

WATSON FARLEY
&
WILLIAMS

ENERGY M&A
IN GERMANY



OCTOBER 2017

WATSON FARLEY & WILLIAMS

150 PARTNERS AND
500+ LAWYERS
WORLDWIDE

"THE LAWYERS KNOW WHAT
THEY ARE DOING; THEY ARE
EXPERTS IN THE FIELDS OF
RENEWABLE ENERGY AND
INFRASTRUCTURE."

CHAMBERS EUROPE 2016

14
OFFICES WORLDWIDE

3
OFFICES IN
GERMANY

"THERE IS A CLEAR INDUSTRY
FOCUS AND THE LAWYERS
KNOW A LOT ABOUT THE
OFFSHORE AND ONSHORE
WIND SECTORS, WHERE THEY
ARE ABLE TO COVER VARIOUS
ASPECTS FROM CORPORATE
AND PROJECT FINANCING
TO MERGERS AND
ACQUISITIONS."

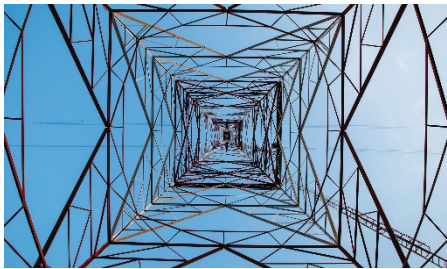
CHAMBERS EUROPE 2016

30+ PARTNERS AND
80+ LAWYERS
IN GERMANY

"DISTINGUISHED ENERGY
PRACTICE WITH AN
EXCELLENT TRACK RECORD IN
LEADING RENEWABLES
FINANCINGS AND
TRANSACTIONS FROM ITS
HAMBURG OFFICE."

CHAMBERS EUROPE 2017

ENERGY M&A: FROM ASSET M&A TO CORPORATE M&A



New Challenges

Regulated industries, such as energy, are facing new challenges in almost all major European economies. To name just a few; regulatory frameworks are changing, requiring market participants to increase their competitiveness; and lack of sufficient grid capacity is leading to a demand for innovative new solutions such as power storage or smart grid technologies.

Entrepreneurial Strategies

Increased exposure to competition and growing demand for innovation are fuelling the current market consolidation with a particularly strong impact on typically SME-sized developer businesses. Market trends include diversification of risk by avoiding investments into single projects (instead spreading risk over a broader pipeline of assets) and enhancing the financial strength required for R&D efforts leading to technical innovation. Often enough, the answer to these new challenges is gaining critical mass by external, M&A-driven growth.

“THE LAWYERS KNOW WHAT THEY ARE DOING; THEY ARE EXPERTS IN THE FIELDS OF RENEWABLE ENERGY AND INFRASTRUCTURE.”

CHAMBERS EUROPE 2016

New Investment Strategies and Transaction Structures

In return, this need for consolidation and change offers new opportunities for both established market participants and new investors. While M&A activity traditionally focused on single operating assets (“brownfield assets”) or projects at the ready-to-build stage (“greenfield assets”), other transaction structures are increasingly becoming more important and are likely to further attract investors’ attention. These include:

- Participation at the HoldCo-level, e.g. injecting equity to support further growth;
- Take-overs and mergers of developers;
- Investment into project pipelines (without HoldCo participation) taking development risk; and
- DCM- and ECM-based finance structures based on long-term cash-flows, e.g. IPP models.

ENERGY M&A AT WFW

“THE RECOMMENDED LAW FIRM FOR ENERGY STANDS IN PARTICULAR FOR FINANCING AND M&A ADVICE.”

