
Corporate Finance

EXPERTISE & EXPERIENCE



conybeare
solicitors

a better perspective...

Corporate Finance



The Corporate Finance expertise of Conybeare Solicitors is regularly relied upon by clients who appreciate a premium legal advisory service based on an exacting standard of technical expertise combined with a realistic grasp of economic reality and a healthy dose of business acumen. Their growing reputation often sees them working alongside or in place of international or large law firms on both domestic and cross-border transactions.

OVERVIEW

Our Corporate Finance practice is primarily a transaction advisory service focussing on Mergers & Acquisitions, Private Equity & Venture Capital investments and Joint Ventures for businesses, their owners and management.

We work for a wide range of clients, whether buyer, seller or adviser, in and across a range of market sectors on transactions, whether simple or complex, big or small, domestic or international. In all cases, we have a pragmatic hands-on and commercial approach to understanding your objectives, helping you to successfully negotiate and then document transactions. We help clients get the deal done on terms which they require, but above all, within the necessary time frame and on budget.

We provide expert advice on relevant aspects of English law and related EU legislation. We work with leading lawyers in many jurisdictions to ensure that our expertise is supplemented by local expertise as and when required. At the end of the day, it means that we give you clear, concise & practical advice.

Our expertise covers the full range of corporate finance transactions from drafting and reviewing confidentiality agreements, non-disclosure agreements (NDA) and term sheets, to reviewing contracts and legal documents, preparing data rooms and undertaking legal due diligence, and assisting in negotiations, providing legal risk assessments, drafting and negotiating sale and purchase contracts, investment agreements, shareholder agreements and above all project managing the whole process from start to a successful finish.

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M&A

We have acted on numerous M&A transactions, both domestic and cross-border, and so we are familiar with the processes and procedures which are typically followed, and we know how to ensure that transactions are not de-railed due to petty mindedness or point-scoring between lawyers.

We undertake legal due diligence of targets and assist clients prepare data rooms in readiness for sale or investment. We are proactive in project managing the transaction to ensure that key tasks and responsibilities are assigned at the outset and regularly monitored and managed throughout the process, concluding not when the contracts have been signed, but when all the necessary obligations have been completed.

Clients who regularly undertake or work on M&A transactions are well aware of the sometimes intense pressures which build up during the course of a transaction. These pressures can stem from lengthy and complex negotiations, unexpected results or discoveries, complicated and cumbersome legal documentation or simple time pressures to conclude the deal. We know what happens and we can handle the resulting pressures to ensure a successful outcome for our client.

We advise on the buying and selling of companies by way of a share purchase or sale, whether for a 100% change of ownership or a majority or minority interest. We advise both companies and individuals on their acquisition or disposal of business assets & liabilities. These transactions cover simple sales or purchases to the more complex group re-organisation.

We act for both management teams and private equity providers on management buy-out/buy-in transactions, which are often tense and sensitive transactions. We have experience of the different options available to you, so we can help you understand what is required and when.

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We advise foreign companies, mainly from Central Europe, on their strategic investment into the UK. We are able to advise on and structure appropriate vehicles to assist them gain a foothold in the UK market place, and where appropriate we work with offshore tax & fiduciary service providers to optimise investment structures.

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JOINT VENTURES

We advise on domestic and international joint ventures (JV) in which 2 or more enterprises join together to form a new business (unincorporated joint venture) or a new company (incorporated joint venture) to undertake a joint enterprise. We have advised on these different types of JV structures both domestically and internationally, where we work together with independent local counsel.

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JVs require special consideration because they are formed for a particular objective and each party needs appropriate safeguards. In a 2 party JV, each party usually contributes to operations and shares in revenues on an equal basis (50:50), but this is not a pre-requisite and majority/minority JVs are also common – these too require special care and attention to ensure a fair and balanced outcome where the minority party is properly and adequately secured.

We have significant expertise and experience in establishing JV companies, drafting relevant documentation such as shareholder or operating agreements, service contracts and bespoke articles of association for

the JV company, particularly relating to technology products and the Oil & Gas industry.

