



**MRIYA AGRO HOLDING PUBLIC LIMITED (in liquidation)**  
**JOINT LIQUIDATORS' REPORT TO CREDITORS**

**26<sup>th</sup> July 2017 to 16<sup>th</sup> April 2019**

Corporate Recovery & Insolvency Specialists  
20 Nikis Avenue, Office 400, 1086 Nicosia, Cyprus  
Tel.: (+357) 22 45 55 45, Fax: (+357) 22 51 52 12  
E-mail: [info@crigroup.com.cy](mailto:info@crigroup.com.cy)  
[www.crigroup.com.cy](http://www.crigroup.com.cy)

## **1. INTRODUCTION**

The financial and corporate restructuring of Mriya Agro Holding Public Ltd (“MAH”) and its subsidiaries (the “MAH Group”) was successfully completed in August of last year, marking the culmination of a very complex and unique transaction through which debts of 1.1 billion usd were restructured through a single process and through which, creditors were able to take control of one of Ukraine’s largest agroindustrial corporations.

The restructuring of the MAH Group has been one of our primary objectives since the commencement of the provisional liquidation of MAH in January 2015, through which we were able to rescue the business and save jobs, as referred to further below. Our other key focus has been and continues to be the investigation into the affairs of the Mriya Group; our goal was to identify those responsible for its downfall, hold them accountable for their actions and ultimately achieve some recovery for creditors.

Significant developments have been made in relation to the recovery efforts, however, we are at a crossroads as to the future of the ongoing legal proceedings and the possibility of any successful recovery is dependent on us being able to secure further funding.

Until recently, we have been working with one of the creditors of MAH which initially showed a keen interest in funding the actions, however these discussions have come to a standstill and unless we can find alternative litigation funding, we will be left with no choice but to seek leave from the District Court of Nicosia to withdraw the pending actions, the consequences of which are explained in more detail below.

## **2. RESTRUCTURING**

Creditors were well advised as to the terms of the proposed restructuring in advance of the below mentioned Meeting of Creditors, for the purposes of this report therefore we do not propose to refer to those terms in any great detail.

Before proceeding with its implementation, it was necessary for us to obtain consent to the terms of the restructuring from a Committee of Inspection, and in addition to this, we decided it would be prudent to obtain the approval of creditors which we did during a duly convened Meeting of Creditors in London, on **12 June 2018**, where creditors were asked to vote on the following:

- i. The appointment of a Committee of Inspection;
- ii. Sanction for the Liquidators to enter into an English law sale agreement (the “Sale Agreement”) with a newly incorporated wholly owned direct subsidiary, Mriya Farming PLC (“MF”) pursuant to which MAH was to sell to MF certain of its assets in order to give effect to the financial restructuring of MAH and its subsidiaries.

In excess of 75% of creditors were present in person or by proxy at the meeting during which both of the above resolutions were passed. The subsequently convened

meeting of the Committee of Inspection also unanimously voted, inter alia, in favour of the Liquidators entering into the Sale Agreement and the compromise which was to be offered to creditors as set out in the Exchange Offer Memorandum.

We were then able to proceed with the implementation of the restructuring plan, which involved the issuing of the Exchange Offer dated **28 July 2018**, the summary of the results of which were publicised on the MAH website and are attached at **APPENDIX 1**.

Upon the successful closing of the Exchange Offer, the sale of the operational subsidiaries of MAH, which include the entire land bank, infrastructure, operations and equipment, by MAH to MF also completed. As a result of this completion, MF became the holding company for the Mriya operating group which was, in turn, wholly owned by existing creditors of the MAH Group.

As a result of the restructuring, the total debt of the Group decreased from 1.1 billion usd to 309.5 million usd, consisting of 49.3 million usd restructured existing secured debt, 208.1 million usd restructured existing unsecured debt, 46 million usd working capital notes and 6.1 million usd new equipment leasing.

For creditors which participated they also received recovery notes which give the holders the right to participate in future distributions from any recoveries made through the ongoing litigation, as detailed further below. For those creditors which opted not to participate or opted to receive cash, a further feature of the restructuring process was the public auction of new securities, the results of which are referred to on the announcement dated **7<sup>th</sup> September 2018**, a copy of which is attached at **APPENDIX 2**.

The completion of the restructuring marked the end of an unprecedented and unique process, MF has since sold the assets to SALIC UK Ltd (Saudi Agricultural and Livestock Investment Company), following approval from the Antimonopoly Committee of Ukraine.

### **3. RECOVERY ACTIONS**

The investigation into the actions of the Gutas, their associates and other parties the actions of which may have contributed to the insolvency of MAH, commenced following the appointment of the Provisional Liquidator and we are continuing to focus on this and the pending legal proceedings, as referred to below.

For details of the actions taken up to 25<sup>th</sup> July 2017, you may refer to our previous reports which can be found on our website [www.crigroup.com.cy](http://www.crigroup.com.cy).

Note that in addition of the claims referred to herein, other actions have been taken and there are further leads of enquiry to be considered in other jurisdictions, but at this stage we are not at liberty to disclose further details.

**i. CIVIL CLAIM AGAINST THE GUTA FAMILY AND THEIR ASSOCIATES  
(Case number 1238 /2018)**

The process of compiling evidence against the Guta's and/or their associates started with, inter alia, our own enquiries and investigations and extended to court proceedings in numerous jurisdictions. Primarily we focussed on obtaining information in relation to the payment of 100 million usd made by the Company to eight BVI companies for the purported purchase of eight Cyprus companies which, in accordance with the audited accounts of those companies, did not have any value/were of negligible value and in any event, were never transferred to MAH (except for one of the Cypriot companies) (the "Purported Share Purchases").

Due to disclosure orders obtained in BVI against the BVI registered agents of the BVI seller companies and in Cyprus, against Bank of Cyprus Plc ("BoC"), service providers acting for MAH and/or companies connected to the Guta family and recognition proceedings conducted in Switzerland we established that the ultimate beneficial owners ("UBO's") of those companies were also the Guta's or their associates, thus this scheme had been conducted as a way to defraud MAH's creditors of 100 million usd.

A breakthrough in our enquiries came through the assistance of a German journalist who identified that the UBO's of a property located in Munich, Germany (the "Property"), which was for sale on Sotheby's website for 12 million eur, were members of the Guta family.

