Emerging Europe M&A Report

2020/21

In cooperation with

EMIS

In, On and For Emerging Markets

January 2021

Headline deals in emerging Europe

HIDROELECTRICA

Advised **Hidroelectrica** on the acquisition of an operational 108 MW wind farm located in Constanta county, Romania, from **STEAG group**.

TIS GROUP

Advised **TIS Group** on the joint venture transaction whereby **DP World**, one of the worlds' largest port operators, enters Ukraine directly for the first time.

ADVENT INTERNATIONAL

Advised **Advent International** and its portfolio company **Zentiva** on the acquisition of the CEE business of **Alvogen**, which markets over 200 generic and over-the-counter products.

VIVACOM

Advised the sellers on the sale of **Vivacom** to United Group backed by its major shareholder, **BC Partners**.

KIWI.COM

Advised the shareholders in **Kiwi.com** on the sale of a stake in the company to **General Atlantic**.

FREUDENBERG

Advised **Freudenberg Performance Materials** on the acquisition of **Filc**, a Slovenia-based producer of needle punch nonwoven textiles and laminated materials.

OTP

Advised **OTP** on its strategic expansion in CEE by acquiring the local banking, financial leasing and insurance subsidiaries of **Société Générale** across six CEE jurisdictions.

LIBERTY GLOBAL

Advised **Liberty Global** on the CEE aspects of the EUR 18.4bn sale of its European assets to **Vodafone**.

NBG

Advised **National Bank of Greece** on the sale of a portfolio of EUR 174m corporate non-performing and sub-performing loan portfolio to **Bain Capital Credit Group**.

PPF

Advised **PPF Group** on its acquisition, together with **Sabanci**, of Turkish vehicle producer **Temsa Ulasim Araclari Sanayi ve** from **True Value Capital Partners**.

AFI EUROPE

Advised **AFI Europe** on the EUR 300m acquisition of a Romanian real estate portfolio from **NEPI Rockcastle**.

PORSCHE DIGITAL

Advised **Porsche Digital** on a series of industry investments in Croatia, including the latest, 2020 investment in Croatian software developer **Infinum**.

ENEL GREEN POWER

Advised **Enel Green Power** on the sale of a 42 MW wind park in Bulgaria to the Switzerland-headquartered energy company **MET Group**.

PIB GROUP

Advised **PIB Group**, a British insurance intermediary group, controlled by **Carlyle** on the acquisition of **WDB**, a leading independent insurance broker in Poland.

GREEN GENIUS

Advised **Green Genius** on the sale of a 40.4 MW turnkey portfolio of ground mounted solar photovoltaic farms in Poland to **Aberdeen Standard Investments**.

Image: NASA

Contents

Introduction

In 2020 we counted 1,705 deals with a total value of EUR 60.80bn in emerging Europe, respective year-on-year decreases of 12.9% and 16%. It will not come as a surprise that this the lowest number of deals for the region in the ten editions of this report that we have published. Then again, after a year characterised by the COVID-19 pandemic, in which deals were protracted, postponed or simply abandoned, it is probably not as bad as many of us may have imagined. While deal numbers in Q4 remained subdued, we experienced the highest deal value for the final quarter of the year since 2016.

After many years of decline, in recent years the annual dealflow in emerging Europe had started to steadily settle around the 2,000 mark. In last year's report, we predicted that the region would maintain its attractiveness to investors and we had great confidence in the deal pipeline. We felt that uncertainties around China-US trade relations, Brexit and the US presidential elections would have little impact on the region's dealflow. As the year showed, global political uncertainties are no competition for a pandemic when it comes to slowing down M&A activity.

However, deals did continue and compared to other global emerging markets, such as Emerging Asia and Latin America, the region performed quite well.

The Emerging Europe M&A Report takes a closer look at the trends and data on a country-by-country and on a sector basis. The impact of the economic slowdown was relatively evenly spread across the region, but there are always some countries that buck the trend. Poland experienced a year-on-year increase in deal volume while witnessing the highest deal value since 2011. Bosnia and Herzegovina and Turkey saw deal values spike compared to 2019.

South-eastern Europe was quite stable overall with markets such as Romania, Bulgaria and Croatia all seeing only modest drops in deal volumes. From the usual top performers, Czech Republic was probably the hardest hit with a 24.7% decrease in transactions; however, these are still better numbers than the country posted in 2012 in the slipstream of the financial crisis and as reported in the CMS Emerging Europe M&A Report at the time.

A great deal has been written about winners and losers in terms of sectors, rather than focusing on some of these unforeseen developments, the articles in the report focus on some of the trends that had set in before the pandemic hit. In fact, some of these developments were accelerated by it: the advance of Telecoms & IT in terms of deal volume—taking the top spot from Real Estate & Construction—and continued investment in renewable energy, driven by climate goals, the demand of clean energy by technology giants, and the overall drive for sustainability.

Two articles provide a more detailed look into how specific companies are faring, a close-up on the Croatian conglomerate Fortenova and where it stands two years after its restructuring, and a fireside chat with Tereza Ber, general counsel at Zentiva, about the company's takeover of the CEE business of Alvogen.

We also take a look at the region's IPO activity. The Warsaw-listing of Allegro is a testimony not only to the success of ecommerce in these new times, but also to the increased interest in an exit through the stock exchange. After seeing only 14 IPOs in 2019, this rebounded to 26 in 2020. Through dual-track sales processes sellers want to make the most of the competition between a trade sale and IPO, and with new records set on stock exchanges throughout the world towards the end of 2020, it will likely remain an attractive prospect.

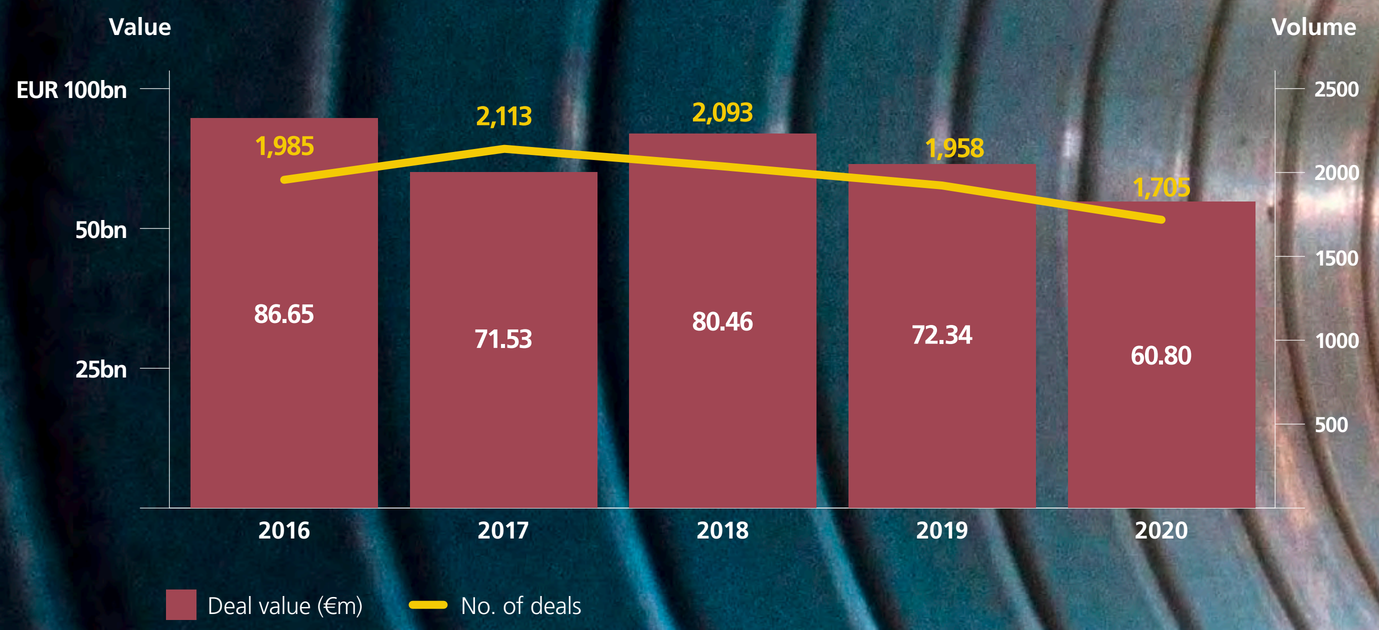
One development that we noted in 2019 did reverse last year. While cross-border investment into the region decreased by 34.3%, domestic deal activity picked up by 18.4%, reaching a total of 764 and 941 transactions respectively. Overall, investors based closer to the region remained more active than those further away, and in particular investors from the US, China and Japan made fewer acquisitions in emerging Europe. We look at what keeps attracting western European investors to the region.

The restrictions on our freedom forced us to live differently: we work from home, shop online and meet friends virtually. Although a vaccine may soon allow us to return to "normal", the last year is likely to have a lasting impact on our behaviour. As businesses that benefit from this new economy grow, so does interest from investors. On the flip side, those companies that have had to count their losses may become interesting targets too. While some companies will see the need for a capital injection to survive, others will be looking for investment to help it capitalise on their success.

Horea Popescu
Partner, CMS Romania/CEE
horea.popescu@cms-cmno.com

Radivoje Petrikić
Partner, CMS Austria/SEE
radivoje.petrikic@cms-rrh.com

2020 dealmaking in emerging Europe at a glance



Activity in the region's largest markets

526	282	184	136	119
EUR 30.02bn	EUR 11.65bn	EUR 7.86bn	EUR 2.62 bn	EUR 2.74bn
Russia	**Poland**	**Turkey**	**Romania**	**Czech Republic**

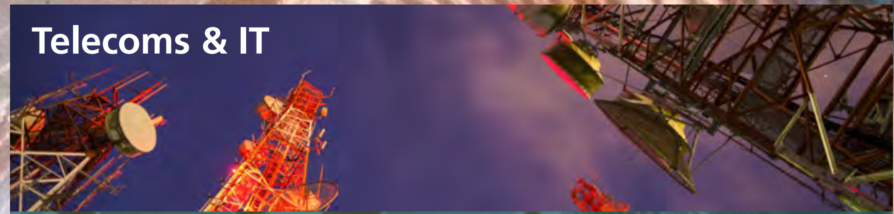
US most active international dealmaker

94 deals

The Netherlands biggest investor by value

EUR 5.83bn

Telecoms & IT



Busiest sector by deal number, 333 in total (value: EUR 12.97bn). Followed by Real Estate & Construction (310 deals, EUR 9.46bn) and Manufacturing (236 deals, EUR 5.47bn).

Private Equity

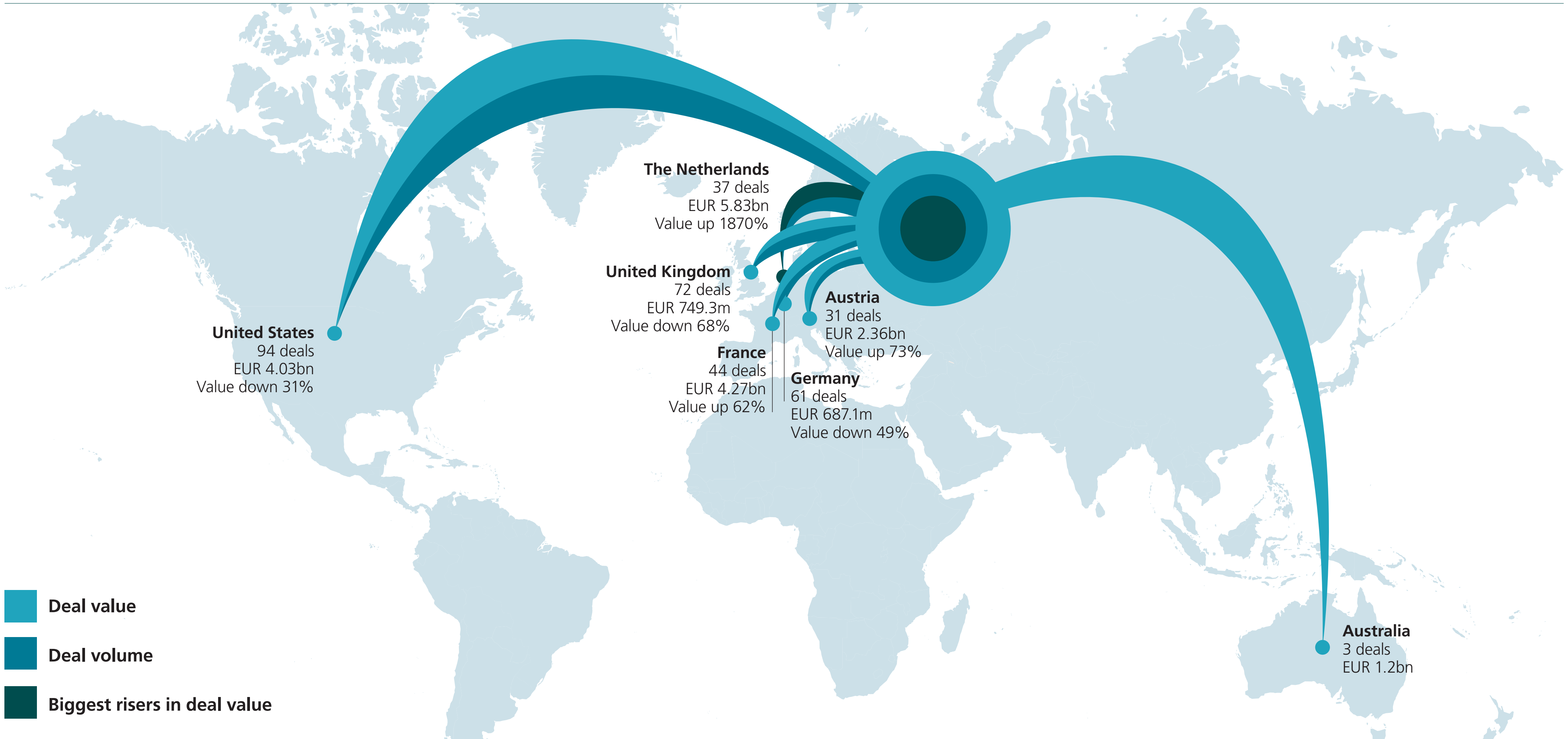
Continued increasing its share in overall dealmaking in the region, with involvement in 319 deals (18.7% of total volume).

Capital Markets

Capital markets bounced back: 26 companies from the region listed for the first time in 2020, nearly double that of 2019 (14) and the highest number since 2015. The value of IPOs reached EUR 4.79bn.

The global picture:

An overview of international M&A investment streams



Leading countries by deal value

Buyer country	FY20 Value, EURm	%
Netherlands	5,832.0	**1870%**
France	4,265.4	**62%**
United States	4,029.0	**-31%**
Austria	2,357.7	**73%**
Australia	1,200.0	**N/A**
Singapore	1,143.2	**88%**
Spain	800.0	**1605%**
Denmark	757.1	**204%**
United Kingdom	749.3	**-68%**
Germany	687.1	**-49%**

Leading countries by deal volume

Buyer country	FY20 Deals	%
United States	94	**-23%**
United Kingdom	72	**-3%**
Germany	61	**-27%**
France	44	**-21%**
Netherlands	37	**48%**
Austria	31	**-39%**
Sweden	25	**4%**
Switzerland	22	**-15%**
Luxembourg	21	**91%**
Finland	17	**-6%**

Cross-border Deal volume

2019: **1,163**
2020: **764**

34.3% decrease from 2019

Domestic Deal volume

2019: **795**
2020: **941**

18.4% increase from 2019

Cross-border Deal value, (EUR, bn)

2019: **51**
2020: **35**

31.5% decrease from 2019

Domestic Deal value, (EUR, bn)

2019: **21.3**
2020: **25.8**

21.2% increase from 2019

Transaction trends: Covid-19 made for a cautious 2020, but there was no lockdown in M&A

Twenty-twenty was a year when overall dealflow dropped in the wake of the crisis caused by Covid-19 pandemic. After the initial shock, dealmakers adapted to the "new normal" and pushed on with M&A work, although at a slower pace than previously. Some countries and sectors saw robust activity, but it was a difficult year for most, rounded off by hopes that the rollout of vaccines would signal a recovery in 2021.

Dealmakers started 2020 cautiously optimistic about global economic growth, the easing of trade tensions between the US and China, and a more sanguine view of Brexit. The Covid-19 pandemic was unexpected and its consequences were devastating not just on people's health but on economic activity, which was almost brought to a halt by the restrictions put in place to combat the crisis. Horea Popescu, corporate partner in CEE at CMS, said: "Overall, the region responded quickly and firmly, and the economic effects were not as severe as they might have been previously. Many deals did not happen, but since the autumn we have seen a pipeline of activity that is a good sign for 2021."

The impact on overall M&A in emerging Europe was clear. Deal volumes fell by 12.9% over the year and values were down 16%, bolstered by 11 megadeals worth more than EUR 1bn, up from 10 in the previous year. The final figures were lifted by a bounce back in the fourth quarter with EUR 24.3bn of deals, the strongest quarter since the spring of 2019, contributing to the strongest second half since 2017.

The impact of Covid-19

Helen Rodwell, corporate partner in CEE at CMS, said: "The surprise was not so much that dealflow dropped in the wake of the pandemic, but how well it held up and how confidence started to return as the year went on. There were a lot of transactions in the pipeline at the end of the year, which points to a wave of pent-up activity to be unleashed during 2021."

Equity markets fluctuated and oil prices dived. For some sectors, such as hospitality and travel, the pandemic was calamitous. For others, such as retailing and financial services, it accelerated a move to digitalisation that was already under way, providing a boost for companies in the IT sector and digital infrastructure providers.

Along with millions of others, those in the M&A world had to get used to working from home. Their most valued tool was no longer their frequent flyer card, but a quiet corner of the home to work undisturbed at their laptop. Negotiations were conducted by phone and in cyberspace instead of face-to-face as sellers, buyers and advisers worked around the challenges of travel restrictions.

For some types of investment, such as windfarms and solar arrays where deals involved assets rather than management teams, it was not so much of a setback. For more complex transactions where site visits and the opportunity to assess culture are an important part of decision making, it was an added layer of complexity.

Confidence vs uncertainty

Economic uncertainty made reaching valuations more difficult, particularly during the early phase of the pandemic when financial markets were hit by a wave of volatility. Helen Rodwell said vendors in particular were unnerved, adding: "My experience is that sellers' behaviour was erratic and unpredictable. Reaching commercial alignment became more difficult than it was previously and closing deals took longer."

Although government support schemes varied, such as furlough payments, loan moratoria and tax breaks, the combination of government support and business self-help calmed the turbulence. Graham Conlon, corporate partner in CEE at CMS, said: "Before Covid-19 there was some hesitation because of uncertainty about the global economy. After the initial shock of Covid-19, there was more clarity about its impact and the outlook, such as which areas would be hardest hit and which might benefit."

Sectors

The acceleration of the trend towards digitalisation has cut across all aspects of business. It has focused attention on the benefits of being able to switch to the digital world and the realisation that in many areas of life, this will be a permanent change.

Those trends were responsible for driving telecoms and IT to the top of deals table by volume with 333 transactions, up from 300 in the previous year, and second by value at EUR 12.97bn. The sector accounted for six of the 20 largest deals in region, including the third largest, the EUR 3.69bn purchase of Play Communications in Poland by Iliad of France. Significantly, that transaction also resulted in Cellnex of Spain joining Iliad in purchasing Play's mobile tower network, illustrating the huge potential in digital infrastructure. In terms of e-commerce, the listing of Allegro, Poland's equivalent of eBay, saw it become the biggest company on the Warsaw exchange.

Mining (incl. oil & gas), was the top sector by value at EUR 14.1bn, despite falling deal volumes. Although real estate and construction was pushed into second place by volume and third by value, it remained a stalwart of M&A activity across the region and enjoyed a record start to the year across Europe. One area of intense activity has been logistics and warehousing, to support the growth in e-commerce, which was the only sub-sector to see increased activity, up from 39 to 54 deals during the year. The financial sector enjoyed 12 additional deals and a 39% rise in value, lifted by some of the region's largest transactions, including the purchase of the regional businesses of AXA by Uniqa Insurance of Austria and those of Aegon by Vienna Insurance Group. Partially driven by consolidation in the sector in emerging Europe, financial services deal activity also benefitted from the strong global interest in payment services, resulting in transactions such as Nets' acquisition of Polskie ePlatnosci and Innova Capital's acquisition of the Romanian operations of PayPoint Services. The sale of the Romanian business of the insolvent Wirecard also saw payment service provider SIBS enter the regional market.

Horea Popescu said: "I think two areas will be the stars for 2021. Technology and e-commerce are very exciting and

Bozidar Djelic,
Head of Central and Eastern Europe
and former Soviet Union, Lazard

we've already seen how they can create so-called unicorns worth more than EUR 1bn. The other is renewable energy. Money is being poured into green and clean energy. This trend isn't unique to Central and Eastern Europe and it's not limited to any particular countries because of the commitments to increase the share of renewables."

Although most sectors saw a decrease in deal activity, the burden was not spread equally among them. While real estate, manufacturing, wholesale and retail and energy were particularly hit hard, general services, food & beverage and education and healthcare saw much smaller decreases in deal numbers.

Countries

The International Monetary Fund forecast in October that the global economy would shrink by 4.4% in 2020 and rebound by 5.2% in 2021, in what it called a "long, uneven and uncertain ascent".

In CEE, Poland was the standout market in terms of deal numbers and values. Volumes climbed by 9.3% to 282 deals and values by 6.6% to EUR 11.7bn. If there were concerns among investors about the country's political direction, it was not reflected in the enthusiasm of foreign investors to do business in Poland, nor in domestic deal activity. Add to that the activity on the Warsaw Stock Exchange, and particularly the IPO of e-commerce platform Allegro, and Poland has seen the third highest deal values we have recorded in the past decade after 2011 and 2013.

Russia saw deal numbers drop 12.6% to 526 and values by 16.2% to EUR 30bn. Five deals came in above EUR 1bn, including two oil deals worth a combined EUR 9.8bn, against six in the previous year. M&A activity in Russia was almost paralysed by uncertainty because of Covid-19, but the market showed it was capable of adapting and operating in the "new normal", according to Moscow-based CMS partner Vladimir Zenin. Despite that, it remains the largest market for dealmaking in the region.

He said: "Russian businesses continue to take the lead in big mergers and acquisitions, more than in any year since the introduction of sanctions. The share of foreign investors has drastically decreased, but a notable exception was Chinese funds and companies which will likely continue searching for lucrative investment opportunities in line with the Chinese government's policy to focus investment along the Belt & Road Initiative."

In Ukraine, hopes of further growth on the back of reforms under the new president, after a surge in activity in 2019, failed to materialise. There was a 31.1% drop in deals and values fell by 55.3%.

Maria Orlyk, CMS partner, Ukraine, said: "Ukraine followed the global decline in M&A. Despite the interruption of the growth trend of previous years, we remain optimistic about the revival of investors' activity. Telecoms and IT remains among the sectors with the highest transaction values and we see plenty of potential for years to come."

In Hungary, deal values fell 41.9% to EUR 960m despite being lifted by the EUR 549m purchase of Aegon's Hungarian business by Vienna Insurance Group. Deal numbers were down 57.1%.

