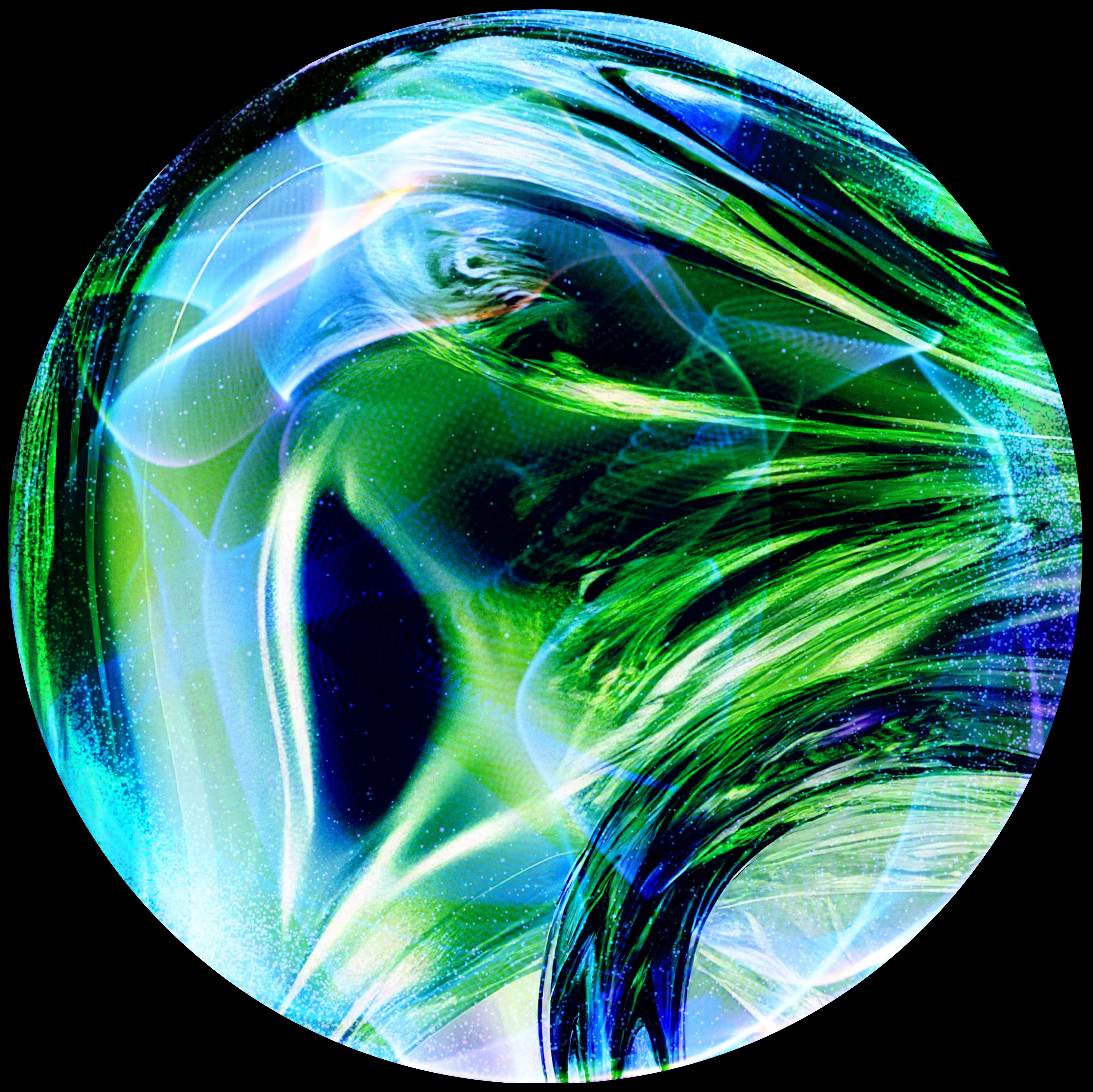
Deloitte.



Resilience Returns

20+ years • Central Europe Private Equity Confidence Survey

Central Europe, Summer 2025

Contents

"The Index's bounce-back is a welcome return to the strong run we've seen for the last couple of years. It shows that in spite of ongoing uncertainty, investors in Central Europe see real opportunity to transact and have the experience to do so successfully. A number of impressive fundraises combined with growing leverage sources available in the region, from banks to alternative lenders, local and global, make the region well capitalized for supporting growing businesses in the years to come."

Jan Vomacka
Partner, Private Equity Leader
Deloitte Central Europe

Resilience Returns

Taking the temperature of private equity practitioners in the region for over 20 years, the Deloitte Central European (CE) Private Equity (PE) Confidence Survey Index has landed at 133, comfortably above our historical average of 116. The latest result marks a bounce-back after its impressive and continuous climb was interrupted over the Winter, and highlights the experience-based expertise and resilience of the region's dealmakers.

An encouraging level of bolt-on activity and a number of strong divestments are boosting activity levels. This shift, already in play in 2024, highlights renewed focus on portfolio development to create returns for investors. Following on from a strong 2024 – the region's strongest for divestments in four years according to Invest Europe – a number of exits in 2025 have made international headlines and helped put the region's PE market on the radar of limited partners further afield.

Value creation will also focus on operational improvements – what some are calling the only reliable way to add value in today's backdrop. While this is becoming more talked about in Western Europe as GPs grapple with dearer leverage and a dearth of arbitrage opportunities in today's market, this has long been the main focus for the majority of CE deal-doers given the relatively low levels of leverage employed in transactions in the region vis-à-vis Western Europe.