A copy of an article published in the German press is attached at **APPENDIX 3**. Further enquiries revealed that the Property was registered to a Cyprus company called Zapatoustra Holdings Ltd ("Zapatoustra"), one of the shareholders of which is Mykola Guta's ("MG") wife, Viktoria Guta ("VG") and we were able to establish that prior to the transfer of the Property to Zapatoustra it was registered to Oihro Ventures Ltd ("Oihro"), the UBO's of which are the Guta's, which purchased the property for 3.3 million eur.

Once these details were established, we immediately proceeded with the filing of a civil action in the Nicosia District Court against, inter alia, the Gutas for 100,002,150,07 usd (and subsequently through the Statement of Claim for 127,002,085.89 usd) together with an ex parte application for a worldwide freezing injunction up to the same amount. This action was filed against, inter alia, the Guta family, Oihro, Zapatoustra, a number of Ukrainian citizens who we believe were assisting the Guta family in their plans to defraud creditors and disclosure orders were also requested against all 39 defendants in the action, including corporate agents which were providing nominee and other corporate services to the Guta's and their companies.

The civil action and accompanying ex parte application were filed on **14 May 2018** and whilst the judge, at least initially, did not grant a worldwide freezing injunction, on **17<sup>th</sup> May 2018** he issued an interim freezing injunction in respect of the Property, on the condition that a bank guarantee of 400,000 eur was provided in case of any potential damages and costs which the defendants may suffer due to the issuance of

the order. A certified English translation of the court order is attached at **APPENDIX 4**.

## **ii. Recognition and Enforcement of Cypriot Court Injunction in Germany**

We were able to have the interim freezing injunction recognised and enforced in Germany relatively quickly pursuant to Article 53 of the EU Regulation No. 1215/2012 (the “Regulation”), preventing the transfer of the Property to any third parties.

Subsequently, we were informed that a priority notice was filed with the German Land Registry against the title of the Property, which, pursuant to German Law, protects the holder of the priority notice against any subsequent registrations. We understand that a sale agreement was lodged with the German Land Registry and that the Property was allegedly sold on **17<sup>th</sup> May 2018** for 8.6 million eur by Zapatoustra. However, as the registration of the freezing order we obtained was made prior to the registration of the priority notice of the alleged buyer, the German Land Registry has blocked the transfer of the Property.

Our enquiries have revealed that the Property is being rented to the individual which allegedly purchased the Property, provided we are able to secure funding, as referred to further below, we will seek legal advice as to our right to recover the rent being paid in accordance with German law.

## **iii. Disclosure orders and winding up of Gibrion Ltd**

The court granted a further disclosure order on **29 May 2018** the respondents of which, a firm in Cyprus which provided corporate services to the Guta family, have complied, providing us with a substantial amount of documentation, including paperwork evidencing the purchase of a property in Spain in 2008 for 2.9 million eur by another company beneficially owned by the Guta’s, namely Gibrion Ltd (in liquidation) (“Gibrion”). Also, the documentation included Declarations of Trust and/or other documentation, that proved that several companies involved in the Purported Share Purchases (some of which acted as seller companies) were owned by MG. In addition, following the disclosure by the aforesaid service provider, we have collected sufficient evidence demonstrating forty-one companies were owned directly and/or indirectly by the Guta family.

Another key finding, is that based on the disclosure of the aforementioned defendant, we discovered that the proceeds received by the BVI companies (Acradale Limited, Kalosa Limited, Logarde Limited) at least as a result of three of the Share Purchase Agreements, were subsequently transferred to companies connected with the Guta family by virtue of sham and/or fraudulent loan agreements and/or in the ambit of several transactions in order to further alienate the assets of MAH and to make it impracticable and or extremely difficult to trace any of the assets belonging to MAH. Finally, among other important data discovered following the perusal of the disclosed documentation, it was revealed that part of the consideration paid by defendant 9, Oihro, to the seller of the Property, came from the consideration paid by MAH to defendant 29 (BVI company – Logarde Limited) pursuant to a fraudulent share purchase agreement.

Gibrion was wound up by the District Court of Nicosia on **21 November 2017**, pursuant to a winding up petition filed by us as joint liquidators on **1<sup>st</sup> March 2017**.

Upon the making of the winding up order, by virtue of his office, the Official Receiver ("OR") was appointed Liquidator. MAH was the sole creditor in this liquidation thus the OR subsequently applied to court for our joint appointment as Liquidators and we were appointed on **26 April 2018**. However, in the interim, enquiries made with the Spanish Land Registry revealed that the property in Spain was transferred to Klaudiya Guta ("KG") on **5<sup>th</sup> July 2017**.

Although properly served, defendants 1, 2, 4, 7, 9, 13, 14, 16 – 20, 39<sup>1</sup>, did not file an appearance in the proceedings and as such the Court issued Absolute Orders in respect of the application filed on **14 May 2018**. Particularly, we obtained a Worldwide Mareva Injunction up to the amount of 100.002.150,07 usd, against Defendants 1, 2, 4, 7, 9 i.e including KG. Also, the Court has issued Disclosure Orders against Defendants 1, 2, 4, 7 (members of the Guta family) and Defendants 9, 13, 14, 16 – 20, 39, with the only reservation that the disclosure orders issued against the defendants will exclude information in respect of defendants 6 and 10.

As KG is one of the defendants in case number 1238/2018, having found out that the house in Spain had been transferred to her, we proceeded immediately with enforcement measures in Spain as per the provisions of the Regulation, following the issuance of the Worldwide Freezing Injunction. In order to have the freezing injunction recognised and enforced in Spain pursuant to the Regulation, the respondents had to be formally served. On **24 January 2019**, we were informed by our lawyers that service had been properly effected on the defendants by the competent authorities of Switzerland and Cyprus pursuant to the provisions of the Hague Convention. Having subsequently carried out a fresh search of the Spanish land registry, we established that the property had been transferred by KG to a third party on **13 November 2018**. We will take further legal action with a view to voiding the transfer of the Spanish property by KG provided we can obtain the necessary funding.