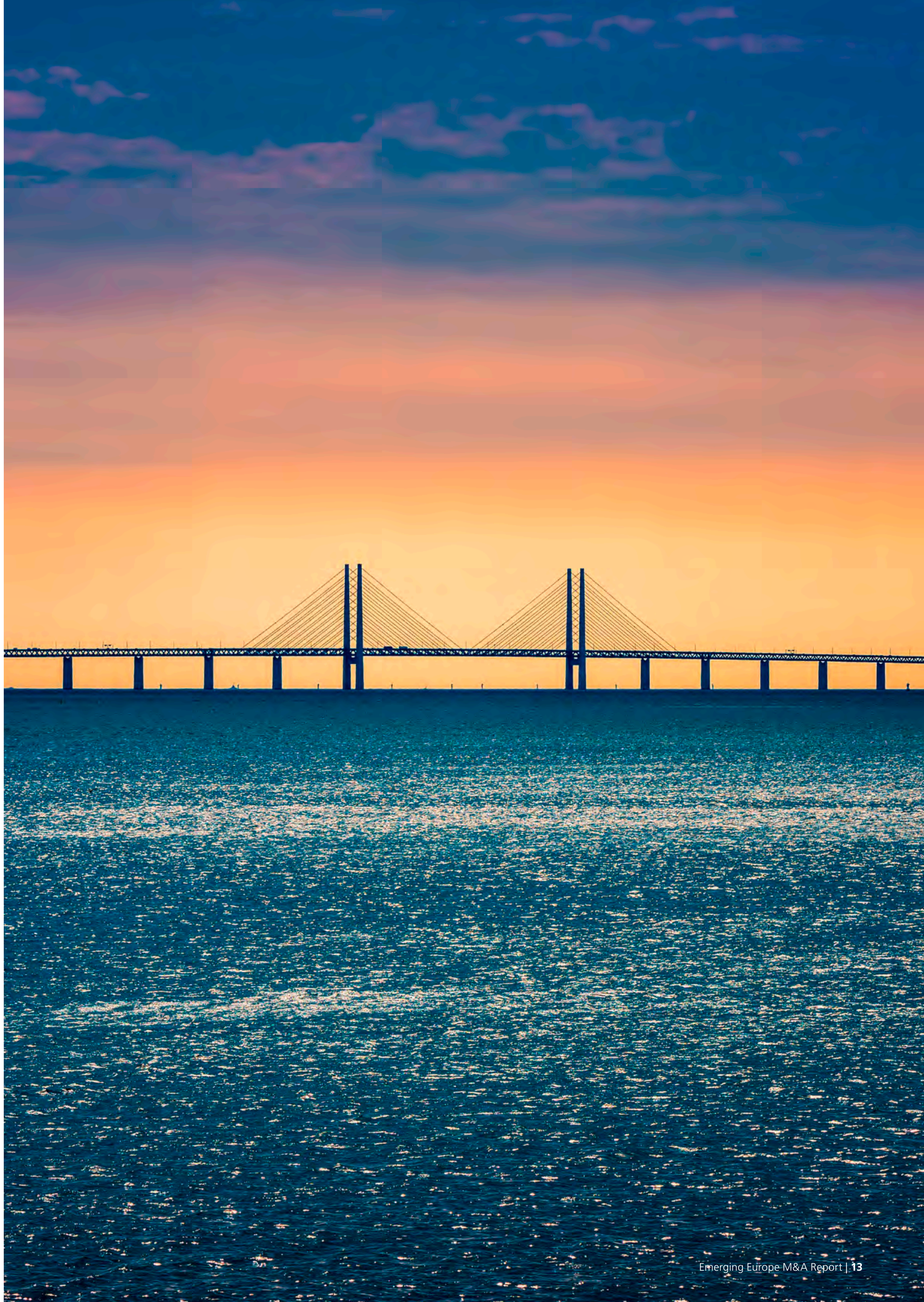
In the Czech Republic, which usually produces a stable flow of deals, volumes fell 24.7%, while a 51.7% drop in values reflected the lack of any deal in excess of EUR 1bn, even though such sizeable transactions had become common in previous years. In Slovakia, following a record 2019, volumes dropped 49.2% to 30 deals and values fell by 75.6%.

Interest in Romania remained robust with transaction numbers down less than 5% and values just 6.9% lower, supported by the EUR 1.2bn purchase of the assets of CEZ by Australia's Macquarie Infrastructure and Real Assets.

Deal numbers in Bulgaria were down by 10%, while values fell by 78.1%, as only two transactions managed to reach the EUR 100m threshold, against five in the previous year.

Croatia's transaction values fell by 37.8%, despite a EUR 170m investment in Infobip by One Equity Partners of the US, as deal volumes remained steady, down just 2.3%. In Slovenia, volumes dropped 22.5% and values fell by 48.1%.

Serbia's deal numbers dropped 23.4% and values by 24.7%, despite the EUR 386m purchase of a majority stake in Komercijalna Banka by NLB of Slovenia. Bosnia & Herzegovina's year-on-year volumes were down 7.1%, but



values rose by 7.2%. Albania enjoyed a 42% increase in deal values, despite a drop in volumes, while there was little activity in Montenegro.

Despite fewer transactions, Turkey's deal values surged by 80.4% to EUR 7.9bn, lifted by the EUR 1.6bn acquisition of Istanbul-based Peak Games by Zynga of the US. Founded in 2010, Peak had become one of the world's leading mobile games companies behind franchises such as Toon Blast and Toy Blast.

Private equity

Private equity funds have consistently grown their share of M&A in the region and emerged from 2020 in strong financial shape. Like other investors, they may have been cautious at times as they assessed the outlook, but it did not hamper dealflow, steady at 319 transactions, with only a modest impact on values, down just 11.1%. The impact of private equity can be illustrated by the fact that it now accounts for nearly one-fifth of the total volume of deals in emerging Europe. When this report was first published in 2011, the corresponding figure was just 6%. Real estate saw the most PE investment by deal numbers, while telecoms and IT enjoyed increased transaction levels and was number one by value. Finance and insurance was third by value after the number of PE deals in that sector more than doubled.

Graham Conlon said: "We haven't seen any change in the appetite of private equity funds and anecdotally they were busier than ever in the second half of 2020. They have a life cycle and are committed to spending a certain amount from their funds over a period of time."

Investment bank Lazard played a leading role in some of the region's largest deals of 2020, including Allegro's IPO in Poland and Iliad's purchase of Play. According to Bozidar Djelic, Head of Central and Eastern Europe and former Soviet Union, and Christophe Gehen, director, at Lazard, secondary buyouts will continue to represent a significant share of private equity activity in the region, with an increase in succession-driven transactions.

George Mucibabici, Head of Investment Banking, Raiffeisen Bank Romania

They said: "In traditional sectors, for the first generation of entrepreneurs, parting with the result of heroic efforts of an entire lifetime proves to be a wrenching decision. On the other hand, young entrepreneurs in the technology and digital space have a much more transactional approach as they expect to launch several ventures during their career."

However, they cautioned that the IPO scene was polarised, with clear winners disproportionately rewarded and those with an unclear equity story lagging behind, adding: "Companies should not rush to the market, they should carefully prepare for it, as it is an unforgiving environment."

Foreign and regional

European investors underpinned international M&A activity in the region. Of the top ten foreign investors, by deal numbers nine came from Europe, and by value seven. Although numbers and values fell in total, some countries increased the number and value of deals. The UK overtook Germany to be the second largest origination market by volume despite a modest drop, though deal values were down significantly. Investors from the Netherlands topped the list by value as deals surged from EUR 296m to EUR 5.8bn on a 48% rise in deals, while the value of deals from France was 62% higher than the previous year. Austria, Spain and Denmark were among those to see values rise.

The US remained the largest foreign investor by volume, despite a 23% drop to 94 deals, although it was pushed into third place by value after a 31% fall. Investment from China and Japan—usually in the top five investment origination markets by value—dropped significantly and were overtaken by Singapore from where investment in emerging Europe rose by 88% to EUR 1.1bn.

If cross-border M&A reflected the bigger picture, with deal numbers down 34.3% to 764 and values down 31.5% at EUR 35bn, this was not the case for domestic deal activity within countries in emerging Europe. Domestic deal numbers jumped 18.4% to 941 and by 21.2% by value to EUR 25.8bn. Russia, Poland, Turkey and the Czech Republic were the busiest dealmakers from within the region.

Deal drivers

For those businesses kept alive by government support, 2021 may bring distressed disposals. But the main drivers of M&A are likely to remain the search for value creation and long-term trends in individual sectors. As Allegro's listing has shown, corporates and private equity firms may have to compete with the stock markets as sellers examine their options. With global exchanges breaking records in December 2020, this continues to be an increasingly appealing alternative to a trade sale.

George Mucibabici, head of investment banking at Raiffeisen Bank Romania, which advised the sellers of Wirecard Romania on the sale to Portugal-based SIBS, said: "The underlying motives for M&A are the 'usual suspects' including the end-of-investment life cycle for funds, availability of dry powder, shifting corporate strategic priorities, owners' desire to exit, limited growth prospects in some industries and high valuation multiples."

One of the drivers for private equity deals in the region was the potential for higher than average returns and the fragmented nature of many industries which left them ripe for consolidation. He added: "Some of the most active industries we've seen in terms of M&A activity include farming and agriculture, energy, industrials, healthcare, and financial services. There is some relation to the pandemic but in my view this is minimal."

A decade of change

Manufacturing has been the backbone of economic growth across the region. It remains a cost-effective place to locate factories, which is what initially drew investment from outside, but it is no longer just a hub from which to export.

Increased spending power has made it an attractive market in its own right, for e-commerce, financial services, health services and real estate. It has also developed its own eco-system for M&A work. Graham Conlon said: "It's difficult to lump these countries together as they are all different. But many have already aligned with western countries in terms of country risk premium or are going in that direction. The market for M&A is much more sophisticated than it was a decade ago."

If the pandemic put the brakes on economic growth and M&A activity in the region last year, the impact was much less severe than it might have been at the turn of the century or even the start of the decade. Governments reacted quickly by closing down borders early and were less indebted than many western counterparts, giving them the financial firepower and flexibility to combat the economic fallout from Covid-19.

Horea Popescu said: "I think the region was able to respond much better than it would have done 10 or 15 years ago. Economically it is stronger and governments have more money to provide support where it is needed most. The region is more digital than it was, which means people were able to work from home almost seamlessly without any major impact on economic activity."

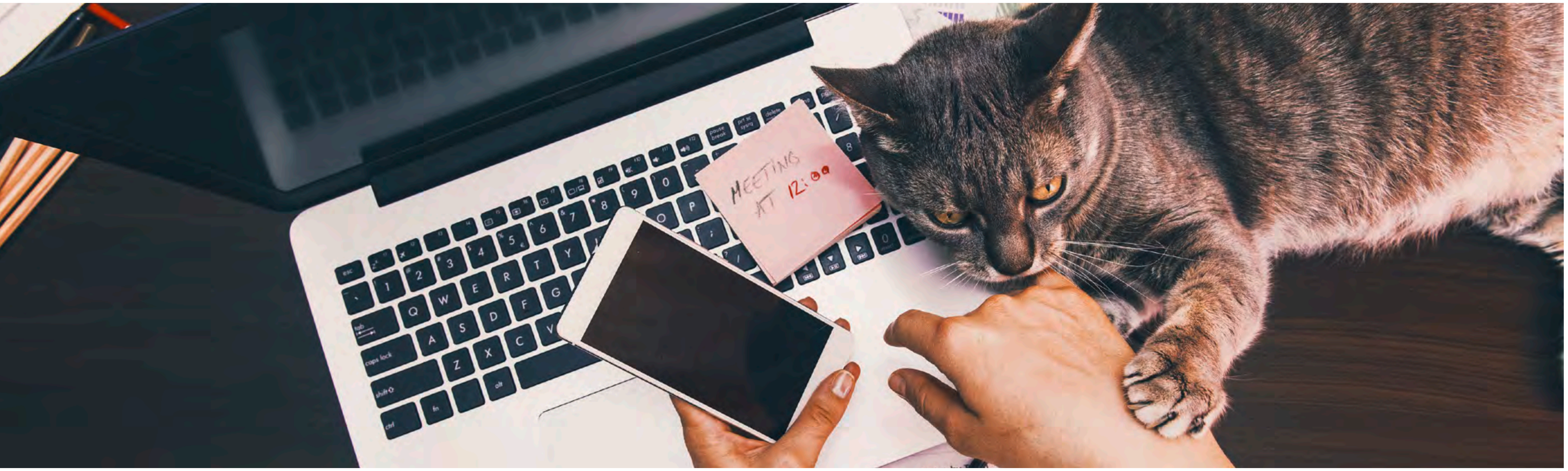
Outlook

As governments and businesses responded to the crisis, confidence began to return as 2020 progressed, and hopes of a recovery were boosted by the prospect of mass vaccination in 2021.

Looking to the coming year, Horea Popescu added: "Towards the end of 2020, we saw people rushing to sign deals that they had been unable to complete earlier in the year. We saw this trend pick up in the autumn and there is a decent pipeline of activity in most countries which is a good sign for 2021."

It may be too early to assess the long-term impact of the pandemic, but as far as M&A goes, the underlying trends that were driving deals at the start of 2020 have not gone away and in many cases they have only gathered pent-up momentum.

Graham Conlon said: "Anecdotally, investors and advisers have remained busy during the crisis and are braced for activity to accelerate in the new year. The signs point to 2021 being significantly busier than 2020."



Stefan Stoyanov,
Head of Global M&A Database, EMIS

COVID-19 pushes emerging Europe on a journey towards digital transformation through M&A

Twenty-twenty was all about turning challenges into opportunities. The COVID-19 pandemic upended daily routines and emptied public spaces. As people veered away from almost all physicality and embraced the digital life, developing online habits became essential for humans to survive mentally, while acquiring online capabilities became a must for businesses to survive financially. Going down the M&A path was a logical choice for many firms and triggered a long-awaited digital transformation in the CEE region.

A particular area of note was digital finance. Global lockdowns and social distancing measures catalysed the use of financial services, even among the more sceptical and less tech-savvy users. To react fast to the instant demand for digital payments—rent, loans, utility bills, subscriptions, remittances—many international companies already operating or interested in CEE took the non-organic path to growth and targeted acquisitions of payment solution providers across the region. In fact, among all fintech deals on record in EMIS' 2020 database, 56% targeted providers of payment services. The total value of the 34 fintech M&As in the region last year stood at EUR 672m, nearly doubling from the 19 deals worth EUR 357m in 2019. As part of the largest fintech deal of 2020, Danish payments major Nets acquired its Polish peer Polskie ePlatnosci (PeP) for an enterprise value of EUR 405m, thus gaining access to some 125,000 point-of-sale terminals across Poland. Other notable transactions included the divestment of UK-based PayPoint's Romanian business to CEE-focused private equity firm Innova Capital for EUR 51m, the EUR 41m acquisition of payment systems company Token Finansal Teknolojiler by local conglomerate Koc Holding, and the EUR 18.5m funding round of German banking platform with Serbian roots Penta. One takeaway is that crisis-driven fintech M&A allowed businesses to make a foray into a highly technical field and take advantage of the surge in payment demand without spending years to develop in-house solutions. At the same time, the COVID-19 pandemic clearly demonstrated the vast potential of fintech, turning the heads of PE funds and other financial buyers alike.

During the lockdowns, most daily shopping was done from home. The e-commerce industry burgeoned, at first overwhelming grocery stores and pharmacies with orders. Requiring far less technical capabilities than developing a payment network, online stores thrived. But as easy as it is to launch an online store, M&A deal-making in the CEE e-commerce field also saw an uptick with both strategic and financial buyers involved. According to EMIS data, companies carried out 20 deals worth a combined EUR 532m, compared to 14 transactions totalling EUR 298m in 2019. The largest transaction was the disposal of the Polish business of British groceries retailer Tesco to Danish competitor Salling for EUR 202m. Tesco Poland, while being predominantly a traditional brick-and-mortar chain, was nevertheless the most recognised online food store in the country in 2020, meaning the acquisition was in line with the Salling's strategy to enhance its own online growth. On the PE front, Turkish private equity firm Actera bet USD 130m on domestic online furniture retailer Vivense in order to support its fast growth and accelerate its global expansion. Other notable transactions included investments in Russian online retailer Ozon and online pharmacy Eapteka, Polish online appliance store Rotopino.pl, Ukranian online beauty supplies retailer MAKEUP, and Slovak nutritional supplement platform GymBeam, among others.

Consumer-centric businesses big and small would have barely withstood the crisis if it hadn't been for delivery services. M&A in the sector remained largely unchanged: there was one less transaction in 2020 compared to the prior year's 12 deals, while value increased by one third to EUR 231m. Despite the somewhat lacklustre deal activity, a vivid scope of companies was targeted, ranging from ultrafast delivery start-ups in Turkey to delivery of food sets in Russia. Recognising the opportunity, Russian state-run lender Sberbank decided to invest EUR 132m in exchange for a majority stake in local groceries delivery service SberMarket. The bank targets a top-three spot in Russia's e-commerce industry by 2023 and is increasingly becoming more technology-centric. The second-biggest acquisition in the field of deliveries involved Austrian Post on the buy side and its EUR 51m bid to purchase an additional 55% interest in Turkish parcel services operator Aras Kargo. Another Turkish company, the ultrafast delivery start-up Getir, raised USD 34m from a group of investors led by Silicon Valley venture capitalist Michael Moritz.

The COVID-19 pandemic set in motion a special kind of digital transformation that was much-needed, one that pushed businesses over the technology tipping point to make people's everyday lives easier. At the same time, M&A—both strategic and financial in nature—allowed CEE companies to get ahead of the game quickly, setting them on a journey to rival their counterparts across the Atlantic.

AGRICULTURE & FARMING

Volume	Value
-35.2%	+3.7%

ENERGY & UTILITIES

Volume	Value
-20.7%	-36.3%

FOOD & BEVERAGE

Volume	Value
-2.3%	-22.2%

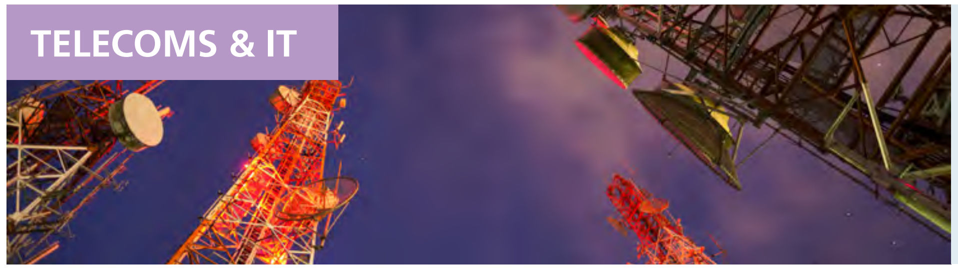
MEDIA & PUBLISHING

Volume	Value
-12.1%	-73.2%

REAL ESTATE & CONSTRUCTION

Volume	Value
-18%	-42.9%

TELECOMS & IT



Volume	Value
+11%	+8.4%

WHOLESALE & RETAIL

Volume	Value
-34.5%	-33.9%

EDUCATION & HEALTHCARE SERVICES

Volume	Value
-10.2%	+34.8%

FINANCE & INSURANCE

Volume	Value
+8.6%	+39.1%

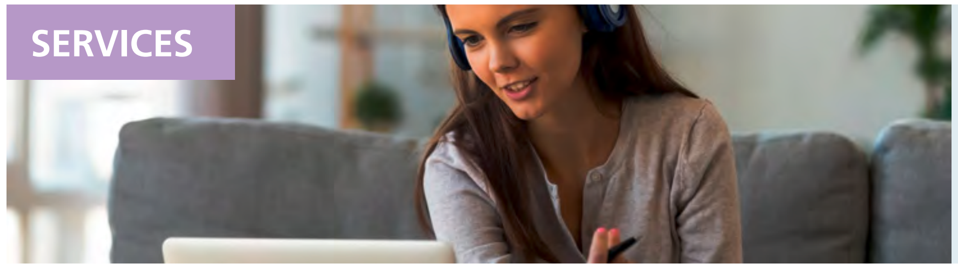
MANUFACTURING

Volume	Value
-17.2%	-23.7%

MINING (INCL. OIL & GAS)

Volume	Value
-13.3%	+21.4%

SERVICES

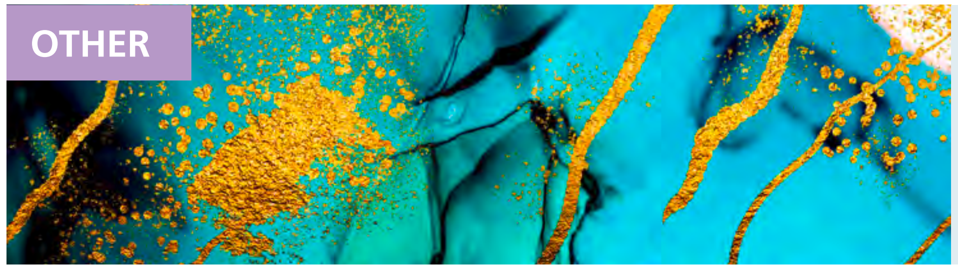


Volume	Value
-12%	-72.5%

TRANSPORTATION & LOGISTICS

Volume	Value
-37.8%	-37.6%

OTHER



Volume	Value
-42.3%	+44.4%

Zentiva and Alvogen CEE: the creation of a regional pharmaceutical powerhouse

A fireside chat with Zentiva General Counsel, **Tereza Ber**

In April 2020, at the height of the first wave of the COVID-19 pandemic, Zentiva completed the acquisition of Alvogen CEE, bringing together two of the leading branded generic and OTC businesses in emerging Europe. The transaction was voted deal of the year by private practitioners and in-house lawyers across CEE, and received the Global Generics & Biosimilars Bulletin Award for EMEA Acquisition of the year. In conversation with Tereza Ber, General Counsel at Zentiva, we look at the rationale behind the deal, the challenges of closing a deal spanning 14 jurisdictions in the midst of the pandemic, and the role of a GC in the fast-paced world of bolt-on buys and value creation at a private equity-backed pharmaceutical powerhouse.

Tereza Ber,
General Counsel and Head of Legal,
Zentiva

'It is a very satisfying feeling to be able to make a difference in these difficult times!'

The acquisition of Alvogen's CEE business was announced a year after Advent International acquired Zentiva from Sanofi, a deal which itself hit the headlines in emerging Europe. What were the main drivers behind this bolt-on acquisition?
When Zentiva became independent in October 2018, our company started an ambitious strategy to double its size in 5 years' time. We identified strategic acquisitions as the most efficient and fastest way to expand our geographic horizons, production capacity and product portfolio.

It was clear for us as a leadership team that in several countries, especially in Central and Eastern Europe, we could outperform local market growth by making the right acquisitions. The deal with Alvogen CEE reinforced our footprint in Poland, Romania and Bulgaria and took us into new markets including Russia, Ukraine, Kazakhstan, Hungary, Croatia and the West Balkans. Also, it was a really good fit because our product portfolios complemented each other perfectly.

But this transaction does not stand on its own. With Advent's backing, we engaged in a much wider expansion strategy including the earlier acquisitions of Creo Pharma in the UK, Solacium in Romania and a manufacturing site in Ankleshwar, India.

The deal received various accolades from legal and pharma-industry platforms. What do you think made it stand out?
Firstly, doing it so soon after becoming independent showed a decisiveness in the business. Secondly, it highlighted our commitment to rapidly developing the company as a regional market leader. We managed to integrate Alvogen CEE, a company of comparable size to Zentiva, in just four months and this speed was a real gamechanger that made us one of the fastest growing companies in our sector. I am really proud of what we have achieved here.

The acquisition was announced in October 2019 and closed during the first peak of the COVID-19 outbreak in April 2020. What challenges did the pandemic bring in terms of successfully closing the deal?
This year showed us the fragility of what we usually take for granted – our health and freedom. We are glad that when we approached the deal at the beginning of pandemic we learned how to adapt very quickly – and everything after that became easier.

During the closing of the deal, straightforward things that are usually a formality required careful organisation. For example, public notaries were much less available to certify documents, such as those required to replace local directors. In some countries, notaries are required to personally witness the signing of these documents and special arrangements often had to be made to facilitate

Tereza Ber

General Counsel and Head of Legal at Zentiva, Attorney at Law, graduate of Masaryk University of Brno, Czech Republic. She has 17 years of professional legal experience, including 10 years at Zentiva in various above-country roles and she leads a global team of legal, patent, trademark and compliance specialists.

this. On an individual country level, these are small things, but don't forget we had to find ways of resolving these issues in 14 countries! In the end, we closed as planned just after we received all the necessary approvals. We even managed to have a toast with the core transaction team, but it's a sign of the times that we all wore face masks and kept an appropriate distance.

