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Editorial Words

Dear Distinguished Readers,

In the realm of academia, where the pursuit of knowledge and the sharing of wisdom take center stage, we are delighted to introduce the second issue of Volume 27 of the ASEJ Scientific Journal. This publication, in partnership with the Bielsko-Biala School of Finance and Law, continues to serve as a repository of intellectual exploration and a testament to the wealth of contemporary research.

Within the pages of this volume, a diverse collection of scholarly articles awaits. Each article represents a facet of our collective commitment to understanding the intricate tapestry of global concerns. From the realm of education to the intricacies of energy security, from the digital landscape to geopolitical intricacies, these articles provide valuable insights and open doors to meaningful discourse.

The essence of this volume lies in its unwavering dedication to furthering our comprehension of complex subjects. These articles, penned by experts and scholars who are leaders in their fields, are a testament to the rigorous examination and exploration of topics that resonate with our ever-evolving world.

As you embark on this intellectual journey through Volume 27, No. 2, we invite you to consider the broader tapestry of knowledge it presents. Each article adds depth and dimension to the ongoing conversations surrounding the most pressing issues of our time. Together, they form a mosaic of thought, offering fresh perspectives, innovative solutions, and a deeper understanding of the complexities that define our contemporary world.

These articles are more than words on paper; they represent the collective pursuit of wisdom and the desire to share it with our readers. In each piece, you will find the dedication of researchers who have invested their time, expertise, and energy to illuminate the issues at hand.

We encourage you to engage with these articles, to discuss and debate their findings, and to contribute to the ongoing dialogue that drives the pursuit of knowledge. We trust that this volume will not only inform but also inspire, and that the insights it offers will be a valuable addition to your intellectual journey.

The imperative role of risk management in ensuring the security of logistics processes within small service enterprises is illuminated, emphasizing the significance of mitigating risks in this sector. Safety management in the context of ISO 9000 quality management systems is dissected, underscoring the pivotal role of these systems in ensuring the safety and quality of organizations.

We invite you to immerse yourselves in this eclectic collection of scholarly works, each a beacon of knowledge and insight into these crucial subjects. The articles contained within this volume aspire to stimulate discussion, foster a deeper understanding, and inspire further exploration. We trust that the journey through these pages will be an intellectually enriching experience for all our readers.

Doc. Dr Kateryna Pilova

Editor of the ASEJ, Issue 2, Volume 27, 2023.

Mergers and acquisitions in 2020-2022 in the context of WIG-20 index

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Abstract— Mergers and acquisitions are popular phenomena on the Polish economic market aimed at increasing the value of a company in the form of external financing. However, sometimes companies encounter problems related to unfavorable economic conditions. Such conditions include the COVID-19 pandemic and the Russian-Ukrainian conflict. Enterprises are forced to undertake actions aimed not only at protecting them against the consequences of economic perturbations, but also - for some of them - being a form of investment in markets that are susceptible to economic changes.

Keywords — mergers and acquisitions, business combination, hostile takeover, COVID-19, the conflict in Ukraine,

I. INTRODUCTION

Changes in capital market in recent years caused by the COVID-19 pandemic, the conflict in Ukraine and the resulting fluctuations in the supply chain and the inflation crisis in many countries around the world, have generated the need to introduce changes in the way capital is allocated. In order to meet the increasing demand for capital, enterprises do not limit themselves to one area of activity, and more and more often try to diversify their offer to be able to satisfy as many customers as possible. In order to survive on the capital market, a company must constantly develop. A corporation that will not contribute to an increase in sales volume will lead to the elimination of the company from the market or being bought out by competitors. The method of development depends on the method of managing relations with contractors and dealing with competition. It allows you to focus on your strengths, minimize your weaknesses and take advantage of opportunities that may arise on the market. It also allows to increase the advantage over the competition by monitoring their activities, thanks to which

the company can gain an advantage over competitors, as a result of which it is possible to establish cooperation with another company. In business practice, this is most often manifested through mergers and acquisitions.