In addition to the above transactions by the Guta's, clearly intended to put assets beyond the reach of creditors, they are also fiercely challenging and/or opposing the pending legal proceedings, inter alia:

- a. A number of the defendants have applied for service of the worldwide freezing injunction to be set aside as they claim they were not properly served;
- b. MG filed an opposition to the application for the worldwide freezing injunction;
- c. A number of the defendants have filed an opposition to the interim freezing injunction, inter alia, claiming the transfer of the Property from Oihro to Zapatoustra was a bona fide transaction entered into for valuable consideration and that the sale from Zapatoustra to a third party was also an arm's length transaction.

An application has also been filed by VG and Zapatoustra in Action No 2626/2015 to obtain a copy of the disclosure we obtained from BoC in 2015. This particular application was set for hearing on **3<sup>rd</sup> April 2019** where the applicants sought leave to withdraw their application (after our opposition was filed) and they were ordered to pay our costs.

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<sup>1</sup> Details of the defendants can be found at Appendix 4.



**iv. CIVIL CLAIM AGAINST THE BANK OF CYPRUS - Case No 3791/2017**

On **19 October 2017** we filed a civil claim for 48.5 million usd against BoC in relation to BoC's involvement with the transfer of funds in connection with the Purported Share Purchases. The claim is made on the grounds of breach of statutory duty, breach of contract and negligence against BoC.

BoC has since filed an application for security for costs in the sum of 90,000 eur, which is currently pending. In the absence of funding, which will enable us to put up the security for costs, we fear our claim will be dismissed.

**v. POSSIBLE BREACH OF THE PREVENTION AND SUPPRESSION OF MONEY LAUNDERING AND UNLAWFUL ACTIVITIES LAWS OF 2007, 2010, 2012 AND 2013 (the "ML Law")**

As mentioned in previous reports, BoC's alleged breach of the ML Law as a consequence of the transfer by BoC of MAH's funds in connection with the Purported Share Purchases, which led to 92 million usd being transferred to the BoC accounts of the BVI seller Companies, the UBO's of which are members of the Guta family and/or their associates, was reported to the Central Bank of Cyprus ("CBC"), however, we have not received any response.

We will continue applying pressure on the Regulators and if they continue to ignore our complaints then we will consider reporting CBC to the European Central Bank and BOC to the Financial Crimes Enforcement Network (FinCEN).

**vi. CRIMINAL INVESTIGATION IN UKRAINE AND CYPRUS**

As mentioned in a previous report, the National Anti-Corruption Bureau of Ukraine ("NABU") was investigating a criminal complaint against the Guta family and this was being supervised by the Special Anti-Corruption Prosecutor's Office ("SAPO").

An extradition order was issued against MG by the Ukrainian court on **23 January 2015**, MG initially sought political asylum in Switzerland, this was rejected, as was his appeal, however, following his extradition in Ukraine on **5 November 2018** he was released without charge, on **7 November 2018**.

The Economic Crime Unit of the police in Cyprus is also continuing its investigation into the actions of the Gutas and we are hopeful that international warrants for their arrest will be issued.

**vii. ANCILLARY BANKRUPTCY PROCEEDINGS**

Together with the recognition of our appointment by the Swiss Court, the Court ordered the opening of ancillary (mini) bankruptcy proceedings over any assets of MAH in Switzerland.

The Swiss Bankruptcy Office ("SBO") will release the funds held by it, circa 62,300 usd, to the joint liquidators account once the following procedures have been concluded:

- a. An inventory of the assets of MAH in Switzerland is finalised;
- b. An official publication regarding the possibility to consult the inventory and the schedule of claims, if any, is made;
- c. Recognition of the claims filed in the liquidation proceedings in Cyprus.

We are working with the SBO on the above procedures, with the assistance of our Swiss lawyers.

#### **4. LITIGATION FUNDING**

Given that a number of the defendants, including Zapatoustra and members of the Guta family, have filed oppositions and other interim applications, as referred to above, these proceedings will undoubtedly be protracted and costly; for the benefit of those creditors which are not familiar with the Cypriot court system, straightforward legal actions typically take 5-7 years to reach their conclusion in the court of first instance, thus we anticipate that it will take a number of years before we know the outcome of the main proceedings in case number 1238/2018 and also the claim against BoC, assuming we have funding to continue these actions.

Until recently we had been working on the basis that a major creditor of MAH would be funding the litigation, a keen interest had been shown on their part and we were very close in agreeing the terms of a funding agreement (the terms of which would subsequently have been put to creditors for sanction). In the interim, we have paid a substantial amount towards the pending proceedings from our own funds, including circa 90,000 eur in legal fees and 300,000 eur of the 400,000 eur bank guarantee ordered by the court in connection with the freezing injunction.

Unfortunately, our discussions for the funding which was being negotiated have not come to fruition and unless other creditors are interested in funding the litigation or we are able to come to an agreement with the lawyers acting on our behalf to work on a contingency fee basis, we will be left with no choice **but to bring this and all other legal proceedings to an end.**

With regard to case no 1238/2018, our lawyers L. Papaphillipou & Co LLC, are currently considering a possible contingency fee agreement which, if considered to be acceptable, would allow us to continue these proceedings in the absence of funding from creditors. In such a case, we will also consider obtaining after the event insurance to cover the legal fees of the respondents in the event of an adverse costs order.

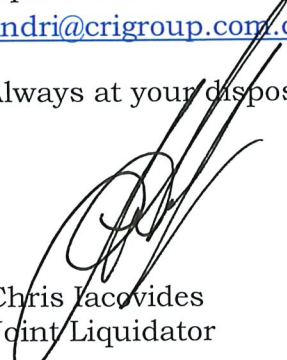
Any creditors who may be interested in contributing into a pool of funds with regard to pending and future legal actions, in other jurisdictions, are invited to contact us as soon as possible. If, by **Monday 6<sup>th</sup> May 2019**, creditors have not shown any positive interest in providing the required funding, we will proceed as indicated above.



## 5. CONTACT

For any enquiries in relation to the information set out above or the progress of the liquidation of MAH generally, you may contact us at [chris@crigroup.com.cy](mailto:chris@crigroup.com.cy) and [andri@crigroup.com.cy](mailto:andri@crigroup.com.cy), and/or the case manager at [louiza@crigroup.com.cy](mailto:louiza@crigroup.com.cy).