We are moving towards the first anniversary of the transaction. How is the integration of the Alvogen CEE businesses progressing?
We've been working hard at bringing the best of both worlds to the enlarged business and for now it seems to be paying off. There are strong indications that the merger is a commercial success and we expect a strong financial performance which will in turn allow us to continue growing.

Merging two successful businesses always brings challenges in terms of culture and processes, but when you know what the purpose is, you feel empowered and inspired about the implementation. We want to ensure that our medicines are available for our patients and this deal was really complementary in product portfolio and geographical cover. The fact that twice as many people can get the treatment they need makes all this hard work worthwhile.

Did the pandemic have an impact on the integration?
Of course. Onboarding 1,000 new colleagues from Alvogen - together with 600 from Ankleshwar - was a major task. Usually, it would consist of individual face-to-face meetings and group presentations which have just not been possible. We've all got more used to virtual working and feel more connected now, but naturally we're looking forward to seeing each other face to face, and for some people working in one team for the first time, in 2021.

How do you see the impact of COVID-19 on your business?
It is accelerating changes we needed to make! We are leaner and faster to bring our products to our patients. We have made and are still making huge efforts to protect our employees to make all happen and support people who really need care. It is a very satisfying feeling to be able to make a difference in these difficult times!

You know, as a pharmaceutical company producing essential medicine we have an important role to play in healthcare in normal times and even more so during the pandemic. As a key supplier of pain and fever relief products, intensive care medication and antibiotics like Azithromycin, we've had to react quickly to maintain and increase the production of vital medicines. We've ramped up production and our people have worked tirelessly to support our partners, healthcare professionals, pharmacists and governments. In some cases we partnered with other companies to reinforce our manufacturing capacity. For example, in Romania we agreed with IKEA to borrow some of their employees to help us on the site.

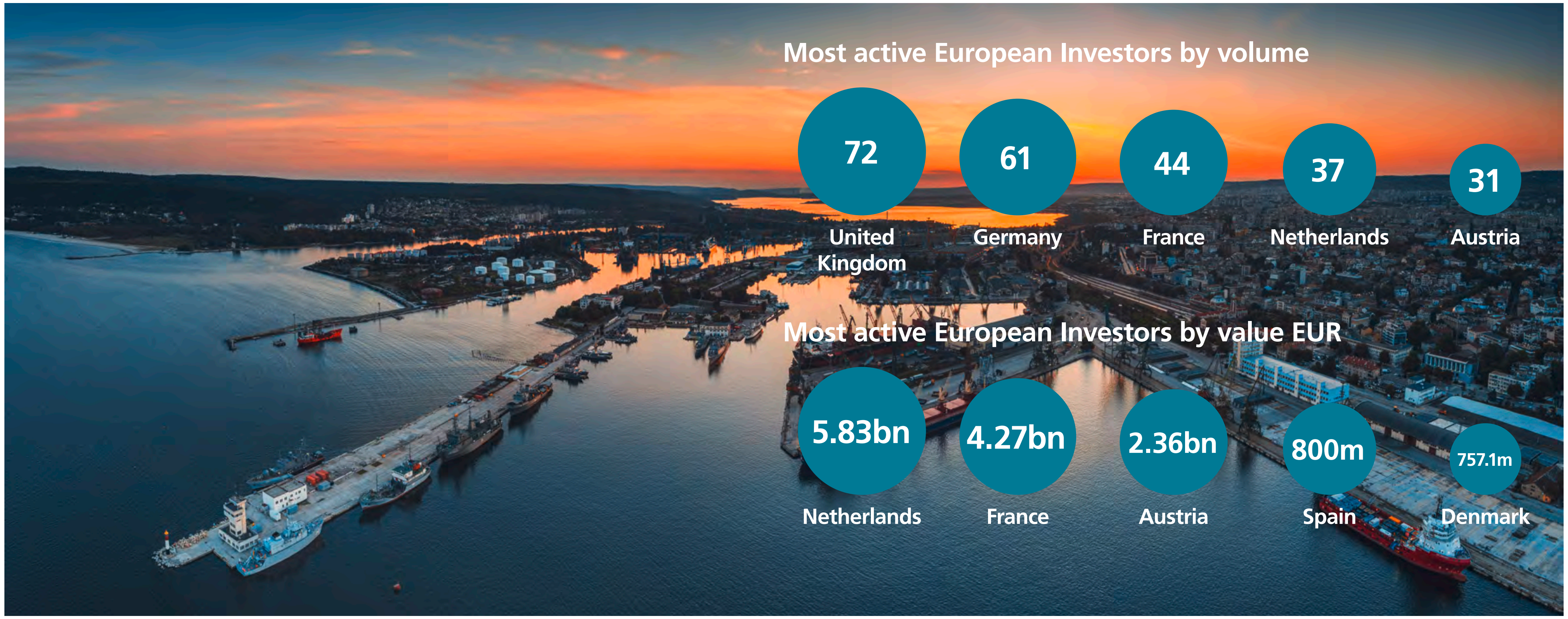
You have been with Zentiva for about a decade now, first as part of Sanofi, and now as an independent company. How has your role as general counsel changed over this time?
Being part of Sanofi was a great experience. But of course there is a huge difference between a large stock market-listed corporation and a leaner, independent company such as Zentiva today. As a stand-alone mid-sized company we can act faster of course and the pace of change is much different. At times, over the last two years, it has felt like being a transactional lawyer as we've gone on this journey of very rapid growth. It is exciting to be so closely involved in this transformation and expansion and to have built this momentum. I believe that Zentiva is indeed a unique company where anyone can make a visible impact.

Zentiva

Zentiva is a producer of high-quality affordable medicines serving patients in Europe and beyond. With a dedicated team of more than 4,500 people and a network of production sites, including flagship sites in Prague, Bucharest, and Ankleshwar. Zentiva is headquartered in the Czech Republic and its roots can be traced back 530 years to the Black Eagle pharmacy, a small business that served the people of Prague. It nowadays produces some of the best-known generic and over-the-counter medication in Europe.

Bonds across Europe survive the toughest test and grow stronger

The strong ties between emerging Europe and its neighbours in the West have become clearer than ever during 2020. Despite the disruption to deal-making, Europe has remained the bedrock of investment in the region, reflecting the changing perceptions of it as a place to do business.



As in the rest of the world, M&A activity in emerging Europe was hit by the economic crisis that followed Covid-19. However, the headline numbers do not tell the whole story and disguise the fact that Europe remained a mainstay of investment into the region.

Neighbours across the continent, to the south and west and in the Nordic countries, accounted for nine out of the top ten investors by deal volume and seven of the top ten by value. The Netherlands, France, Austria, Spain and Denmark saw values increase significantly. The crisis showed that the bonds with the rest of Europe survived the toughest test.

Alexander Rakosi, CMS partner in Vienna, said: "Central and Eastern Europe has been and will continue to be a region of focus for investors from Austria and beyond. I don't consider that Covid materially affected how we look at the medium- and long-term perspective. The attractiveness of the region has stayed the same."

The last year has highlighted how perceptions of emerging Europe as a place to do businesses have changed over the past decade or so and are still evolving. As geographic neighbours with long historical ties—and for many a shared membership of the EU—European countries know and understand their counterparts to the east better than most. They can see the attractions of the region as a cost-effective place to locate business with a well-educated workforce, and as an appealing market in its own right.

> 'Although we talk about emerging Europe, many of these countries are fairly mature markets compared to those in Asia and the Far East, and some are seen as relatively safe harbours.'

Getting to know the neighbours

But they are also close enough to recognise that it is not a homogenous region, from small and still developing economies at one end of the scale, to Poland, the sixth largest country in the EU, at the other. Although the region is far more stable, politically and economically, than it was, there are still challenges from potential instability and even though legal regimes are more reliable, some are still a work in progress as they move towards harmonisation. Alexander Rakosi said: "There are real efforts across the board in making the legal framework more appealing to international investors."

Economic development, aided by foreign investment and an increasingly sophisticated M&A market, has helped to grow domestic businesses of world-class scale and create an eco-system of investors and advisers who can work alongside their peers abroad. Central and Eastern Europe is no longer uncharted territory for foreign investors, who are increasingly comfortable and at home in parts of the region.

Stefan Brunnschweiler, global co-head of the CMS Corporate/M&A Group based in Zurich, said: "In the early years, visiting CEE was an adventure. Now it's a well-established place to do business. It used to be regarded as somewhere to set up production sites because of the lower cost base, but today it's somewhere companies consider shifting R&D and other back-office services."

In more mature markets such as the Czech Republic, disposals and acquisitions can feel like standard transactions. But in some jurisdictions, he added, the more widespread use of arbitration, the inclusion of material adverse change clauses in contracts, and more time spent on due diligence were a symptom of a more cautious approach and one where local expert advisers were relied on.

Small can be beautiful

Albania illustrates how perceptions have changed and continue to evolve. With a population under four million, it is going through a programme of wide-ranging reforms that has seen progress on tackling corruption, financial stability and economic competitiveness. It became an official candidate for EU membership in 2014 and is working towards harmonisation. Mirko Daidone, CMS partner in Tirana, says that as recently as two decades ago, many foreign companies were suspicious of a country they knew little about. He said: "It is no longer unknown. It is a place where business is developing and there are many interesting opportunities, especially in energy, telecoms, transport and tourism."

Vodafone of the UK is well-established in Albania and in 2020 it received competition authority approval to buy cable operator Albanian Broadband Communications (ABCom). Hungary's Wizz Air set up a new base in Tirana last July, bringing the total number of Wizz Air destinations from Tirana to 25, including Brussels, Paris, and Berlin. Mirko Daidone said: “I am optimistic about the future. Countries like Albania offer significant opportunities. If Wizz Air decided to invest during one of the worst periods for international transport and tourism, I have to be positive about 2021.”

The Luxembourg link
If anything illustrates how perceptions are changing, it is the growing relationship with Luxembourg, one of the world’s largest and most sophisticated financial centres. A hub for investment funds, it is seeing a growing appetite in alternative investments such as real estate, infrastructure, venture capital and private equity, and increasing interest in and from Central and Eastern Europe.

Institutional investors and family offices from the region are using Luxembourg as a springboard to invest internationally. Investors in emerging Europe are also using Luxembourg as a jurisdiction from where to invest back home, while international funds are seeking out opportunities in the region. Aurélien Hollard, CMS Partner, Luxembourg, said: “It is a market that is seen as under-served and under-invested. We are seeing more and larger funds investing in the region and this capital is needed to develop companies and grow the economies.”

One example of a fund targeting the region is the Three Seas Initiative Investment Fund, which is sponsored by 13 countries in the region and was created under Luxembourg law. Its goal is to finance key infrastructure projects in transport, energy and digital infrastructure, and it has set an ambitious target of raising up to EUR 5bn in both public and private funding to unlock EUR 100bn of investments in infrastructure in the Three Seas region.

However, Luxembourg is not a low-cost option for investors. Its appeal lies in its political and financial stability as an EU member, with favourable tax rules and regulations that provide investors with clarity and certainty. It has developed a multi-lingual eco-system of experienced and skilled service providers and advisers.

Benjamin Bada, CMS partner in Luxembourg, said investors choose Luxembourg because it is able to provide a high level of assistance on all aspects of setting up and managing funds. That gives it an important role in responding to the pandemic. He added: “As well supporting long-term development, funds can be set up and deployed quickly, providing a flexible way to respond to the current crisis.”

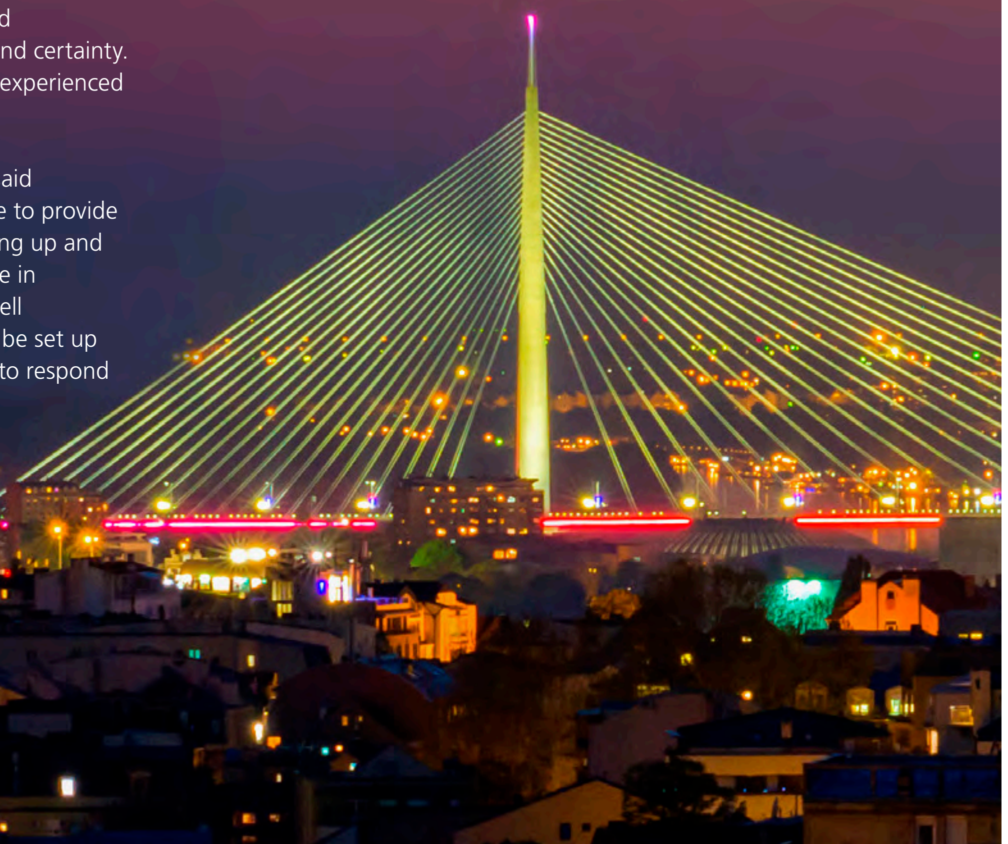
Ready to bounce back
If the pandemic has led to some short-term retrenchment by western investors, emerging Europe is unlikely to have suffered worse than anywhere else. Its proximity to countries such as the UK and Germany leave it well placed to bounce back as confidence returns.

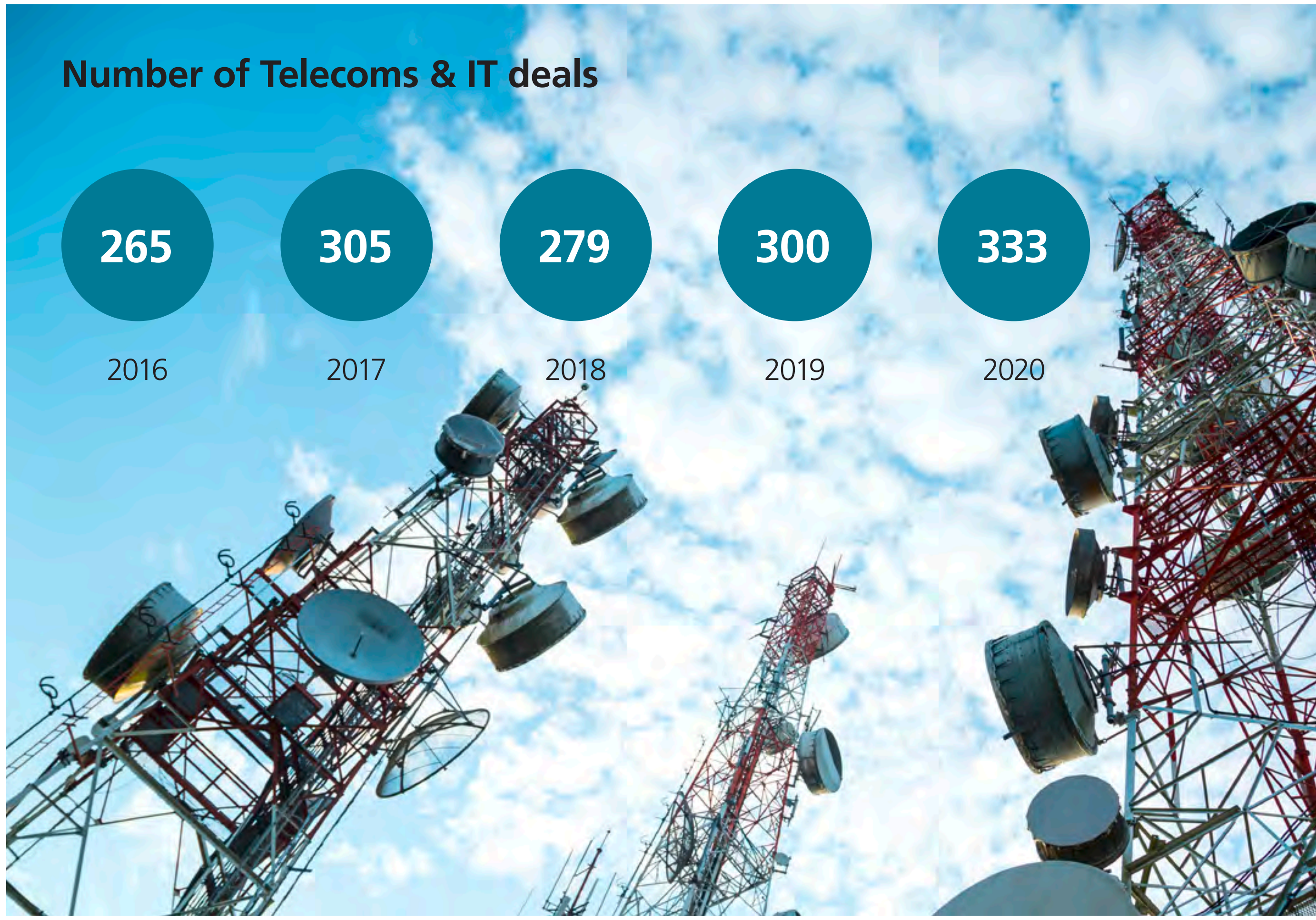
Charles Currier, CMS Partner in London, said: “Interest in the sectors that are leading M&A markets in western Europe, such as energy, infrastructure, technology and financial services, is mirrored in emerging Europe. For infrastructure investors, the region has a huge appeal that goes beyond individual country boundaries.

“Although we talk about emerging Europe, many of these countries are fairly mature markets compared to those in Asia and the Far East, and some are seen as relatively safe harbours.”

The momentum that has seen investors in Europe push eastwards over the last decade may have stalled temporarily in 2020. The fundamentals that make Central and Eastern Europe attractive have not gone away and neither has the appetite from neighbours across Europe.

Alexander Rakosi believes the scene is set for a recovery in M&A, saying: “The first half of 2020 was categorised by wait and see, but activity has increased and will carry over into the new year. Private equity still has a lot of dry powder to invest and on the corporate side, we expect to see a lot of activity from those companies and industries that were beneficiaries of—or not negatively affected by—the crisis and those on the distressed side looking to focus on their core business.”





Digital infrastructure: Towers and fibre underpin the broadband revolution

Digital communication has proved vital for economic survival and success during the Covid-19 pandemic. Growing demand for fast and reliable internet requires an expanding digital infrastructure, creating new opportunities for investors.

The impact of the Covid-19 pandemic on the economy has been severe, but had it struck two decades ago its effects would have been even more devastating.

Fast and reliable internet access and mobile connectivity has enabled families to keep in touch via video calls and allowed multi-national companies to function in the “new normal”. Millions of people have worked from home and businesses have stayed open in cyberspace—even when their doors have been closed and international customer service centres have been replaced by networks of call handlers using laptops at their kitchen tables.

Digital transformation was already underway long before the pandemic began, but the crisis has shown just how vital it has become to all aspects of life. It has given the digital ambitions of companies and governments a new sense of urgency and highlighted the critical role of digital infrastructure: the mobile towers and fibre networks.

Eva Talmacsi, CMS partner, co-head of TMT in CEE and co-head of the firm’s Global TMC transactional practice, said: “Yes, the pandemic has had a serious impact, but 20 years ago it would have been catastrophic. Large parts of our economies have been able to carry on by switching to virtual mode. The trends in digitalisations are rapidly accelerating and have shown the need for development in digital infrastructure to keep pace.”

'Once critical mass is reached, it would be interesting to see how the networks fit together and if this spurs on some cross border merger and acquisition activity.'

Digital is the key to growth

In a study of ten countries—Bulgaria, Croatia, the Czech Republic, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia and Slovenia—management consultants McKinsey predicted in October 2020 that digitalisation would deliver up to EUR 200bn in additional GDP by 2025. It also noted that in the first five months of Covid-19 lockdowns, the digital economy had captured 78% of the increase seen in the whole of 2019.

Those findings are reflected in CMS's Digital Horizons report, published in October, which shows how Covid-19 pushed digitalisation up the corporate agenda in emerging Europe. Of those surveyed, 92% believed the pandemic would accelerate future digital change in their businesses and 45% said it had already accelerated projects.

The European Commission's 2020 policy, Connectivity for a European Gigabit Society, set out objectives to boost fast connectivity by speeding up the rollout of fibre and 5G networks to generate economic growth, jobs and innovation.

Emerging Europe has benefitted from "last mover advantage" in that it did not have to invest in upgrading creaking legacy copper networks in the same way as the likes of Germany and UK. Instead, it has been able to focus on rolling out fibre and has achieved relatively high rates of fibre penetration in a short space of time.

Digital infrastructure is as essential for carrying and controlling data traffic as tracks and signalling systems are for high-speed railways. The mobile tower and fibre networks that underpin today's communications systems will be required for 5G and technologies of the future such as the internet of things, autonomous vehicles, smart cities and immersive entertainment.

Eva Talmacsi said: "Installing and operating towers and fibre to meet this exponential growth in demand is incredibly expensive. The industry has had to find new ways of extending infrastructure in a cost-efficient way."

Telecoms companies and mobile network operators (MNOs) have been looking at how to reduce costs, improve efficiency and monetise these assets. The emergence of a wholesale business model, where capacity on the network is rented out, has prompted some to sell their infrastructure networks outright or bring in partners. The ability to create efficient capital structures has made the industry increasingly attractive to investors and lenders. For example, by creating a separate "towerco" or "fibreco", they have been able to structure deals to attract long-term financial investors, which allows them to expand their footprint while retaining control and generating a long-term income stream.

Eva Talmacsi added: "Optimising their capital expenditure and balance sheet has become a top priority for operators, hence the increasing tendency to rethink strategy and restructure internally. By retaining all or part of the ownership, they can capitalise on any future increase in value."

For investors, this restructuring and carve-out of assets has created an attractive sector, offering steady and predictable revenues from long-term contracts in an industry where demand is growing. It is an appealing combination that has led to a wave of M&A activity across Europe, including CEE, although those new to the sector should take care to work with partners and advisers who understand the industry and the potential risks.

Moving east

One of the pioneers in this radical shake-up of the tower sector is Barcelona-based Cellnex Telecom. With its roots in the Spanish broadcasting industry, it was listed on the Madrid stock exchange in 2015 and is now Europe's leading independent operator of wireless telecoms infrastructure through an aggressive acquisition strategy that has put it on course for 103,000 tower and telecoms sites in 12 countries across Europe.

In October, Cellnex made its first move into emerging Europe when it reached an agreement with Iliad of France to jointly acquire a network of 7,000 towers and infrastructure sites in Poland owned by Play Communications, for which Iliad had launched a takeover bid. Cellnex and Iliad will jointly own a new company that will manage the sites and could invest EUR 1.3bn in rolling out 5,000 new sites over the next decade.

Vodafone of the UK plans to list its own towerco, Vantage Towers, on the Frankfurt stock exchange in early 2021. It operates 68,000 sites, the bulk in Germany, Spain and Greece, and has operations in nine countries including the Czech Republic, Romania and Hungary. With EUR 1bn of financial firepower, it has set out ambitious plans to grow by increasing tenancy ratios on its existing network, increasing efficiencies and adding additional services such as fibre. In a signal of what may be to come in the industry, Vantage said it would consider M&A opportunities.

