

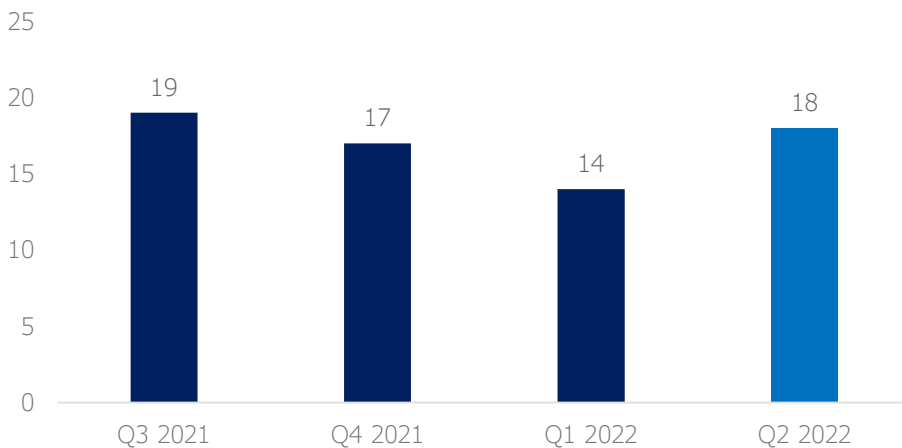
Market Update IT Services & Software in Central & Eastern Europe

- 1 Market Overview
- 2 Sector Snapshot
- 3 Public Markets
- 4 Notable Deals

The deal activity in Central & Eastern Europe remains steady as buyers continue to show interest in this region in efforts to add off and nearshore capabilities as well as to capture the region's expertise in the IT space. We believe the underlying M&A trends in Central & Eastern Europe, specifically in Poland, Romania, Bulgaria and Hungary, will continue throughout 2022 given the region's high concentration of IT/Software talent, time zone advantage, and agile delivery methods.

7 Mile recorded 18 deals in the Q2 of 2022, a 29% increase compared to Q1 2022. Deal valuations remain high as both strategic and financial buyers have been aggressive over the past six months acquiring software development, cloud analytics, and digital commerce service companies across all countries in Central & Eastern Europe.

of M&A Deals in Central & Eastern Europe



7MA has completed numerous M&A transactions for companies with outsourced operations and / or delivery centers in Central & Eastern Europe and has developed unparalleled deal expertise and knowledge of the industry trends, valuation trends, and most active strategic and financial buyers. Please contact Kristina Sergueeva, Iliia Ulianchuk, or Nic Anderle if you would like to learn more about IT Services & Software across Central & Eastern Europe.

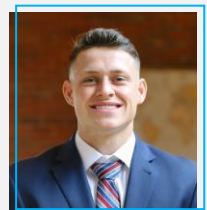
Sector Coverage Team



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Sector Snapshot

Inetum acquires Polish IT Services and Digitization Firm JCommerce



Inetum has acquired Polish IT firm JCommerce. Jcommerce specializes in technology consulting, IT transformation strategies, software development, and business intelligence tools. With over 300 employees and a portfolio of solutions, Jcommerce has established itself as a digitization partner for large accounts in the Financial, Retail and Healthcare sectors throughout Central and Eastern Europe. The transaction is significant for Inetum's growth as it will enable the Group to strengthen its local leadership and at the same time double the size of its offshore platform in Poland. In addition, it will enable existing clients to access more advanced technological solutions.

Date: April 19, 2022

Deal Type: M&A

Target HQ: Poland

Kin + Carta Acquires Melon AD, Expanding Digital Transformation Capabilities

KIN+CARTA



Kin + Carta, the global digital transformation consultancy, completed the acquisition of Melon AD and its subsidiaries, a privately held digital transformation consulting firm with a presence in Bulgaria, North Macedonia, and Kosovo. Melon is a fast-growing software engineering business with a 300-strong team of web, mobile, and data specialists providing software development and consulting services. The acquisition bolsters Kin + Carta's pure-play digital transformation capabilities while expanding the service capabilities and geographic reach of the publicly listed B Corp's purpose-driven global growth strategy.