Always at your disposal,



Chris Iacovides  
Joint Liquidator



Andri Antoniou  
Joint Liquidator

Nicosia 16/04/2019



**MRIYA AGRO HOLDING PUBLIC LIMITED (in liquidation)**  
**JOINT LIQUIDATORS' REPORT TO CREDITORS**

**26<sup>th</sup> July 2017 to 16<sup>th</sup> April 2019**

**APPENDIX 1**



### **MRIYA FARMING PLC ANNOUNCES RESULTS OF ITS EXCHANGE OFFER**

Mriya Farming Plc (the “**Issuer**”) hereby announces the results of its invitation to eligible holders of (i) US\$71,636,000 10.95 per cent. Senior Notes due 30 March 2016 issued by Mriya Agro Holding Public Limited (in liquidation) (“**MAH**”), and US\$400,000,000 9.45 per cent. Senior Notes due 19 April 2018 issued by MAH together (the “**Notes**”), and (ii) holders of accepted claims into the liquidation of MAH (the “**Accepted Claims**” and together with the Notes, the “**MAH Securities**”) to exchange MAH Securities for a combination of (i) Secured Amortising Notes due 31 December 2025 issued by the Issuer; (ii) shares in the Issuer; and (iii) Recovery Certificates issued by MAH.

The Exchange Offer was made on the terms and subject to the conditions contained in the Exchange Offer Memorandum dated July 28, 2018 the first supplement to the Exchange Offer Memorandum dated 19 July 2018, the second supplement to the Exchange Offer Memorandum dated 2 August 2018 and the third supplement to the Exchange Offer Memorandum dated 10 August 2018 (together, the “**Exchange Offer Memorandum**”), including the offer and distribution restrictions contained therein. This announcement should be read in conjunction with the Exchange Offer Memorandum. Capitalized terms used but not otherwise defined in this announcement shall have the meaning given to them in the Exchange Offer Memorandum.

The Issuer has received valid offers to participate in the Exchange Offer from the following:

- EUR385,479,501 principal amount of Non-Noteholder Creditors being 85.36% of the total aggregate principal amount of claims held by MAH Creditors;
- US\$61,490,000 principal amount of Existing 2016 Notes being 85.84% of the total aggregate principal outstanding under the Existing 2016 Notes; and
- US\$246,346,000 principal amount of Existing 2018 Notes being 85.57% of the total aggregate principal amount outstanding under the Existing 2018 Notes (excluding those Existing 2018 Notes held by the Issuer).

As a result of the participation in the Exchange Offer by Eligible Creditors, and the acceptance of the Bilateral Offers, the following securities shall be issued either on the Securities Settlement Date or on or around the Cash Settlement Date:

Security	ISIN/Common Code	Nominal Amount Issued	Exchange Ratio Existing Noteholder (per US\$1,000 nominal)	Exchange Ratio Non-Noteholder Creditor (per EUR1,00 nominal)
Restructuring Notes	186510593 XS1865105933  186510615 XS1865106154	US\$ 208,096,600 in principal amount.	1.18407	1.1322
Class A Shares/Warrants	N/A	409,266 shares of GBP0.01 each	0.94201	0.9002
Class B Shares/Warrants	N/A	1,010,153 shares of GBP0.01 each	0.94201	0.9002
Recovery Certificates	N/A	EUR 761,478,642 in principal amount	1045.79	1000

New Securities will be issued to Participating Creditors that have elected to receive New Securities, on 23 August 2018.

The successful closing of the Exchange Offer marks the completion of the Mriya Group's debt restructuring. As a result of the restructuring, the total debt of the Mriya Group has decreased from US\$1.1 billion to US\$309.5 million, consisting of US\$49.3 million restructured existing secured debt, US\$208.1 million restructured existing unsecured debt, USD 46 million working capital notes and US\$6.1 million new equipment leasing. The company will be servicing the restructured unsecured debt according to the agreed schedule of interest and principal payments of the Restructuring Notes.

As described in the Exchange Offer, upon the successful closing of the Exchange Offer, the sale of the operational subsidiaries of MAH, which include the entire land bank, infrastructure, operations and equipment, by MAH to the Issuer will complete (the "Sale") today. As a result of the completion of the Sale, the Issuer will become the holding company for the Mriya operating group and will in turn be wholly owned by existing creditors of the Mriya Group.

In accordance with Western standards of corporate governance, the Issuer has an independent board of directors selected by its creditors & shareholders, including Oleksiy Pavlenko, former minister of Agriculture in Ukraine and Kamen Zahariev, former country manager of EBRD in Ukraine. The Mriya Group will continue its operational activity in Ukraine under the leadership of Simon Cherniavsky as General Director, while the recovery actions initiated by MAH will be pursued by its liquidators.

«We have successfully completed the complicated, unprecedented and unique process of the Mriya's debt restructuring that has taken us more than 3 years. As a result, we have managed to restructure 13 unsecured bank credits, 7 suppliers' credits, 1 ECP programme and 2 issues of Eurobonds in one single secured debt instrument» - says the General Director of Mriya.

On 23 August, Mriya will commence a public auction of the New Securities allocated to MAH Creditors and Existing Noteholders that did not participate in the Exchange Offer and allocated to Cash Electing Creditors. After the close of the auction, the company will apply the cash proceeds from the auction as described in the Exchange Offer Memorandum.

The estimated amount of securities to be auctioned is:

- Restructuring Notes US\$ 20,129,200 in principal amount
- Class A / Class B Shares 254,980
- Recovery Certificates EUR 188,627,179 in principal amount

The company will make a separate announcement with details about the auction process and timing.

The advisors of the creditors for the restructuring of debt of Mriya were Rothschild, Hogan Lovells and Latham & Watkins.

Any questions or requests for assistance in respect of the Exchange Offer may be directed to the Information and Tabulation Agent.