In this article, the author focuses on the verification of the premises justifying mergers and acquisitions in Poland in recent years, with particular emphasis on WIG-20 companies. Recent events in the world - the COVID-19 pandemic, the conflict between Ukraine and Russia, which affected the global logistics of goods and the high level of inflation in many countries around the world, affect the structure and scope of activities of many enterprises. The analysis covers the years 2020-2022 and selected financial data of WIG-20 companies. This will allow both to examine the legitimacy of decision-making and to answer the following questions:

Q1. How did the pandemic and the conflict in Ukraine affect the mergers and acquisitions market?

Q2. What has the mergers and acquisitions market looked like in recent years?

Q3. What were the economic factors of WIG-20 companies?

Q4. Which sectors have benefited from economic events and which have lost in recent years?

For this purpose, the author first conducts a theoretical review of the source literature, analysis of motives and techniques of defense against hostile takeover, which as a result of economic uncertainty, wrong decisions problems of many industries, it is gaining additional importance, as well as the analysis of trends and directions of changes in the mergers and acquisitions market in 2020-2022. Then, the Author evaluates and interprets reports from recognized rating and research agencies in the M&A sector in Poland.



II. SOURCE LITERATURE REVIEW AND LANGUAGE CONSIDERATIONS OF M&A

All companies, both small and medium-sized, as well as international corporations, strive for development and growth. Consequently, one of the inseparable and common events are M&A mergers and acquisitions (Toborek-Mazur, Partacz, 2022). The first transactions of this type appeared at the end of the 19th century in the United States (Toborek-Mazur, 2010, p. 45). Since then, they have been constantly implemented around the world in response to changing market conditions and the continuous process of globalization.

Mergers and acquisitions are two separated forms of business combinations. A merger is a process of combining two or more separated companies to create one new enterprise (Toborek-Mazur, 2010, p. 34). As a result of a merger, companies correlate their resources, personnel, technology, operations and other assets to achieve synergistic effects and thus increase shareholder value. In the legal sense, the merger leads to the fact that the companies participating in the transaction lose their legal personality to the new entity. The main motives for this form of merger are the significant strengthening of the bargaining position on the market and the strengthening of the company's position. In addition, it may lead to the weakening or even elimination of some competitors from the market. When a merger takes place between competing entities, such a merger is referred to as sector concentration (Toborek-Mazur, 2015). It refers to the process by which competing entities operating in the same sector of the economy come together to form a larger entity. The concentration of the sector may be aimed at achieving greater scale of operations, eliminating competition, gaining more market power and better use of resources. Vertical integration, on the other hand, is when an organization decides to connect with suppliers or customers to strengthen control over the supply or distribution chain. Vertical integration can bring benefits such as greater control over quality, costs and timeliness of deliveries, as well as improved competitiveness in the market (Frąckowiak, 2009, p. 84). In the case of mergers, there are still elements of both competition and cooperation between the entities. If competition or cooperation dominates and there is no balance between the two, the merger may fail. Some authors indicate that a merger may take place as part of incorporation and consolidation (Korpus 2014, p. 74). Table 1 presents comparison of terminology of mergers and acquisitions in Polish and English. In the terminology of management and finance, there are several different concepts defining a business combinations.

TABLE 1. COMPARISON OF TERMINOLOGY OF MERGERS AND ACQUISITIONS IN POLISH AND ENGLISH

Polish	English
Fuzja	Merger
Przejęcie	Acquisition/takeover
Połączenie jednostek	Business combination
Połączenie wrogie i przyjazne	Hostile/friendly takeover
Inkorporacja/Konsolidacja	Incorporation/Consolidation

Source: author own studies.

An acquisition is one of the key elements of the strategic activities of enterprises. Acquisitions are an important means of

development, enabling organizations to achieve various goals, such as growth, expansion into new markets, acquiring new technologies or strengthening their competitive position (Partacz, 2022). The acquisition process involves the acquisition of one company by another, resulting in the transfer of control over operations, resources, customers and assets. However, the mere fact of carrying out an acquisition does not guarantee success. Effective planning, analysis and management of this process is crucial to minimize the risks and maximize the benefits of the merger. Acquisition consists in the purchase by the enterprise of at least 50% of the shares of the acquired company, which enables the acquisition of control. The purchase of shares (shares) is not the only form of taking control. This can also be done by obtaining a power of attorney, privatization, joint venture, participation in the increased equity of the enterprise or even a lease. Both the entire enterprise and its separated assets, such as production lines, may be subject to takeover (Hellin, Zorde, Bernaziuk, Kowalski, 2016, p. 25).