Date: May 10, 2022

Deal Type: M&A

Target HQ: Bulgaria

Most Notable M&A Sectors in Q2 2022 in Central & Eastern Europe

Software
Development
& Digital
Engineering

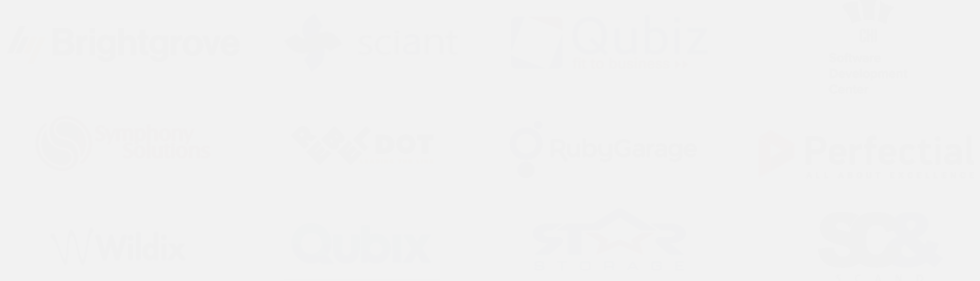
Data Analytics
and AI & ML

Digital
Commerce

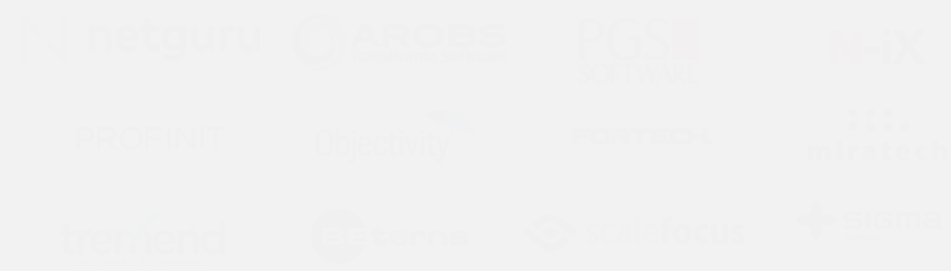
Market Landscape

Annual Revenue, USD

5-25M

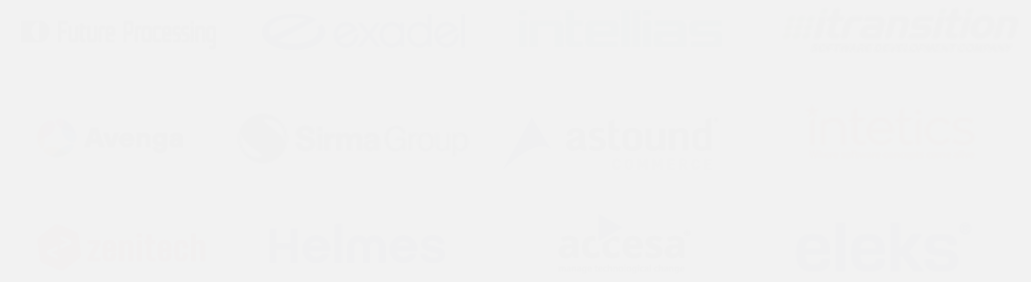


25-50M

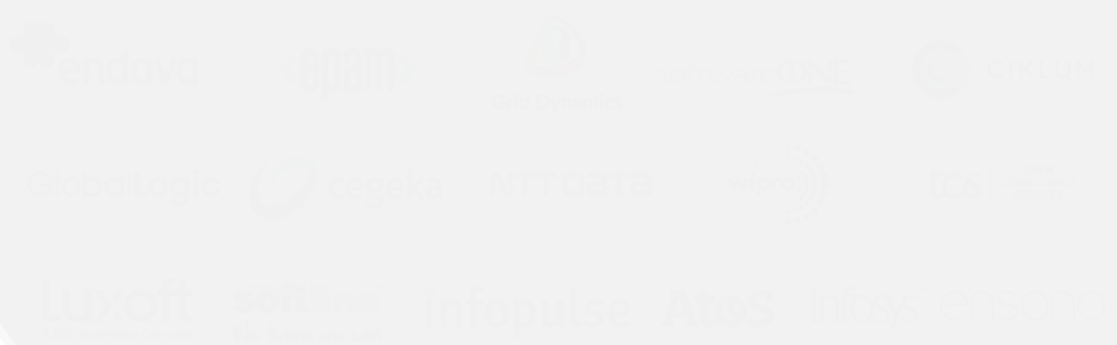


50-100M

Please reach out to 7MA team to get access to the full list.