**INFORMATION AND TABULATION AGENT**

**The Bank of New York Mellon**  
Attention: Debt Restructuring Services  
E-mail: [debtstructuring@bnymellon.com](mailto:debtstructuring@bnymellon.com)  
Telephone: +44 (0) 1202 689644  
Facsimile: +44 (0) 20 7964 2728

**DISCLAIMER**

*This announcement constitutes a public disclosure of inside information by Mriya Farming plc under Regulation (EU) 596/2014 (16 April 2014). This notification was made by Antonio Huls, Director of Mriya Farming plc, on 21 August 2018.*

*This announcement is not an exchange offer or consent solicitation and must be read in conjunction with the Exchange Offer Memorandum. This announcement and the Exchange Offer Memorandum contain important information which should be read carefully before any decision is made with respect to the Exchange Offer. Those documents should be consulted for additional information regarding exchange and consent procedures and the conditions for the Exchange Offer. To receive copies of the Exchange Offer Memorandum or for questions relating to the Exchange Offer please contact the Information and Tabulation Agent using the contact information given above.*

*If any holder is in any doubt as to the action it should take or is unsure of the impact of this announcement, it is recommended to seek its own financial and legal advice, including as to any tax consequences, immediately from its stockbroker, bank, manager, solicitor, accountant or other independent financial or legal adviser.*

*The New Securities have not been and will not be registered under the U.S. Securities Act or any U.S. state securities laws. Accordingly, the New Securities may not be offered, sold, resold or otherwise transferred, directly or indirectly, in or into the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. The New Securities are being offered and will be issued: (i) in the United States only to QIBs pursuant to an exemption from the registration requirements of the U.S. Securities Act; and (ii) outside of the United States in offshore transactions in reliance on Regulation S. As used herein, the terms "United States" and "offshore transaction" have the respective meanings given to them in Regulation S.*



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**APPENDIX 2**





7 September 2018

### Announcement of the Results of the Auction

In accordance with the terms of the Exchange Offer Memorandum published by Mriya Farming Plc (the “Company”) on 28 July 2018 (as supplemented) the Company announces results of the auction of the New Securities which were either allocated to MAH Creditors and Existing Noteholders that did not participate in the Exchange Offer or allocated to Cash Electing Creditors that closed at 18:00 CET on 6 September 2018 (the “Auction”).

Capitalized terms used but not otherwise defined in this announcement shall have the meaning given to them in the Exchange Offer Memorandum.

100% of New Securities offered in the Auction were sold at above the minimum price, with no New Securities being purchased pursuant to the backstop arrangement.

The New Securities were sold in the Auction with the following winning bids and average clearing prices net of fees of respective service providers:

Security	ISIN	Principal Amount Sold in the Auction	Winning bids per instrument	Applicable Cleared Value (as a percentage of nominal amount)
Restructuring Notes	XS1865105933 XS1865106154	US\$20,483,800	US\$ 33.5 per US\$ 100 of principal of Restructuring Notes	US\$ 32,7922 per US\$ 100 of principal of Restructuring Notes
Class A Shares/Warrants	N/A	150,048 shares of GBP0.01 each	GBP 0.015 per share for 25,000 shares GBP 0.010001 per share for 125,048 shares	GBP 0.010605 per share
Class B Shares/Warrants	N/A	104,932 shares of GBP0.01 each	GBP 0.015 per share for 25,000 shares GBP 0.010001 per share for 79,932 shares	GBP 0.010956 per share
Recovery Certificates	N/A	EUR 188,629,197*	EUR 1.11 per Recovery Certificate of EUR1,000 principal amount of Recovery Certificates	EUR 1.01087 per Recovery Certificate of EUR1,000 principal amount of Recovery Certificates

\* correction of 2,018 recovery certificates in comparison with the earlier announced number



Successful bidders in the Auction are required to pay the purchase price for acquired New Securities by 11 September 2018. The Company will settle the sale of the New Securities within 2 Business Days of receipt of payment.

The Company expects to apply distribute cash proceeds in payment of the Cash Alternative in respect of Non-Participating Notes or the Cash Exchange Consideration (as applicable) on or around 19 September.

For further questions, please contact Global Credit Partners or at the Company Lesya Maystrenko, Head of Restructuring, [lmaystrenko@mriya.ua](mailto:lmaystrenko@mriya.ua) / + 380 67 413 3700.



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**APPENDIX 3**



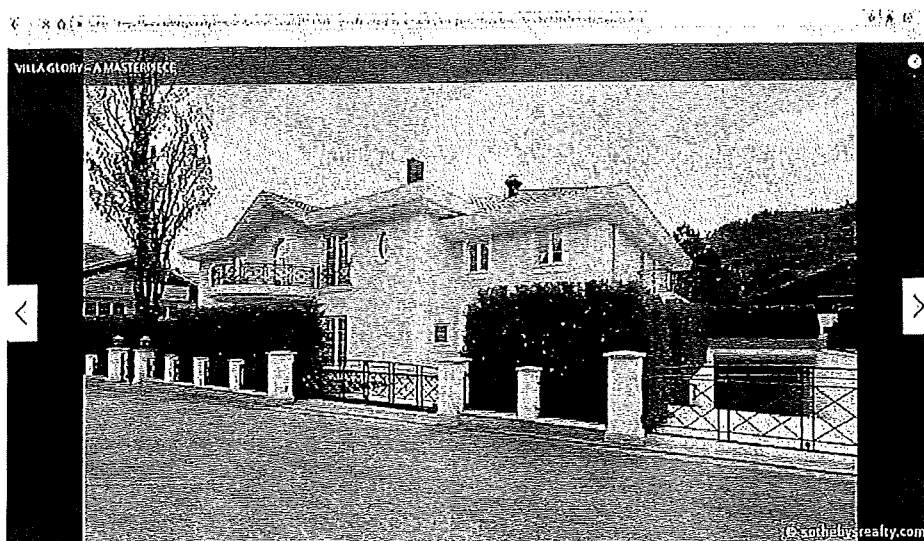
Advertisement

TOP STORIES / GERMANY

GERMANY

## Bavaria's Villa Glory: Ukrainian money and a German scandal

The most expensive home on the German market is in Garmisch-Partenkirchen, Bavaria. It belongs to a Ukrainian who's under investigation at home on suspicion of breach of trust.