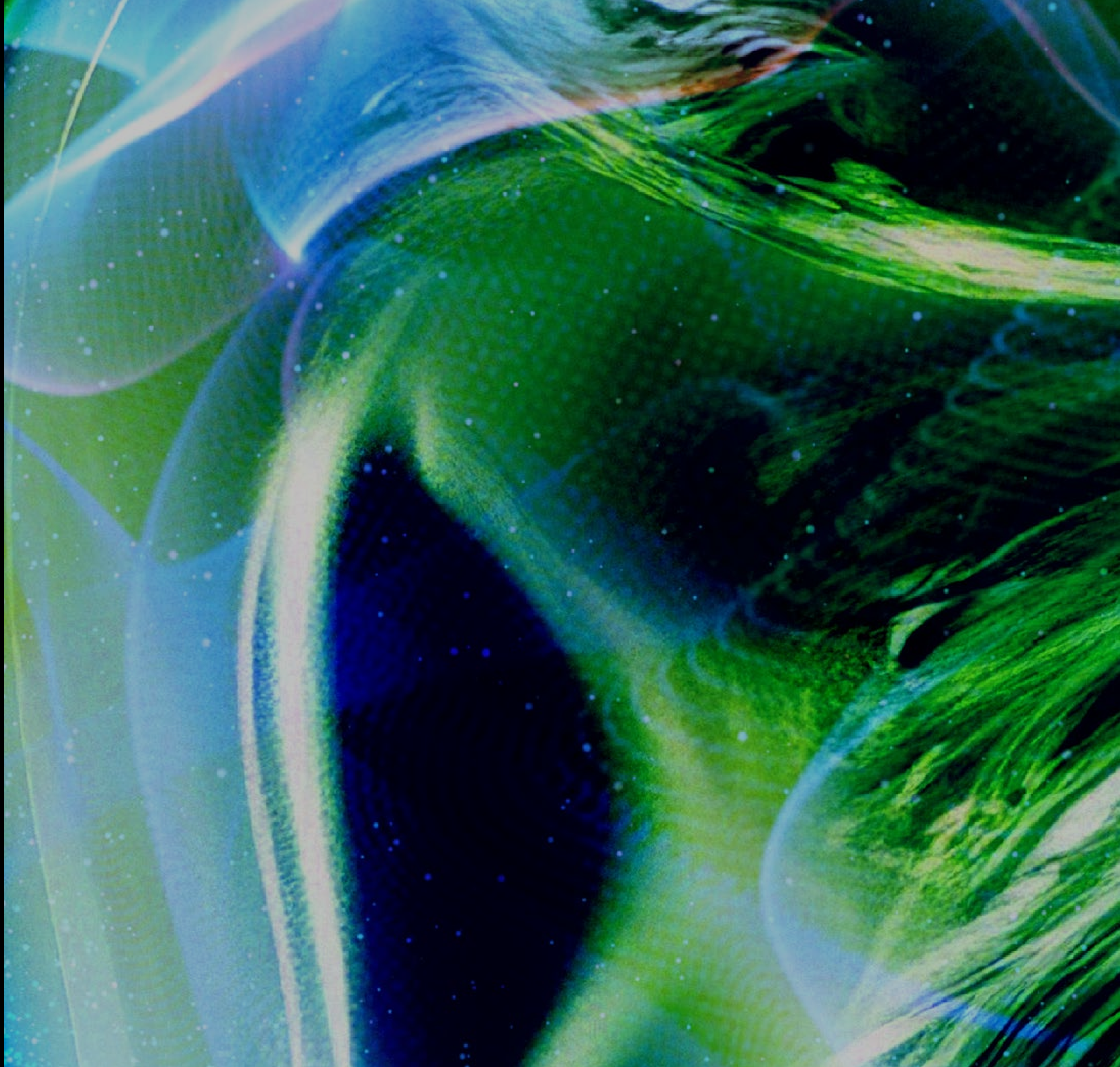
An emerging group of local institutional investors and high-net-worth individuals (HNWIs) is growing and acting as limited partners in the region. Many of the new HNWIs have exited their business to funds and are looking to reinvest, creating a virtuous cycle and a very healthy development for the region. Previously conspicuous by their absence, local investors stepping in can help to foster deeper local engagement and offer a more diversified capital base for future deals. Enterprise Investors, Genesis Capital and ACP all reported local investors for their latest raises.

The successful fund closes covered in the semester we reviewed as well as liquidity from a combination of traditional as well as alternative lender – global as well as local ones, crucially – point to a market well capitalized for supporting growing businesses in our fast-growing region.

Private equity firms have always been a core focus for us, whether for transaction advisory or value creation services. We remain well placed to support local, regional and global players as they help to build sustainable businesses.

JAN VOMACKA
Partner, Private Equity Leader,
Deloitte Central Europe

Case studies



Deloitte deal examples in CE

Poland, Croatia

Case: Inter Europol S.A., the largest player in Poland's bakery market, acquired Pan-Pek d.o.o., a leading Croatian producer and distributor of bakery products, from Enterprise Investors, a PE house.

Deloitte's role:
Delivering comprehensive portfolio of cross-border services including lead M&A buy-side advisory, financial DD, tax DD and structuring

Transaction thesis:
The acquisition of Pan-Pek by Inter Europol enables the Polish export-driven bakery champion to enter the Croatian market through a strategic takeover of a leading local player, accelerating regional expansion and unlocking synergy potential

Sector specifics:
The bakery sector is capital-intensive, requiring ongoing investment in production infrastructure. Market specifics in Croatia include strong seasonality, complex urban vs coastal distribution models, and fragmented sales channels

Length of the process:
Approximately one year

Plans for the company post-transaction:
Strategic integration of Pan-Pek's production and distribution capabilities to strengthen Inter Europol's regional presence and enable further expansion in the Adriatic region

Transaction impact:
A major milestone for Inter Europol S.A. in their international expansion

Biggest transaction challenge:
Cross-border nature of the acquisition requiring deep analysis and understanding of local peculiarities and its impact on the potential transaction

Poland

Case: Callstack, a global leader in React Native and cross-platform app development, secures investment from Viking Global Investors – a US-based investment firm managing over $50 billion in capital.

Deloitte's role:
Polish Deloitte M&A team acted as the sole financial advisor to the shareholders of Callstack

Transaction thesis:
The sale of a leading React & React Native ecosystem experts

Sector specifics:
IT services is one of the fastest-growing segments of the economy, with companies offering highly predictable and reliable revenue models

Length of the process:
About two years

Plans for the company post-transaction:
The investor plans to further scale Callstack's operations in the US

Transaction impact:
This transaction was one of the largest in the IT services sector in Poland, further reinforcing the investment thesis for high-quality companies in the CEE region

Biggest transaction challenge:
Uncertainty regarding foreign exchange (FX) impact

Deloitte deal examples in CE

Czech Republic

Case: Deloitte supported Carlyle, U.S. investment firm, in the acquisition of majority stake in Adastra, a Czech IT consulting company specializing in data management infrastructure, digitalization, information management and artificial intelligence implementation.

Deloitte's role:
Buy-side financial advisor

Transaction thesis:
Carlyle, a leading global private equity house, has been actively pursuing an opportunity to expand its footprint in the IT and Tech industry, identifying targets with sufficient size and global outreach. Adastra's offerings in IT consultancy and services specializing in data, cloud and AI transformations perfectly matched the investment profile. In a partnership with Adastra's founders, Carlyle will support the business in growing its leading data, cloud, and AI offerings, supporting existing and new customers, as well as expanding its international presence via organic investments and targeted M&A

