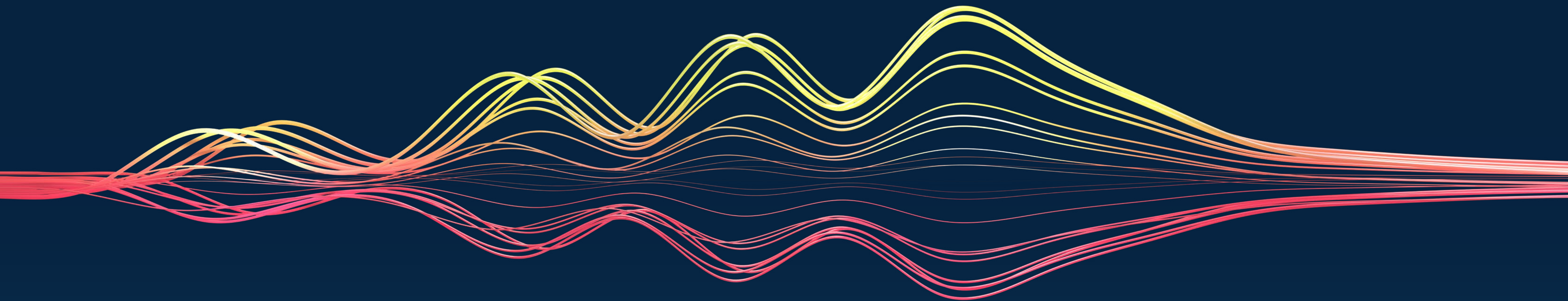


International Restructuring Update

A YEAR IN RETROSPECT

2020





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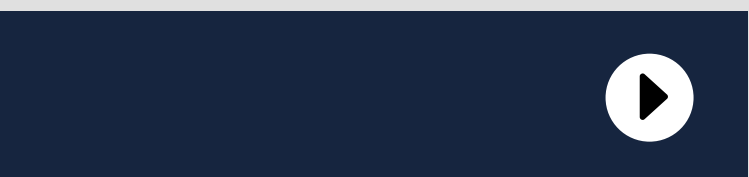
Introduction from
our Global Co-Chairs,
Peter Somekh and
Thomas Califano



New Partners in 2020



Asia Pacific & Australia



Europe



Middle East



United Kingdom &
Ireland



United States of America



Restructuring –
Global key contacts





Introduction from our Global Co-Chairs, Peter Somekh and Thomas Califano



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Despite everything, 2020 was a challenging, but exciting, year of growth and development for the DLA Piper Global Restructuring Group. We would not have been able to achieve the level of success we did without the support of our clients and the dedication of our professionals who remained steadfast through difficult circumstances, and continue to do so. Our global headcount has grown significantly throughout the year, strengthening the group in nearly every jurisdiction, at every level – from our newly qualified associates, through to our partners.

At partner level, we welcomed David Manson from Paul Hastings into our London (UK) office, James Davison from Addleshaw Goddard into our Leeds (UK) office, Matthew Worth from

Linklaters into our Hong Kong office, and Lionel Meehan from Ashurst to our Melbourne office. In the US we added James Muenker in the Dallas office and Rachel Nanes was elevated to partner in the Miami office. These additions add real strength in depth to our expertise across multiple geographies. Combined with our new joiners arriving at legal director, senior associate and associate level, alongside our five newly qualified lawyers, 2020 was a substantial year of investment and growth for our Global Restructuring Group. Our group has extensive knowledge both of local markets and global restructuring trends and the associated challenges our clients face. We continue to advise on complex, cross-jurisdictional matters a few highlights include:

- **Abraaj Group:** we continue to advise the limited partner advisory committees of seven of the largest Abraaj funds on the complex structure and arrangements put in place within the Abraaj group, restructuring and insolvency options, the appointment of replacement fund managers, litigation and liquidation strategy in relation to each of the funds and the impact of the parent company liquidations on the operation of the underlying funds.
- **Jindal Steel and Power Limited (JSPL):** advising JSPL and wholly owned or majority controlled subsidiaries including Wollongong Coal Limited in relation to the restructure of

its Australian mining assets and secured debt. This matter involved a cross-border team and was awarded the Insolvency & Restructuring Deal of the Year at the Australasian Law Awards 2020. It is a great example of our global group working seamlessly across jurisdictions to provide the best possible outcome for our client.