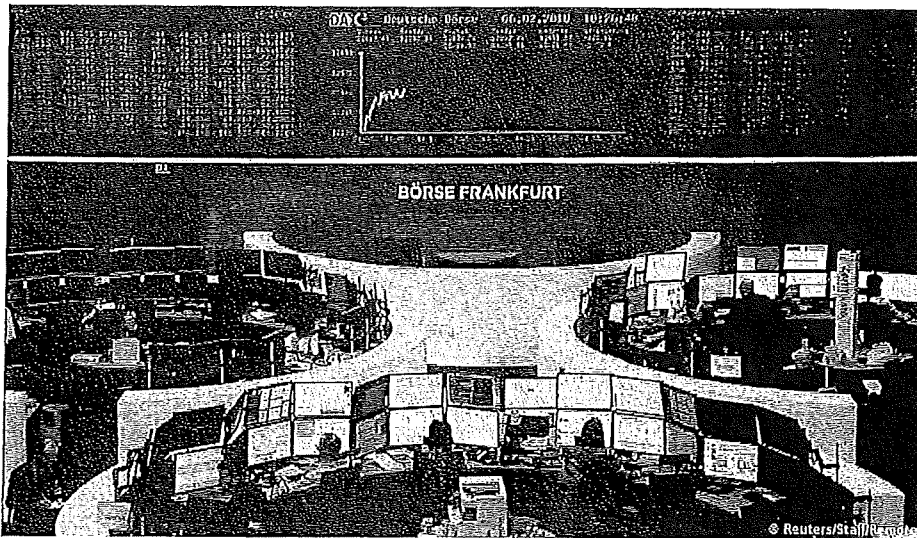


Some might call it an understatement to label Villa Glory a luxury estate. The asking price is €13 million (\$16 million).

The villa's owner is not a publicity seeker. In fact, his name does not even appear in the state land register. And, as DW research has shown, there is good reason for that reclusivity.

In June 2010, a young, nouveau riche Ukrainian purchased a 3,700-square-meter (1-acre) parcel of land in the Bavarian village of Garmisch-Partenkirchen. He had big plans for the property, and was intent on building a palatial villa. The buyer, the 28-year-old son of a Ukrainian agricultural baron, put €3.3 million on the table for the property. The sales contract made available to DW reveals the name of the purchaser: Mykola Huta.

In late 2010, shortly after purchasing the property, Huta took over the Ukrainian agriculture empire run by his father, Ivan. The Hutas' family business was named Mriya Agro Holding. Mriya is Ukrainian for dream, and young Mykola was the embodiment of a new generation of agricultural managers who sought to exploit the potential of Ukraine's fertile black soil — and use foreign investment to help them do it.



Investors were keen when Huta took Mriya public — they ended up fleeced

### Mriya's rapid rise

In 2011, the young Huta put Mriya on the Frankfurt Stock Exchange. Demand for shares in the rapidly growing holding was high: By 2013, Huta had raised about \$600 million. With a zero-interest policy in effect, eurozone investors were hot for the 9.5 percent returns that the company had promised. To fuel the hype, Mriya leased ever more property. Soon the holding controlled roughly 300,000 hectares of farmland in Ukraine — an area larger than Luxembourg.

*Read more:* Deutsche Börse's Kengeter denies insider trading

In order to farm that area, Huta needed modern agricultural equipment and technology. German firms and banks were all too eager to get in on the business. Easy credit and state export guarantees allowed them to deliver "German Made" harvesters and tractors to Mriya on a large scale. About €75 million in business was financed by German investors alone. The lenders included Deutsche Bank and the state banks of Berlin and Baden-Württemberg.

But then came the shock: Suddenly, in the summer of 2014, Mriya announced that it was insolvent and unable to service a mountain of more than €1 billion in debt. When an emergency committee of creditors took control of the company, a massive con was quickly uncovered.

It turned out that Mriya was losing millions from the very start: The fat profits in accounts were simply put there for the benefit of hypnotizing investors. "The holding regularly received payments for goods that never existed," said Ton Huls, who has been appointed to administer Mriya's finances. "Management used a portion of the cash it had previously diverted to accounts in Cyprus to refinance, allowing it to gloss over losses. That allowed them to get more money still from investors."

There was little for creditors to put liens on when the firm went bust. Mriya held leases on property, not deeds. And even the harvesters and tractors had disappeared by the time creditors arrived.

Mykola Huta and his family relocated to the Canton of Obwalden in Switzerland, according to DW's research. He is currently under investigation for breach of trust in Ukraine. Should he be found guilty, he faces a long prison sentence.

Creditors say he siphoned more than €160 million from the holding over the course of several years. Some of that cash came directly from bond placements on the Frankfurt Stock Exchange. Huls said the model was simple: A shell company in the British Virgin Islands received cash from investors and then used that money to buy dozens of shell companies in Cyprus. Millions of euros exchanged hands, yet the companies in Cyprus were shells in the truest sense, utterly empty.

*Read more:* Frankfurt's future as a financial hub

### Adjusting the price

Part of the money diverted from those fictitious purchases may have made its way to Garmisch to finance Villa Glory. And a top-level Mriya employee was involved in that process: Andriy Buryak was director of finance at the holding at that time. His signature is on the credit contracts between one of Mykola Huta's shell companies in the BVI and the Cypriot shell company Oihro Ventures Limited.

In the land register, it was Oihro, and not Huta, that was originally listed as the owner of the property and then later the villa. At least €16 million ended up in Garmisch in the form of "loans" to Mykola Huta. Architect fees and a number of other invoices related to the construction of the villa were all paid from Oihro accounts. DW is in possession of copies of those documents.

Meanwhile, Villa Glory belongs to Viktoriya Huta, Mykola's wife. The entry in the land register was also updated at the time that transfer of ownership took place. Now, a different Cypriot company is listed as the owner: Zapatoustra Holdings Limited, which belongs to Viktoriya Huta. Here, too, there is a direct connection to Mriya: Zapatoustra's director until 2017 was Serhiy Mozil, formerly the in-house counsel at Mriya, and Huta's most trusted adviser. Documents in Cyprus' registry of companies confirm this.

Viktoriya Huta became the owner of the villa after Switzerland denied her husband asylum last year, opening the door for his extradition to Ukraine. Huta has been fighting in vain against his extradition before Swiss judges since that time. Soon the country's Federal Administrative Court will have the last word on his request.

Shortly before the issue of Huta's asylum made its way to the Swiss appeals court, the asking price for the villa dropped from €18 million down to "just" €13 million.

According to a spokesperson from the Economy Ministry, the federal government has already reimbursed German banks with some €24 million to cover losses from their Mriya loans. The loans were insured with Hermes Guarantees within the framework of federal export subsidies. The claims must be instituted against the companies of Mriya Holding. Mriya has no business relationship to its former owner. "Liability to Mykola Huta must be audited on a case-by-case basis," a ministry spokesperson told DW.

The bill to be paid by German taxpayers could be higher still: Currently, the financing volume covered by the federal government totals some €46 million.

Each evening at 1830 UTC, DW's editors send out a selection of the day's hard news and quality feature journalism. You can sign up to receive it directly here.