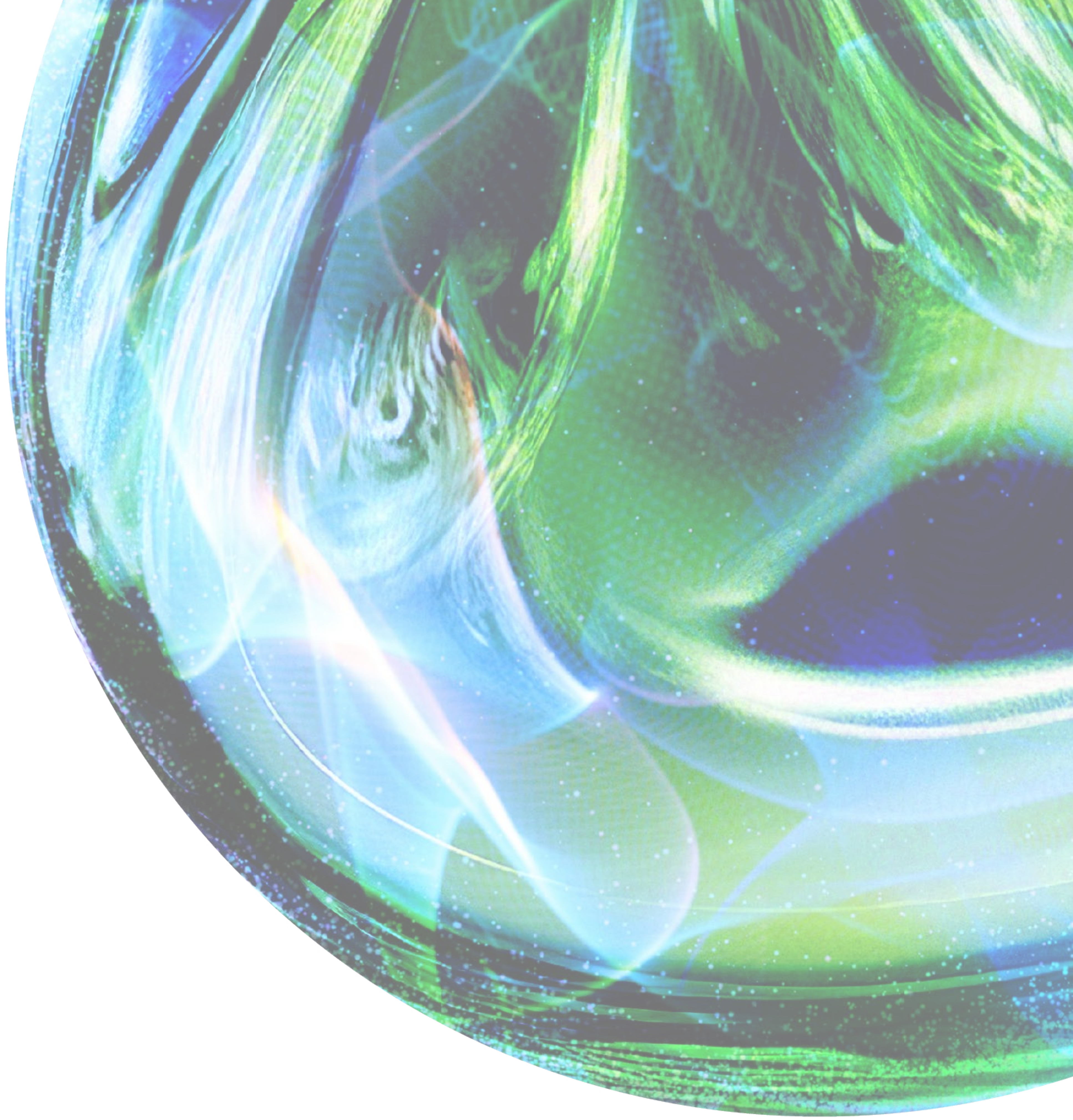
Sector specifics:
IT and Technology

Length of the process:
Almost 9 months

Plans for the company post-transaction:
With Carlyle's investment, Adastra plans to pursue large-scale cloud, data, and AI projects

Transaction impact:
One of the largest deals in Czechia and broader CEE, with equity value around CAD 400m

Biggest transaction challenge:
Navigating through very complex delivery model of Adastra, involving various geographies, including offshore delivery centers, complex offerings and specifics of large accounts with long-term service contracts, requiring strategic prospective thinking and value creation strategies

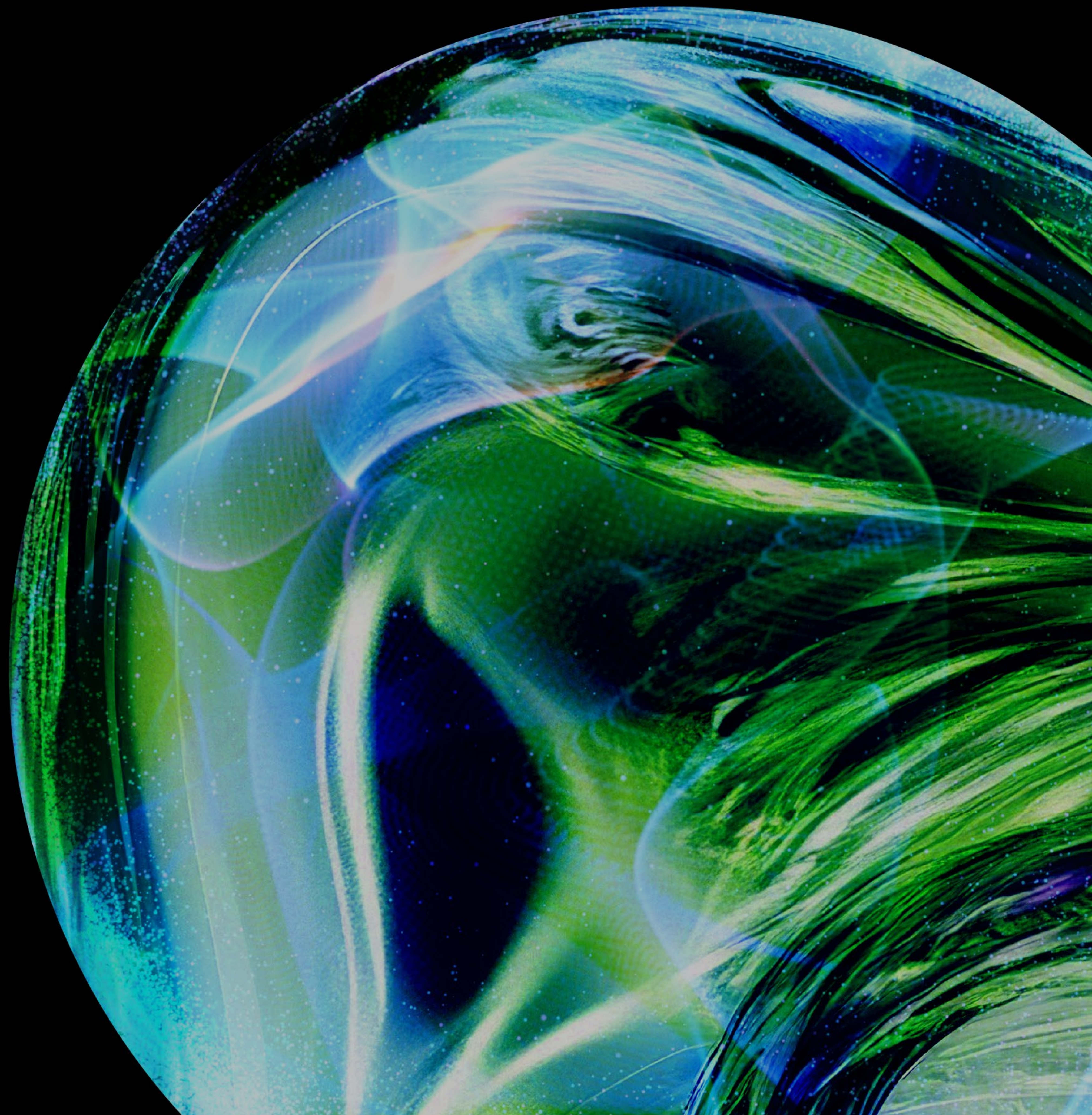


Central European Private Equity Index: Key findings

The majority of respondents (61%) expect market activity to remain the same, up from 47% last time. Over a quarter (28%) expect an increase, down from 39% last Survey, while the proportion expecting a reduction in activity has reduced from 14% to 11%.

