



Energy M&A – Where is the value and where is the risk?

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Energy businesses create a value as a whole



the number that a particular business is able to achieve through its operations.

RISKS
from the REAL ESTATE & CONSTRUCTION
perspective
are usually different in case of



NEW BUSINESSES



**BUSINESSES ALREADY
EXISTING FOR A LONG TIME**

NEW BUSINESSES: often renewable energy projects

RISKS:

- risk exists in **administrative decisions for construction of the power plant** – issued at the level of self-governmental bodies;
- these are relatively new businesses and therefore the decisions are different depending on the region where they are issued;
- to early stage to have a large amount of court rulings;
- lawyers decide which documents are appropriate which is difficult on the Seller's and Buyer's side.



OLD BUSINESSES:

- often conventional energy projects, and
- State owned enterprises



RISKS:

- more complicated Due Diligence – there is a need to do historical researches in order to confirm whether the Target actually owns the business and assets;
- less responses from the Seller – since the assets were acquired in the distant past, at present the Seller usually has difficulties which assets actually belong to the Target;

OLD BUSINESSES:

- often conventional energy projects, and**
- State owned enterprises**



RISKS:

- lack of the title to the real property, especially for cables and pipes (80 % of cases in energy enterprises in Poland);
- long prescription period of claims for compensation of the real property owners;
- usually large amount of unknown and unusual legal cases e.g. artificial lakes, Baltic Pipe, etc.

Thank you for your attention



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