- **NMC Health PLC:** advising the administrators of NMC Health PLC on the administration of that entity, and strategic considerations to implement a restructuring of the NMC group to achieve maximum realisations in the administration. NMC is a significant provider globally in the private healthcare market and is the UAE's largest private healthcare group.
- **PREIT (Pennsylvania Real Estate Investment Trust):** we expanded our already extensive list of accelerated US company-side restructurings by representing one of the largest mall owners in the country in its pre-packaged chapter 11 case.

As we begin 2021, we want to thank you all for your continued support and wish you all the best for 2021, from everyone across the DLA Piper Global Restructuring Group.



New Partners in 2020

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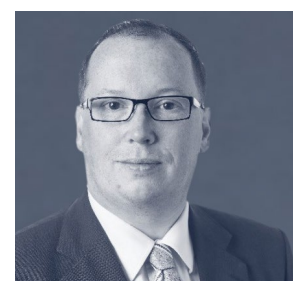
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Asia Pacific & Australia

Overview

2020 has been an exciting year of growth for the Asia Pacific & Australasia Restructuring team. Over the course of the year, we have added Matt Worth (Hong Kong), Lionel Meehan (Australia) and Waranon Vanichprapa (Thailand) to the team. They join the already established Mark Fairbairn (Hong Kong), Timothy Tan (Thailand/Singapore) and Amelia Kelly (Sydney) in growing and deepening our expertise in the region, hugely expanding our expertise and developing an exciting offering, both in the region and the team globally.

Work levels have been moderate but seem to be rising. In Asia as elsewhere, there are large amounts of real-world business distress driven by COVID, as well as continuing stress in the offshore China bond market and other situations driven by sector-specific conditions or the suspicion of wrongdoing. In some Asia sectors, e.g. hospitality, COVID-related revenue crashes have been slow to translate into financial restructurings, while banks have been slow to enforce due to regulatory pressure and uncertainties over pricing and outlook. Nonetheless the Asia restructuring team has handled a number of large situations this year including GNC (retail – advising the bondholders in a Chapter 11 process), Thai Air (advising the banks on a restructuring) and Cathay Pacific (recapitalisation), Whittle (education sector – private debt workout) and the PRC's Luckin Coffee bankruptcy (advising the provisional liquidators of the offshore group). Work is expected to pick up through the first half of 2021 as backlogs of bad debt and underlying business distress will become unavoidable issues.

Matter highlights

A cross border Finance, Projects & Restructuring team involving offices in Australia, Asia and London advised **Wollongong Coal** and **Jindal Steel & Power** on its USD800 million term loan refinancing implemented via Australian schemes of arrangement.

Advising significant trade creditors and all the bondholder's representatives in relation to the rehabilitation of **Thai Airways Plc**. The bond debts represents over USD2.3 billion and are considered one of the largest amounts of debts in this restructuring.

Advising the **Ad Hoc Group** of holders of 1.5% convertible senior notes due 2020 issued by **GNC Holdings Inc** in the Chapter 11 of GNC Holdings Inc and its sale to Harbin Pharmaceutical Holding Co., Ltd. The application of the 'roll-up' of existing indebtedness of lenders into the DIP finance is unusual and arose as a result of market conditions because of COVID-19.

Acting for JPLs of **Luckin Coffee** – assisting JPLs generally (with other appointed professionals) in relation to (1) cross-border insolvency issues and the recognition of their powers in Hong Kong and in the USA under Chapter 15, (2) regulatory matters principally in Mainland China and in the USA, (3) the formulation of possible restructuring options involving convertible noteholders and class action claimants in the USA.

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Europe

Overview

The market in 2020 has clearly been dominated by COVID-19.