A common and well-known situation is when a subsidiary is taken over by the dominant one, while a reverse takeover is also possible. It is defined as the takeover of the parent company by the subsidiary – and thus, in accordance with the name, the opposite of the classic version (Świetla, Toborek-Mazur, 2020).

A key difference between a takeover and a merger is that in merger, all the entities involved are dissolved and together they form a new entity, which becomes the legal successor of the existing companies. As a result, all original entities lose their separate legal identity and function as one entity. However, in the event of a takeover, at least one of the entities retains its identity and legal personality. The acquiring company becomes the dominant entity and owns a majority or all of the shares in the acquired company, but the acquired company continues to exist as a separate entity, albeit under the control of the buyer. This difference in transaction structure has important implications for governance, decision-making power, shareholder ownership and control over resources. In the case of a merger, all stakeholders have a new identity as co-owners of the new entity. In contrast, in the case of a takeover, the acquiring company has greater control and influence over the activities of the acquired company, but there is still legal and operational separation. It is worth noting, however, that the line between a merger and an acquisition can sometimes be unclear, and some transactions may have elements of both processes. The final legal and operational effects depend on the structure and agreement between the parties to the transaction.

III. EFFECTS AND OBJECTIVES OF BUSINESS COMBINATIONS

The purpose of mergers depends on the specific circumstances and strategies of the companies. Each transaction is individual and based on unique factors and different goals of the company, taking into account both market conditions and the company's own organizational and financial capabilities. Table 2 presents an overview of the most important benefits and threats related to mergers and acquisitions.

As the table 2 shows business combinations can have both positive and negative effects. Positive effects of concentration

include the use of economic scales, investments in research and development, improvement of competitive abilities and increase in shareholder value (Świetla, Toborek-Mazur, 2021). In turn, the negative effects of concentration include: limiting competition, the possibility of a dominant position, problems with the management of the merged companies and the potential effects of reducing employment. In economic practice, the impact of concentration of enterprises can be diverse and depends on the context and specificity of a given industry or market.

TABLE 2. POSITIVE AND NEGATIVE EFFECTS OF BUSINESS COMBINATIONS

Positive effects	Negative effects
Economies of scale	Limitation of competition
Investments in research and development	Possibility of a dominant position by competitor
Improvement of competitive ability	Problem with management of merged companies
Increase shareholder value	Employment problems

Source: author own studies.

In the case of mergers, the company may use various sources of financing, such as (Melnarowicz, 2016):

- bank loans,
- bond issues,
- External capital investments,

- Use of own capital resources.

Each of these forms, however, must take into account the financial capacity of the company and be preceded by an appropriate economic analysis, e.g. as part of due diligence. The process of mergers and acquisitions (M&A) consists of many stages and often lasts from 6 months to several years. Below, the process is divided into 4 phases (Szczepankowski, 2000, p. 140):

- 1) Preparation phase
 - Creating a merger or acquisition strategy,
 - Determining the criteria for seeking a merger or acquisition,
 - Searching for potential partners,
- 2) Conversion phase
 - Starting a merger or acquisition plan,
 - Valuation analysis,
 - Negotiations,
 - Pre-sales merger or acquisition research,
- 3) Implementation phase
 - Transaction completion,
 - M&A financing strategy,
- 4) Post-implementation phase
 - Implementation of a merger or acquisition plan,
 - Integration.

Table 3 shows the barriers that appear at various stages of the merger procedure.