Other telecoms companies in the region have been active. In Poland, Cyfrowy Polsat has been working on a possible sale of the digital infrastructure of Polkomtel which has generated strong interest from potential buyers, including major international funds. Options include a sale, partial sale, strategic partnership or joint venture, not only for its 8,000 mobile towers but also its fibre footprint. PPF Telecom Group of the Czech Republic established CETIN Group in July 2020 as a separate infrastructure provider from its retail business in the Czech Republic, Bulgaria, Hungary and Serbia.

Focus on fibre

Fibre too is going through a transformation that has led to a surge in interest and activity. Some of the world's biggest investment funds have been investing in the region's fibre networks.

Anne Chitan, CMS partner and global co-head of communications, TMC, said that although the build-up of fibre was strong, there were significant inequalities between states and regions, and some less-populated areas could be left behind. She added: "Add to this regulatory and legal local peculiarities, and the picture looks more like a jigsaw puzzle where some pieces are missing. There is therefore a lot still to do and we expect activity to remain strong, with the emerging new fibreco models driven by operators possibly being a game changer."

"Once critical mass is reached, it would be interesting to see how the networks fit together and if this spurs on some cross border merger and acquisition activity."

In August 2020, Orange Polska, announced the possible sale of a minority stake in its "fibreco" to rollout fibre access to another 1.7 million households. Luxembourg-based Cube Infrastructure Managers has invested in fibre-to-the-home projects in Croatia, Slovenia and the Czech Republic.

The trends under way in Central and Eastern Europe are not unique. They are already under way in many parts of Europe and the experience in other countries is likely to provide a signpost to how the digital infrastructure sector will develop in the region. Macquarie Capital, part of global financial services firm Macquarie Group, has shaken up the Spanish broadband market by buying a fibre-to-the-home network to create the country's first independent wholesale operator. Oliver Bradley, a managing director who leads Macquarie Capital's digital infrastructure investments, suggests there are many parallels with emerging Europe. While fibre penetration in Spain was high, the wholesale model gives large operators and small broadband businesses the ability to reach more customers and increase competition. He added: "The model is replicable in other markets where operators have built fibre networks and are looking to monetise them. Central and Eastern Europe is an area we see developing, and from both a pricing and revenue point of view we believe it could normalise with Western Europe."

A key feature of fibre is that investment is heaviest at the start and returns are typically generated over seven to 10 years. This makes it potentially attractive to investors with longer-term outlooks such as pension funds, but there are complexities. Oliver Bradley explains: "We've been able to uniquely structure telecoms opportunities in a way that's typically seen for more established infrastructure assets, such as schools, hospitals and power stations. Historically some investors wouldn't have considered investing in telecoms, but the sector has seen somewhat of an evolution, as demand for both stable long-term returns and our dependence on connectivity continues to grow."

Accelerating the roll out

After the events of the past year, the digital genie cannot be put back in the bottle. According to CMS Digital Horizons survey, 65% of firms anticipate increasing their IT budgets in 2021 to support digitalisation.

For companies in emerging Europe, digital communication breaks down geographic barriers and enables them to compete with rivals, work with partners, and serve customers across Europe and the rest of the world.

Eva Talmacsi at CMS said: "Digital infrastructure creates a spider's web that stretches across boundaries so that digital services can be accessed wherever they are needed. Covid-19 has been a catalyst and now we need to see investment in the networks stepped up to take connectivity to the next level."

Oliver Bradley,
Managing Director, Macquarie Capital

IPOs:
Stock exchange listings make a comeback as investors prepare to splash their cash

The Warsaw stock exchange listing of Allegro, which valued the company at more than EUR 15bn, has shown the region can produce companies that can cause a splash on the capital markets. As investors have successfully grown their portfolio companies in CEE, IPOs are increasingly considered as the most efficient and profitable exit strategy.

The region was the launchpad for a record initial public offering (IPO) in Europe in 2020, when Poland's Allegro made a spectacular debut on the Warsaw exchange. A local rival to eBay, the online auction platform's shares soared by 60% on the first day's trading in October, sending its market value to PLN 71.6bn (EUR 15.8bn).

It immediately became the largest company on the Warsaw market following the sale of a 24% stake, but it was not just the largest listing in Poland during 2020—it was the largest on any European bourse. Allegro even outshone UK online shopping business The Hut Group, which listed in London in September with a valuation of GBP 5.4bn, the largest London listing for five years.

After a difficult year for new listings around the world in the wake of COVID-19, the success of two mega-flotations raised hopes of a renewed appetite for IPOs. Rafal Zwierz, CMS partner in Warsaw, points out: "Allegro's successful listing was a good sign. It shows there is investor interest in the market. Only time will tell if the market is coming back to life or if Allegro was a one-off case."

> 'There are a lot of companies in the region that have the potential to be listed. A decade ago, the IPO market was very strong and while I don't think we'll get back to that level very soon, there are some hopeful signs.'

Turning the tide?

If Allegro put Warsaw and emerging Europe firmly on the international IPO map, it followed a lean period for new listings in the region. The ones that made it to market in 2020 included games company Gaming Factory in Warsaw, Czech gun maker Ceska Zbrojovka in Prague, and telecoms group Telelink Businesses Services Group in Bulgaria.

Confidence was fragile, as illustrated by broadcaster Canal + Polska cancelling its planned Warsaw IPO citing "recent volatility in financial markets" and promising to return when "the situation on financial markets is more supportive".

For business owners and selling shareholders, valuation is usually the most important factor in deciding which exit route to follow. The recovery in global capital markets following the shock caused by the pandemic means IPOs are again becoming a potential exit option, although private equity funds still have substantial financial fire power at their disposal.

This allows vendors to adopt a dual track approach where they can play off capital markets against private equity. Trade buyers whose attention may be more focused on redressing their balance sheets are likely to be reluctant to get involved in bidding wars for acquisitions, although listed companies that have benefited from a rise in their share price will have a currency to use for M&A.

Alasdair Steele, CMS partner and Head of Equity Capital Markets, says: "I'm not convinced trade buyers are prepared to spend money yet, so it will be between private equity and the capital markets. I suspect both will have cash to burn, so it will boil down to who's got the most confidence."

Where valuations on offer are broadly similar, other factors come into play. An IPO allows the owner to retain an interest in the company, rather than selling outright to a corporate buyer or being beholden to a single private equity owner. It also offers the opportunity to return to the market for additional capital and raises the profile of a company through media and analysts. But it can be costly, as well as burdensome and time consuming, in terms of regulatory requirements.

Warsaw's ability to manage the Allegro float has shown that companies and investors do not have to look to Frankfurt, London or New York even for the largest listings. It is also a reminder that capital markets in the region have advantages, such as the eco-system of brokers and advisers who have established connections with vendors and investors and understand the requirements of local regulators.

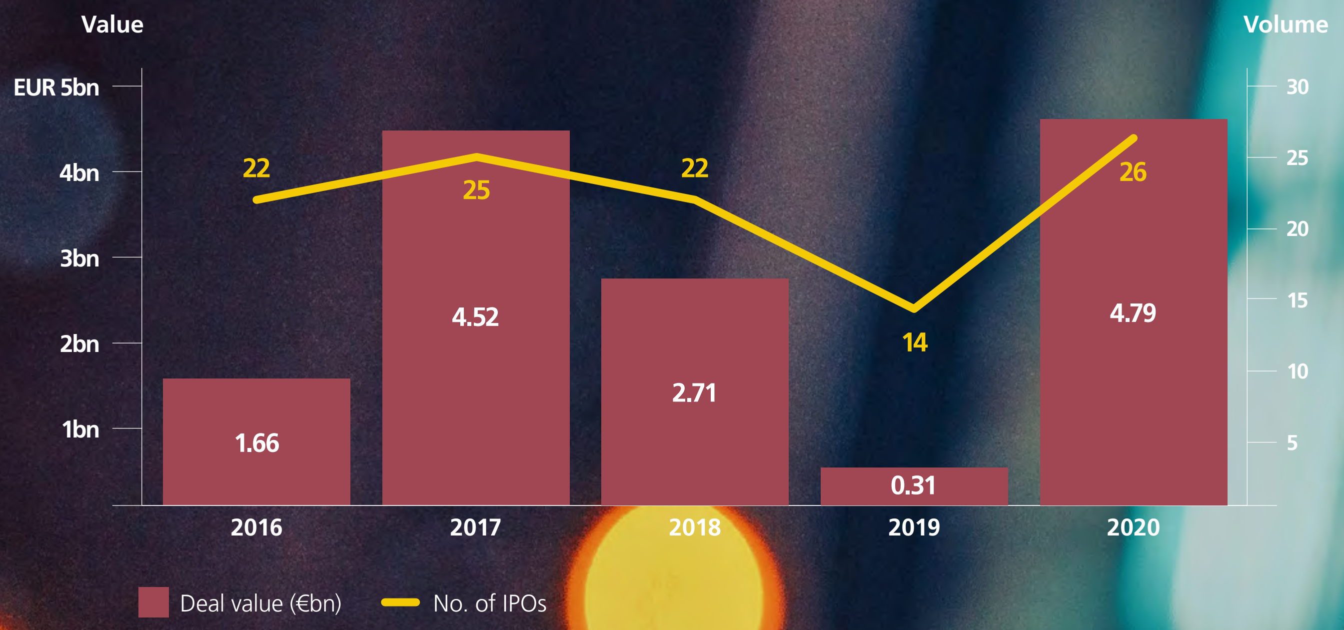
Going down the dual-listing route may offer the best of both worlds, providing local market comfort and security alongside the increased profile and reach of an international market. Warsaw can stake its claim as the natural location for regional companies seeking a dual listing and which might previously have looked further west.

Emerging Europe has shown that it has become mature enough to grow and build businesses that can stand alongside their international counterparts. It has developed a sophisticated financial eco-system that can guide a business into whichever structure of sale bests suits the owners.

It is home to a growing number of "unicorns"—companies valued at more than USD 1bn. Among those seen as potential IPO candidates in 2021 are Romanian software group UiPath, Polish e-commerce group InPost, Polish convenience store chain Zabka, and Czech real estate developer CTP.

Zwierz notes: "There are a lot of companies in the region that have the potential to be listed. A decade ago, the IPO market was very strong and while I don't think we'll get back to that level very soon, there are some hopeful signs."

From an investor's perspective, life sciences, technology and telecoms are attracting most attention and will be able to generate the highest valuations. Steele says: "There is anecdotal evidence that last spring, fund managers moved holdings into cash which they are now preparing to deploy when the right opportunities come along. It could mean a busy start to 2021."



Top 5 IPOs of 2020

1. ALLEGRO.PL

Target
Allegro.pl
24% stake

Value (EUR m)
2,302.0

Country
Poland

Stock Exchange
Warsaw Stock Exchange (WSE)

2. OZON HOLDINGS

Target
OZON Holdings
20.4% stake

Value (EUR m)
1,073.3

Country
Russia

Stock Exchange
NASDAQ

3. SOVCOMFLOT

Target
Sovcomflot
17.2% stake

Value (EUR m)
465.7

Country
Russia

Stock Exchange
MICEX-RTS

4. IGNITIS GRUPE

Target
Ignitis Grupe
26.9% stake

Value (EUR m)
450.0

Country
Lithuania

Stock Exchange
NASDAQ

5. KISMET ACQUISITION ONE

Target
Kismet Acquisition One Corp
78.6% stake

Value (EUR m)
210.9

Country
Russia

Stock Exchange
NASDAQ

'Renewables are going to play a big part in the economy of emerging Europe and they will have leading role in M&A activity for the next three-to-five years.'

Renewable energy: Drive to go green boosts investment in clean energy

While some industries have suffered a freeze in transactions over the past year, renewable energy has remained a hotspot for dealmakers. The long-term trend towards clean electricity and increased flexibility on incentives and contracts have made it more attractive than ever to investors.

The forces driving the shift to renewable energy gathered momentum in 2020. The Covid-19 pandemic gave a reminder of the need to protect future generations against the threat from climate change and highlighted the role the green economy can play in recovering from the economic crisis.

Like the rest of the world, emerging Europe is working out how best to make the transition from fossil fuels and embrace low carbon alternatives. The drivers for change are coming from international agreements and regulations, filtered through national frameworks, and market forces as technological developments and consumer demand make renewables increasingly competitive.

An attractive market

Although the experience of each country varies, emerging Europe is increasingly being seen as a region ripe for investment in renewables. Lukasz Szatkowski, CMS Partner Poland, notes: "We need to change our energy mix along with the rest of the world and the private sector is driving investment."

Many countries in the region are already rich in hydro-power, which is dominated by big utilities. For mid-sized investors and the specialist arms of the big infrastructure funds, wind, solar and biomass offer opportunities to take part in the transition from fossil fuels, reducing reliance on coal and providing security against disruption to imported gas supplies.

Biomass projects tend to be smaller, while wind and solar vary from individual turbines and rooftop panels to huge wind farms and solar arrays. Further down the line, developments in hydrogen technology are likely to open up another avenue for investors in renewables.

Lukasz Szatkowski says: "The different size range of wind and solar investment opportunities leads to a diverse investment offer that is available to both leading international funds and institutionals, as well as small- and medium-size investors."

Incentives, taxes and PPAs

The early uptake of renewables—across Europe—relied heavily on often generous state incentives through feed-in-tariffs which led to market distortions. Governments' attempts to claw back payments created turbulence that left investors wary.

That caution is receding as markets evolve and grow more sophisticated. Feed-in-tariffs are still used, but alongside them contracts for difference auctions have emerged as a way of increasing competition and removing uncertainty. Power purchase agreements (PPAs) between generators and customers are becoming more widely used, providing stability and predictability for both sides.

Lukasz Szatkowski points out: "Investors used to markets such as the UK or Spain would find that many countries in Central and Eastern Europe now have a support scheme that they would recognise and be comfortable with. Over time, we expect support schemes will become less important to investors."

Data centre operators in particular have been making use of PPAs. As a fast growing and energy intensive sector, it needs reliable and cost-effective electricity supplies. For individual companies, renewables also help to fulfil environmental and social responsibility commitments. PPAs are also becoming more widely used by consumer goods suppliers, wholesalers and retailers.

Lukasz Szatkowski says: "Data centres are good examples of big potential electricity users who are interested in having their own independent supplies and using corporate PPAs. Not only does the independence give them some security over supplies, the contracts protect them from fluctuations in energy prices."

Advances in turbine and photovoltaic technologies have brought down generating costs and intensified competition between wind and solar. But their rollout, particularly in locations remote from end users, relies on continuing investment in transmission and distribution systems.

The scale of the opportunities in Poland alone is huge. Warsaw has set out ambitious plans in various energy areas, including offshore wind and backed up by draft regulations, to develop 28GW of wind power by 2050, making it the largest offshore operator in the Baltic Sea.

Keeping dealmakers busy

There has been a flurry of activity in the sector, with more expected. Interest has come from investors in the region, close neighbours such as Austria and Italy, and as far away as Korea and Australia. Buyers have included corporates such as Solarian Holdings of South Korea, which bought a 5MW solar plant in Bulgaria, general private equity funds, and specialist infra- and green-investment funds, such as Macquarie's Green Investment Group of Australia, which bought a 25MW onshore windfarm in western Poland.

Poland's state-run PKN Orlen last year set out a strategy to develop renewables at the same time as it expanded through the planned takeover of rivals Lotos and PGNiG. The industry is watching closely to see if this will result in the divestment of some assets.

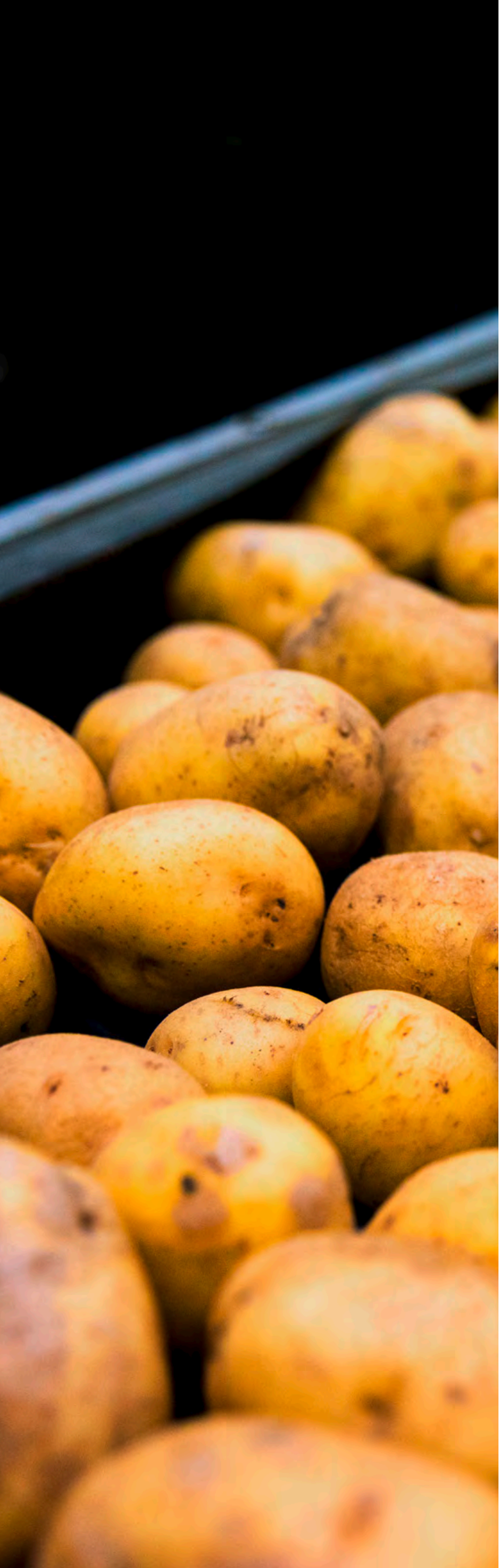
The UK's Aberdeen Standard Investments is an example of a fund that sees exciting prospects in the region. Already a leading solar investor in Poland, in 2020 it added a 40MW portfolio from Green Genius and a 122MW portfolio from R.Power.

Green Source of Austria agreed a EUR 66m investment in eight solar plants in Hungary, while MET Group of Switzerland bought a 42MW wind park in Bulgaria.

One of those to see opportunities in the region is Enery Development of Austria, which bought six Czech solar plants with 21MW capacity and two Slovakian sites with 4MW from Czech fund Green Horizon Renewables. Another 2020 deal for Enery was the purchase of the largest solar park in Bulgaria, a 60MW site close to Plovdiv.

Lukasz Szatkowski says: "Investors' interest is growing. I believe renewables are going to play a big part in the economy of emerging Europe and they will have leading role in M&A activity for the next three-to-five years."

A green recovery will rely on the accelerating shift to a low carbon and sustainable economy, from reducing pollution to water conservation, and from building smart homes to smart cities. Renewable energy will be at the heart of this transition and that has not gone unnoticed by investors.



Fortenova: Saved from disaster, this giant conglomerate can be a catalyst for change

Fortenova is one the largest companies in emerging Europe and was created in 2019 after the near collapse of Agrokor, the agriculture and consumer product conglomerate, posed a threat to the Croatian economy. In its heyday, Agrokor employed nearly 60,000 people and had an annual turnover of more than EUR 6bn. In the restructuring that led to its rebranding as Fortenova, it was saved by its current shareholders of which Sberbank is the largest. Jelena Nushol Fijačko, CMS partner in Zagreb, assesses progress at the company and its prospects for the future.

How serious a threat to the Croatian economy was the Agrokor crisis?
It was traumatic, not just for Croatia but also for the regional economy. Agrokor was a huge employer in food, agriculture and retailing, and a big player in a variety of industries, but it had become over-indebted and was on the verge of bankruptcy.

At one stage, its revenues were equivalent to 15% of Croatia's GDP. It was of such systemic importance there was a real fear that its failure would result in economic instability because so many suppliers relied on it. Croatian law was not equipped to deal with such a complex process and there was a danger its collapse would result in lengthy and complicated bankruptcy proceedings with disastrous consequences.

How was the business saved?
The government needed to save and restructure the company, so it decided simple amendments to existing law would not be enough: it required an entirely new act. Officially, it is called the Act on Extraordinary Administration Proceedings in Companies of Systemic Importance for the Republic of Croatia, but everyone calls it the Agrokor Act. Although it wasn't written solely for Agrokor, there are very few businesses to which it could apply. It was successful in preventing Agrokor's collapse and it allowed the ownership structure to be changed to safeguard creditors and enable the creation of Fortenova in April 2019 with a new management team.

Has Fortenova been stabilised?
Yes, formally and legally Fortenova has been stabilised. There are still some left-over issues from the restructuring that need to be addressed, but the procedure is largely complete. The latest figures from Fortenova have not been bad given COVID-19 and the impact it has had on the economy. There was a fall in revenues of around 7% in the first half of 2020, but that is only to be expected in the current market circumstances, while the liquidity position was relatively good.

Does Fortenova still play a significant role in the regional economy?
Most definitely. It is still a huge business with more than 50,000 employees. In its core areas of agriculture, food and retail, it has some of the best-known brands and businesses in its markets, in Croatia, Slovenia, Serbia, Bosnia & Herzegovina and Montenegro. Its brands include Ledo and Frikom ice-cream, retailers Konzum and Mercator, wholesaler Velpro, Jamnica mineral water, Gaj sparkling wines and Zvijezda edible oils. In agriculture, its businesses include Agrolaguna, Belje and Vupik.

Do the current shareholders have a clear strategy for the future?
As the new shareholders, the creditors have turned their attention to how to get their money out. Fortenova is effectively a vehicle for unwinding their positions. After all, their role was to provide finance, not to be long-term investors. The process of disposals has begun, and over time we are likely to see Fortenova disappear, unless a single buyer emerges. This does not seem likely.

We have already seen the sale of some non-core businesses and non-operating assets which will help its liquidity. For example, it has largely completed its exit from tourism through disposals such as the sale of Kompas, a tour operator in the Adriatic region, to Springwater Capital, and Karisma Hotels Adriatic to TUI. More disposals are in the pipeline.

What about large disposals?
The focus has been on smaller deals because they can be done relatively quickly, but the first of the core businesses to be put up for auction is ice-cream and frozen foods including Ledo and Frikom. Selected bidders were invited to carry out due diligences in 2020 and it is thought to have attracted interest from global consumer product companies and private equity funds. It is possible a deal could be signed in the first quarter of 2021 with closing in the second quarter of 2021. It would be one of the largest deals in Croatia.

On the other hand, we may also see Fortenova make additional investments where it can add value to the existing business. For example, Fortenova has purchased a dairy business in Osijek from German dairy company Meggle, which looks like a good fit with Belje, and over time it should make it more attractive to potential buyers.

Has the rescue of the company helped confidence in Croatia?
The Agrokor Act did its job. It saved the company and provided protection to creditors, which in turn has restored the faith and trust of investors in Croatia. It was a huge achievement, although it was an exhausting and painful process.

It has been an important lesson for us all and it has been a catalyst for change. It has helped to improve corporate governance and given a certain level of confidence that Croatia is a country worth investing in. International investors are more knowledgeable than in the past and we are seeing private equity firms investing more in Croatia or entering for the first time. That is partly because the Agrokor affair has increased Croatia's visibility.

What is the outlook for Fortenova?
The business has been stabilised and it has changed the perceptions of Croatia as a place to do business. Fortenova will be a big part of the M&A picture in Croatia and the region in 2021. Non-core disposals will continue and there are some jewels in the group that will attract attention from international investors.

One of the big issues now is how quickly the sales process will move forward because that would be a big step for the country and the economy.

FDI screening: Striking the balance between open investment and protecting strategic interests

New EU rules on screening foreign direct investment have come into force, designed to preserve strategic interests while keeping the door open to overseas investors. Sellers, buyers and advisers in key sectors should be prepared for increased complexity in future transactions.

In response to globalisation, there has been a shift towards protectionism and efforts to safeguard economies against sales of strategically important businesses to foreign investors. The economic crisis caused by the pandemic has accelerated this trend, but new EU rules are in place to increase scrutiny of foreign investments to help address concerns about key sectors.