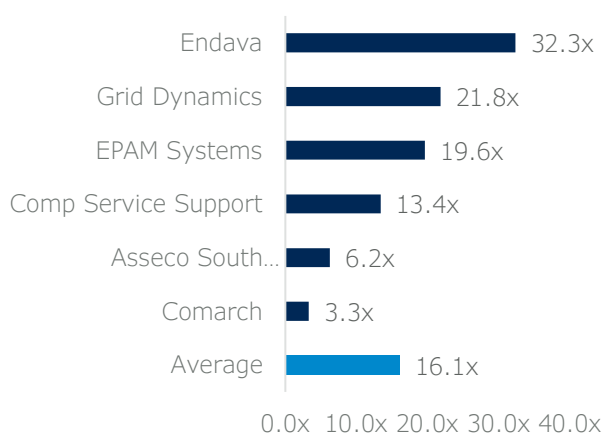
>100M



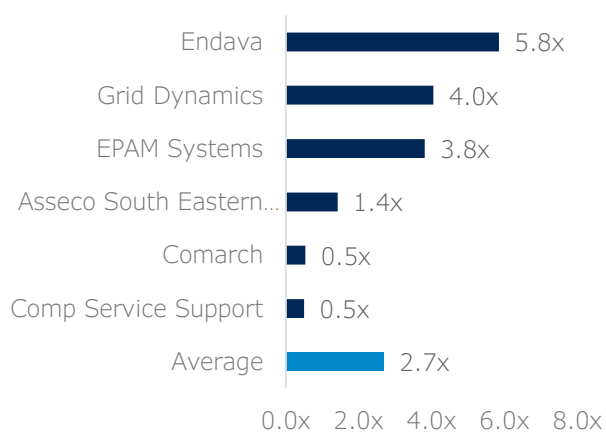
Publicly-traded IT Services & Software Companies – Central & Eastern Europe – Q2 2022

Companies	TEV \$m	LTM EBITDA \$m	LTM Rev \$m	Rev Growth YoY	GP %	EBITDA %	TEV / Rev X	TEV / EBITDA X	# of FTEs	Rev / FTE \$k
EPAM Systems	15,800	806	4,149	41%	34%	19%	3.8x	19.6x	58,000	27
Endava	4,857	150	830	27%	34%	18%	5.8x	32.3x	11,001	44
Grid Dynamics	984	45	244	90%	41%	19%	4.0x	21.8x	3,671	27
Asseco South Eastern Europe	420	67	296	-	27%	23%	1.4x	6.2x	3,490	12
Comarch	225	68	420	6%	29%	16%	0.5x	3.3x	5,206	4
Comp Service Support	26	2	53	-21%	23%	4%	0.5x	13.4x	223	12
Average	3,719	190	999	29%	31%	16%	2.7x	16.1x	13,599	21
Median	702	68	358	27%	31%	18%	2.6x	16.5x	4,439	19