TABLE 3. MERGERS AND ACQUISITIONS MARKET IN 2021 AND AT THE BEGINNING OF 2022 IN POLAND

Barriers	Legal and organizational	Social and political	Capital and financial
Preparation phase	Lack of appropriate legal regulations regarding mergers and acquisitions, Too weak analysis of the candidate for takeover.	Fears of employees about the decisions of new owners, Lack of trust of employees in managers, Opposition of employees to merger or acquisition decisions.	Poorly developed investment crediting system related to a merger or acquisition, Overestimating or underestimating the value of the acquired company.
Conversion phase	Lack of managerial experience, No prior arrangements regarding merger and acquisition procedures.	Fear of changing the company's strategy, Resistance of employees caused by the need to learn new mechanisms.	Difficulties in obtaining new forms of financing mergers and acquisitions, No plan for debt reduction of the acquired enterprise has been developed.
Implementation phase	Too much fluctuation of employees, Difficulties in building new distribution channels, Scattered buildings and production halls.	Economic recession, The need to adapt to a turbulent environment, No raises and bonuses for employees, Fear of losing employment.	No capital for development, High investment financing costs, Fear of insolvency, Implementation costs too high.
Post-implementation phase	Limited demand for goods and services Problems with integrating all processes, Change of legal provisions.	Lack of negotiation skills with a strategic partner, Lack of qualified staff of managerial level employees.	Poorly developed capital and financial infrastructure, Strategic financial problems of the investor, Internal shareholder disputes.

Source: author own studies based on Szczepankowski 2000, p. 140-146.

Presented phases in the table 3 and existing limitations result from the specificity of a given transaction, time constraints or the degree of complexity, some steps may be omitted or additionally included. The M&A process is flexible and adapts to the specific conditions and objectives of the transaction. Difficulties indicated in particular phases may also occur in other phases. The most important in the process of mergers and acquisitions is the identification of threats, which will allow to eliminate or reduce the risk of transaction failure. Therefore, it is important to adapt the individual stages to the specific situation, taking into account the unique requirements and factors determining the success of the connection (Świetla, Toborek-Mazur, 2020).

IV. SYNERGY IN M&A

Mergers and acquisitions can achieve operational synergies by combining the resources, processes and infrastructure of both companies. This can lead to improved efficiency, lower costs, optimize the supply chain or increase production capacity. Through diversification, it is possible to achieve synergies between different areas of activity. For example, common resources, infrastructure, brand or operational capabilities can be used in different industries, which brings economic and competitive advantages. Therefore, the division of mergers into strategic and occasional mergers makes it

possible to see the difference in the use of synergies. Strategic mergers focus on long-term growth and achieving synergistic value, while opportunity mergers are aimed at making a quick profit by taking advantage of specific market opportunities. Before making a merger decision, companies must carefully assess their goals, motivations and opportunities in order to select the appropriate strategy and maximize the benefits of the merger process.

A synergy is a key theme that accompanies mergers and acquisitions. It can be described as a state in which the value of the enterprise after the transaction is greater than the sum of the values of individual enterprises before the transaction. Operational synergy focuses not only on financial value, but also on non-financial value, such as increased ability to innovate, improve quality, extend the range of products or services, or increase operational efficiency. It is achievable thanks to such factors as (Kozłowska-Makóś, 2016):

- Advantage of technical integration,
- Complementarity of resources and skills,
- Reduction of transaction costs,
- Economies of scale.

Economies of scale refer to a situation where a company achieves greater efficiency and lower costs as it scales up. This means that the unit cost of production or provision of services decreases with the increase in the number of units produced or supplied (Toborek-Mazur, Partacz, 2022a). In practice, this means that the larger the scale of the company's operations, the more profitable it becomes. Companies can achieve economies of scale in different ways, for example:

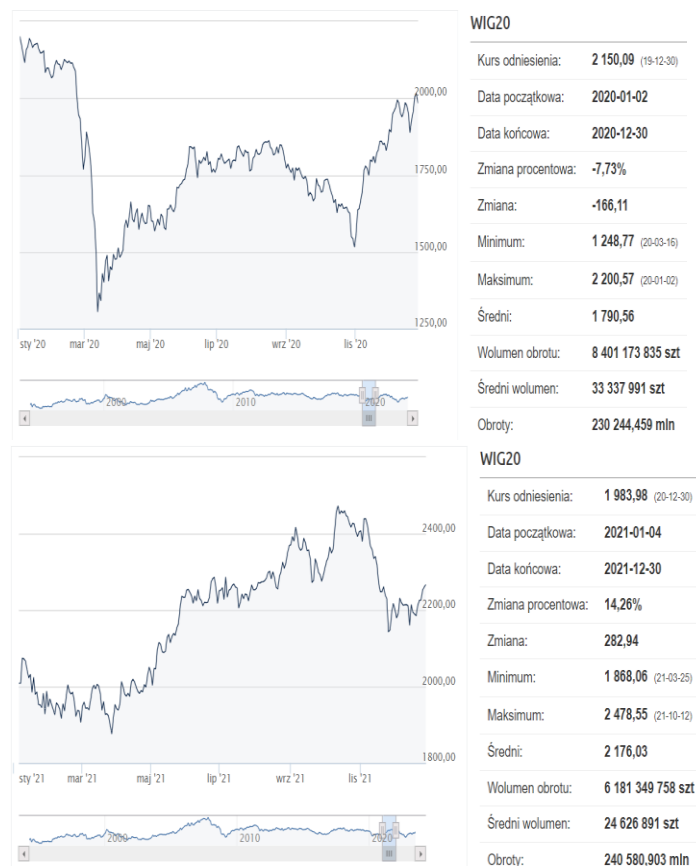
- Purchasing economy – thanks to larger orders, it is possible to negotiate with suppliers greater discounts on the purchase of raw materials, materials or services.
- Production efficiency – with larger production scales, more advanced technologies can be used to improve efficiency and productivity. This investment may allow to reduce the production time, reduce the number of employees or reduce the consumption of energy or raw materials.
- Distribution and logistics – increasing production will also contribute to a greater demand for product distribution, thus better transport or storage conditions can be negotiated with logistics companies.
- Research and development - a larger scale of activity means greater financial surpluses that can be invested in research and development, which will translate into the invention of innovative solutions, improvement of products, introduction of new technologies, or improvement of processes (Toborek-Mazur, Partacz, 2022b).

Synergy affects various areas of the merged entities, such as: revenues and costs as well as the financial result. Through M&A transactions, entities expect not only additional revenues, but also a reduction in costs, which leads to an increase in the financial result.

V. ANALYSIS OF SITUATION IN POLAND BASED ON WIG-20 INDEX

Service sectors, especially tourism, gastronomy and entertainment, and logistics, were the most affected by the pandemic and the armed conflict in Ukraine. Travel restrictions and closures of public places have caused significant losses to these industries. At the same time, the e-commerce, pharmaceutical and streaming sectors recorded growth as a result of changing consumer preferences and the increase in online shopping. Chart 1 illustrates the WIG20 share price in 2020 and 2021.

CHART 1. COMPARISON OF WIG-20 INDEX IN 2020 AND 2021



Source: author own studies based on <https://www.bankier.pl/inwestowanie/profil/quote.html?symbol=WIG20> (access date: 05.07.2023).

2021 was a period of reconstruction and recovery of the WIG20, which was caused by difficulties related to the COVID-19 pandemic. After a sharp drop in the stock market index at the beginning of the 2020 pandemic (in particular in Q2 2020), it regained some stability and started to show increases. In the first months of 2021, this index fluctuated in the range of 1900-2000 points, which is confirmed by the data in Chart 1. The introduction of vaccination programs and easing restrictions increased investor optimism. And the levels of the examined index gradually increased, although they fluctuated depending on the current information on the epidemiological situation and political decisions.

In the second half of this year, the WIG20 index was constantly growing and at the end of October it reached the level of 2,480 points. This value will become the highest value

in 2021. Unfortunately, the increase in inflation, uncertainty related to monetary policy and concerns about the development of variants of the COVID-19 virus affected investors' moods and introduced uncertainty to financial markets, which resulted in a drop in the WIG20 index to around 2,050 points at the end of the year. Subsequent changes in the structure of the WIG20 index in 2022 were influenced by events related to the armed conflict in Ukraine. Chart 2 presents the WIG-20 index price in 2022.

CHART 2. WIG-20 INDEX IN 2022



Source: author own studies based on <https://www.bankier.pl/inwestowanie/profile/quote.html?symbol=WIG20> (access date: 05.07.2023).

As the analysis of the chart 2 shows, after overcoming the level of 1410 points, WIG20 index approached the size it had reached during the COVID-19 pandemic in 2020. Its lowest value in 2022 was 1337 points, which means a decrease of 41% since the beginning of this year. In the perspective of the whole year, WIG20 index lost 21%.