#### DW RECOMMENDS

##### Deutsche Börse's Kengeter denies insider trading

Will it be third time the charm? Deutsche Börse, which operates the Frankfurt Stock Exchange, is hoping to merge with the London Stock Exchange - but accusations of insider trading threaten to scupper the deal. (16.02.2017)

##### Frankfurt's future as a financial hub

The planned fusion of the Frankfurt and London stock exchanges has sparked concern within the metropolis on the Main. Will Frankfurt lose its status as an important trading center? Stefan Wolff reports. (11.05.2016)

#### WWW LINKS

<http://www.dw.com/en/newsletter-registration/a-15718229>

Date 12.04.2018

Author Eugen Theise

Related Subjects Ukraine, Bavaria

Keywords Bavaria, Villa Glory, Ukraine, real estate, money laundering

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**MRIYA AGRO HOLDING PUBLIC LIMITED (in liquidation)**  
**JOINT LIQUIDATORS' REPORT TO CREDITORS**

**26<sup>th</sup> July 2017 to 16<sup>th</sup> April 2019**

**APPENDIX 4**

IN THE DISTRICT COURT OF NICOSIA

Action No. 1238/18

Coram: A. David, P.D.C.

**Between:**

Christakis (Chris) Iacovides and Andri Antoniou through their capacity as Joint Liquidators of the company MRIYA AGRO HOLDING PUBLIC LIMITED (HE 211870)

**Claimants**

**And**

1. Ivan Guta, of Switzerland

And others as Appendix A which is attached to the Writ of Summons

**Defendants**

**Ex-Parte Application by Christakis (Chris) Iacovides and Andri Antoniou through their capacity as Joint Liquidators of the company MRIYA AGRO HOLDING PUBLIC LIMITED (HE 211870), of Nicosia, Claimants – Applicants Dated 14/5/2018**

Upon the filing of an application by Messrs L. Papaphilippou & Co LLC, lawyers of claimants – applicants. **THIS COURT** after reading the affidavit which has been filed by or on behalf of the claimants and after the deposit of a Bank Guarantee for the amount of €400,000,00 in order to secure any potential damages and costs which the above defendants may suffer because of the issuance of the present order,

**BY THE PRESENT ORDERS AND PROHIBITS** and/or prevents Defendants 6 and 10 and/or any of them and/or their agents and/or their representatives and/or their servants and/or any legal persons they control directly and/or indirectly to alienate and/or sell and/or transfer and/or pledge and/or assign and/or charge and/or dispose and/or mortgage and/or proceed with any actions and/or omissions which might decrease the market value regarding the immovable property which is located in Munich of Germany, as described at Appendix 1 which is attached to the present and/or the immovable property which is located at Klarweinstrasse 31 street and/or Klarweinstr 31 street in Munich of Germany, with registration number 1626 (Number of Plot 1), 1630 (Number of Plot 2), 1630 (Number of Plot 3), 1626 (Number of Plot 4), 1626/1 1850/91 and with number of plot 1,2,3,4 at the Land Register of Garmisch, Folio 15750.

Defendants 6 and 10 may appear before this Court on 29/5/2018 at 9:00 a.m. and demonstrate a valid reason why the present Order should not continue to be valid.

The remaining prayers of the Application dated 14/5/2018 are fixed for service on 29/5/18 at 9:00 a.m.

Issued on 17/5/18

Drawn up on 24/5/18

(Sign.) A. David P.D.C.

ENDORSEMENT: If you, the aforesaid Defendants 6 and 10 and/or any of you and/or agents and/or representatives and/or servants and/or any legal persons you control directly and/or indirectly neglect to comply IMMEDIATELY from service of the present order you, the legally responsible may be arrested or your property may be seized.

True copy

(Sign.)

(Stamped)

Registrar

SH



## APPENDIX A

2. Klavdiya Guta, from 11 Oberbergstrasse, 6390 Engelberg, Switzerland
3. Mykola Guta, from Ziegelhutzenstrasse 7A, 6060 Sarnen, Switzerland
4. Andriy Guta, from Stockistrasse 16, 6390 Engelberg, Switzerland
5. Volodymyr Shkira, from 8A Berezhanska St, Pidhorodnia village, Ternopil district, Ternopil region, Ukraine
6. Victoria Guta, from Ziegelhutzenstrasse 7A, 6060 Sarnen, Switzerland
7. Olena Guta, from Stockistrasse 16, 6390 Engelberg, Switzerland
8. Andriy Buryak, from Chornovola Street, 27-A, Apt /Office 2, Sambir, Lviv region, Ukraine
9. Oihro Ventures Limited, from Afrodite Street 25, Apt./Office 204, 1060, Nicosia, Cyprus
10. Zapatoustra Holdings Limited, from Vasili Michaelidi 9, 3026, Limassol Cyprus
11. Skliarov Volodymyr, from Ap.204, 9 Tychyny St, Kyiv, Ukraine
12. Sergiy Mozil, from Dostoyevskoho, 24, Ternopil 46000, Ukraine
13. Petron Limited, from Thiseos, 4, 2413, Egkomi, Nicosia, Cyprus
14. Kukadial Limited, from Aphrodite 25, 2<sup>nd</sup> Floor, Apt/Office 204, 1060, Nicosia, Cyprus
15. Zymendera Limited, from Nikis 20, 4th Floor, Apt/Office 400, 1086, Nicosia, Cyprus
16. Saxanon Holdings Limited, from Ioanni Metaxa, 9, Agios Dometios, 2368, Nicosia, Cyprus
17. Moukisar Holdings Limited, from Georgiou Kariou, 6B, Apt/Office 6B, Dasoupoli, Strovolos, 2014 Nicosia, Cyprus