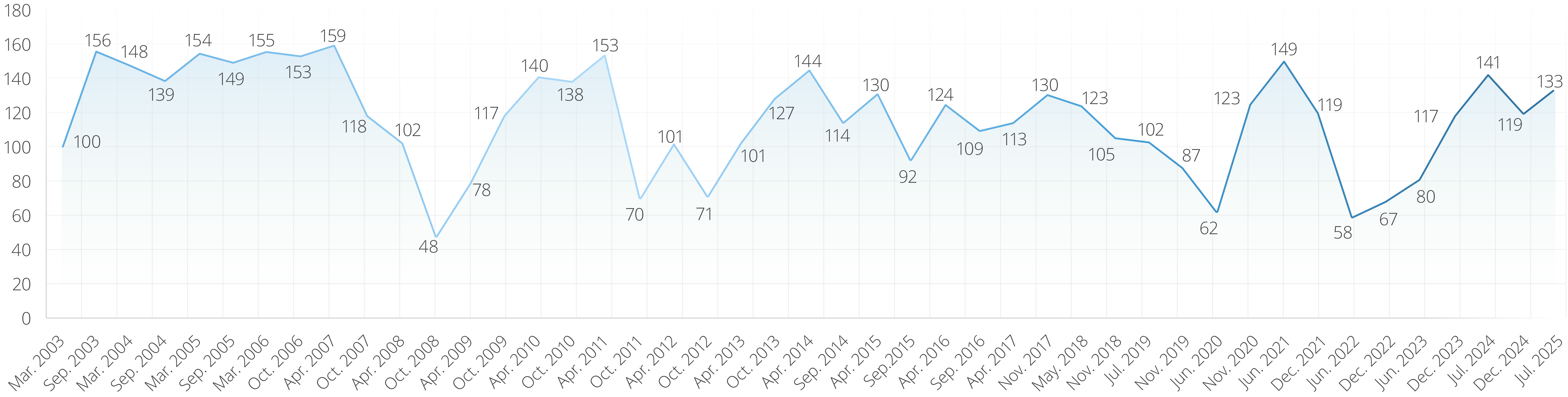
Investors in Central Europe are increasingly optimistic about the availability of debt finance in the region, with 41% expecting debt availability to increase (up from 31% last time) and over half expecting liquidity to remain the same (53%) for the period ahead. The sentiment is the most optimistic in a decade and highlights the growing availability of funding sources available in the region, from banks to alternative lenders, local and global.

Sentiment regarding the economy is strong, with over half (58%) expecting conditions to remain the same and nearly a quarter (24%) expecting them to improve. Pessimism has eased gently, with under a fifth (18%) expecting a decline, down on our previous Survey.



Central Europe Private Equity Confidence Index

The Index has rebounded following a short-lived decline in our Winter Survey to land at an impressive 133, comfortably above our historical average of 116 and is a clear sign that the region is optimistic for the year ahead. The recovery since our last Survey may be because the time elapsed since the new US administration has allowed some uncertainties to settle and deal-doers to gain comfort around their abilities to navigate challenging and changing backdrops.



Survey Results

Economic climate

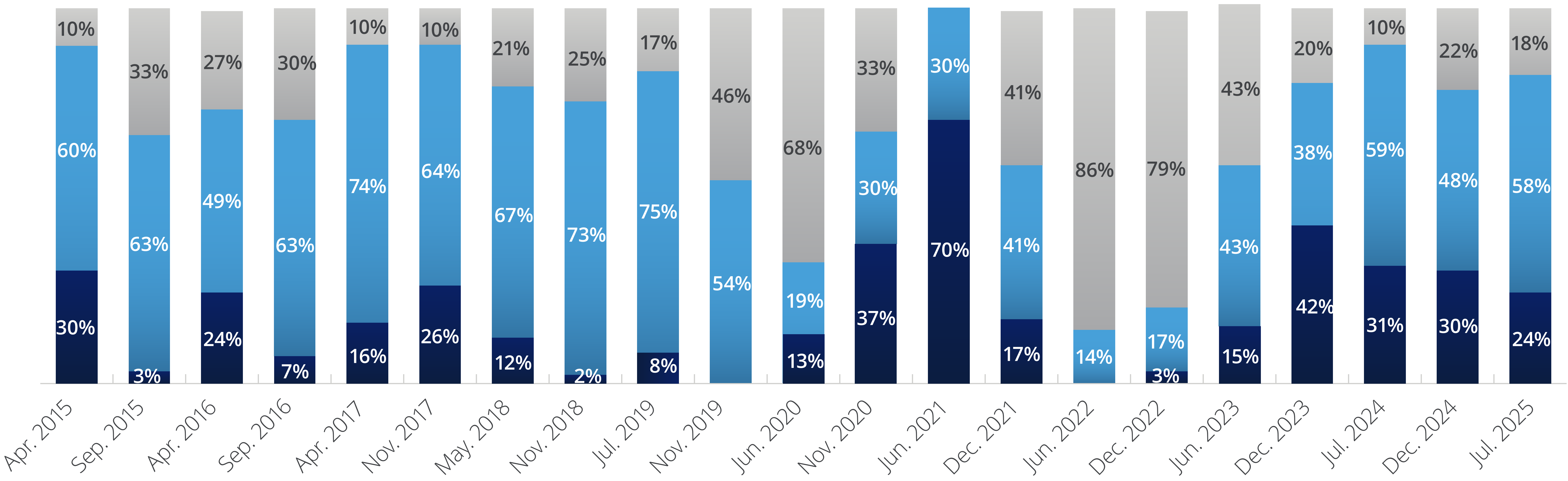
Sentiment regarding the economy is strong, with over half (58%) expecting conditions to remain the same and nearly a quarter (24%) expecting them to improve. Pessimism has eased gently, with under a fifth (18%) expecting a decline, down on our previous Survey.

The economies of Central Europe (CE) continue to perform strongly and outstrip GDP growth forecasts for the wider European Union. Poland's economy, the region's largest, is expected to maintain solid growth through 2025 and 2026, driven by resilient private consumption and investment. Having shot up to 2.9% for 2024 from just 0.1% in 2023, 2025 is forecast to land at 3.3%. Inflation, which eased in 2024, is projected to decline further over the next two years.