Continuing the considerations, it is worth recalling that in 2022 the Russian-Ukrainian war began, which influenced the turmoil in the Polish economy through the imposed sanctions. Although the Central Statistical Office recorded another increase in Poland's GDP. The Gross Domestic Product increased by 5.1%, which is lower than in the previous year, when the GDP growth amounted to 6.9%. There was also a decrease in the dynamics of real public consumption at the level of -2%.

From the index of commercial companies WIG20, Jastrzębska Spółka Węglowa generated the highest profit at the level of 66%, while the largest decrease was recorded by the company from the footwear industry CCC at the level of -60% (Forsal, 2023).

VI. ANALYSIS OF THE MERGERS AND ACQUISITIONS IN POLAND IN 2020-2022

In 2020 Polish economy experienced a significant impact of the COVID-19 pandemic. The slowdown in economic activity was the result of many business closures, travel and consumption restrictions, and global disruptions in supply

chains.

As a result, unemployment rose and many jobs were lost (Stockwatch, 2022). In response to the crisis, the Polish government introduced support programs for enterprises, such as subsidies, preferential loans and tax deferrals. Table 4 shows the value of mergers and acquisitions in 2020-2021 and at the beginning of 2022.

TABLE 4. VALUE OF MERGERS AND ACQUISITIONS IN THE YEARS 2020-2021 AND AT THE BEGINNING OF 2022 IN POLAND

	2020	2021	Change in 2021 compared to 2020	2022	Change in 2022 compared to 2021
Value of contracts (PLN)					
Q1	1,83 bln	11,7 bln	9,87 bln	2,54 bln	-9,16 bln
Q2	2,8 bln	1,86 bln	-0,94 bln	1,775 bln	-0,085 bln
Q3	4,84 bln	7 bln	2,16 bln	N/A	N/A
Q4	9,6 bln	N/A	N/A	N/A	N/A

Source: author own studies based on Fordata and Navigator Capital M&A Reports 2020, 2021, Q1 and Q2 2022.

Chart 3 shows a number of mergers and acquisitions in 2020-2022 in Poland.

The COVID-19 pandemic has had a huge impact on the global economy, leading to uncertainty and changing business conditions. However, many companies and investors used this situation as an opportunity to implement merger and acquisition strategies, looking for appropriate solutions adapted to the changing competitive environment. Despite the decline in GDP and the COVID-19 pandemic, the number of mergers and acquisitions on the Polish market increased to 229 in 2020. The transaction of the highest value was the acquisition of Play Communications by Iliad SA, and the value of this transaction amounted to PLN 9.6 billion. Both entities operate in the telecommunications industry. The transaction took place on November 21, 2020, when the French telecommunications market leader Iliad SA purchased shares in Play Communications, one of the leaders of the telecommunications market in Poland. Thanks to this transaction, the buyer became the 6th largest operator on the mentioned market in Europe. Strategic plans after the acquisition assume maintaining competition on the Polish market and enabling the acquiring company to enter the Polish market of fixed-line services.

However, the value of all transactions in 2020 was lower than in the previous year and amounted to a total of EUR 12.28 billion EUR. Despite an increase in undisclosed M&A values compared to the previous year by €720 million (€11.65 million in 2020 and €10.93 million in 2019, respectively), the implicit value estimate fell from €2.77 billion to €630 million.

Among the acquired entities, enterprises from the Media/IT/Telecom sector had the largest share in mergers and acquisitions with a 22% share in all mergers and acquisitions in 2020. On the acquiring side, as in the previous year, the largest share of enterprises from the Media/IT/Telecom sector was also recorded, with a 19% share in all mergers and acquisitions. On the acquiring side, the largest share in mergers and acquisitions was held by the private sector at the level of 57%.