Since 11 October 2020, a new EU framework for screening foreign direct investment (FDI) has applied, following regulations introduced in April 2019. It marks a major change for EU members in Central and Eastern Europe.

Aleš Lunder, a CMS partner in Slovenia, said: "The framework is not an FDI regime in its own right but introduces cooperation and information sharing mechanisms to ensure the Commission and member states have the tools to coordinate when vetting FDI on the grounds of security or public order."

"Before the EU framework, among CEE countries only Poland and Hungary had limited FDI screening regulations in place. Austria, Croatia and Slovenia have also passed the relevant legislation recently, and draft laws implementing the FDI screening in the Czech Republic, Romania and Slovakia are still in the process of being adopted by the local parliaments but are expected to come into force shortly."

Key terms

While there is no absolute obligation to introduce FDI screening measures, any such measure or mechanism that exists must comply with the basic requirements of the framework. These include transparency, non-discrimination, setting out timeframes for the process, allowing for possible comments by the EC and other member states, and the possibility of appeals against national authority decisions.

Filing requirements

Aleš Lunder said: "While the filing requirements differ to some extent across CEE, on a general level it means that any third-country investor intending to carry out a direct or indirect investment will likely have to notify the country's relevant authority."

Currently there are two exceptions: Slovenia and Croatia. There is no filing requirement in Croatia; instead, there is a request for information to be met from the newly formed National Contact Point. In Slovenia, contrary to the EU's acquis communautaire, investors from other EU countries as well as foreign investors will also have a filing obligation.

A notification requirement can be triggered if a certain threshold of shareholding or voting rights is reached or exceeded (usually between 10% and 50%) or the buyer acquires control, has a decisive influence or essential assets of an undertaking in a relevant sector. In some countries there is an additional turnover threshold.

Relevant sectors

The list of the relevant sectors differs from country to country, but FDI screening applies to a wide range of strategic and sensitive sectors. Naturally, they include defence equipment, arms, ammunition and military technology. They also cover critical infrastructure such as power generation and distribution, water, food, transport, communication, digital infrastructure, media, data processing and storage and financial infrastructure.

The Covid-19 crisis has also highlighted the strategic importance of healthcare, particularly research and development in pharmaceuticals such as vaccines. However, scrutiny is not limited to physical assets; it also applies to access to sensitive information such as personal data and the ability to control such information, as well as the freedom and pluralism of media.

'Given the climate of trepidation across the EU, it remains to be seen whether the CEE member states will manage to strike the right balance between the economic benefits of an open investment environment and the legitimate aim to prohibit foreign investment due to concerns over security and public order.'

Potential penalties

Apart from Croatia, the mentioned countries have mandatory filing requirement deadlines ranging from before signing the contract, public announcement and up to 15 days afterwards. Austrian and Slovenian authorities can initiate a screening procedure when they become aware of a transaction being subject to approval, and in Slovenia this applies for five years after the contract is executed.

Except for Slovenia, there is a standstill requirement in all countries. Penalties for failing to notify the investment and "gun jumping" include criminal sanctions and administrative fines. In Slovenia, the transaction can be annulled and in Romania in certain cases the transaction might be banned. The length of the assessment procedure varies widely, depending on the respective country's procedures, and ranges from 30 to 120 days.

Prepare for screening

Aleš Lunder said: "Given the climate of trepidation across the EU, it remains to be seen whether the CEE member states will manage to strike the right balance between the economic benefits of an open investment environment and the legitimate aim to prohibit foreign investment due to concerns over security and public order."

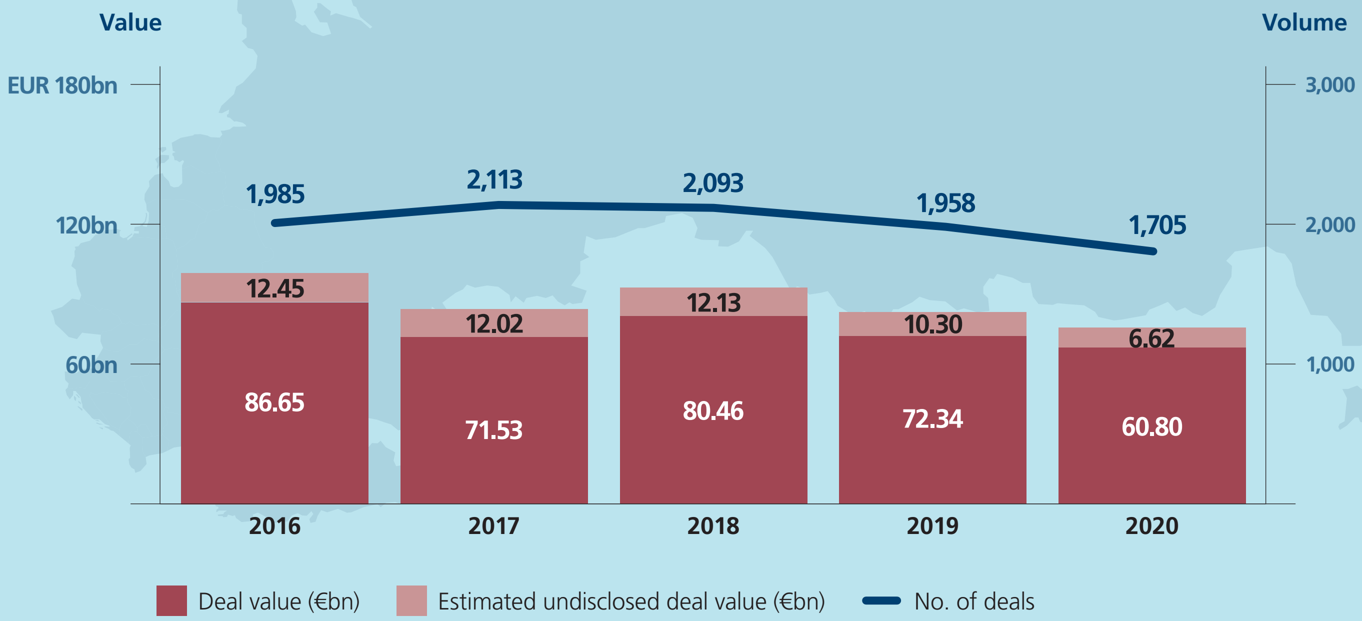
In practice, this means that affected transactions will take longer and transaction security will decrease. Both effects can be mitigated to some extent by considering, early in the transaction process, the likely impact of FDI screening and by developing possible remedies.

EU companies looking for new investors should carefully evaluate whether they are likely to be considered a sensitive business. If this is the case, potential investors should also be selected with a view to potential concerns from an FDI screening perspective. The Commission suggested in its paper that shareholdings with as little as 5% may be relevant cases for screening. For all those involved in M&A, the impact is likely to be far reaching, adding another layer of complexity to deals.

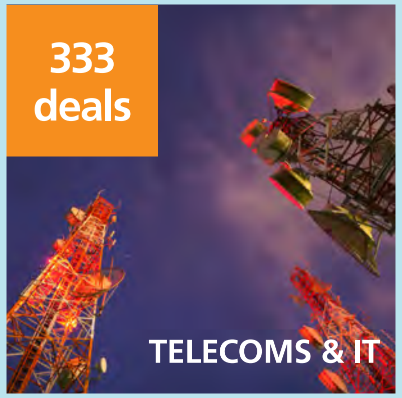
Data bank

EMERGING EUROPE

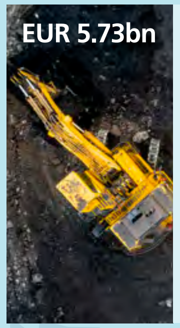
Deals by value and volume



Top 3 sectors

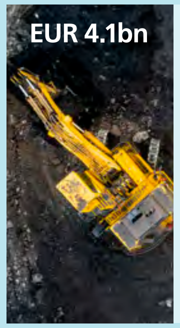


Top 10 deals



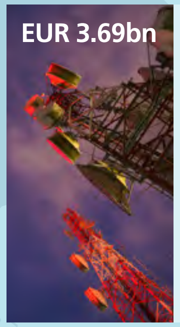
1

Target: **Vostok Oil**
(*Country of target:* **Russia**)
Sector: **Mining (incl. oil & gas)**
Stake: **10%**
Buyer: **Trafigura**[1]
(*Country of buyer:* **Netherlands**)
Value source: ***Market estimate***



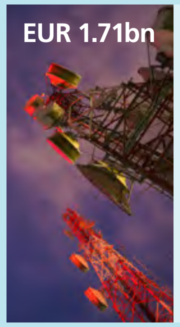
2

Target: **Payakhskoye oil field**
(*Country of target:* **Russia**)
Sector: **Mining (incl. oil & gas)**
Stake: **100%**
Buyer: **Rosneft**
(*Country of buyer:* **Russia**)
Value source: ***Official data***



3

Target: **Play Communications**
(*Country of target:* **Poland**)
Sector: **Telecoms & IT**
Stake: **100%**
Buyer: **Iliad**
(*Country of buyer:* **France**)
Value source: ***Official data***

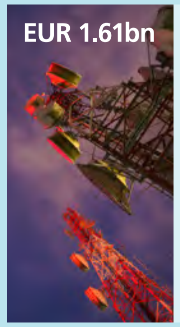


4

Target: **IKS Holding**
(*Country of target:* **Russia**)
Sector: **Telecoms & IT**
Stake: **100%**
Buyer: **USM Telecom**
(*Country of buyer:* **Russia**)
Value source: ***Market estimate***

5

Target: **Uralkali**
(*Country of target:* **Russia**)
Sector: **Manufacturing**
Stake: **35.1%**[2]
Buyer: **UralChem**
(*Country of buyer:* **Russia**)
Value source: ***Market estimate***

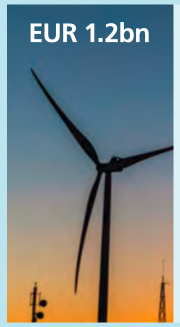


6

Target: **Peak Games**
(*Country of target:* **Turkey**)
Sector: **Telecoms & IT**
Stake: **100%**
Buyer: **Zynga**
(*Country of buyer:* **United States**)
Value source: ***Official data***

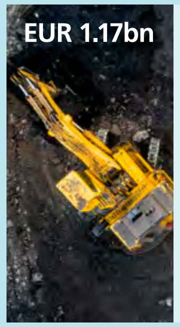
7

Target: **Globe Trade Centre Group**
(*Country of target:* **Poland**)
Sector: **Real Estate & Construction**
Stake: **61.5%**
Buyer: **Optimum Ventures Private Equity Fund**
(*Country of buyer:* **Hungary**)
Value source: ***EMIS estimate***



8

Target: **Selected power production and distribution assets of CEZ**
(*Country of target:* **Romania**)
Sector: **Energy & Utilities**
Stake: **100%**
Buyer: **Macquarie Infrastructure and Real Assets (MIRA)**
(*Country of buyer:* **Australia**)
Value source: ***Market estimate***



9

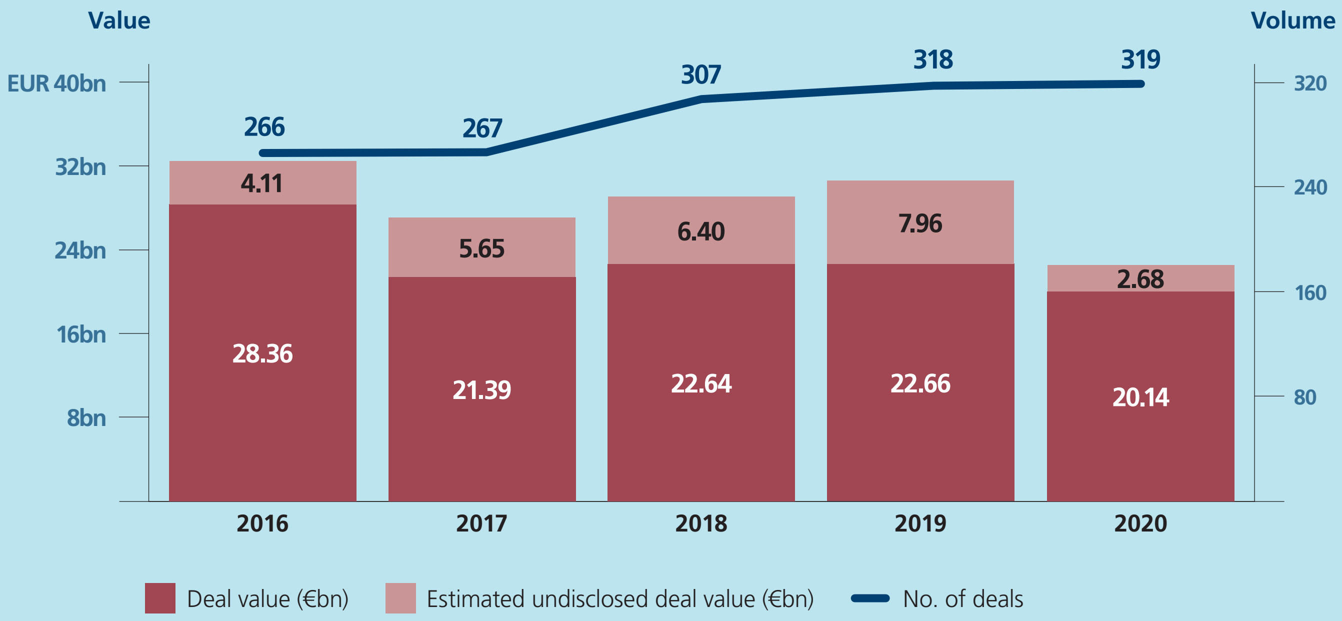
Target: **Elga coal complex**
(*Country of target:* **Russia**)
Sector: **Mining (incl. oil & gas)**
Stake: **51%**
Buyer: **A-Property**
(*Country of buyer:* **Russia**)
Value source: ***Official data***

10

Target: **CEE business of AXA**
(*Country of target:* **Poland; Czech Republic; Slovakia**)
Sector: **Finance & Insurance**
Stake: **100%**
Buyer: **UNIQA Insurance Group**
(*Country of buyer:* **Austria**)
Value source: ***Official data***

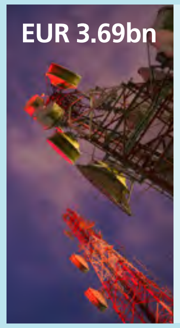
PRIVATE EQUITY

Deals by value and volume

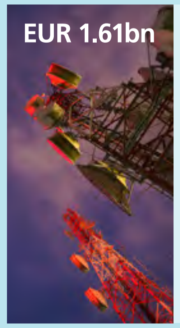


Top 3 sectors

Top 10 deals



Target: **Play Communications** (*Country of target:* **Poland**)
Sector: **Telecoms & IT**
Stake: **100%**
Buyer: **Iliad** (*Country of buyer:* **France**)
Value source: ***Official data***



Target: **Peak Games** (*Country of target:* **Turkey**)
Sector: **Telecoms & IT**
Stake: **100%**
Buyer: **Zynga** (*Country of buyer:* **United States**)
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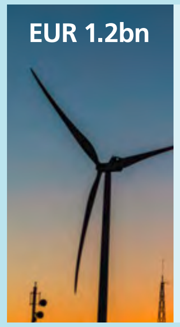
Value source: ***EMIS estimate***

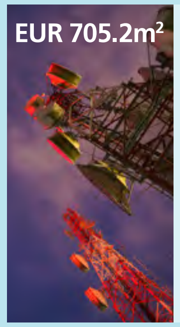


Target: **Selected power production and distribution assets of CEZ in Romania**
Sector: **Energy & Utilities**
Stake: **100%**
Buyer: **Macquarie Infrastructure and Real Assets (MIRA)** (*Country of buyer:* **Australia**)
Value source: ***Market estimate***

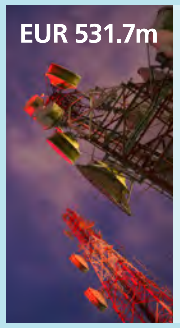
Target: **1.28m sqm CEE logistics portfolio of Goodman Group** (*Country of target:* **Poland; Czech Republic; Hungary; Slovakia**)
Sector: **Real Estate & Construction**
Stake: **100%**
Buyer: **GLP** (*Country of buyer:* **Singapore**)
Value source: ***Official data***

Target: **Vakifbank** (*Country of target:* **Turkey**)
Sector: **Finance & Insurance**
Stake: **36%**
Buyer: **Turkey Wealth Fund** (*Country of buyer:* **Turkey**)
Value source: ***Official data***

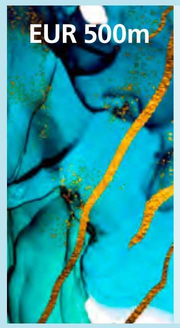
Target: **Halkbank** (*Country of target:* **Turkey**)
Sector: **Finance & Insurance**
Stake: **49.5%**
Buyer: **Turkey Wealth Fund** (*Country of buyer:* **Turkey**)
Value source: ***Official data***



Target: **Turkcell** (*Country of target:* **Turkey**)
Sector: **Telecoms & IT**
Stake: **37.8%**
Buyer: **Turkey Wealth Fund; LetterOne Group** (*Country of buyer:* **Turkey; Russia**)
Value source: ***EMIS estimate***



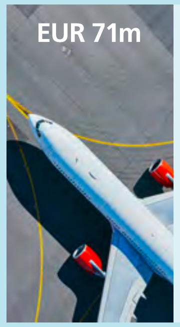
Target: **Yandex** (*Country of target:* **Russia**)
Sector: **Telecoms & IT**
Stake: **3.5%**
Buyer: **VTB Capital; private investors Roman Abramovich, Alexander Frolov and Alexander Abramov** (*Country of buyer:* **Russia**)
Value source: ***Official data***



Target: **SAZKA Group** (*Country of target:* **Czech Republic**)
Sector: **Other (Entertainment & Gambling)**
Stake: **11.9%**
Buyer: **Apollo Global Management** (*Country of buyer:* **United States**)
Value source: ***Official data***

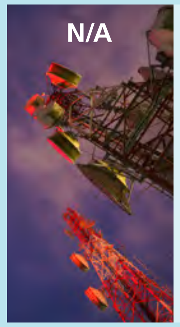
ALBANIA

Top 3 deals



Target: **Tirana International Airport**
Sector: **Transportation & Logistics**
Stake: **100%**
Buyer: **Kastrati Group**
(*Country of buyer:* **Albania**)
Value source: ***Official data***

1



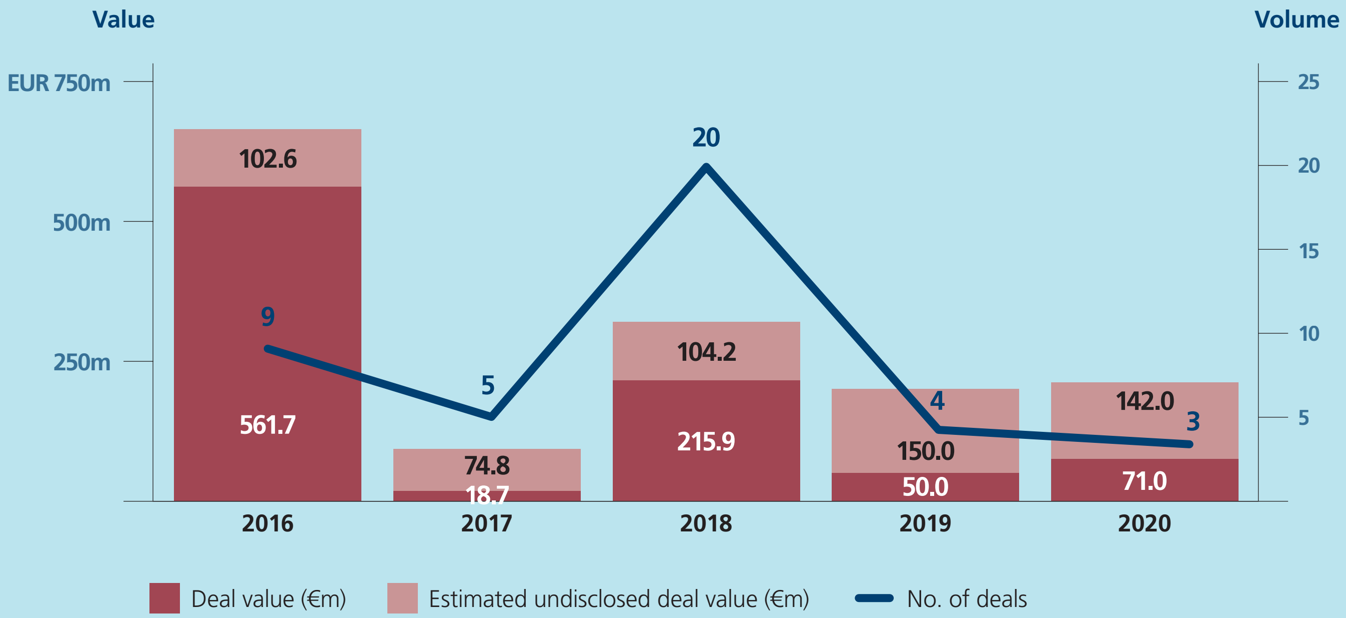
Target: **ApNet**
Sector: **Telecoms & IT**
Stake: **100%**
Buyer: **Vodafone Group**[1]
(*Country of buyer:* **United Kingdom**)
Value source: ***N/A***

2

Target: **Regjistri Shqiptar i Titujve Alreg**
Sector: **Finance & Insurance**
Stake: **5%**[2]
Buyer: **Credins Bank**
(*Country of buyer:* **Albania**)
Value source: ***N/A***

3

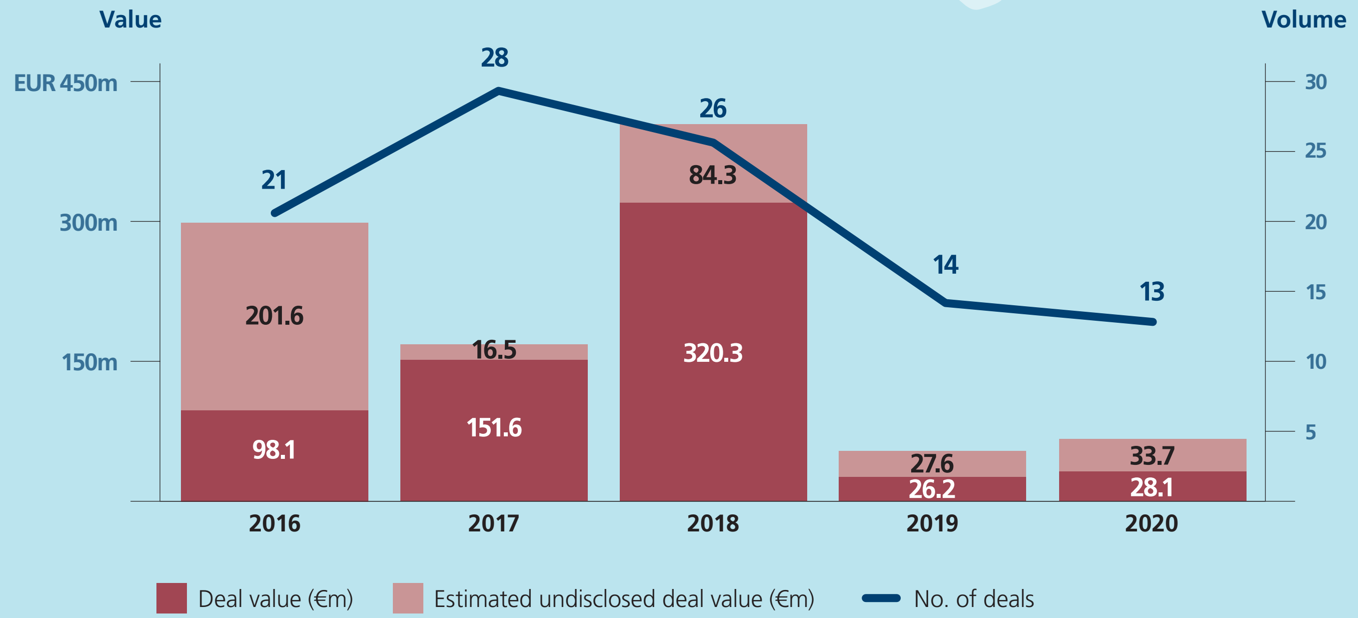
Deals by value and volume



Top 3 sectors

BOSNIA AND HERZEGOVINA

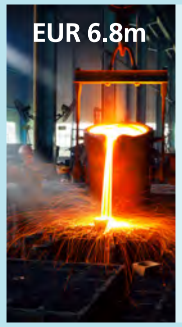
Deals by value and volume



Top 5 deals

Target: **Andricgrad Visegrad**
Sector: **Real Estate & Construction**
Stake: **63.7%**
Buyer: **Government of Republika Srpska**
(*Country of buyer:* **Bosnia and Herzegovina**)
Value source: ***Official data***