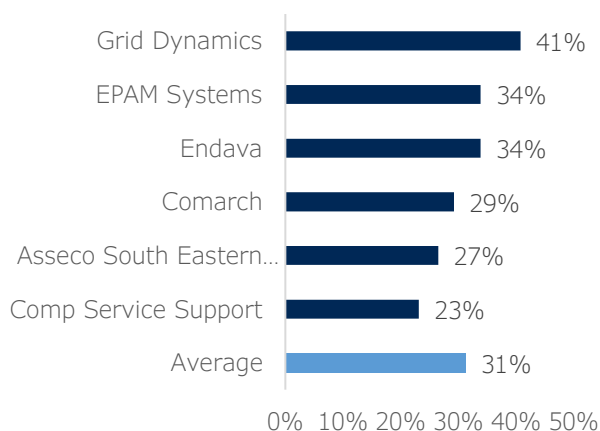
TEV / EBITDA X



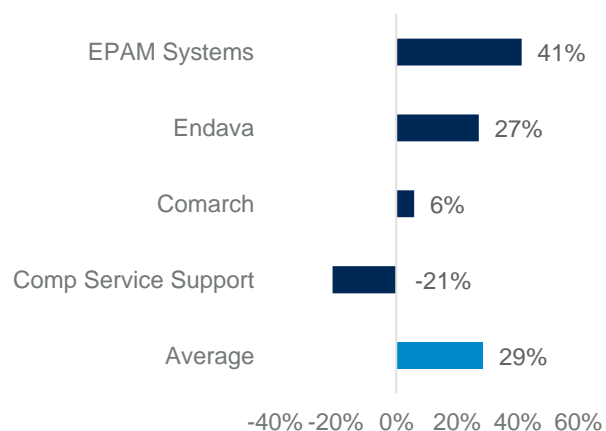
TEV / Rev X



Gross Margin %



Rev Growth YoY



Q2 2022 M&A Transactions

Date	Target	Buyer / Investor	Target Description
April 19, 2022			All for One Group SE acquired a majority stake in SNP Poland, Poland's leading provider of SAP services with a team of more than 400 employees. In the first six months of 2021, SNP Poland generated revenues of around EUR 13 million and an operating profit (EBIT) of EUR 1,0 million. Recurring revenues from cloud and software maintenance services account for roughly 50% of all earnings. The acquisition by All for One Group will boost their growth strategy, especially in the field of SAP S/4HANA transformation and for large international projects.
April 27, 2022			Wipro completed the takeover of Metro Systems Romania for \$54.76m as part of its digital and IT partnership with Metro AG. In December of last year, Wipro had announced signing a USD \$700-million digital and IT partnership with Metro AG that also entailed over 1,300 staff of the German wholesaler moving to the Bengaluru-based IT firm.
May 16, 2022			Total Specific Solutions (TSS) acquired a majority share of Sygnity SA, an IT services provider and implementation partner, operating in Poland for over thirty years. TSS has acquired a controlling stake in the business and controls the company through the Supervisory Board. This acquisition will allow Total Specific Solutions to use Sygnity as a platform to build a leading group of Vertical market software companies in Poland by using the company's already established presence in the space.
May 24, 2022			Sudop CIT, a Czech-based engineering and consulting services company has acquired Profiq, an information technology company. Profiq is a Czech company building complete software products and technologies, including platforms, frameworks, server-side applications, and developer tools for identity and access management, finance, mobile and desktop virtualization. The acquisition strengthens Sudop CIT's position in the Czech and Central European market.
June 8, 2022			DexMach, an IT cloud services company based in Belgium, has been acquired by Cegeka, a portfolio company of Gimv. The company offers cloud advisory sessions, cloud transformation programs, managed services and automation, and cloud migration in a secure, controllable and sustainable way. Through the acquisition, Cegeka will further strengthen its position in the field of the public cloud.
June 14, 2022			Do IT Wise, a Bulgarian IT consulting services company, has been acquired by Inetum, a subsidiary of Mannai Corporation. The company specializes in offering strategic advice, consulting, implementation, training, and support on its cloud-based workflow automation platform. The acquisition will help Inetum to expand its capabilities by offering its clients enhanced expertise and proven operational capacity.

About 7 Mile Advisors

7MA provides Investment Banking & Advisory Services to the Business Services and Technology Industries globally. We advise on M&A and private capital transactions and provide market assessments and benchmarking. As a close-knit team with a long history together and a laser focus on our target markets, we help our clients sell their companies, raise capital, grow through acquisitions, and evaluate new markets. All securities transactions are executed by 7M Securities, LLC, member FINRA / SIPC. For more information, including research on the M&A markets, visit www.7mileadvisors.com.



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Notable 7 Mile Transactions

 <hr/>	 <hr/>	<p>Microsoft Business Unit of</p> <hr/>	 <hr/>
 <hr/>	 <p>GGA Software Services LLC</p> <hr/>	 <hr/>	 <hr/>

