

Press release

M&A Landscape in CEE Region Confronts Significant Challenges in Recent Six Months

We are excited to announce the release of the sixth edition of the CEE Expert report, focusing on M&A industry in the region. The report, developed in collaboration with experts from the Czech Republic, Romania, Poland, and India, provides valuable insights into the current market conditions, challenges, and opportunities in M&A transactions.

Over the past six months, the M&A landscape in the CEE region has faced numerous challenges, resulting in fewer transactions and lower overall value. However, amidst these market dynamics, the role of artificial intelligence has emerged as a significant topic of discussion and exploration. The report delves into the current assessment of AI's impact on the industry, including the opportunities and threats it presents.

The implementation of AI tools in the due diligence process may enhance efficiency, reduce time consumption, and ultimately lower costs. However, it is crucial to acknowledge the risks associated with AI, such as data confidentiality breaches, cybersecurity threats, and potential limitations in drawing conclusions without human expertise and social skills.

Regarding the impact of AI on the legal aspect of M&A transactions, there is increasing interest in leveraging AI technologies to enhance efficiency and accuracy. While AI-based solutions and tools can contribute to certain tasks performed by transactional lawyers, the current practice emphasizes the continued importance of highly skilled lawyers with extensive experience.

AI tools start being more and more sophisticated which may cause that the security risks associated with their use and the potential misuse also increase. Using AI tools for due diligence purpose may impose the whole process on potential cyberattacks. - write the report's authors.

In terms of the M&A market outlook for the first half of 2023 in the CEE region, inflation and high interest rates have posed significant challenges. Despite a decline in both the volume and value of transactions, investors remain optimistic about a potential recovery in the second half of the year. Strategic investors from all over the world continue to show interest in consolidating their positions in the CEE region, while the medical, energy, and technology, media, and telecommunications sectors present promising opportunities.

The report also highlights the ongoing transformation in due diligence practices. While traditional on-site reviews have shifted to virtual data rooms (VDRs), the next breakthrough is anticipated to be the integration of AI in due diligence processes. The CEE Expert report underlines the immense potential of AI in various sectors, including M&A, as it continues to evolve and reshape industries.

The report features comments by international experts in mergers and acquisitions, capital markets, investments and compliance, legal advisers from **Grant Thornton**, **JP Weber**, **Value4Capital**, **Pathfinder**, **NEWTON & Pandion Partners**, **MFW Fiałek**, **OakNorth Bank** and **Fordata** among others.

The report is available for free [here](#).

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