1



Target: **Adriatic Metals**[1]
Sector: **Mining (incl. oil & gas)**
Stake: **2.6%**
Buyer: **European Bank for Reconstruction and Development (EBRD)**
(*Country of buyer:* **United Kingdom**)
Value source: ***Official data***

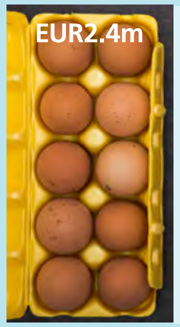
2

Target: **Hotel Blanca Resorts & Spa**
Sector: **Real Estate & Construction**
Stake: **100%**
Buyer: **N/A**
Value source: ***Official data***

3

Target: **Bosnalijek**
Sector: **Manufacturing**
Stake: **5.7%**
Buyer: **N/A**
Value source: ***Official data***

4



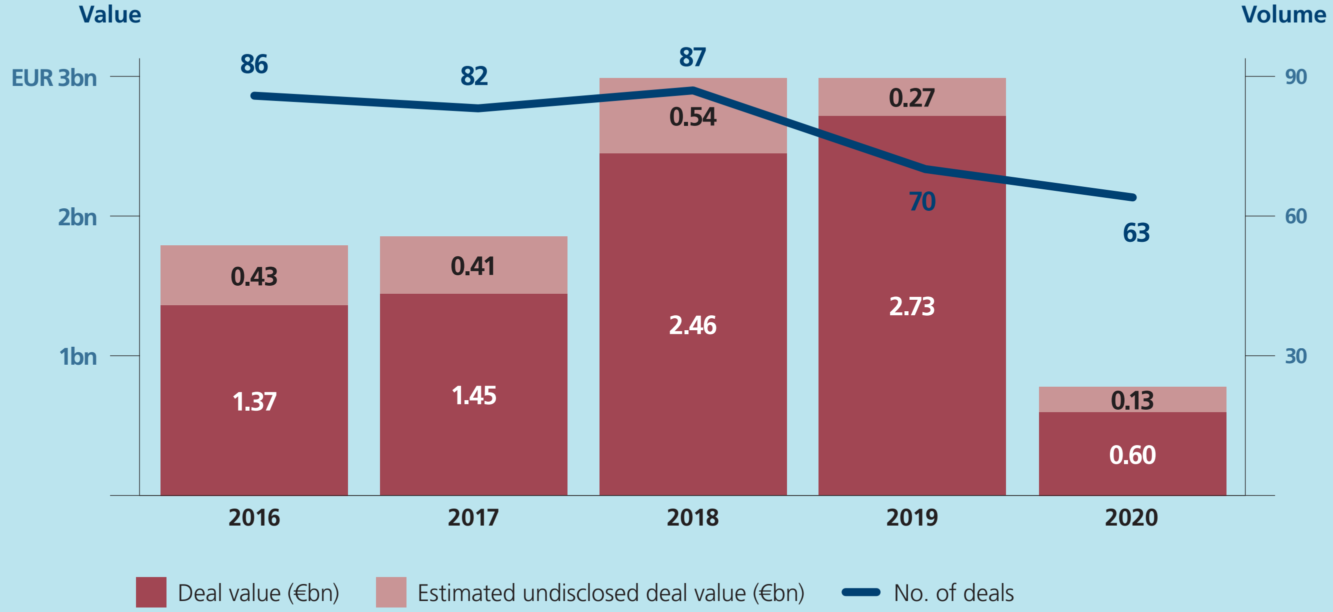
Target: **Mira AD Prijedor**
Sector: **Food & Beverage**
Stake: **20.6%**
Buyer: **Kras**
(*Country of buyer:* **Croatia**)
Value source: ***Official data***

5

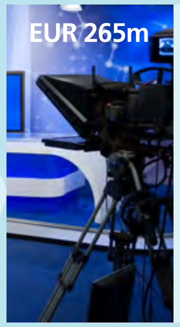
Top 3 sectors

BULGARIA

Deals by value and volume



Top 5 deals

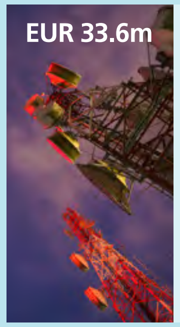


Target: **Nova Broadcasting Group**
Sector: **Media & Publishing**
Stake: **100%**
Buyer: **BC Partners**[1]
(*Country of buyer:* **United Kingdom**)
Value source: ***Market estimate***

Target: **60 MW solar power plant in Karadzhalovo**
Sector: **Energy & Utilities**
Stake: **100%**
Buyer: **RP Global; Enery Development**
(*Country of buyer:* **Austria**)
Value source: ***Official data***

Target: **Perform Business Center**
Sector: **Real Estate & Construction**
Stake: **100%**
Buyer: **YNV Group**
(*Country of buyer:* **Cyprus**)
Value source: ***Official data***

Target: **Markan TI**
Sector: **Real Estate & Construction**
Stake: **100%**
Buyer: **Tzeko Minev - private investor; Ivaylo Mutafchiev - private investor**
(*Country of buyer:* **Bulgaria**)
Value source: ***EMIS estimate***

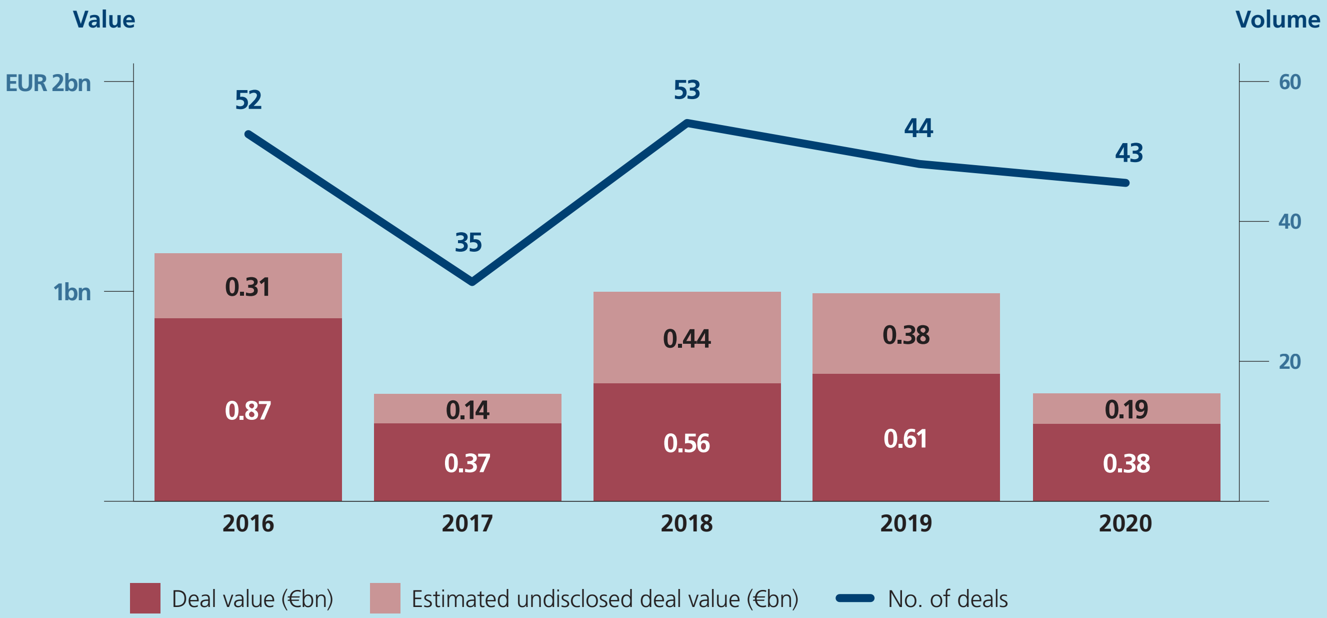


Target: **SMSBump**
Sector: **Telecoms & IT**
Stake: **100%**
Buyer: **Yotpo**
(*Country of buyer:* **Israel**)
Value source: ***Market estimate***

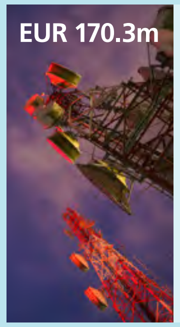
Top 3 sectors

CROATIA

Deals by value and volume

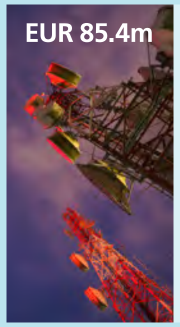


Top 5 deals



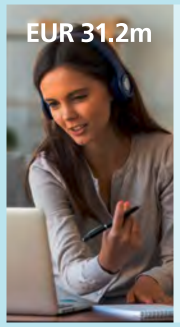
Target: **Infobip**
Sector: **Telecoms & IT**
Stake: **N/A**
Buyer: **One Equity Partners**
(*Country of buyer:* **United States**)
Value source: ***Market estimate***

1



Target: **Nanobit**
Sector: **Telecoms & IT**
Stake: **78%**
Buyer: **Stillfront Group**
(*Country of buyer:* **Sweden**)
Value source: ***Official data***

2



Target: **Fidelta**
Sector: **Services**
Stake: **100%**
Buyer: **Selvita**
(*Country of buyer:* **Poland**)
Value source: ***Official data***

3

Target: **M7 Primo**
Sector: **Real Estate & Construction**
Stake: **99.9%**
Buyer: **AZ obvezni mirovinski fond**
(*Country of buyer:* **Croatia**)
Value source: ***Official data***

4

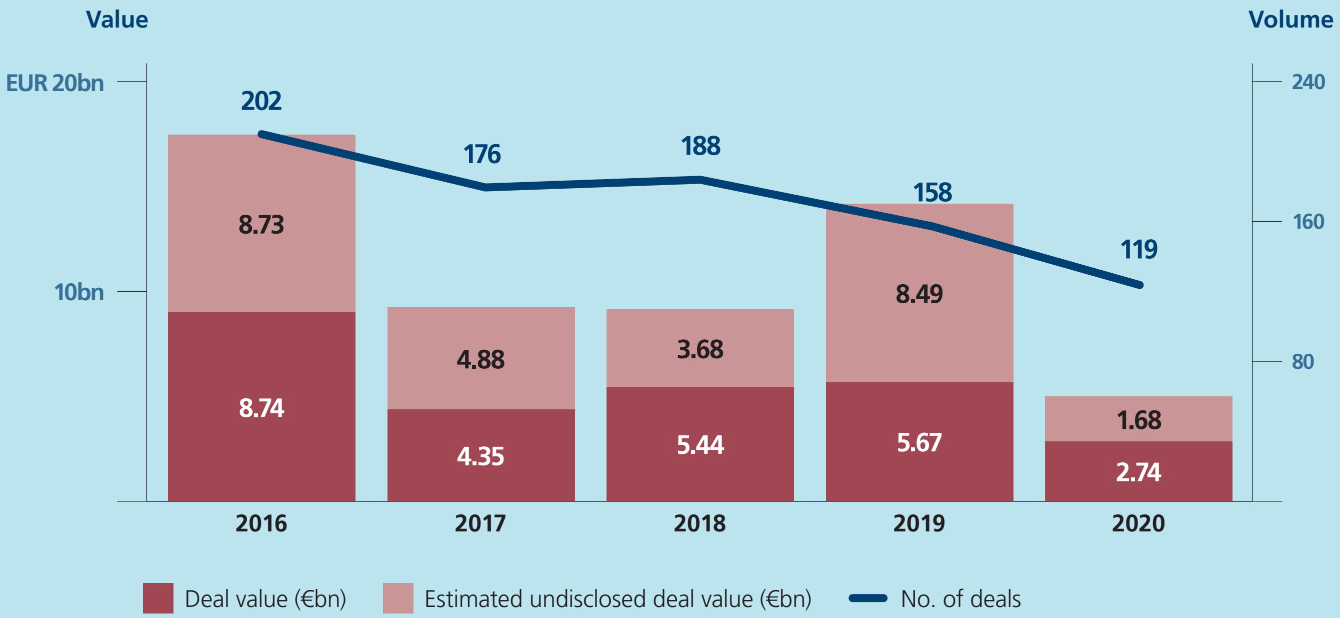
Target: **Dalmacija Hoteli**
Sector: **Real Estate & Construction**
Stake: **100%**
Buyer: **Laguna Novigrad**
(*Country of buyer:* **Croatia**)
Value source: ***Official data***

5

Top 3 sectors

CZECH REPUBLIC

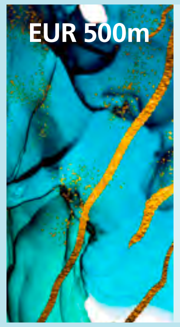
Deals by value and volume



Top 5 deals

Target: **innogy Ceska republika**
Sector: **Energy & Utilities**
Stake: **100%**
Buyer: **MVM Group**
(*Country of buyer:* **Hungary**)
Value source: ***Market estimate***

1

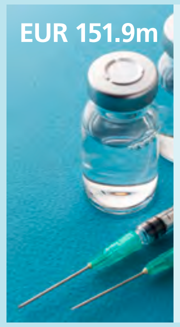


Target: **SAZKA Group**
Sector: **Other (Entertainment & Gambling)**
Stake: **11.9%**
Buyer: **Apollo Global Management**
(*Country of buyer:* **United States**)
Value source: ***Official data***

2

Target: **Business of AXA in the Czech Republic**
Sector: **Finance & Insurance**
Stake: **100%**
Buyer: **UNIQA Insurance Group**
(*Country of buyer:* **Austria**)
Value source: ***EMIS estimate***

3



Target: **Praha Vaccines**
Sector: **Manufacturing**
Stake: **100%**
Buyer: **Novavax**
(*Country of buyer:* **United States**)
Value source: ***Official data***

4

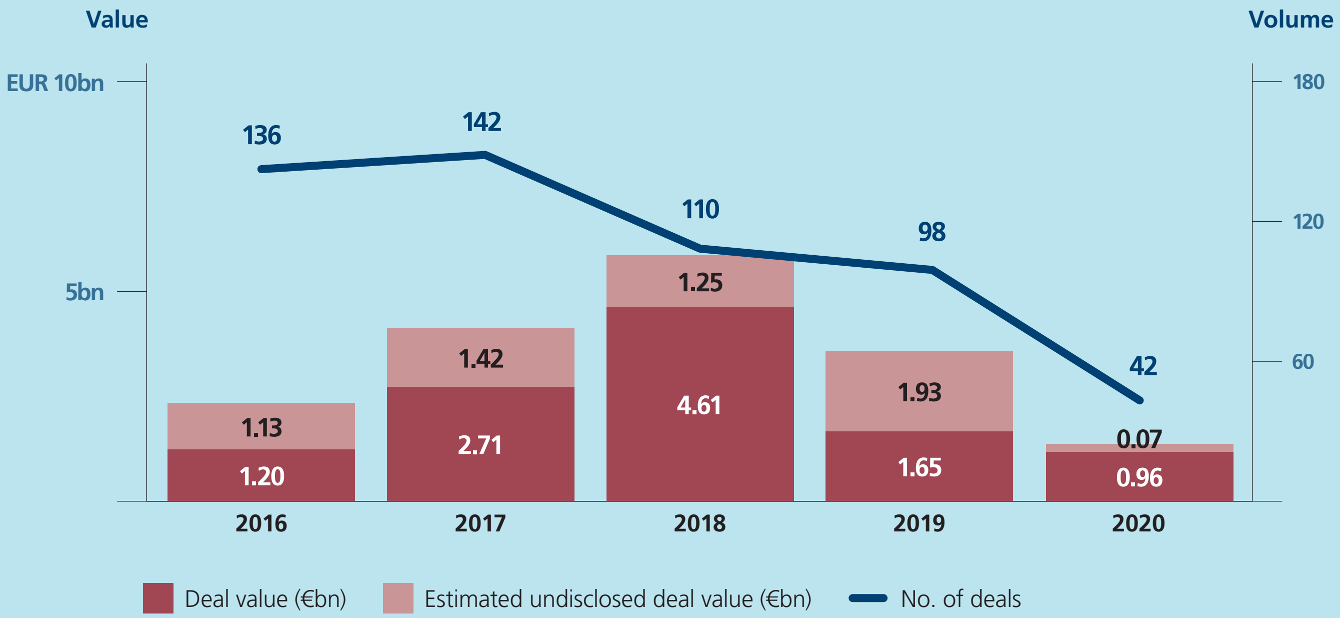
Target: **Churchill Square office building in Prague**
Sector: **Real Estate & Construction**
Stake: **100%**
Buyer: **Ceskomoravska nemovitostni; First National Bank**
(*Country of buyer:* **Czech Republic; Lebanon**)
Value source: ***Official data***

5

Top 3 sectors

HUNGARY

Deals by value and volume



Top 5 deals

1

Target: **Business of Aegon in Hungary**
Sector: **Finance & Insurance**
Stake: **100%**
Buyer: **Vienna Insurance Group**
(*Country of buyer:* **Austria**)
Value source: ***EMIS estimate***

2

Target: **New York Palace and New York Residence (The Dedica Anthology) luxury hotels in Budapest**
Sector: **Real Estate & Construction**
Stake: **100%**
Buyer: **Covivio**
(*Country of buyer:* **France**)
Value source: ***EMIS estimate***

3

Target: **Eight solar plants with 65 MWp total capacity**
Sector: **Energy & Utilities**
Stake: **100%**
Buyer: **Green Source**
(*Country of buyer:* **Austria**)
Value source: ***Market estimate***

4

Target: **Netrisk.hu**
Sector: **Finance & Insurance**
Stake: **75%**
Buyer: **TA Associates**
(*Country of buyer:* **United States**)
Value source: ***Official data***

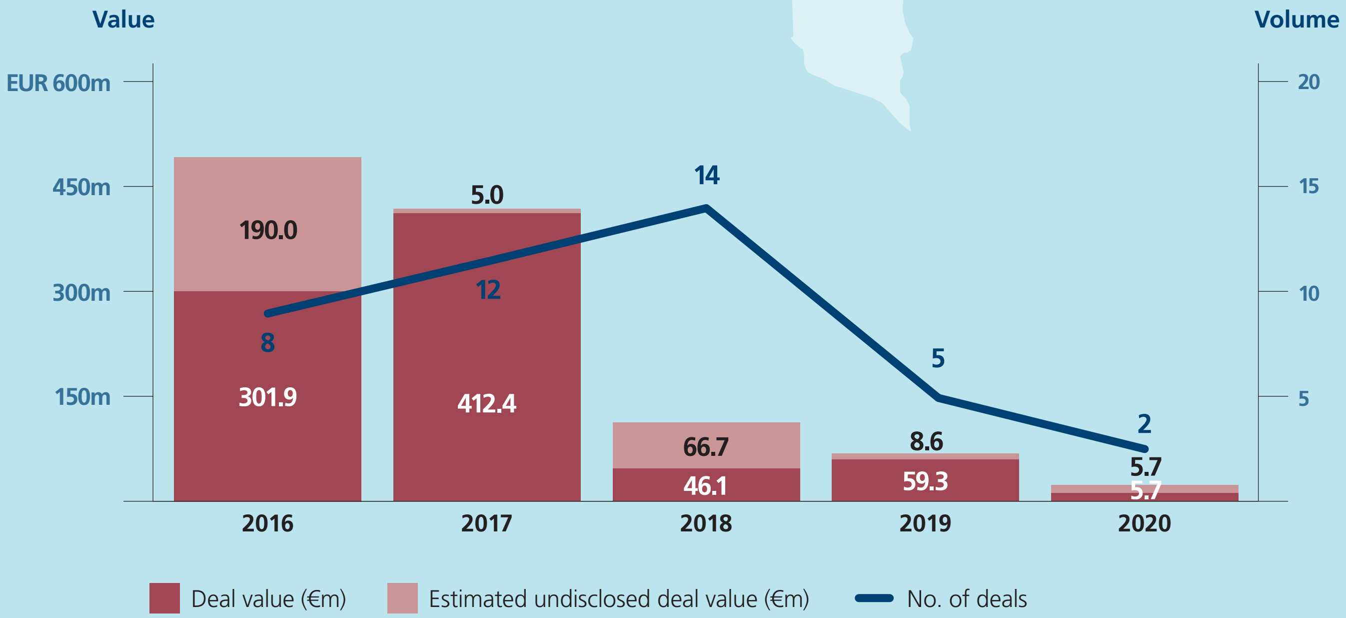
5

Target: **Hungarian logistics real estate portfolio of Goodman Group**
Sector: **Real Estate & Construction**
Stake: **100%**
Buyer: **GLP**
(*Country of buyer:* **Singapore**)
Value source: ***EMIS estimate***

Top 3 sectors

MONTENEGRO

Deals by value and volume



Top 2 deals

Target: **Swiss Osiguranje**
Sector: **Finance & Insurance**
Stake: **94.6%**
Buyer: **GRAWE Group**
(*Country of buyer:* **Austria**)
Value source: ***Market estimate***

1

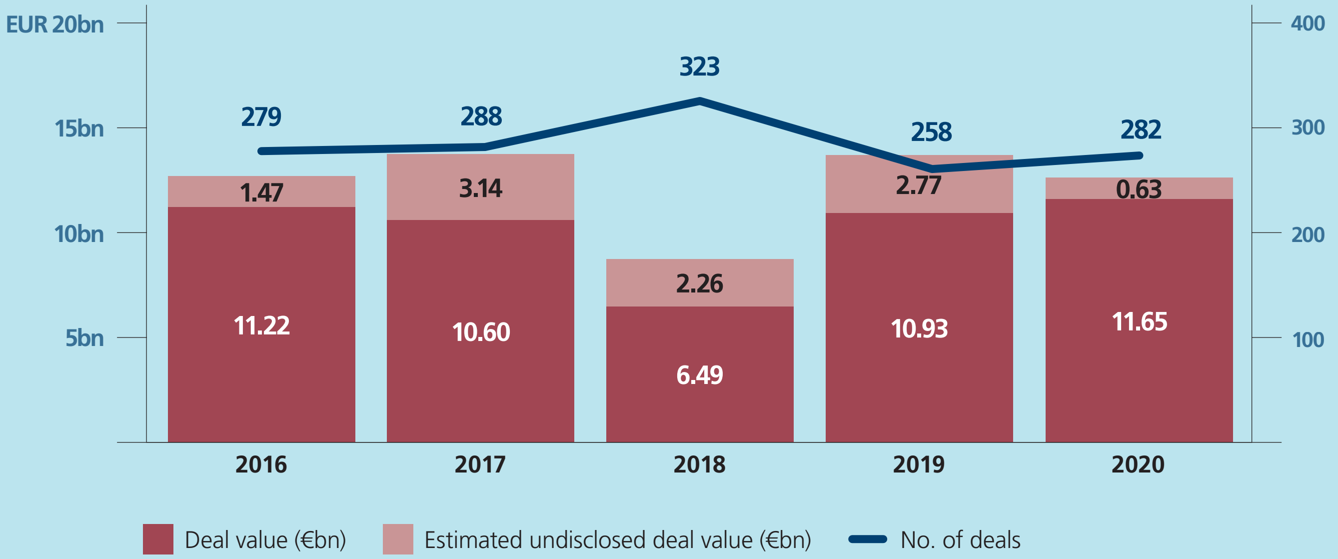
Target: **Podgorica Hotel**
Sector: **Real Estate & Construction**
Stake: **100%**
Buyer: **Undisclosed private investor**
(*Country of buyer:* **France**)
Value source: ***N/A***