Either lock-downs pushed businesses in financial distressed or pandemic caused market disruption has accelerated the default of businesses already struggling. In response, insolvency filing obligation and wrongful trading have been suspended across Europe while governmental support and furlough schemes have helped to mitigate the situation across the continental jurisdictions. Still, the travel sector and hospitality is heavily suffering, but the climate for restructurings has not arrived in full.

Lenders have yet been cooperative, though it remains to be seen if and when this will change. New schemes have been introduced in the Netherlands (the so-called “Dutch Scheme”), and in the UK (the “Super Scheme”), while in Germany the legislator is about to enact the new restructuring framework, on the basis of the European scheme. Both pressure on banks and new schemes are expected to push the restructuring market fast forward from Q2 2021.

In 2020, despite the still moderate restructuring environment, a decent portion of landmark matters could have been landed in the firm. Starting from banking resolutions matters, assistance to airlines, restructuring of retail chains, hospitality and restaurants, major football clubs, to guiding industrial and mechanical engineering business through the crisis, the firm has been active across Europe in in- and out-of-Court restructurings.

Matter highlights

Advising **Heidelberger Druckmaschinen AG** in 2020 on the comprehensive package of measures to increase its profitability and to implement its transformation. The aim is to reduce structural costs at short notice and to sustainably improve the company's profitability. This will significantly improve Heidelberg's financial stability. In this context DLA Piper has advised on the financial restructuring with the existing banks and on the repatriation of funds which were part of a corporate CTA arrangement. Finally, the early repayment of the high yield bond has been completed in late summer 2020.

We are, together with UK colleagues, representing the directors of **DeepOcean Group** in an ongoing Restructuring process for its UK entities. DeepOcean is the leading subsea services provider, with activities in many parts of the world.

Assisting **CASA INTERNATIONAL NV**, active in eight countries (Belgium, France, Italy, Luxembourg, the Netherlands, Portugal, Spain and Switzerland), since April with a judicial reorganization through a collective agreement with its creditors in order to safeguard the continuity of its operations and deal with the consequences of the COVID-19 pandemic. The restructuring plan was approved by a large majority of creditors and sanctioned by the Antwerp Commercial Court on December 1st, hereby safeguarding 3100 jobs world-wide and more than 500 stores.

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Assisting in a number of refinancing’s under the governmental guarantee scheme (ICO loans). From March to July we have advised on some of the most preeminent transactions of this kind, such as **Iberia** (Spanish flagship airline), **El Corte Inglés** (biggest retailer in Spain) and **NH Hoteles** (a Spanish hotel chain with presence all over the world). This was the route taken by most companies to survive the early stages of the pandemic.

Advising **Avenue Capital** on the restructuring of Quabit (a big Spanish developer listed in the stock exchange). The restructuring required the issuance of preferred shares which included a “rescue right” in case of a takeover bid. This required a good deal of coordination from the corporate, restructuring and capital markets work.

Advising **Venue Retail Group AB** as reconstructor, a listed company with extensive retail operations in Sweden, on their corporate reorganization.

Advising **Ernst & Young** which is the monitor of **Urthecast** which is under a CCAA in Canada. We are assisting the monitor on the implementation of the Redressement Judiciaire of its French subsidiary Geosys SAS.

Advising a global asset manager in the restructuring of the management of a **Portuguese bank** approximately EUR1B real estate assets, by concentrating the management and operational resources in the group’s asset management entities.

Advising a leading Italian **cosmetics brand** in release of security under a finance restructuring transaction.

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Middle East

Overview

The Restructuring team in the Middle East has had a very strong year and has continued to gain ground and market share in the expanding distressed debt and insolvency market in the Middle East.

The group has a unique offering of experienced lawyers with a distressed debt and insolvency background from other international jurisdictions combined with years of experience in the market and a deep understanding of the region (both Peter Somekh and James Iremonger, the two partners in the group, have been working across the GCC for over 10 years). That ability extends to traditional distressed finance and restructuring work (where there have been notable achievements across the year) and also to formal insolvency work, where the team has picked up arguably the largest and most important mandates in the region across the last 12 months.

