

Warsaw, 10-10-2022

**Navigator Capital and FORDATA:
In Q3 2022, 74 mergers and acquisitions were carried out in Poland**

The M&A Index Poland report prepared by FORDATA and Navigator Capital shows that in the third quarter of 2022, 74 mergers and acquisitions were carried out on the Polish market. In terms of industries, the Media / IT / Telecom (19%), Biotechnology (18%) and FMCG (9%) sectors dominated.

The highest-value acquisition of all M&A transactions with a disclosed price announced in the third quarter of 2022 was the sale of Curiosity Diagnostics by Scope Fluidics, a company listed on NewConnect, to Bio-Rad Laboratories. As announced in the official statement, the amount paid after signing the contract is USD 100 million, while after meeting certain conditions contained in it, the value of the transaction may be increased by another USD 70 million. Curiosity Diagnostics is an entity whose main activity is work on PCR ONE - a device capable of quickly detecting bacterial and viral infections. The acquisition of the rights to the device with the company by a company included in the S & P500 index allows us to assume that the commercialization time of a new technological solution will be shortened, while Scope Fluidics received, under the transaction, an amount covering at least ten times the costs incurred for research and development.

The Media / IT / Telecom sector has traditionally been distinguished by the largest number of completed acquisition processes. Wirtualna Polska Holding was very active, taking over 3 entities for a total amount of PLN 454 million. The first to be announced was the acquisition of the Hungarian szallas.hu - a hotel booking entity operating in 7 countries and offering over 75,000 accommodation facilities. Another acquisition was the purchase of Benchmark - a website established in 1997 as a performance ranking for people interested in the performance of computer hardware. At the end of the quarter, the purchase of Audioteka, a website selling audiobooks, was also announced. The conducted transactions are intended to support the activities of the main companies from the WPH group, being the implementation of the announcement of a stronger entry into the subscription model and expansion into foreign markets. Similarly to the previous periods, it was possible to observe consolidation processes on the medical services market. In the third quarter, most transactions were made among dental clinics, the market of which is consolidated by Dentity and United Clinics. In addition to the portfolio companies, Tar Heel Capital and Innova Capital, respectively, Medcover and Enel-Med also made transactions on this market.

“Current geopolitical situation has a significant impact on the level of uncertainty in the economy, which doesn't mean a pulled brake on the M&A market. In 3Q2022 there were 74 transactions, 6 more than in the corresponding period of the previous year, which proves the good condition of this market. The following quarters remain a challenge for companies due to rising inflation and energy costs as well as threats related to supply chains, which may be a motive for further consolidation transactions aimed at mitigating the existing risks.” –Artur Wilk, M&A Manager at Navigator Capital

The dominant group of sellers were private investors, responsible for 76% of M&A processes. This time, a decrease in involvement in sales processes was observed among financial investors who were the selling party in 8% of transactions. Acquisitions in the energy market are also noteworthy. There were 6 of them in the last three months, compared with 5 in the first quarter (realized by Lotos) and 2 in the 2nd Q. Their character was also more varied. Consolidations of the photovoltaic sector had the

largest share in the industry - RWE acquired 100% shares in Alpha Solar, EDP Energia Polska - 100% shares in Zielona-Energia.com, while Galileo Green Energy acquired a 35% stake in a photovoltaic systems installer for the Pagra business.

As could be expected, the armed conflict in Ukraine did not go unnoticed on the Polish M&A market. Economic sanctions and the desire to be removed from the list of companies subject to these sanctions was undoubtedly one of the reasons for getting rid of subsidiaries operating on the Russian market. In the third quarter, we recorded two transactions on the Polish-Russian market. One of them was the employee buyout of the raw material producer Maga Foods from its Russian co-owners. Hortex, on the other hand, sold the company Ortika Frozen Foods to Agama Group, a leading producer of frozen foods in Russia.

„74 transactions recorded in Q3 are therefore still a high result, which in the yoy perspective is approx. 8% higher. The uncertainty caused by the rise in inflation, interest rates and energy commodity prices, as well as the war in Ukraine, did not put the mergers and acquisitions on hold, as was the case at the peak of the pandemic.- Marcin Rajewicz, Account Manager at FORDATA

Comprehensive information summarizing the activity on the Polish M&A market in the 3. quarter of 2022 can be found in the M&A Index 3Q 2022 Poland report prepared jointly by Navigator Capital and FORDATA. All reports are available [at the link](#).

contact for media

NAVIGATOR CAPITAL GROUP

Artur Wilk
m: +48 881 700 119
e: artur.wilk@navigatorcapital.pl

FORDATA

Aleksandra Prusator
m: +48 506 044 056
e: aleksandra.prusator@fordata.pl