

Sayenko Kharenko advised Mriya Agro Holding on the successful debt restructuring and subsequent sale

Sayenko Kharenko has advised Mriya Agro Holding for several years in connection with USD 1.1 billion debt restructuring. 13 unsecured bank credits, 7 suppliers' credits, 1 ECP programme and 2 issues of Eurobonds were restructured in a single secured debt instrument. Due to this unprecedented restructuring, the total debt of the new Mriya Group has decreased from USD 1.1 billion to USD 309.5 million.

The deal involved not only billion dollar debt restructuring, but also a complex corporate reorganisation of the Mriya Group. In accordance with Western standards, an independent board of directors was appointed. Within this reorganisation, Mriya Group's creditors became shareholders of Mriya Farming Plc, the Mriya Group's holding company.

Successful restructuring was followed by the subsequent sale of Mriya Group's Ukrainian farming assets including infrastructure facilities, machinery, and companies leasing agriculture land plots to SALIC UK Ltd (Saudi Agricultural and Livestock Investment Company, United Kingdom). Upon sale completion, Mriya Agro Holding, as one of the largest agro industrial companies in Ukraine, will continue to operate in Ukraine alongside SALIC's subsidiary, Continental Farmers Group (CFG).

Ton Huls, Chief Financial Officer of Mriya Agro Holding, commented: *“Mriya restructuring was an unprecedented and unique process. The Group had dozens of creditors at different levels in numerous jurisdictions. We had to ensure fair and equal treatment for all creditors, both Ukrainian and international, and find a universal solution acceptable for all of them. For us, it was important to achieve transparency and efficiency, and that had to be done in the heavily regulated legal environment of Ukraine and other jurisdictions. I believe that the final deal structure we have worked out together with English legal counsel, Rothschild and Sayenko Kharenko has achieved these objectives.”*

The Sayenko Kharenko team included lawyers from the Banking and Finance, Corporate, Bankruptcy and Debt Restructuring, Litigation and Competition Practices. Partners primary responsible for the project were Anton Korobeynikov and Alina Plyushch.

The deal is the latest in a series of record-breaking debt restructuring projects in which Sayenko Kharenko has acted. These include Toronto-Kyiv debt restructuring (the biggest financial restructuring completed under the recently enacted Law of Ukraine “On Financial Restructuring”), restructuring of Ukreximbank's Eurobond issues (the first successful debt restructuring in line with the IMF's Extended Fund Facility) and Naftogas external debt restructuring (this transaction remains the largest debt restructuring in the Ukrainian market).