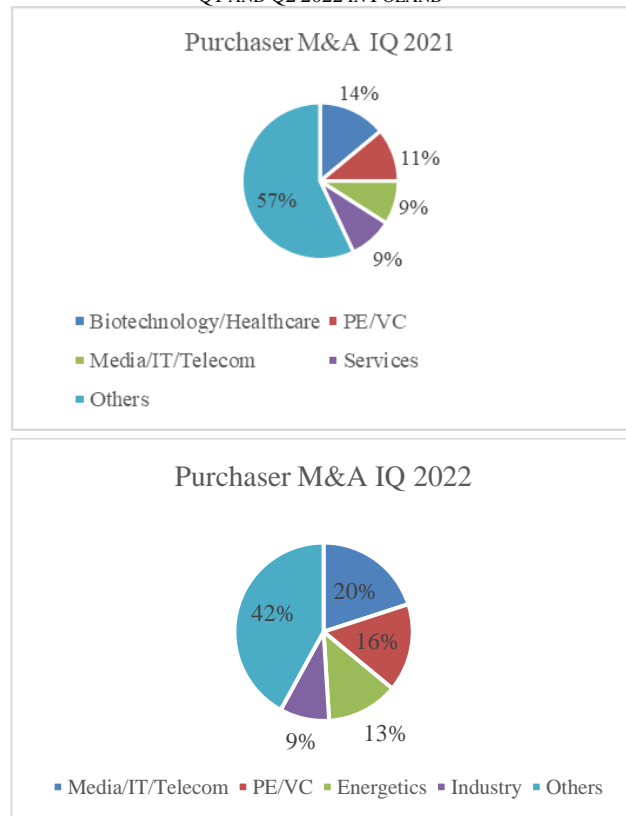
CHART 3. NUMBER OF MERGERS AND ACQUISITIONS IN 2020-2022 IN POLAND



Source: author own studies based on Fordata and Navigator Capital M&A Reports 2020, 2021 and 2022.

The global M&A market in 2021 continued its activity and recovery after the difficult year 2020, which was strongly affected by the COVID-19 pandemic (in particular Q2 2020). In 2021, up to 60,000 M&A transactions took place worldwide, which means an increase of approximately 20% by 2020. When analyzing the value of transactions in 2021, you can also see their increase compared to the previous year. It is estimated that the value of transactions on the global M&A market in 2021 amounted to approximately USD 4.5 trillion, which is a 25% increase in value compared to 2020. An increase in the number of business mergers was also recorded in Poland in 2020-2022 and they amounted to 229, 328 and 341, respectively, compared to a year-on-year increase of 43% and 4%, respectively (Toborek-Mazur, Partacz, Surówka, 2022).

CHART 4. PERCENTAGE SHARE OF SECTORS IN MERGERS AND ACQUISITIONS IN Q1 AND Q2 2022 IN POLAND



Source: author own studies based on Fordata and Navigator Capital Q1 and Q2 2022.

The largest group of entities that were acquired in 2020 were companies from the Media/IT/Telecom sector, accounting for 22% of all transactions. A similar trend can be observed in the following years. The next sector in terms of the number of transactions was financial services, which accounted for 9% of the total. In third place in terms of size were companies from the energy sector, which, similarly to financial services, accounted for 9% of transactions. The last of the largest groups were entities specializing in the Biotechnology/Healthcare sector, which was estimated at 8% of all analyzed transactions.

2022 was the year of the outbreak of the conflict between Russia and Ukraine and the highest average annual inflation since 1997. The Polish market saw another increase in mergers and acquisitions. In 2022, the total number of acquisitions was 341, which compared to 2021, when 328 mergers and acquisitions were recorded, means an increase of these transactions by 13 (Toborek-Mazur, Wójcik-Jurkiewicz, 2022).

In the years 2020-2022, different proportions were observed in mergers and acquisitions of enterprises in individual economic sectors. Comparing the data from the first two quarters of 2021 and 2022, one can see an increase in interest in mergers and acquisitions in the biotechnology and health care as well as media/it/telecom sectors. In the first quarter of 2021 in Poland, the largest share in mergers and acquisitions was attributed to the biotechnology sector - approximately 14%, while in the same period of 2022 the TMT sector - approximately 20%. Chart 4 presents a quarterly breakdown of M&A buyers in Q1 2021 and Q1 2022.

To sum up, it is worth noting that in 2021, along with the increase in gross domestic product, an increased number of mergers and acquisitions was recorded. 328 transactions were made on the Polish M&A market, which is 99 more than in the previous year. transactions. The largest transaction among transactions with the disclosed cost of conducting them in 2021 was the acquisition by Allianz SE of Aviva Polska from Aviva Plc for PLN 11.7 billion. On January 28, 2021, the British insurer, with the aim of focusing on operations in the United Kingdom, Canada and Ireland, sold all its shares to Allianz SE, a company listed on the Frankfurt Stock Exchange.