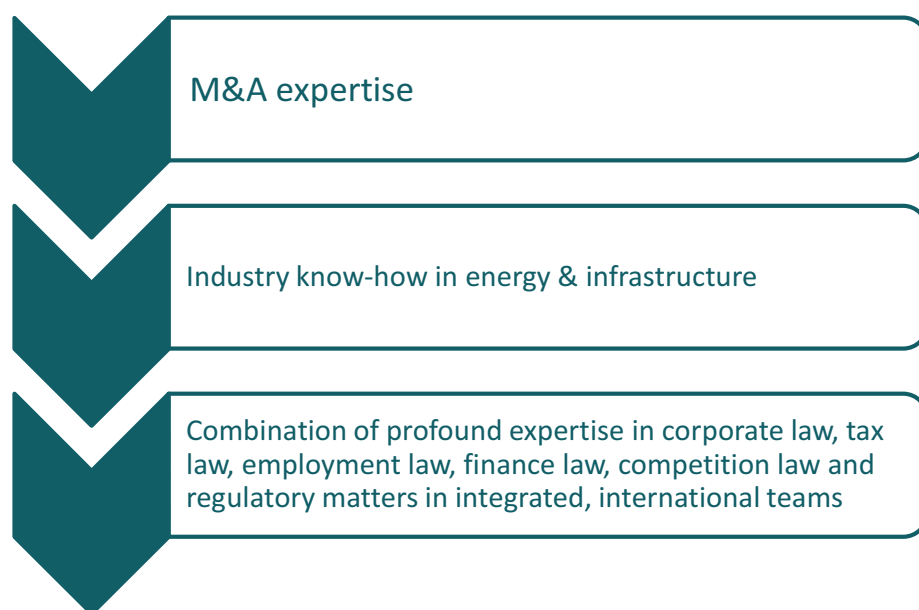
JUVE HANDBUCH 2016/2017

This trend from asset M&A towards corporate M&A also requires a different legal skill set. We are a fully integrated international law firm with extensive expertise in all aspects of corporate, tax, finance, employment and competition law, as well as unrivalled know-how in the energy and infrastructure sector.

Our team of highly skilled legal experts has many years' experience handling complex domestic and international transactions, both in energy and infrastructure as well as in other sectors, including private equity. We support our clients in achieving their goals in corporate M&A transactions, be they mergers, joint ventures, participations or acquisition financings by offering them across board legal and tax expertise combined with sector-specific know-how.

Our clients include domestic and international listed companies, SMEs, private equity and infrastructure funds, developers, utilities and financial institutions. We also act for directors and officers.

Our M&A experience combined with our energy and infrastructure sector expertise are the twin pillars that ensure we offer unrivalled support for your M&A and growth strategies in the energy and infrastructure sector.

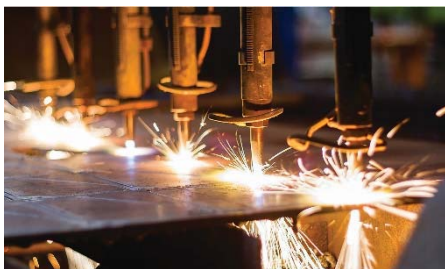


SUCCESS OF YOUR TRANSACTION

SELECTED M&A EXPERIENCE IN ENERGY & INFRASTRUCTURE

TANK & RAST

Advised Tank & Rast, a leading provider of German motorway service areas, on its sale to a consortium formed by Allianz Capital Partners GmbH, Borealis Infrastructure Management Inc., Infinity Investments SA (a wholly-owned subsidiary of the Abu Dhabi Investment Authority), and MEAG, Munich Re's asset manager.



EQUITA

Advised Equita on the acquisition of ISOLITE, a producer of high temperature insulation systems.

EWE ERNEUERBARE ENERGIEN

Advised EWE ERNEUERBARE ENERGIEN GmbH on all the legal and tax aspects of its acquisition of TurboWind Energie GmbH, a wind farm developer based in Hannover, northern Germany.

TANK & RAST

Advised Tank & Rast on its acquisition of a 58% stake in Cittadino GmbH from individual investors and Deutsche Telekom Venture Funds GmbH.

WÖLBERN PRIVATE EQUITY

Advised Wolbern Private Equity on its acquisition of a stake in Triton Water AG as part of a capital increase.

PARCOM DEUTSCHE PRIVATE EQUITY

Advised Parcom Deutsche Private Equity on its sale of SSB Systems, a producer of electric control and monitoring systems for wind turbines and wind farms, to Emerson.



CEE HOLDING

Advised CEE Holding on its acquisition of a minority stake in Inventux Technologies AG, a developer and manufacturer of thin-film solar panels.