The ability of the group to work seamlessly with their more traditional finance colleagues and their colleagues specialising in onshore litigation means that the group offering, both in terms of strength in depth, experience and ability, is one which other international and local firms struggle to match. Whilst headcount this year in the core restructuring group (seven people) has remained steady, the group has worked extensively with other DLA Piper teams in the region and internationally, regularly utilising litigation (including both on-shore litigators and arbitration experts), real estate, corporate, and employment teams on the large mandates won for the firm.

Matter highlights

NMC HEALTH PLC

We are advising Richard Fleming, Mark Firmin, and Ben Cairns all of **Alvarez & Marsal [“A&M”]** as joint administrators for **NMC Health Plc [“NMC”]**, the largest private healthcare company in the UAE, with a debt burden of around USD6.6 billion.

NMC was founded by Indian businessman BR Shetty and was the first Abu Dhabi based group to list on the London Stock Exchange and to be placed on the FTSE 100 Index.

In April 2020, NMC was placed into administration by the UK High Court. NMC is understood to have exposure to more than 80 regional and international financial institutions.

Our headline role on the matter as lead legal advisers to A&M has been substantial, requiring us to pull together a multi-disciplinary team of lawyers to advise on debt mapping, corporate and debt restructuring, distressed asset sales, data protection, litigation and employment issues. This has been an extremely complex matter, and one of the largest and most high profile insolvencies the region has seen.

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PHOENIX GLOBAL DMCC

We are currently advising Matt Smith and Paul Leggett (both of **Deloitte**) as the joint liquidators of **Phoenix Global DMCC [“Phoenix”]**, one of the world’s largest commodities traders with a debt burden in excess of USD1 billion.

The Phoenix Commodities Group is spread across the world, with operating entities in BVI, Singapore, Dubai, and multiple African and CIS countries. In May 2020, the Phoenix holding company was placed into liquidation with debts of over USD1 billion. Prior to its failure, Phoenix was the third largest commodity broker in the world.

DLA Piper represents the joint liquidators on the liquidation of the Dubai entity and provides support to the liquidators of other entities. Our role on the matter has required us to pull together a cross-practice team to advise on corporate and debt restructuring, litigation, data protection and employment issues.

LAGOON CITY SUKUK COMPANY LIMITED

We advised **Lagoon City Sukuk Company Limited** (a Cayman based issuer, instructed by a Creditor Committee) on a first of its kind restructuring involving a USD200 million sukuk al Musharaka operated through Clearstream and Euroclear involving:

- Advising on a novel structure to accommodate the first asset for asset restructuring in a Kuwaiti issued sukuk – this was a first of kind precedent for settlements of this nature;
- Advising on legal and tax due diligence in respect of the structure;
- Drafting a supplemental trust structure to allow for the existing sukuk trust structure to accommodate new assets (which we understand is a first of its kind); and
- Creating a complex waterfall dealing with existing liabilities and funds for litigation.

The result of the above was that the team completed an asset for asset sukuk settlement – certainly the first in Kuwait and the first of its kind in terms of the mechanisms utilised, allowing the certificateholders to start realising value from their sukuk investment.

Awarded the Kuwait Deal of the Year award at the 2019 Islamic Finance News (IFN) Awards.



United Kingdom & Ireland

Overview

2020 has been an exciting year of growth and development for the UK Restructuring team. We have made multiple hires over the course of the year that have strengthened our team at all levels. This additional expertise and capacity has helped us land multiple high profile and complex cross border mandates.

In January we strengthened the team in London with the recruitment of two legal directors, Pippa Hill from Gowlings and Sarah Archer from Jones Day. In the spring we bolstered our Leeds office by adding partner James Davison from Addleshaw Goddard to the team and strengthened our existing Special Situations team, led by David Ampaw, with the arrival of partner David Manson and senior associate Philip Povey, both from Paul Hastings. In September, five newly qualified solicitors joined the team, including Natalie Peacock and Ben Stafford in London, Jade Delany and Alexandra Greaves in Leeds and Jatin Lodhia in Birmingham. This leaves us as one of the largest Restructuring teams in the UK with the capacity and experience to deliver the largest of mandates. That capacity combined with our deep sector expertise has delivered for key stakeholders in the UK and across the globe, in sectors such as Health Care, Aviation and Financial Services.