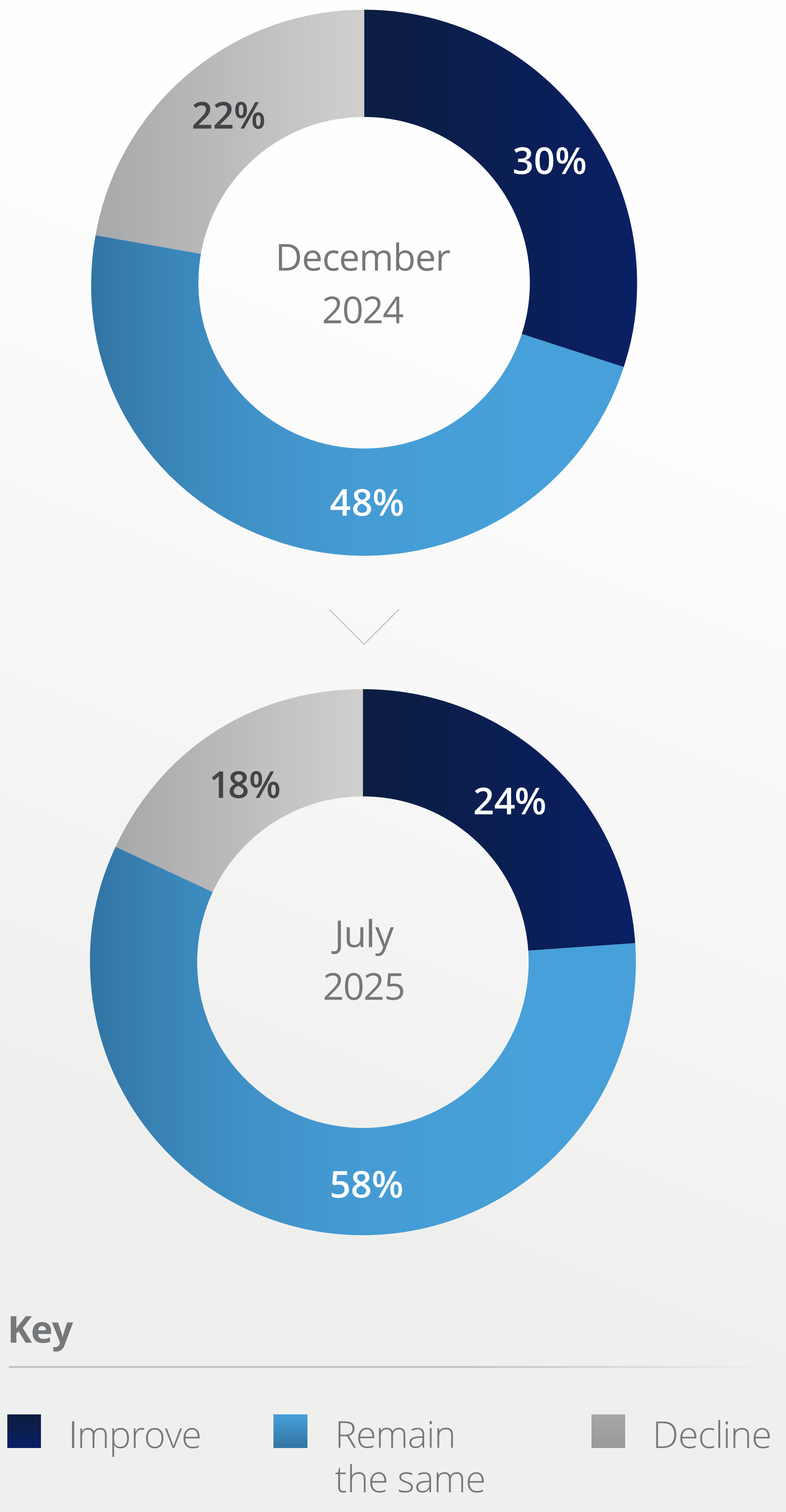
Following a weak 2024, Romania's economy, the second biggest in CE, began to recover in early 2025, led by construction, agriculture, services and improved export prospects. However, US tariffs and rising domestic political and fiscal uncertainty are expected to weigh on sentiment, investment and consumption, limiting GDP growth to 1.4% in 2025 and 2.2% in 2026. Inflation should ease but remain elevated, while unemployment is expected to fall slightly.

The figures compare favorably to wider Europe, where GDP growth is forecast at 1.1% for 2025 in the EU and 0.9% in the euro area – broadly the same rates attained in 2024 but down on what had been forecast at the end of last year owing to the impact of increased tariffs and the heightened uncertainty caused by the unpredictable changes in US trade policy.

For this period, I expect the overall economic climate to:



Economic climate
(December 2024 vs July 2025)



Debt availability

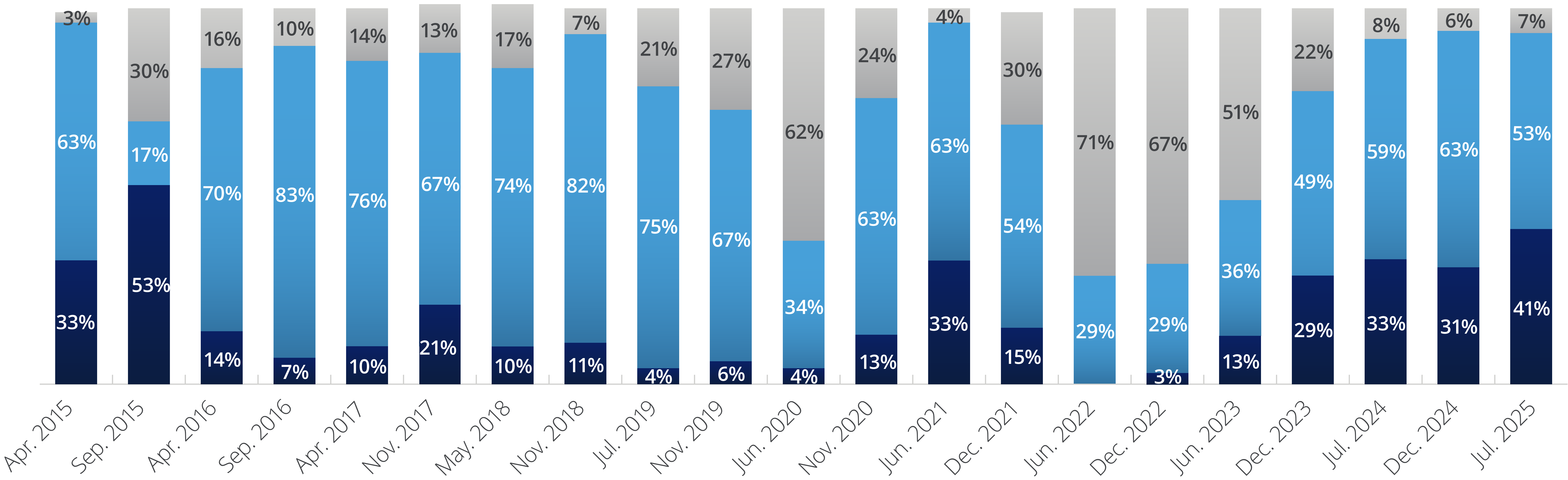
Investors in Central Europe are increasingly optimistic about the availability of debt finance in the region, with 41% expecting debt availability to increase (up from 31% last time) and over half expecting liquidity to remain the same (53%) for the period ahead. The sentiment is the most optimistic in a decade and highlights the growing availability of funding sources available in the region, from banks to alternative lenders, local and global.

Non-bank lenders in CE are providing a viable alternative to more traditional funding sources. Accession Capital Partners invests structured growth capital from its €336m AMC V and is already 60% invested following its latest investment, €30m into Croatian veterinary chain Vetti, having only launched with its first close in 2023. ACP's senior lending fund, ACP Credit, announced its first exit during H1 2025 with parallel prepayments for the sale of Punkta Group, with one being to Innova Capital. The lender had crafted a €10m first-lien loan to support the Group's growth with Pollen Street Capital.