2

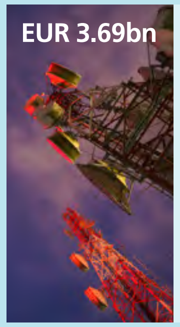
Top 2 sectors

POLAND

Deals by value and volume



Top 5 deals



Target:	**Play Communications**
Sector:	**Telecoms & IT**
Stake:	**100%**
Buyer:	**Iliad** (*Country of buyer:* **France**) *Value source:* ***Official data***

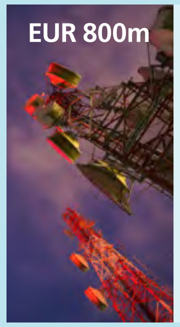
1

Target:	**Globe Trade Centre Group**
Sector:	**Real Estate & Construction**
Stake:	**61.5%**
Buyer:	**Optimum Ventures Private Equity Fund** (*Country of buyer:* **Hungary**) *Value source:* ***EMIS estimate***

2

Target:	**Polish logistics real estate portfolio of Goodman Group**
Sector:	**Real Estate & Construction**
Stake:	**100%**
Buyer:	**GLP** (*Country of buyer:* **Singapore**) *Value source:* ***EMIS estimate***

3



Target:	**Tower infrastructure of Play Communications**
Sector:	**Telecoms & IT**
Stake:	**60%**
Buyer:	**Cellnex** (*Country of buyer:* **Spain**) *Value source:* ***Official data***

4

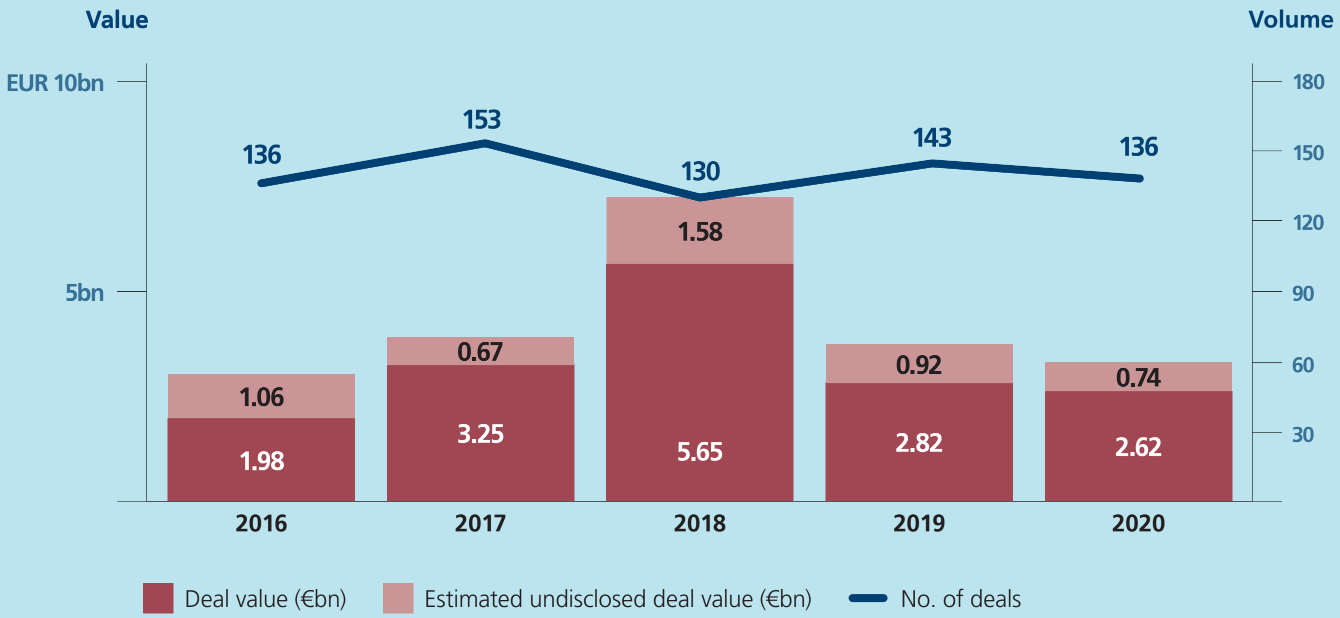
Target:	**Business of AXA in Poland**
Sector:	**Finance & Insurance**
Stake:	**100%**
Buyer:	**UNIQA Insurance Group** (*Country of buyer:* **Austria**) *Value source:* ***EMIS estimate***

5

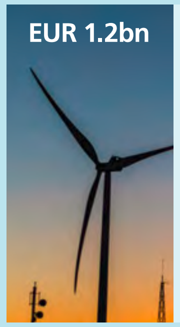
Top 3 sectors

ROMANIA

Deals by value and volume



Top 5 deals

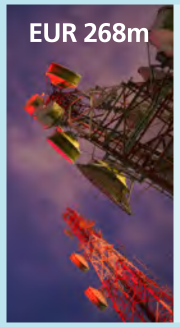


1

Target:	**Selected power production and distribution assets of CEZ in Romania**
Sector:	**Energy & Utilities**
Stake:	**100%**
Buyer:	**Macquarie Infrastructure and Real Assets (MIRA)** (*Country of buyer:* **Australia**) *Value source:* ***Market estimate***

2

Target:	**Romanian office portfolio of NEPI Rockastle**
Sector:	**Real Estate & Construction**
Stake:	**100%**
Buyer:	**AFI Group** (*Country of buyer:* **Israel**) *Value source:* ***Official data***



3

Target:	**Telekom Romania Communications**
Sector:	**Telecoms & IT**
Stake:	**54%**
Buyer:	**Orange** (*Country of buyer:* **France**) *Value source:* ***Official data***

4

Target:	**Floreasca Park office building in Bucharest**
Sector:	**Real Estate & Construction**
Stake:	**100%**
Buyer:	**Fosun International; Zeus Capital Management** (*Country of buyer:* **Hong Kong; United States**) *Value source:* ***Market estimate***

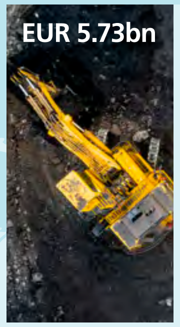
5

Target:	**Campus 6.2 and Campus 6.3 office buildings in Bucharest**
Sector:	**Real Estate & Construction**
Stake:	**100%**
Buyer:	**S IMMO** (*Country of buyer:* **Austria**) *Value source:* ***Official data***

Top 3 sectors

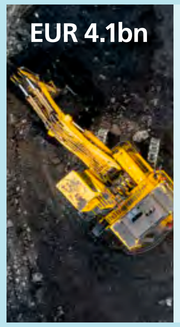
RUSSIA

Top 5 deals



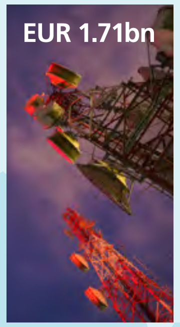
Target: **Vostok Oil**
Sector: **Mining (incl. oil & gas)**
Stake: **10%**
Buyer: **Trafigura**[1]
(*Country of buyer:* **Netherlands**)
Value source: ***Market estimate***

1



Target: **Payakhskoye oil field**
Sector: **Mining (incl. oil & gas)**
Stake: **100%**
Buyer: **Rosneft**
(*Country of buyer:* **Russia**)
Value source: ***Official data***

2

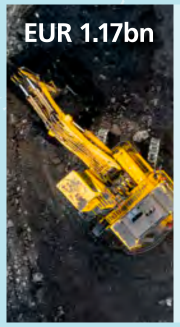


Target: **IKS Holding**
Sector: **Telecoms & IT**
Stake: **100%**
Buyer: **USM Telecom**
(*Country of buyer:* **Russia**)
Value source: ***Market estimate***

3

Target: **Uralkali**
Sector: **Manufacturing**
Stake: **35.1%**[2]
Buyer: **UralChem**
(*Country of buyer:* **Russia**)
Value source: ***Market estimate***

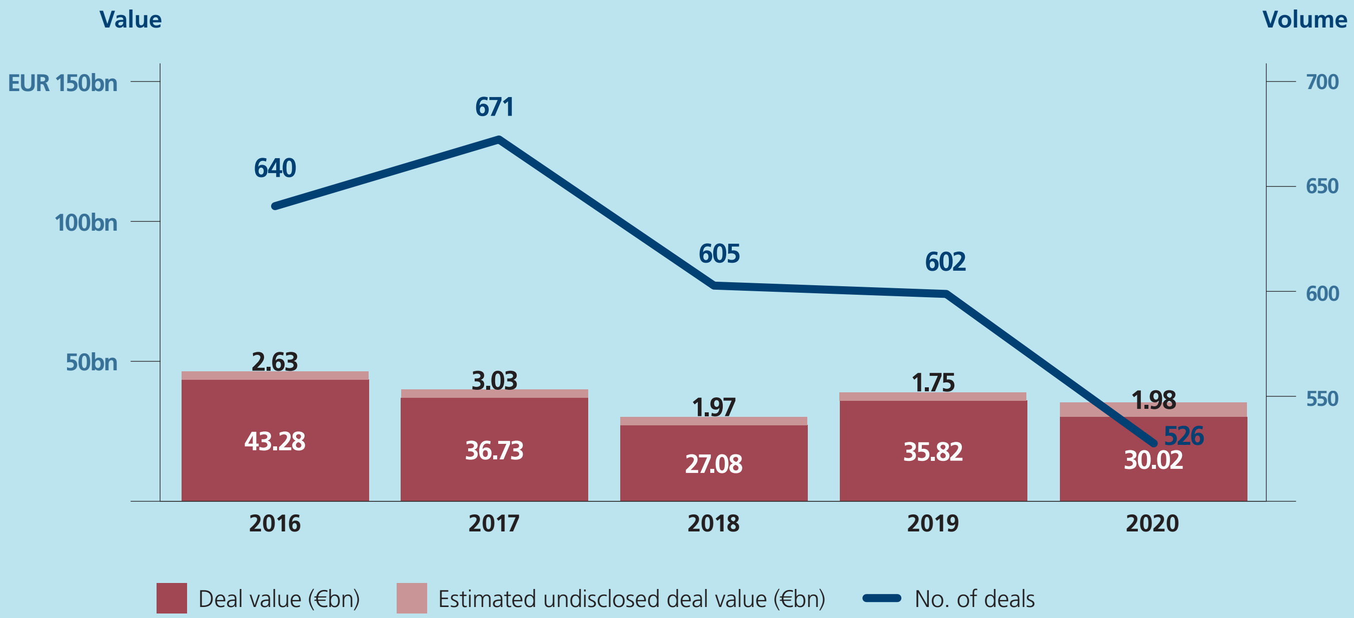
4



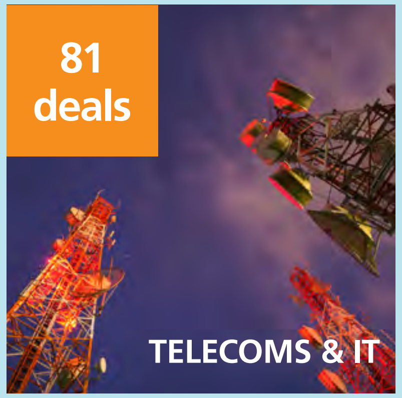
Target: **Elga coal complex**[3]
Sector: **Mining (incl. oil & gas)**
Stake: **51%**
Buyer: **A-Property**
(*Country of buyer:* **Russia**)
Value source: ***Official data***

5

Deals by value and volume

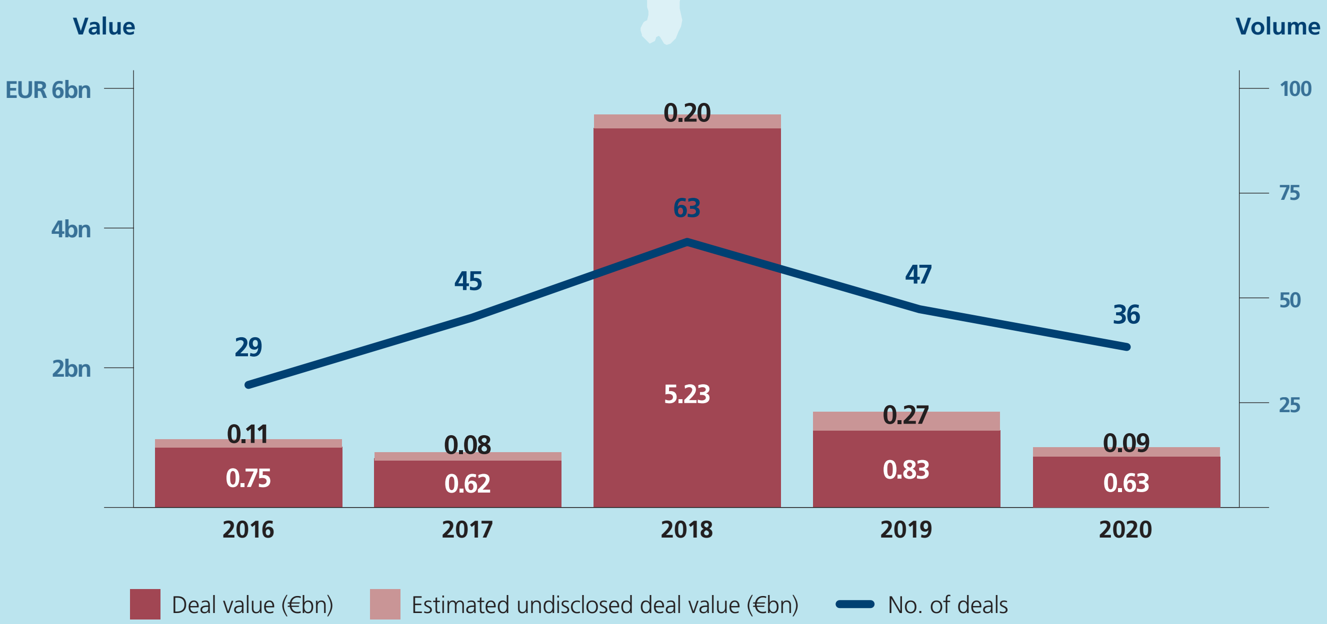


Top 3 sectors



SERBIA

Deals by value and volume



Top 5 deals

Target: **Komercijalna Banka**
Sector: **Finance & Insurance**
Stake: **83.2%**
Buyer: **Nova Ljubljanska Banka (NLB)**
(*Country of buyer:* **Slovenia**)
Value source: ***Official data***

1

Target: **Edible oil plant of Victoria Group in Sid**
Sector: **Food & Beverage**
Stake: **100%**
Buyer: **Trans-Oil Group of Companies**
(*Country of buyer:* **Moldova**)
Value source: ***Official data***

2

Target: **Aviv Park Zrenjanin**
Sector: **Real Estate & Construction**
Stake: **100%**
Buyer: **BIG Shopping Centers**
(*Country of buyer:* **Israel**)
Value source: ***Official data***

3

Target: **Terasteel**
Sector: **Manufacturing**
Stake: **100%**
Buyer: **Kingspan Group**
(*Country of buyer:* **Ireland**)
Value source: ***Official data***

4

Target: **Penta**[1]
Sector: **Finance & Insurance**
Stake: **N/A**
Buyer: **RTP Global; Holtzbrinck Ventures; VR Ventures; FinLeap; ABN AMRO Ventures**
(*Country of buyer:* **Russia; Germany; Netherlands**)
Value source: ***Official data***

5

Top 3 sectors

SLOVAKIA

Top 5 deals

1

Target: **Five logistics and light industrial properties of Arete Group**
Sector: **Real Estate & Construction**
Stake: **100%**
Buyer: **Cromwell European REIT**
(*Country of buyer:* **Singapore**)
Value source: ***EMIS estimate***

2

Target: **Rosum office building**
Sector: **Real Estate & Construction**
Stake: **100%**
Buyer: **ECE European City Estates Group**
(*Country of buyer:* **Austria**)
Value source: ***Market estimate***

3

Target: **VSE Holding**
Sector: **Energy & Utilities**
Stake: **49%**
Buyer: **E.ON**
(*Country of buyer:* **Germany**)
Value source: ***Market estimate***

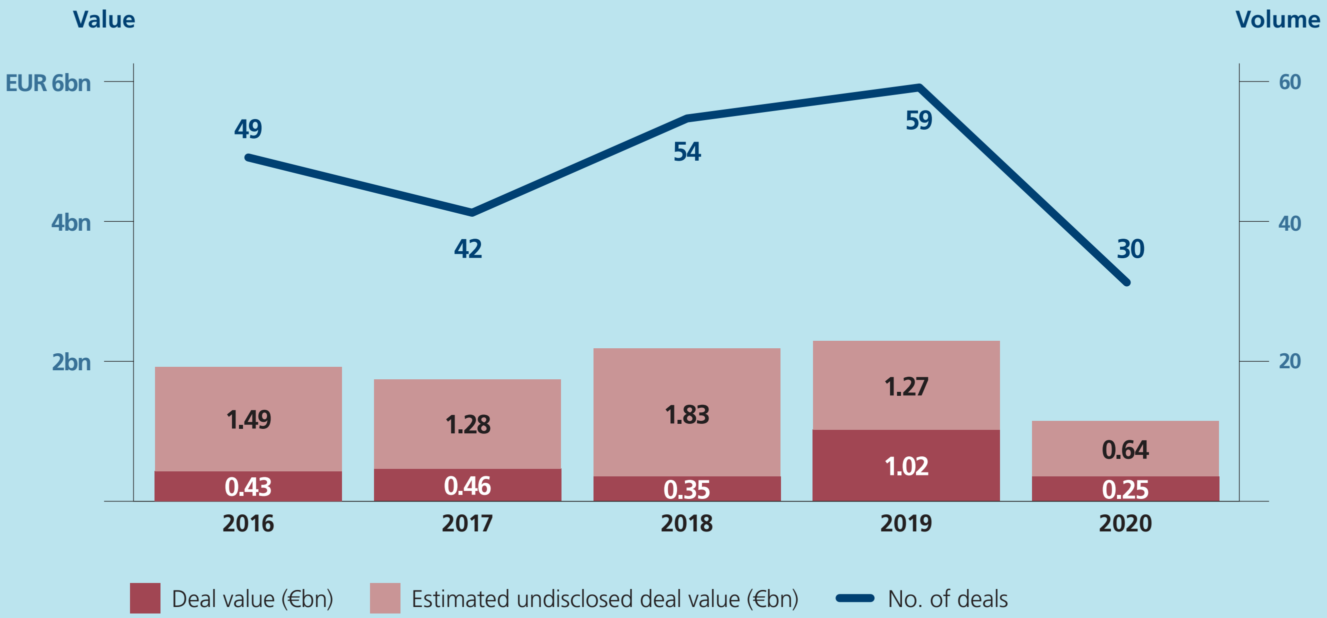
4

Target: **First two phases of PNK Park Sered**
Sector: **Real Estate & Construction**
Stake: **100%**
Buyer: **Ceska Sporitelna**
(*Country of buyer:* **Czech Republic**)
Value source: ***Official data***

5

Target: **Business of AXA in Slovakia**
Sector: **Finance & Insurance**
Stake: **100%**
Buyer: **UNIQA Insurance Group**
(*Country of buyer:* **Austria**)
Value source: ***EMIS estimate***

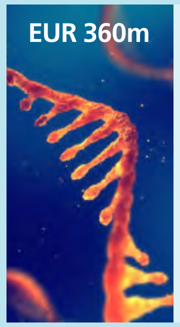
Deals by value and volume



Top 3 sectors

SLOVENIA

Top 5 deals

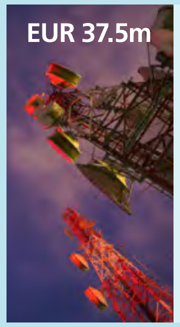


Target: **Bia Separations**
Sector: **Manufacturing**
Stake: **100%**
Buyer: **Sartorius**
(*Country of buyer:* **Germany**)
Value source: ***Official data***

1

Target: **HETA Slovenia**
Sector: **Finance & Insurance**
Stake: **100%**
Buyer: **MK Group**
(*Country of buyer:* **Serbia**)
Value source: ***Market estimate***

2



Target: **Iskratel**
Sector: **Telecoms & IT**
Stake: **100%**
Buyer: **S&T**
(*Country of buyer:* **Austria**)
Value source: ***Official data***

3

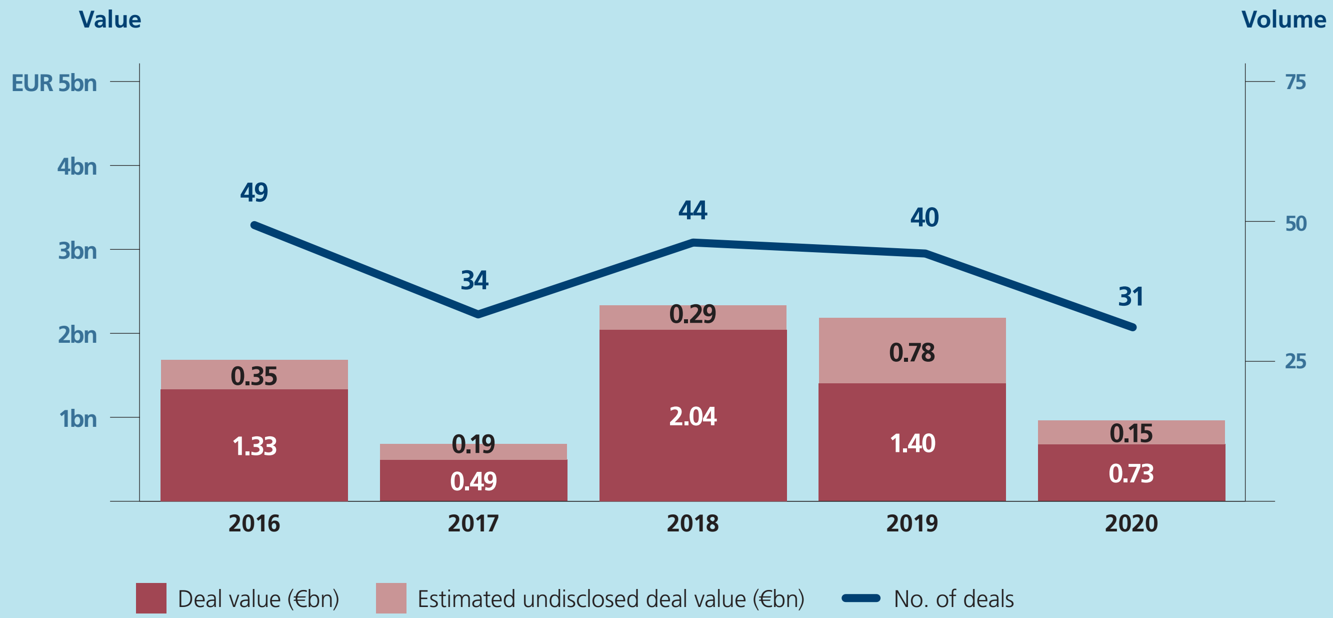
Target: **Nomago**
Sector: **Transportation & Logistics**
Stake: **50%**
Buyer: **Slovenske Zeleznice**
(*Country of buyer:* **Slovenia**)
Value source: ***Official data***

4

Target: **E 3**
Sector: **Energy & Utilities**
Stake: **100%**
Buyer: **Petrol**
(*Country of buyer:* **Slovenia**)
Value source: ***Market estimate***