18. Fromzonex Investments Limited, from Egypt street, 12 , 1097 Nicosia, Cyprus
19. Umlian Consultants Limited, from Georgiou Kariou, 6B , Apt/Office 6B, Dasoupoli, Strovolos 2014, Nicosia, Cyprus
20. Oramwhite Investments Limited, from Georgiou Kariou, 6B , Apt/Office 6B, Dasoupoli, Strovolos, 2014, Nicosia, Cyprus
21. Consulco Limited, from Metochiou, 73 , 2407, Egkomi, Nicosia, Cyprus
22. Toulla Petsa, from Faethondos 20 A, , Kaimakli, 1041, Nicosia, Cyprus
23. Eleni Theodorou Argyrou, from Isokratous 72, Archaggelos 2335, Nicosia, Cyprus
24. Vimatex Limited, from 25 Aphrodite, 2<sup>nd</sup> Floor, Apt/Office 204, 1060, Nicosia, Cyprus
25. MGF Management Inc, from Trust Company Complex, Ajeltake Island, Majuri, MH96960, Marshall Islands
26. Niki Stylianou, from 23 Agiou Lavrentiou, Archaggelos , 2055 Strovolos, Nicosia, Cyprus
27. Acradale Limited, from Akara Building, 24 De Castro Street Wickhams Cay 1, Road Town, Tortola, British Virgin Islands
28. Kalosa Limited, from 24 De Castro Street Wickhams Cay 1, Akara Building Road Town, Tortola, British Virgin Islands
29. Logarde Limited, from 24 De Castro Street Wickhams Cay 1, Akara Building Road Town, Tortola, British Virgin Islands
30. Ironborn Limited, from Road Town, Quijano Chambers Tortola, P.O Box 3159, Tortola, British Virgin Islands
31. Lucabradi Holdings Limited, from Road Town, Quijano Chambers Tortola, P.O Box 3159, Tortola, British Virgin Islands

32. Sharkoast Holdings Limited, from Road Town, Quijano Chambers, Tortola,  
P.O Box 3159, Tortola, British Virgin Islands
33. Valentino Investments Limited, from Road Town, Quijano Chambers Tortola,  
P.O Box 3159, Tortola, British Virgin Islands
34. Wolfrun Investments Ltd, from Road Town, Quijano Chambers Tortola, P.O  
Box 3159, Tortola, British Virgin Islands
35. Kinanis LLC, from Egypt Ave 12, Nicosia 1097, Cyprus
36. Stanislav Kulichkovskyi, from 4 Hoholia St, Rozhniativ, Rozhniativ district,  
Ivano-Frankivsk region, Ukraine
37. Taras Velychko from Ap.16, 19 Pushkina St, Mlyniv, Mlyniv district, Rivne  
region, Ukraine
38. Volodymyr Purog, from Ap.1, 17A Stepana Bandery St, Berezhany,  
Berezhany district, Ternopil region , Ukraine
39. Globalserve Consultants Limited, from Vasili Michaelidi 9, 3026, Limassol  
Cyprus

# APPENDIX 1

Local Court

Garmisch-Partenkirchen

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Land Register

of

Garmisch

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Folio 15750

Local Court  
Land Register of

Garmisch-Partenkirchen  
Garmisch

Folio 15750

First Section

Loose leaf

1

Serial number of registrations	Owner	Serial number of plots in the register of landed property	Basis for registration
1	2	3	4
1	<u>Florian Forchhammer, d.o.b. 03.01.1965</u>	1.2	<u>Transfer of ownership.</u> <u>registered on 15.5.2007.</u>  Eberhorn
2	<del>Qihro Ventures Limited, Nicosia / Cyprus</del>	1.2	Conveyance of 08.07.2010; registered on 19.10.2010.  Eberhorn
		4	Access conveyed on 30.[illegible] 2012; registered on 28.09.2012.  Heitzinger B.
3	Zapatoustra Holdings Limited, Dali, Nicosia, Cyprus	3.4	Conveyance of 30.03.2016; registered on 27.06.2016.  Heitzinger B.

Local Court  
Land Register of

Garmisch-Partenkirchen  
Garmisch

Folio 15750

Register of landed property

Loose leaf

1

Serial number of plots	Former serial number of plots	Description of the plots and ownership rights		Size		
		Boundary Cadastral unit	Type of business activity and location	ha	a	m²
		a/b	c			
1	2	3		4		
1	-	1626	Near Klarweinstr., building and open space		6	73
2	-	1630	Klarweinstr. 31. building and open space, farmland		30	06
3	2	1630	Klarweinstrasse 31, building and open space		30	06
4	1	1626	Near Klarweinstrasse, building and open space		6	71
	1	1626/1	Near Klarweinstrasse, building and open space			2
	-	1850/91	Near Klarweinstrasse, building and open space			2



8

Amtsgericht

Garmisch-Partenkirchen

# Grundbuch

von

Garmisch

Blatt 15750

Amtsgericht Garmisch-Partenkirchen  
Grundbuch von Garmisch

Blatt 15750

Erste Abteilung

Einlegebogen  
1

Lfd. Nr. der Eintragungen	Eigentümer	Lfd. Nr. der Grundstücke im Bestandsverzeichnis	Grundlage der Eintragung
1	2	3	4
1	Florian Forchhammer, geb. am 03.01.1965	1,2	Im Eigentum übertragen; eingetragen am 15.05.2007.  Eberhorn
2	Oliso Ventures Limited, Nicosia/Zypern	1,2  4	Auflassung vom 08.07.2010; eingetragen am 19.10.2010.  Eberhorn  Zugang aufgelassen am 30.03.2012; eingetragen am 28.09.2012.  Heitzinger B.
3	Zapatoustra Holdings Limited, Dali, Nicosia, Cyprus	3,4	Auflassung vom 30.03.2016; eingetragen am 27.06.2016.  Heitzinger B.

Ämtergericht Garmisch-Partenkirchen  
Grundbuch von Garmisch

Blatt 15750

Bestandsverzeichnis

Einlagebogen  
1

Lfd. Nr. der Grund- stücke	Bisherige lfd. Nr. d. Grund- stücke	Bezeichnung der Grundstücke und der mit dem Eigentum verbundenen Rechte		Größe		
		Gemarkung Flurstück	Wirtschaftsort und Lage	ha	a	m²
1	2	a/b	c	4		
1	-	1626	Nähe Klarweinstr., Gebäude- und Freifläche		6	73
2	-	1630	Klarweinstr. 31, Gebäude- und Freifläche, Landwirtschaftsfläche		30	06
3	2	1630	Klarweinstraße 31, Gebäude- und Freifläche		30	06
4	1	1626	Nähe Klarweinstraße, Gebäude- und Freifläche		6	71
	1	1626/1	Nähe Klarweinstraße, Gebäude- und Freifläche			2
	-	1850/91	Nähe Klarweinstraße, Gebäude- und Freifläche			2