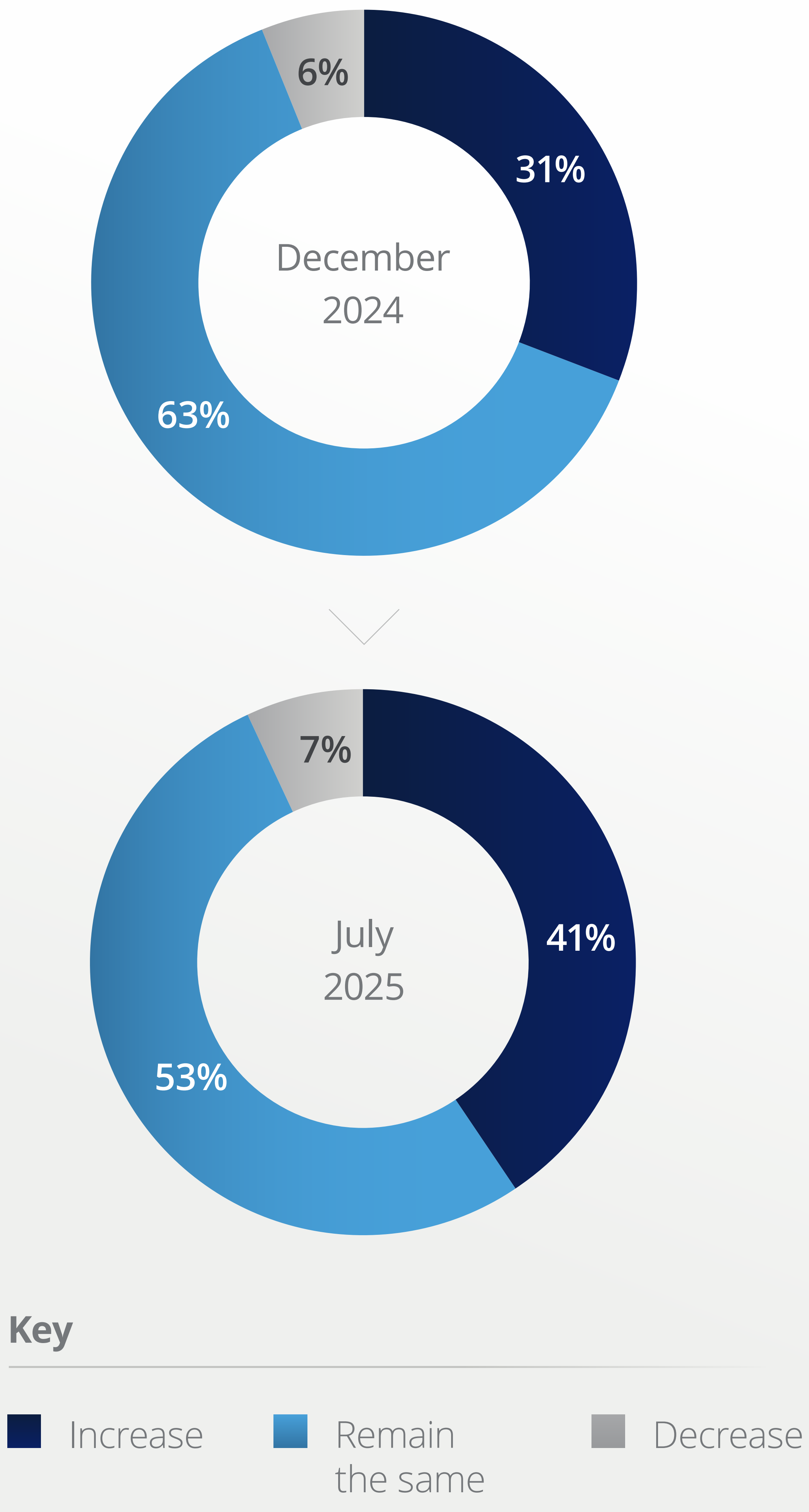
These local players are joined by global institutions such as Ares and Kartesia, giving dealmakers in CE greater flexibility when funding leveraged transactions. The growing use of euro-denominated lending – even for businesses based in countries with their own currencies – is also helping attract more lenders to support the region's growth.

More insights on the private debt financing market can be found in a recent report here from the Deloitte Polish Debt & Capital Advisory team, as a response to the current and dynamic changes taking place on the capital market in Poland and Central Europe.

For this period, I expect the availability of debt finance to:



Debt availability
(December 2024 vs July 2025)



Investors’ focus

Sentiment remains consistent with our previous Survey, with similar expectations of time allocation across new investments, portfolio management and fundraising. Over half (54%) plan to prioritise new investments – unchanged from the last two Surveys – while 30% expect to focus on portfolio management. Fundraising remains steady, with 16% anticipating it will be their main focus.

There are signs of momentum for 2025, with investors having had time to build conviction around opportunities and a spate of fundraisings providing fresh powder for investing. For older funds, time pressure to deploy capital is also mounting, so conditions may be ripening for transactions to move forward.

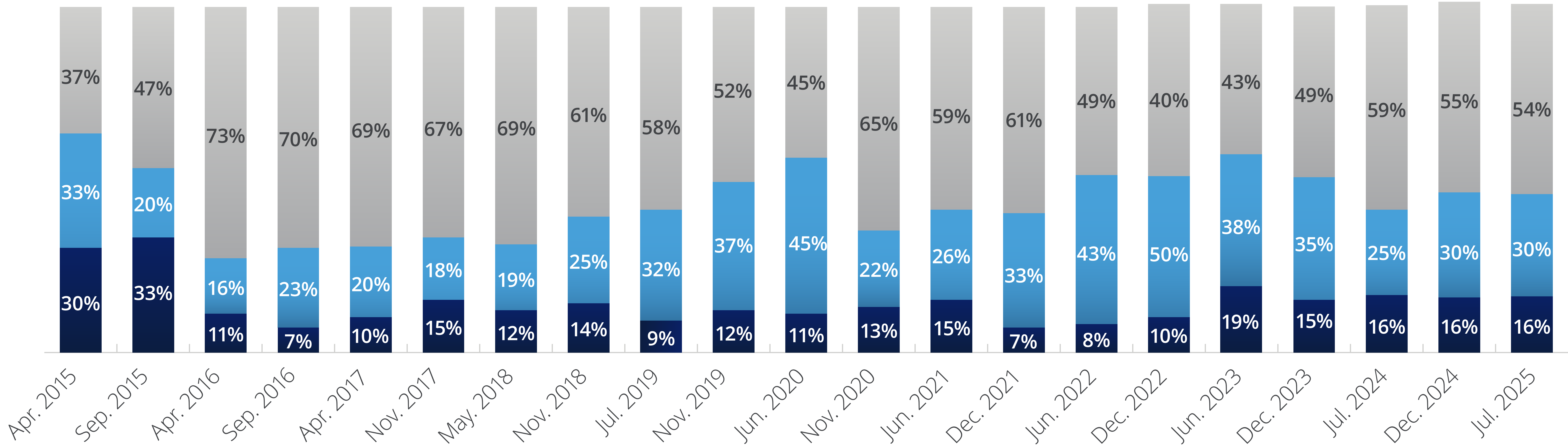
Despite a tough global fundraising environment, CE saw a strong wave of successful fundraises and new launches in 2025:

- At the end of H1, Genesis Capital held a €225m first close for its Fund V, a 50% increase on its predecessor and largest vehicle since inception. A final close on €295m is expected by year-end, with 11 LPs already committed.
- Baltic investor Invalda INVL held a first close for Fund II on €305m in March with a hard-cap of €400m aiming for end of 2025.
- Enterprise Investors closed its Fund IX on €340m in May, below its €400m target and eight years after its Fund VIII reached €498m in 2017. EI’s latest fund investors include Polish institutional and private investors for the first time in the firm’s 35-year history, reflecting growing domestic confidence in the private equity asset class.