5

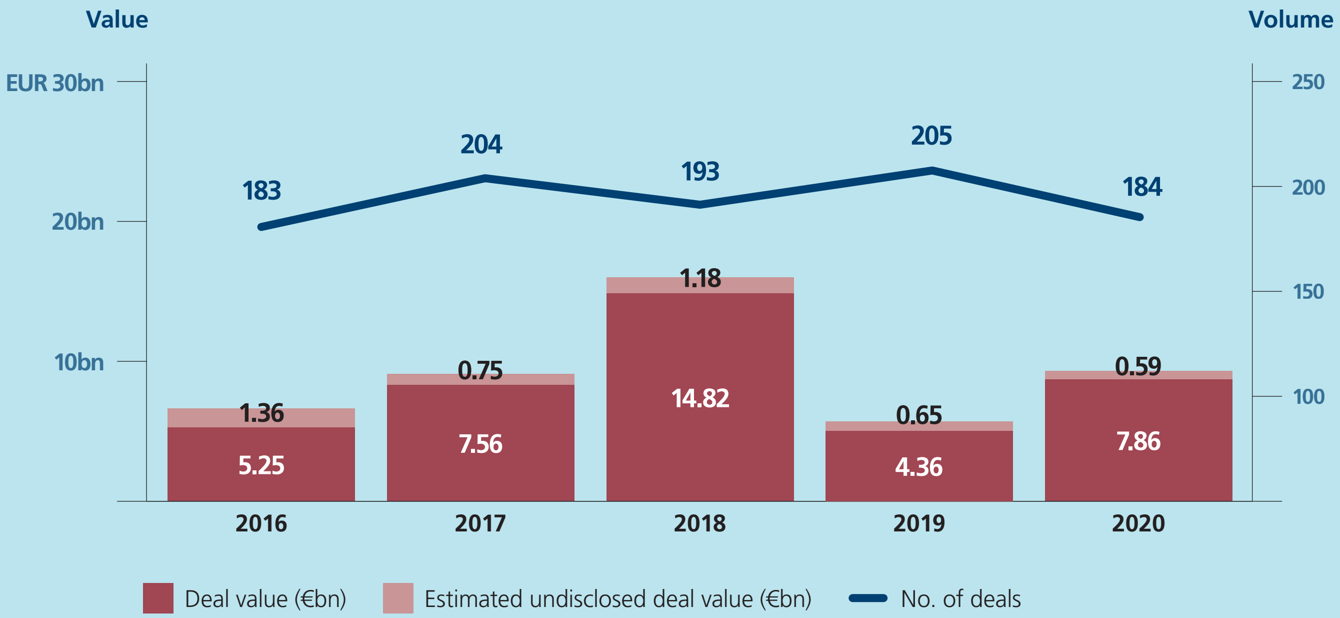
Deals by value and volume



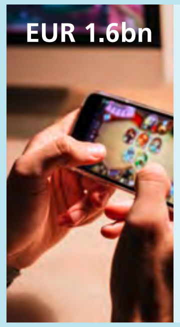
Top 3 sectors

TURKEY

Deals by value and volume



Top 5 deals



Target: **Peak Games**
Sector: **Telecoms & IT**
Stake: **100%**
Buyer: **Zynga**
(*Country of buyer:* **United States**)
Value source: ***Official data***

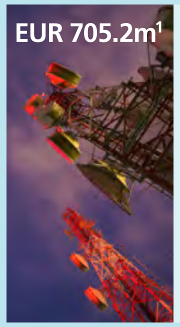
1

Target: **Vakifbank**
Sector: **Finance & Insurance**
Stake: **36%**
Buyer: **Turkey Wealth Fund**
(*Country of buyer:* **Turkey**)
Value source: ***Official data***

2

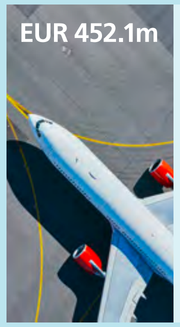
Target: **Halkbank**
Sector: **Finance & Insurance**
Stake: **49.5%**
Buyer: **Turkey Wealth Fund**
(*Country of buyer:* **Turkey**)
Value source: ***Official data***

3



Target: **Turkcell**
Sector: **Telecoms & IT**
Stake: **37.8%**
Buyer: **Turkey Wealth Fund; LetterOne Group**
(*Country of buyer:* **Turkey; Russia**)
Value source: ***EMIS estimate***

4

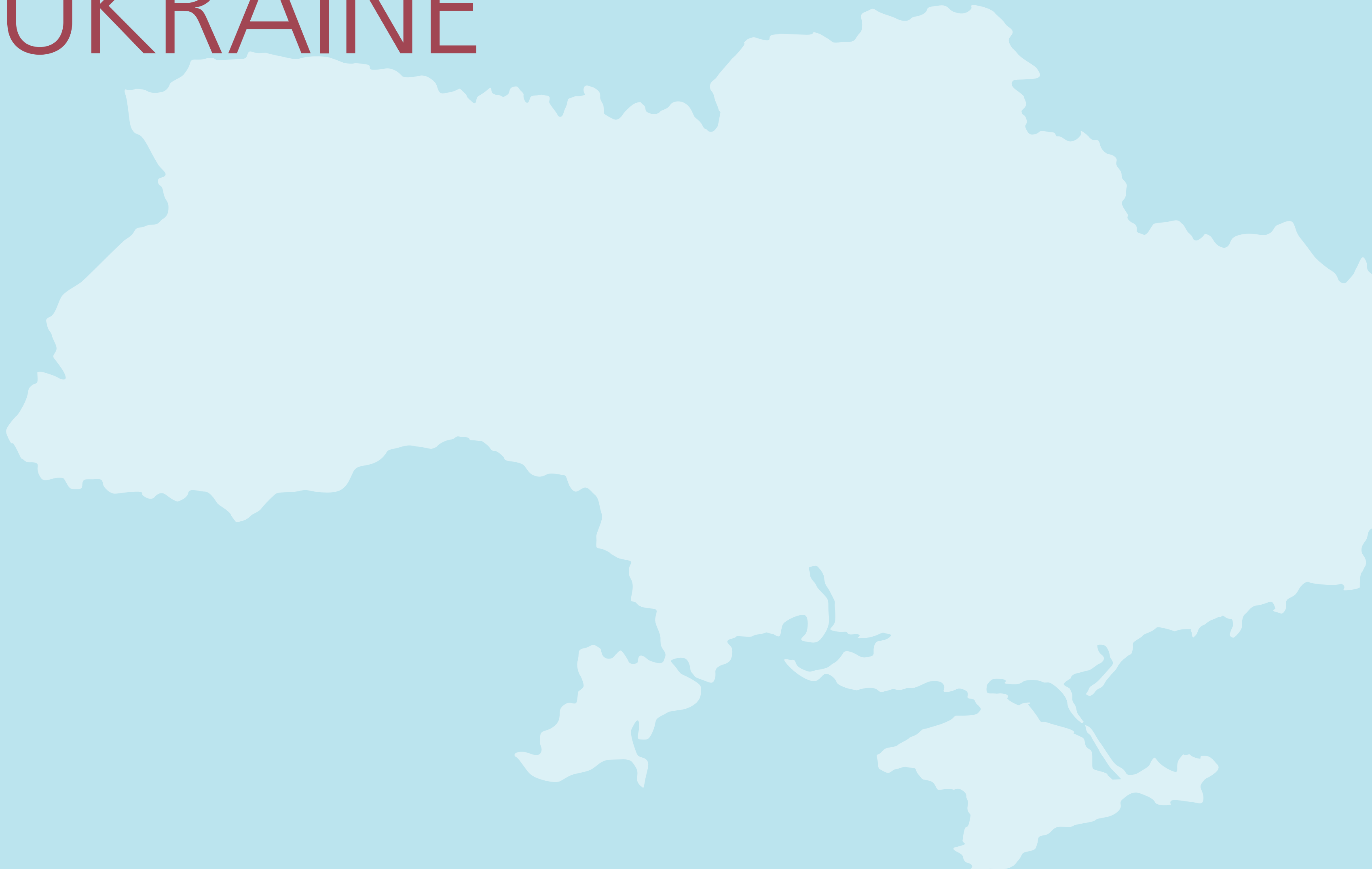


Target: **Cukurova Airport**
Sector: **Transportation & Logistics**
Stake: **100%**
Buyer: **Kozuva Group**
(*Country of buyer:* **Turkey**)
Value source: ***Official data***

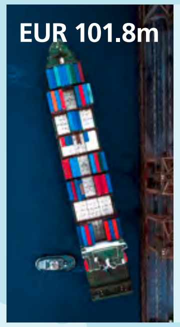
5

Top 3 sectors

UKRAINE



Top 5 deals

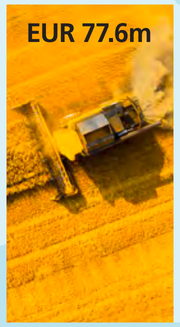


Target: **TIS Container Terminal**
Sector: **Transportation & Logistics**
Stake: **51%**
Buyer: **DP World**
(*Country of buyer:* **United Arab Emirates**)
Value source: ***Market estimate***

1

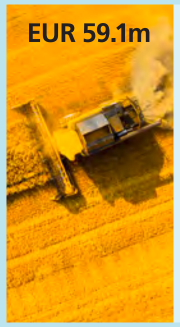
Target: **101 Tower Business Center**
Sector: **Real Estate & Construction**
Stake: **100%**
Buyer: **Dragon Capital Investments**
(*Country of buyer:* **Ukraine**)
Value source: ***Market estimate***

2



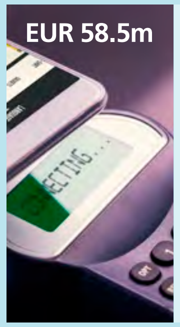
Target: **Khmelnytsk-Agro**
Sector: **Agriculture & Farming**
Stake: **96.7%**
Buyer: **Epicenter K**
(*Country of buyer:* **Ukraine**)
Value source: ***Market estimate***

3



Target: **Kaskad-Agro Agricultural Holding**
Sector: **Agriculture & Farming**
Stake: **100%**
Buyer: **Alexandre Garese – private investor**
(*Country of buyer:* **France**)
Value source: ***Market estimate***

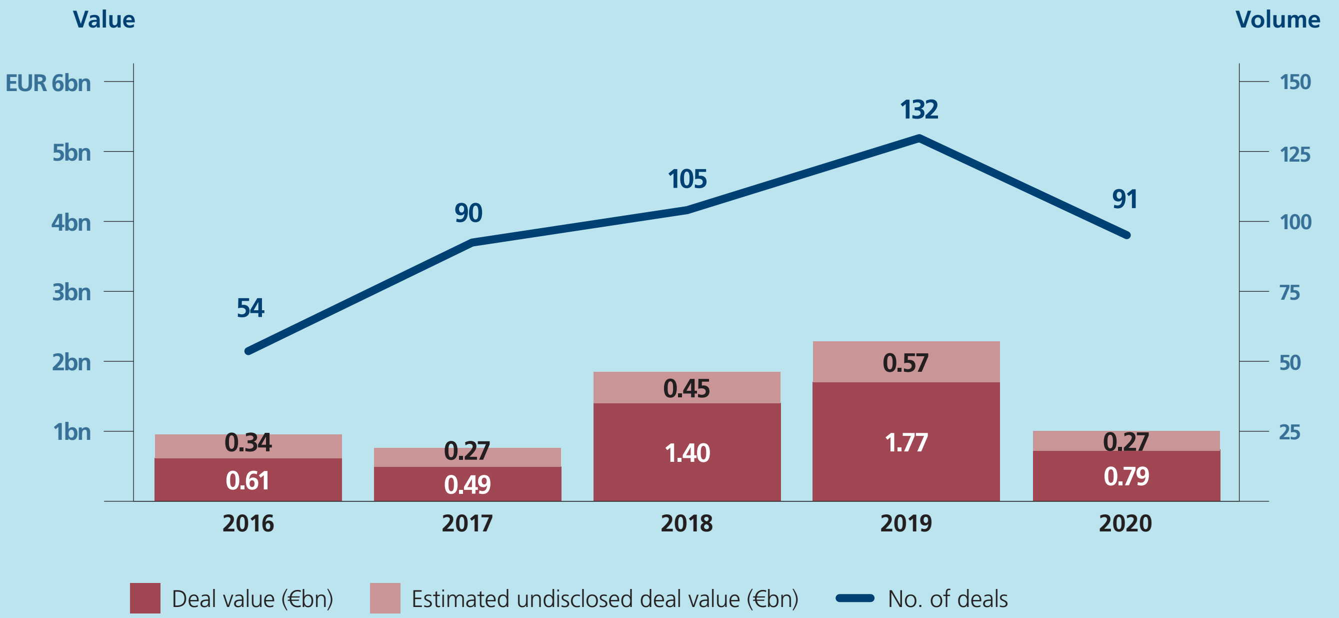
4



Target: **Billa-Ukraine**
Sector: **Wholesale & Retail**
Stake: **100%**
Buyer: **UAB Consul Trade House**
(*Country of buyer:* **Lithuania**)
Value source: ***Market estimate***

5

Deals by value and volume



Top 3 sectors

About CMS

Staff	*Lawyers*	*Partners*
> 8,000	**> 4,800**	**1,100**

49 NEW PARTNERS IN 2019, TAKING THE TOTAL TO OVER 1,100

Operating in **71** **cities** | *Across* **43** **countries**

EUR 1.426bn
turnover for 2019

19 PRACTICE AND SECTOR GROUPS WORKING ACROSS OFFICES

- **#1 CEE, DACH, Germany** *(Mergermarket)*
- **#1 Germany, UK** *(Thomson Reuters)*
- **Top rankings in 2019 M &A League Tables** *(by deal count)*
  #1 by Bloomberg in Europe, Germany and UK
  #1 by Mergermarket in CEE, DACH and Germany
  #1 by Thomson Reuters in Benelux and Germany
- **#1 Europe, Germany, UK** *(Bloomberg)*

Sharing knowledge

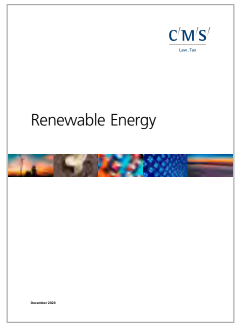
European M&A Study
This year's Study covers 466 share and asset deals on which CMS in Europe advised in 2019. Despite the slowdown in the European M&A market in 2019, affected by political and economic uncertainty, CMS still managed to increase the number of deals for the third consecutive year advising on more deals than any other law firm in Europe.

A global leader in Corporate/M&A
We advise some of the world's leading companies on mergers & acquisitions, often in challenging and cross-border situations. With more than 1,000 lawyers offering best-in-class legal expertise across 41 jurisdictions, we deliver a seamless client experience and invariably receive top rankings from industry commentators including Bloomberg, Mergermarket and Thomson Reuters.

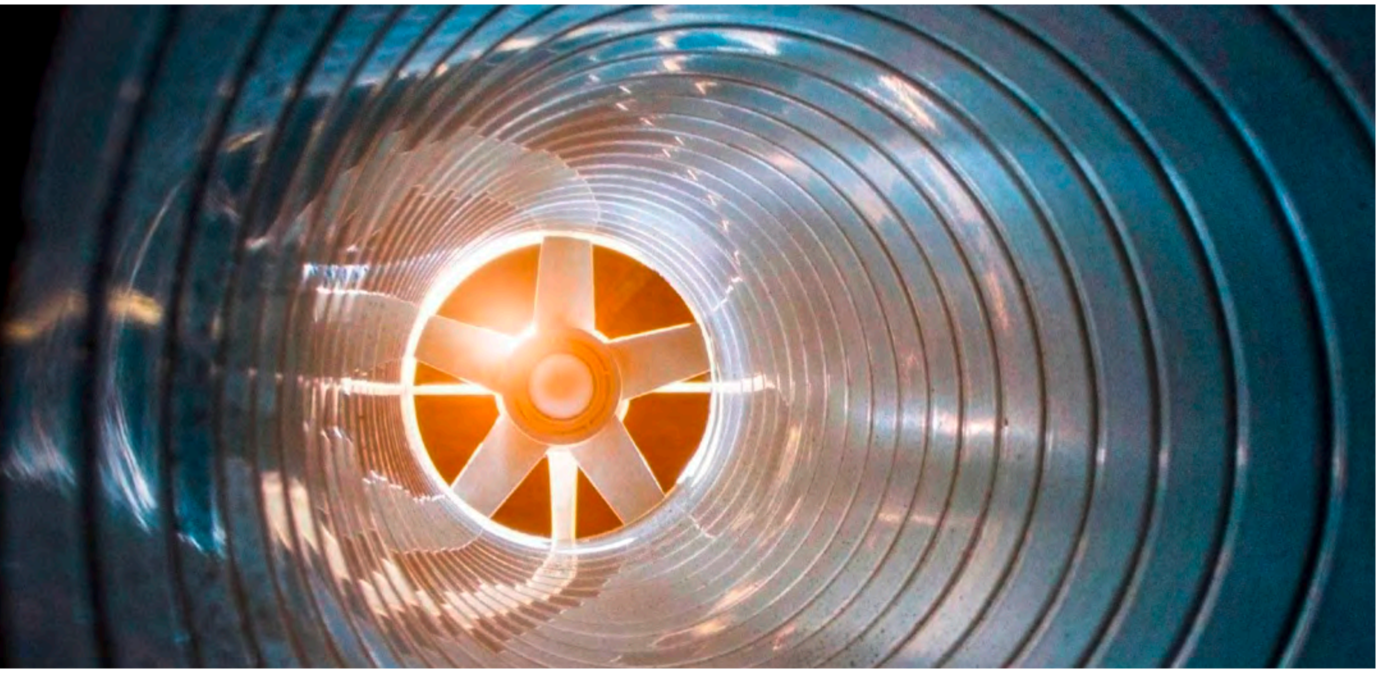
Impact of COVID-19 on European M&A activity
The CMS Corporate/M&A Group teamed up with investment bank Credit Suisse to analyse the financial and legal implications of the COVID-19 pandemic on M&A transactions in Western Europe.

European M&A Outlook
Our survey provides key insights into how both corporate and private equity firms are adapting their M&A strategies to the current situation in Europe and how they are looking beyond the continent to tap into new geographic, product and customer markets. The report canvassed the opinions of 230 Europe-based executives, from corporates and private equity firms, assessing dealmaking sentiment for the European M&A market in the year ahead.

Belt and road: The view from central and eastern Europe
The latest in a series of Belt and Road reports from CMS examines the sentiment in the region towards BRI, the challenges that exist, and the steps Belt and Road participants can take to achieve success.



CMS Expert Guide to renewable energy law and regulation
This guide includes contributions from some of the most active lawyers in the renewables sector across the globe. 2020 has been a year of unprecedented challenge and has seen great change to economies and societies worldwide. Almost 5 years on from the signing of the Paris Agreement, the world has witnessed the alarming consequences of systemic threats via the spread of the Covid-19 pandemic.



Footnotes index

Emerging Europe Page 44
[1] The contractual buyer is Trafigura's 100%-owned Singaporean subsidiary.
[2] Following the deal, UralChem will own 81.5% of Uralkali.
[3] Estimate based on the share price of GTC Group from the last trading day prior the deal announcement and its most recent net debt at that time.

Private Equity Page 46
NOTE: The table includes both investments (entries) and disposals (exits) involving private equity.
[1] Estimate based on the share price of GTC Group from the last trading day prior the deal announcement and its most recent net debt at that time.
[2] Estimate based on the disclosed value of the stake held by one of the selling shareholders of Turkcell.

Cross-border - Leading countries by deal value Page 8
NOTE: Deals with buyers from more than one country are excluded from the table by deal value.

Albania Page 48
[1] The buyer is acting through local telco subsidiary ABCom.
[2] Following the deal, Credins Bank will own 52.5% of the target company.

Bosnia and Herzegovina Page 50
[1] U.K.-registered company with main assets in Bosnia.

Bulgaria Page 52
[1] BC Partners is acting through its Netherlands-registered portfolio company United Group.
[2] Estimate based on the value of the loan owed by the target's owner to the buyers.

Czech Republic Page 56
NOTE: The EUR 1.3bn sale of RESIDOMO to Heimstaden Bostad is not included due to EMIS deal criteria not including residential real estate.
[1] Estimate based on the AXA revenues attributable to the Czech Republic.

Hungary Page 58
[1] Estimate based on the Aegon generated premiums volume attributable to Hungary.
[2] Estimate based on the number of hotel rooms.
[3] Estimate based on the area of the Hungarian properties.

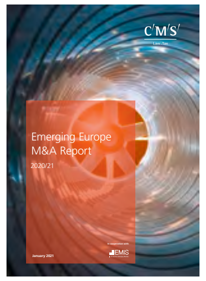
Poland Page 62
[1] Estimate based on the share price of GTC Group from the last trading day prior the deal announcement and its most recent net debt at that time.
[2] Estimate based on the area of the Polish properties.
[3] Estimate based on the AXA revenues attributable to Poland.

Russia Page 66
[1] The contractual buyer is Trafigura's 100%-owned Singaporean subsidiary.
[2] Following the deal, UralChem will own 81.5% of Uralkali.
[3] There are two separate deals for Elga coal complex, which feature different sellers and are a month apart.

Serbia Page 68
[1] Germany-registered company with Serbian founders and substantial local development office.

Slovakia Page 70
[1] Estimate based on the area of the properties.
[2] Estimate based on the AXA revenues attributable to Slovakia.

Turkey Page 74
[1] Estimate based on the disclosed value of the stake held by one of the selling shareholders of Turkcell.



Methodology

The report covers deals announced during the period: 01 January, 2020 - 31 December, 2020.

Emerging Europe geographic area, understood as the dominant country of operations of the deal target or the location of its main assets, covers: Albania, Belarus, Bosnia and Herzegovina, Bulgaria, Croatia, Czech Republic, Estonia, Hungary, Kosovo, Latvia, Lithuania, North Macedonia, Moldova, Montenegro, Poland, Romania, Russia, Serbia, Slovakia, Slovenia, Turkey and Ukraine.

Deal Value: at least USD 1m; for commercial real estate deals at least USD 5m (Note: Deals with undisclosed value were accounted for as having a value of zero, unless a publicly available market estimate was provided by a third-party, or a deal value could be estimated by EMIS. Such cases are clearly labelled in the report).

Private Equity: the category includes deals with the participation of private equity firms, sovereign and pension funds, investment companies, asset managers, supranational finance institution and large investment banks.

Real Estate: the category includes deals for commercial properties, developers, construction companies and real estate investment funds.

Exclusions: rumoured or failed deals, ECM deals, convertibles issues, NPL deals, share buybacks, internal restructurings, joint ventures, and employee offers.

Domestic / Cross-border: by domestic deals we understand those where the target, buyer and seller are from the same country. By cross-border deals we understand those where at least two different countries are involved.

The data can be subject to updates.

About CMS

Ranked as the world's fifth largest law firm by lawyer headcount and sixth largest in the UK by revenue, CMS can work for you in 40+ countries from 70+ cities worldwide. Globally 4,800 lawyers offer business-focused advice tailored to our clients' needs, whether in local markets or across multiple jurisdictions.

Embedded within CEE for over 30 years, CMS advises global corporates and financial institutions from its 17 offices in the region. With over 100 partners and 500 lawyers based here, CMS has more offices and more lawyers in CEE than any other law firm. We regularly mobilise large international teams for complex cross-border deals and projects and can offer both local and international (UK and US) lawyers on the ground. Client come to us for our in depth understanding of the CEE markets and ability to provide specialised sector expertise delivered in the commercial setting of our client's business. Regionally, we advise on more deals in the region than any other firm, however, we are not just focused on large scale corporate M&A, we are a full service law firm and in fact the only firm in CEE to be acknowledged as a band 1 firm for every category for the CEE Chambers Global 2019 legal directory rankings.

About EMIS

EMIS, part of the ISI Emerging Markets Group, is a cutting edge information platform providing a blend of analysis, data, and news on companies and industries in emerging markets. EMIS provides users with access to over 8,5 million company profiles, covering 250+ industry sectors across 145 economies.

Unlike other intelligence providers, the majority of EMIS' operations are based in emerging markets where we leverage relationships with local providers of news, analysis, and data. We also license content from major international information sources, creating a unique global and local perspective on each emerging market.

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CMS Cameron McKenna Nabarro Olswang LLP
Cannon Place
78 Cannon Street
London EC4N 6AF

T +44 (0)20 7367 3000
F +44 (0)20 7367 2000

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