INVESTMENTS

Private equity and venture capital generally refer to an equity investment in a company in which the equity is not tradable on a stock market. Such investments are generally high risk investments as the companies seeking finance are either at a relatively early stage of development and/or developing a new untested product or service. The attraction for investors is the potential for above average returns. For investee companies it is sometimes the missing piece of the jigsaw puzzle to allow them to succeed.

A particular area of expertise we have developed over many years relate to so-called tax efficient investments, usually in the form of Enterprise Investment Schemes (EIS) and Venture Capital Trusts (VCT). There are beneficial tax reliefs available to certain individuals who make qualifying investments in certain companies. For private companies, we advise on numerous EIS and VCT investment transactions. We are familiar with the legal requirements imposed on companies, and in conjunction with external tax advisers, we can help to structure transactions to comply with the legislation.

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We work for both investors and investee companies, operating across a range of business sectors, with a particular emphasis on early-stage investments. Over the years, we have been involved with a number of investment transactions; large and small, simple and complex, quick and protracted. Our expertise and experience allows us to provide a prompt and efficient service to ensure that our clients remain in the driving seat, without succumbing to the inevitable pressures which arise during the course of transactions.

Our experience means that we understand the issues which investors and investees face, particularly those relating to the ceding of control by founder shareholders to investors. We help clients, whether investor or investee, achieve a balanced appreciation and understanding of their respective obligations and commitments on issues ranging from appropriate investor protections, anti-dilution mechanisms, management control and exit procedures & strategies. At the end of the day, we provide a commercial, practical and robust analysis of the transaction to ensure that our clients achieve their goals.

We know how to resolve difficulties and how to overcome apparent stumbling blocks. We work with our clients to negotiate a successful outcome. We are familiar with the negotiations which invariably take place to conclude a term sheet for an in-

vestment as well as the negotiations which follow when the time comes to document it. We regularly draft, negotiate and review investment agreements, subscription & shareholder agreements, and associated legal documentation.

FINANCE

We have experience in acting for both lenders and borrowers on all types of lending, from a simple overdraft facility, short term bridging loans, long term loans, bonds and debentures.

Our experience means that we understand the issues which investors and investees face...

We have acted for lending institutions, banks, venture capital and private equity providers. These clients have required precise and effective documentation to ensure that their loans are properly protected whether or not this includes taking security. Equally, borrowers must ensure that they understand the terms of the loan, what they can and cannot do, and what the consequences are for failing to comply with those terms.

Sometimes it is too easy to get carried away by the prospect of the deal. We help you to review the commercial terms to ensure that you are getting the deal you want and need.

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We are familiar with the specialist terms, definitions and phrases and we can draft and/or review documents quickly, efficiently and effectively. Security is an important aspect of lending, as it provides lenders

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with a fallback position in the event of non-repayment. Security can take different forms and can be taken over many kinds of assets, ranging from a debenture over a company, a mortgage of property, a charge over equities, a personal guarantee or indeed a charge over cash.

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EXPERIENCE

◆ **M&A – Oil & Gas** / Hungary

We led and managed a team of Hungarian lawyers who acted for a NASDAQ listed oil & gas company on the sale of its European subsidiary focussed on exploration and production in Hungary, which was a complex transaction covering a variety of assets from producible wells, exploration licenses, natural gas pipelines, joint operating agreements and production licenses.

◆ **M&A – Real Estate Holding Companies** / Hungary / Cyprus / Czech Republic / Holland

We managed a team of Hungarian lawyers who were local counsel to a leading Czech law firm on the legal due diligence of a number of Hungarian and offshore companies owning a prestigious office development let to the Hungarian State on behalf of a quasi-institutional property investor.

◆ **M&A – Residential Real Estate** / Hungary / Cyprus

We advised a privately held private equity company from Cyprus in its legal due diligence investigations and subsequent negotiations for the acquisition of a number of companies which owned a variety of residential development projects and property portfolios in Budapest.

◆ **M&A – Residential Property Development** / UK

We acted for a private company on its share buy-back of a significant equity holding from its institutional investor 3i plc via an off-market share purchase, which involved negotiations with shareholders and the drafting of a share purchase contract and associated board and shareholder resolutions and documents.