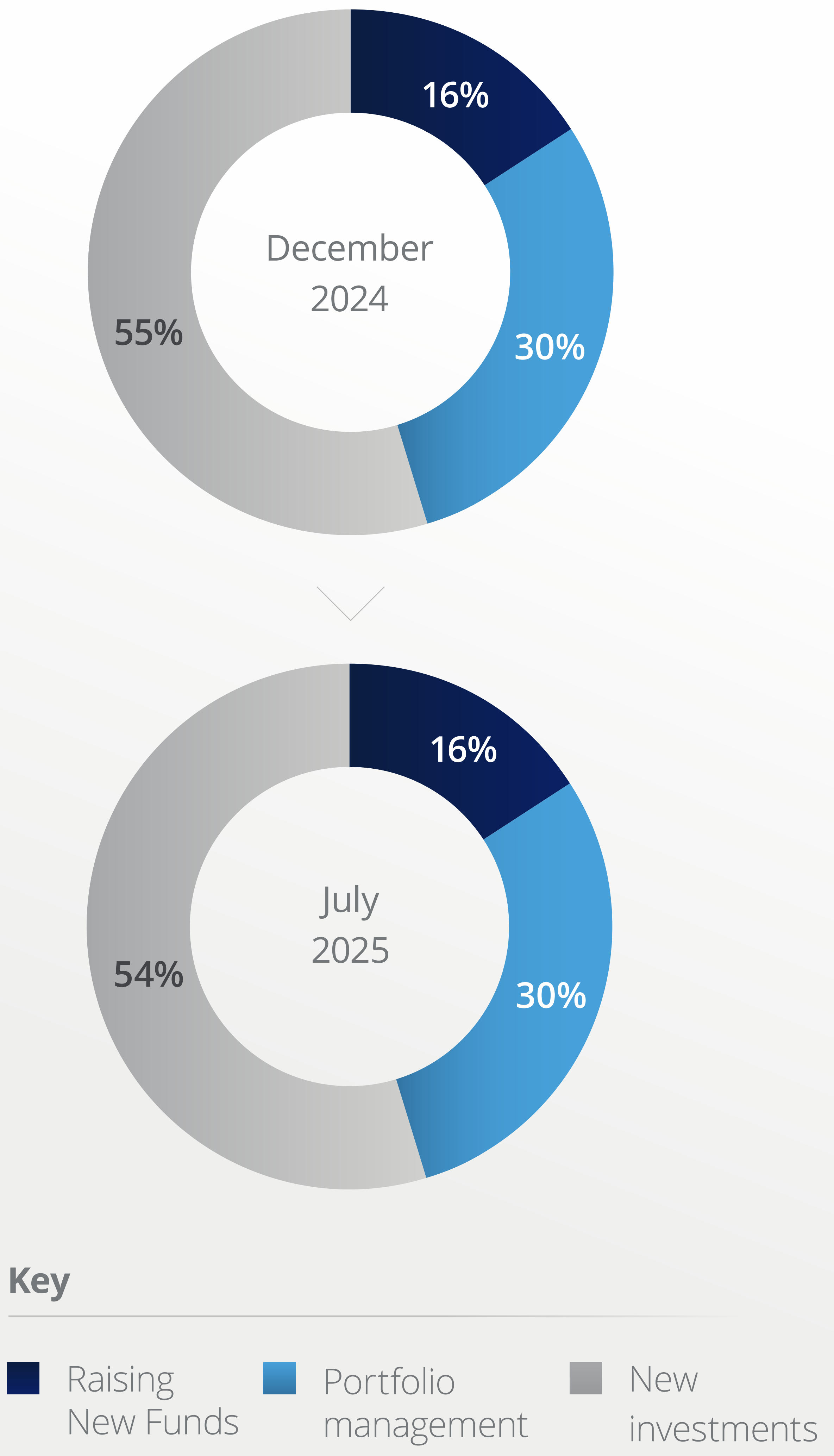
A number are also in the market following launches last year:

- ARX Equity Partners achieved a first close of its fifth fund at €78m and is targeting a final close of €100m with a hard cap of €125m.
- Integral Capital held a first close on its second fund, which is aiming to close on €150 by the end of 2025 to back medium and small businesses in the region.
- Value4Capital secured €110m for a first close of V4C Poland Plus Fund II, already 20% larger than its predecessor and well on its way towards its €140m cap.
- Merito Baltic Opportunities is targeting €100m to back SMEs in Latvia and Lithuania. The EIF has cornerstoned it through its Baltic Innovation Fund II initiative.

For this period, I expect to spend the majority of my time focusing on:



Investors' focus
(December 2024 vs July 2025)



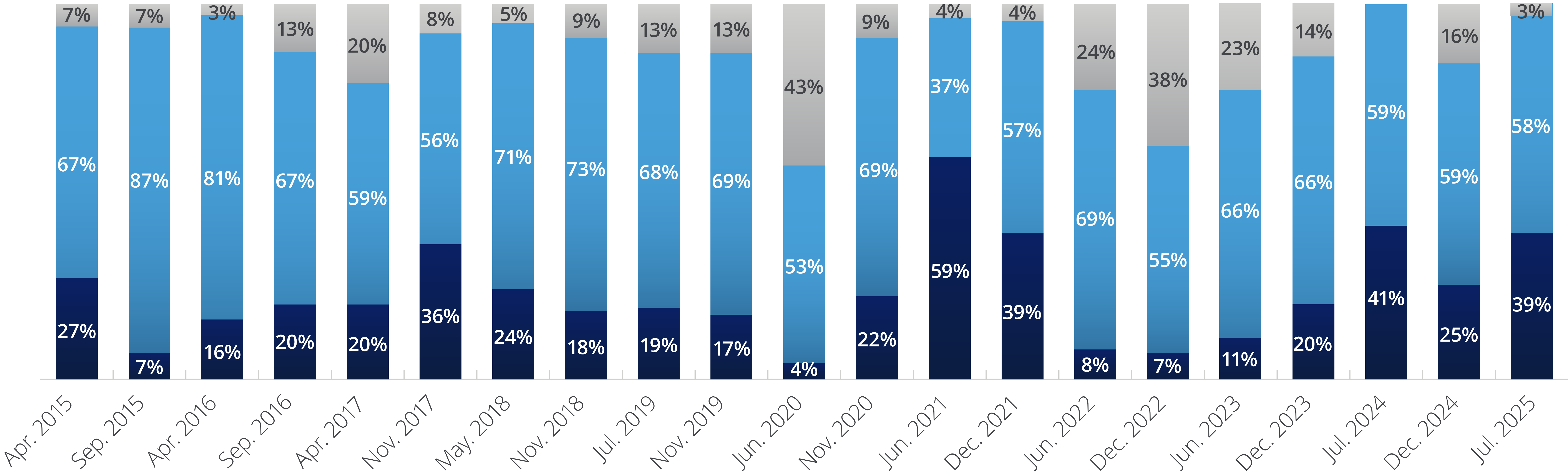
Size of transactions

In a reversion to sentiment seen a year ago, respondents expect average transaction sizes to increase, with 39% pointing to this – up from 25% last Survey and similar to Summer 2024. Those expecting average sizes to come down have dropped markedly from 16% to just 3%.