The contentious Restructuring team have supported the development and launch of Aldersgate Funding Limited, an entirely independent company which provides DLA Piper's clients with access to GBP 150 million of committed capital for litigation and arbitration claims. 2020 has seen an increase in fraud and insolvency claims across the Restructuring market and Aldersgate Funding Limited will form a critical aspect of the support we can provide.

Matter highlights

Advising the administrators of **NMC Health PLC** (in administration) on the administration of that entity, and strategic considerations to implement a restructuring of the NMC Group to achieve maximum realisations in the administration.

Advising various stakeholders in relation to **Shearings Group**, an operator of coach tours, events and holidays to destinations in the UK, mainland Europe and worldwide, which entered insolvency in May 2020.

Advising the boards of multiple companies within the **DeepOcean group** on its proposed Restructuring Plan. The team was led by partners Rob Russell and David Manson in the UK, along with partners in Norway and the Netherlands.

Advising Deloitte in relation to the proposed rescue of **Clarks Shoes'** UK business (CVA).

Advising Gordon Brothers on the brand acquisition, archive and related intellectual property of **Laura Ashley**, from administrators PwC.

Advising EY as administrators of **Intu Merry Hill** Limited.

Advising Deloitte, as administrators of the **Arcadia group** of companies.

Advising EY as administrators, on the sale of the business and assets of **KSR Electronic Motion Systems Limited**.

Advising Deloitte, as joint administrators of **Gourmet Burger Kitchen**, in connection with the sale of the business and assets of the same for an undisclosed sum.

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United States of America

Overview

It was an interesting—yet fulfilling—year for the US Restructuring Group as we adjusted to the challenges of remote working. We filed the first chapter 11 case that was attributed to the impact of COVID-19 (*Valeritas*). We added to our already extensive resume of Life Sciences and Healthcare restructurings by representing three life science companies through successful chapter 11 reorganizations (*Valeritas*, *REVA*, *Endologix*). In a harbinger of what may be coming, we represented one of the first REITs to reorganize (*Pennsylvania Real Estate Investment Trust*) in a pre-packaged chapter 11 case and we continued the growth of our cross-border practice (*GNC Ad Hoc Noteholders*; *Joint Provisional Liquidators of Luckin Coffee*). Finally, we represented buyers in several high-profile distressed acquisitions (*Lucky Brands Jeans*; *Authentic Brands*). We also added well-known restructuring veteran James Muenker as a partner in our Dallas office and Rachel Nanes was moved to Partner in our Miami office.

Matter highlights

Authentic Brands: Represented a brand management company in connection with several retail distressed acquisitions including, Brooks Brothers.

Endologix: Represented a medical device manufacturer in an expedited chapter 11 case culminating in debt for equity swap.

GNC Ad Hoc Noteholders: Represented the Ad Hoc Group of Holders of 1.5% Convertible Senior Notes Due 2020 issued by GNC Holdings, Inc. in connection with the chapter 11 case filed by GNC Holdings, Inc.

Joint Provisional Liquidators of Luckin Coffee, Inc.: Represented Joint Provisional Liquidators appointed by the court in the Cayman Islands for the restructuring of Luckin Coffee, Inc.

Lucky Brands: Represented a Second Lien holder in connection with providing DIP financing, as well as acting as a purchaser party as part of a consortium of buyers that included Authentic Brands Group and an affiliate of Simon Property Group.

PREIT (Pennsylvania Real Estate Investment Trust): Represented one of the largest mall operators through its restructuring of more than USD 1 billion in funded debt and confirmed its pre-packaged plan within thirty days following the filing.

REVA Medical, Inc.: Represented a specialty pharma debtor in connection with its “pre-packaged” chapter 11 case.

Valeritas: Represented the debtor in the first Ch. 11 case in the US to cite COVID-19 as a factor contributing to the filing, we successfully obtained approval of a going concern sale of the client’s assets to Zealand Pharma A/S.

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