◆ **M&A – Mixed Use Real Estate Development** / Hungary / Israel

We led and managed a team of Hungarian lawyers as local counsel on the extensive due diligence (legal, tax and financial) on a prominent Budapest city centre mixed use (hotel, office and commercial) real estate development project as well as ongoing transactional advisory support.

◆ **Venture Capital Trust – Composite Valve Technology** / UK

We acted for a UK company on a series of fundraisings it undertook from a UK based venture capital trust (VCT) for the continued development and production of composite valves for use in a variety of industries, including offshore marine environments. The transactions were complex arrangements due to the need to comply with venture capital trust legislation requirements, resulting in an extended number of different share classes with different rights attaching to each class.

◆ EXPERTISE ◆

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◆ **Venture Capital Trust** – Independent Book Publisher / UK

We acted for a high-end UK publishing company on its raising of venture capital investment to provide it with working capital from a specialist venture capital investor along with private investors seeking Enterprise Investment Scheme (EIS) tax reliefs.

◆ **Private Equity** – Specialist Manufacturer / Hungary / USA / Netherlands

We advised a team of Hungarian lawyers on the successful global business purchase by a pre-eminent US private equity firm of a leading Hungarian manufacturer of precision tools and its operational facilities and European sales and distribution arrangements.

◆ **Private Equity** – Ecological Water Treatment Company / Hungary

We acted for a private Hungarian company on a highly complex private equity investment by a US managed offshore hedge fund and an Austrian managed Luxembourg based venture capital fund, which included a secured bridging loan facility, all of which transactions were governed by English law.

◆ **Private Equity** – Guernsey Investment Fund / Guernsey / Hungary / USA

We acted for an institutional Guernsey investment fund on the legal due diligence, negotiations and execution of a pre-IPO equity investment by it, alongside Russian institutional investors, in a US holding company of a leading CIS/CEE software development and licensing business.

◆ **Private Equity** – Private Investment Fund / UK / Hungary / Czech Republic

We advised the property investment managers on their proposed establishment of a private investment fund to undertake grocery retail investments in and across CEE including the formation of joint venture arrangements with London based quasi-institutional and private family office investors.

◆ **EIS Investment** – Film Financing / UK

We acted for a private limited company which raised finance from private investors who qualified under the Enterprise Investment Scheme (EIS) for tax reliefs. The work involved drafting a private placing memorandum and subsequent negotiations and execution of an EIS compliant shareholders agreement.

◆ **Finance** – Invoice Discounting / UK

We acted for a private financing company on its arrangements relating to an invoice discounting agreement with an international recruitment company which involved drafting a bespoke factoring agreement and related security agreements and registering the same at Companies House.

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◆ Finance – Loan Agreement / UK

We negotiated, reviewed and drafted secured and unsecured loan agreements and promissory notes for both borrowers and lenders, including complex bridge financing agreements, security documents, including personal guarantees to be given by the directors of private companies, legal charges taken over shares, debentures, mortgages, floating charges as well as fixed charges over assets, as well as undertaking extensive legal due diligence reviews of bank financing documentation.

◆ Joint Venture – Premium Cooperage / Hungary / USA / France

We advised a team of Hungarian lawyers whose client was the US owner of Hungarian operation in a complex incorporated joint venture with a prestigious French family-owned cooperage concerning the sourcing of Hungarian oak, the manufacture and worldwide distribution of premium oak casks, involving a master joint venture agreement and ancillary financing and distribution agreements.

◆ Joint Venture – Proprietary Software / UK

We acted on the negotiation and preparation of a joint venture shareholders' agreement for an incorporated joint venture relating to proprietary software used under license by global banks in their back office administration for the storage and retrieval of settlements and where the joint venture company was appointed as the exclusive UK reseller.

◆ Joint Venture – Software Development / UK

We acted for one of Britain's largest garment decoration specialists and helped them to negotiate and execute an incorporated joint venture with a software development company for the design, development and subsequent commercial exploitation of bespoke cloud-based commercial production software for use in the textile and printed garment industry by customers worldwide.

◆ Joint Venture – Oil & Gas – Joint Operating Company / Austria / Hungary

We acted for a Hungarian oil & gas company on its incorporated 50/50 joint venture arrangement (JOC) with another Hungarian major in respect of proposed hydrocarbon exploration in the Hungarian/Croatian border areas



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