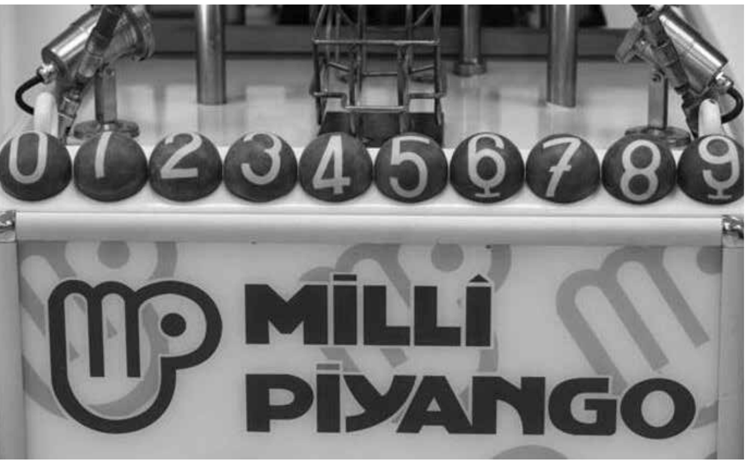
Abanka had been restructured by additional capital contributed by the state as well as the possibility to transfer NPLs to the State-owned bad bank (BAMC).

The deal was described as "the most successful bank privatization case in Slovenia."

TURKEY: SISAL'S SUCCESSFUL BID TO OPERATE TURKISH STATE LOTTERY

Submitting Firm: GKC Partners

Other Firms: Balcioglu Selcuk Akman Keki Attorney Partnership; Dentons; Lexist Law Firm; White & Case



Summary

A special joint venture company called Sisal Sans Interaktif Hizmetler ve Sans Oyunlari Yatirimlari A.S., created by Sisal S.p.A. (an Italian group operating in the gaming and payment services sector that is a portfolio company of CVC Capital Partners) and Demiroren Holding subsidiary Sans Digital ve Interaktif Hizmetler Teknoloji Yatirim A.S., made a successful bid for a ten-year contract to operate Turkey's Milli Piyango lottery that was tendered by its license holder, Turkey's Wealth Fund. The deal was signed and closed on August 29, 2019.

The contract will operate on a revenue and risk-sharing basis, with Sisal-Sans guaranteeing revenue to the Turkish Wealth Fund of more than USD five billion over its ten-year lifetime. It includes the management and development of a gaming system and games on behalf of the Turkish Wealth Fund, and the development and management of a portfolio of numerical games, instant lotteries, and online games that will be distributed across a network of at least 10,000 points of sale.

It was the first completed transaction of the Turkey Wealth Fund, the Turkish sovereign wealth fund, which was established two years ago. Sisal will provide software and other IT services to Sisal Sans and introduce new games and technology to Turkey under an agreement called the Sisal Support Agreement. Sisal Sans will establish a gaming center and a risk center, appoint mobile dealers, and expand the network of physical retail dealers.

Shortlist Panel Comments

"This deal is of great significance to Turkey's national lottery and gaming operations. Its risk-sharing basis and Sisal Sans's revenue guarantee of approximately 5 billion USD make the transaction outstanding, as it is also not a privatization or a concession, but a transfer of management for ten years. This deal will also help develop lottery and gaming operations in Turkey (on an online basis as well) and serve as advancements in terms of offerings to consumers."

UKRAINE: NEQSOL'S ACQUISITION OF VF UKRAINE

Submitting Firm: DLA Piper

Other Firms: Aequo; Avellum; Latham & Watkins; Linklaters; PwC Legal

Shortlist Panel Comments

"Largest M&A deal in Ukraine."

"The deal is by far the biggest and most important announced M&A transaction of the year in Ukraine."

Summary

NEQSOL acquired Ukrainian mobile network operator VF Ukraine from Russian telecommunications operator MTS Group for USD 734 million, including USD 84 million of earn-out payment.

Acquisition financing for the deal, which was signed on November 22 and closed on December 3, 2019, was obtained by a group of international funds and financial institutions led by J.P. Morgan Securities and Raiffeisen Bank International.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