"CONSOLIDATED ENERGY PRACTICE OFFERING ASSISTANCE WITH M&A TRANSACTIONS, LITIGATION AND FINANCING. RENEWABLE ENERGY PROJECTS ARE A KEY AREA OF EXPERTISE, COMBINED WITH KNOWLEDGE OF CONVENTIONAL ENERGY"

CHAMBERS EUROPE 2017

SOLAR POWER GROUP

Representing Solar Power Group GmbH, Essen in the second investment round with MAN Ferrostaal AG, Essen.

PRIVATE EQUITY FUND

Advised a private equity fund on the acquisition of a minority stake in a German company specialising in the production of thin-film solar panels as part of an €80m financing round.



EWE

Advised EWE AG on the formation of a joint venture (including Trianel GmbH and others) to develop and implement the second phase of the 200 MW Borkum West II offshore wind in Germany.

PNE WIND

Advised PNE WIND AG on its acquisition of a 83% stake in WKN AG from Siemens Project Ventures GmbH and majority stakeholder Volker Friedrichsen Beteiligungs GmbH.

TEAM PROFILE



DR MALTE JORDAN

Partner
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Dr Malte Jordan is a Partner in the Corporate/Energy group of Watson Farley & Williams in Hamburg and heads the German Corporate group of the firm.

He specialises in M&A transactions, corporate restructurings and corporate finance, with a particular focus on private equity transactions and investments in renewable energy.

Recent transactions include strategic M&A deals in the energy and infrastructure sectors, such as the development, financing, acquisition or disposal of wind farms (both onshore and offshore). His clients include investors, project developers and banks.

Malte is cited in the *JUVE Handbook 2016/2017* as a leading lawyer for energy-related transactions and financings in the area of renewable energy. *Chambers Europe* also rank him as "leading lawyer for renewable energy in Germany. Clients say he is "a very big name in renewables" and that he "enjoys a distinguished pedigree in offshore wind matters, with expertise in private equity transactions, investments, corporate finance and restructurings" (*Chambers Europe 2016*).



DR MARCUS BECHTEL

Partner
Hamburg

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Dr Marcus Bechtel is a Partner in the Corporate/Energy group of in Hamburg and heads Watson Farley & Williams German Practice.

He specialises in M&A, joint ventures and project development transactions, with a focus on the energy and infrastructure sector as well as private equity.

Recent transactions include strategic M&A deals, such as the acquisition and sale of companies active in the energy industry, management- and leveraged-buy-outs for private equity funds, as well as joint ventures of German and Swiss utilities regarding renewable energy projects.

Marcus' clients include financial investors, utilities, energy providers, developers and strategic investors.

TEAM PROFILE



DR TORSTEN ROSENBOOM

Partner
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Dr Torsten Rosenboom is a Partner in the Corporate group and heads the Frankfurt office of Watson Farley & Williams.

Torsten specialises in M&A/private equity, joint ventures, inter-company restructuring as well as in corporate and contract law. He regularly leads teams on a variety of national and cross-border transactions and is involved in complex contract negotiations both in two-party and multi-party situations.

Competitors praise Torsten as "... very strong in M&A and Financing, an experienced Strategist" (JUVE Handbuch 2015/2016) and as "... very hands-on and efficient" (JUVE Handbuch 2016/2017).



DR DIRK JANSSEN

Partner
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Dr Dirk Janssen is a Partner in the Corporate group and heads the Munich office of Watson Farley & Williams.

Dirk has wide experience of private equity and M&A activities, with a particular emphasis on leveraged buy-outs and cross-border transactions in the mid- and large- cap sector. He has significant experience in advising corporates, funds, institutional investors and private equity houses.

Dirk worked for various international companies and law firms in Germany, the UK and Asia before joining Watson Farley & Williams. He is a co-author of a commentary on private equity law and regularly publishes articles on corporate law related topics.

He is named as a "frequently recommended lawyer" for M&A and Private Equity in various legal directories, e.g. JUVE Handbuch ("competent, pleasant and experienced"), Who's Who Legal ("very service-oriented") and Legal 500.

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