Thanks to the sale of Aviva Polska to Allianz SE, Allianz became the second largest insurer in Central and Eastern Europe by strategically increasing its position on this market.

In 2022, the number and value of mergers and acquisitions also increased. The transaction of the highest value was the purchase of Lotos by MOL, Saudi Aramco, Unimot and Rossi Biofuel Zrt for PLN 2.548 billion.

VII. CONCLUSIONS

The M&A market during the COVID-19 pandemic was dynamic and ambiguous. At the beginning of the pandemic, many transactions were halted or delayed due to uncertainty and changed economic conditions. Companies focused on protecting financial liquidity and stability of operations, but over time the merger and acquisition market began to revive. Some sectors, such as tech, health and e-commerce, saw increased transactional activity. Companies trying to adapt to the changing business reality were looking for opportunities to strengthen their market position through mergers and acquisitions. Some companies saw it as an opportunity to acquire new technologies, access markets remotely or diversify their activities.

During the COVID-19 pandemic, sectors of the economy developed at different rates and were affected to varying degrees by the effects of the crisis. The health sector has played a key role in the fight against the pandemic, increasing the demand for medical services. The technology sector has also seen an increase in interest, especially in the areas of e-commerce, streaming services, telecommunications and remote work. This is primarily due to the increase in demand for digital services, e.g. as a result of limiting mobility during the pandemic, as well as the intensification of the promotion of technological solutions after the pandemic. The food sector has been stable, while the transport and tourism sector has experienced significant difficulties due to travel restrictions. In the business services sector, the company had to adapt to remote work. The sectors of tourism, gastronomy and logistics suffered the most (Q1 and Q2).

M&A market in Poland in 2020-2022 was active, and the COVID-19 pandemic and the war did not stop its development, although they partially negatively affected the intensity of mergers in some of them. Business merger transactions took place in various sectors, bringing changes to the Polish business landscape. This is most noticeable in the technology, energy and industrial sectors, but also in biotechnology and financial services. It is worth continuing research and monitoring this dynamic market in order to better understand its mechanisms and potential effects. This fact is confirmed primarily by the presented data on the number of connection transactions. From 2020, a gradual increase in this number is noticeable, despite the initial decrease in Q2 2020. The increase in the number of transactions worth over PLN 1 billion is particularly important. In 2020, there were 3 such transactions, and in 2021 as many as 9. It is worth noting, however, that not all entities disclosed the value of these transactions, which makes it difficult to fully analyze and assess them.

In 2021, the stock market recorded a profit. The largest WIG20 companies recorded an increase of 12%, which is 4 percentage points compared to 2020. The companies with the highest profit in that year were LPP from the clothing industry and Pekao from the banking sector, which achieved an increase of 114.99% and 105.69%, respectively. Companies from the WIG20 index that recorded large drops include: Allegro from the e-commerce industry and the manufacturer of protective and diagnostic gloves, Marcator. The financial losses of these companies in 2021 amounted to -54.12% and -77.01%, respectively, compared to 2020.

When examining the WIG80 index in 2021, it can be seen that it also recorded an increase of over 21%. The largest profit was recorded by Bumech from the mining sector at the level of 534.22% and the oil company Serinus at the level of 157.62%. In turn, the largest decrease was recorded by PCF Group companies from the computer games industry at -30.09% and Photon from the energy industry at -43.70%. These data may indicate that not all TMT group companies were doing well during the COVID-19 pandemic (Q3 and Q4).

The total value of mergers and acquisitions on the Polish market in 2022, according to the consulting company Brain&Company, reached a record level of USD 20 billion. This value, compared to the previous year, increased by about a billion dollars. Despite Poland's difficult geographical situation (the ongoing Russian-Ukrainian conflict in neighboring countries), experts predict that the intensity of investors on the Polish M&A market will remain high in the coming years (Marszycki, 2023).

To sum up, it is worth emphasizing that the decrease in the stock exchange index did not result in lower investor interest in calls. On the contrary, despite the great turmoil on the stock market at the end of 2021 and in 2022, the number of connection transactions increased.

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