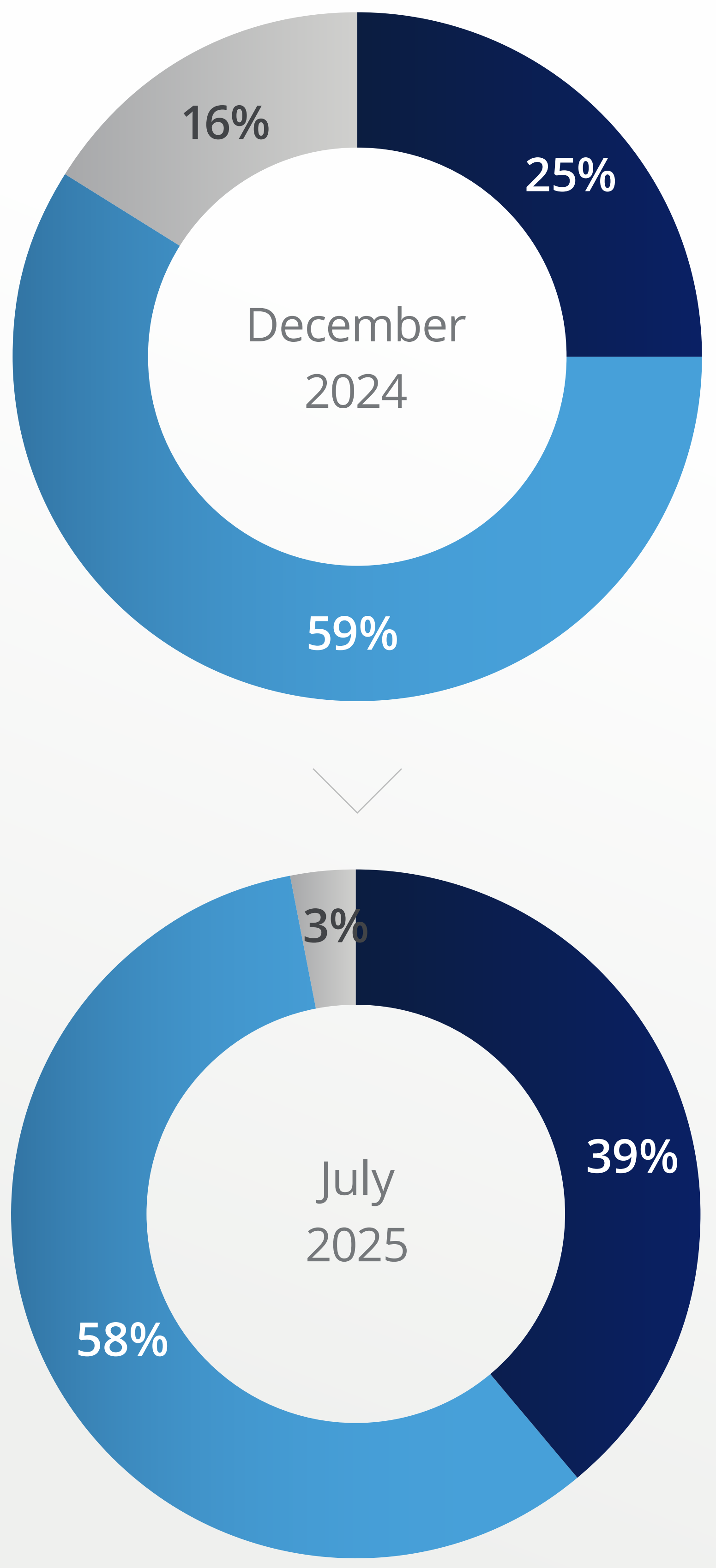
CE has long been characterised by mid-market activity, with mega-deals the exception rather than the norm. Smaller deals seen over the years are likely the result of a focus on bolt-on acquisitions over new platform deals, with buy-and-build a popular and proven strategy for lowering average entry multiples and creating value, particularly in a maturing market. This approach can also make securing leverage easier, as smaller add-ons to an established platform often present a more attractive risk profile to lenders.

During the semester, Genesis made three investments in LLP Group, Horecup, and a minority investment in Nay-Datart. Structured capital provider Accession Capital Partners provided €30m of growth capital to Croatian veterinary chain Vetti, backed by Southeast European investor PCP since 2023, and Enterprise Investors announced two deals: Formeds and eTravel.

For this period, I expect the average size of transactions to:



Size of transactions
(December 2024 vs July 2025)



Key

Increase | Remain the same | Decrease

Market activity

The majority of respondents (61%) expect market activity to remain the same, up from 47% last time. Over a quarter (28%) expect an increase, down from 39% last Survey, while the proportion expecting a reduction in activity has reduced from 14% to 11%.

The latest data from InvestEurope reveals that activity in 2024 in the region had boosted strongly over 2023, largely owing to an uptick in buyouts and average transaction sizes, and brought levels back to the five-year average.

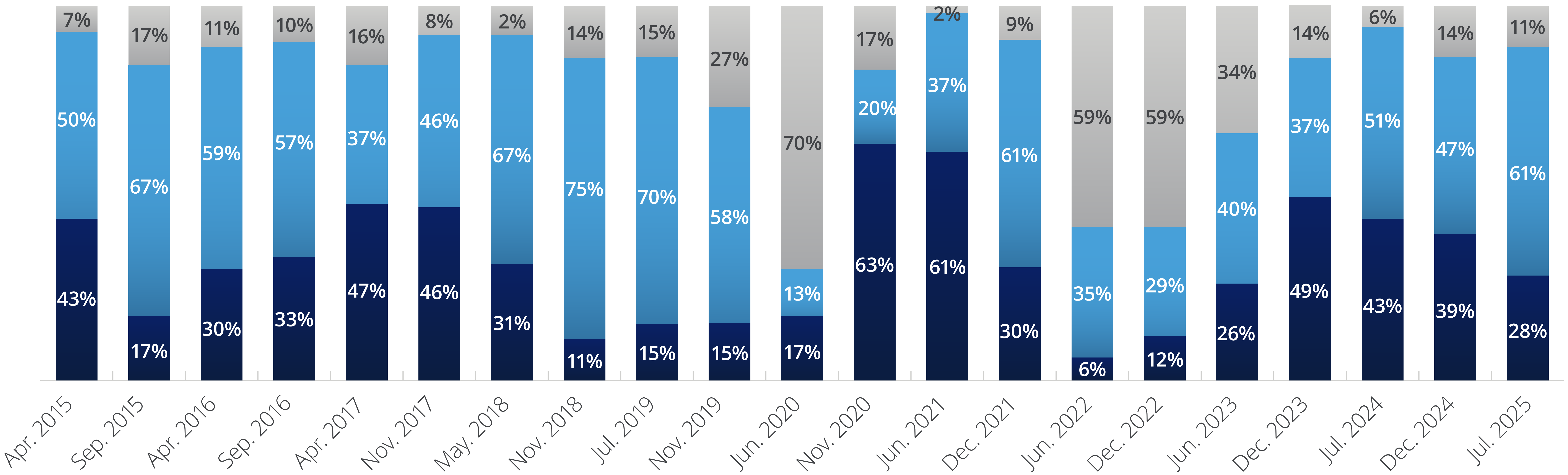
A focus on bolt-ons as a way to add value has long been popular and this year is no exception. In addition to helping scale businesses, tap into new areas and expand geographically, bolt-ons can help a private equity firm to boost the multiple of a platform ahead of a potential sale. Abris supported four acquisitions for its portfolio so far this year: three for Dental Holding in Hungary and Croatia, and it supported the expansion into Italy of delivery management and shipping technology platform Alsendo through the €5.5m acquisition of Spedire in July.

Minority investing continues to feature in Central Europe, just as in Western Europe. Genesis Capital's first deal of 2025 was a minority investment into Nay-Datart. Such deals allow owners to retain control of their businesses whilst accessing capital and expertise around value creation strategies. They can also effectively boost dealflow as businesses 'not for sale' offer potential.

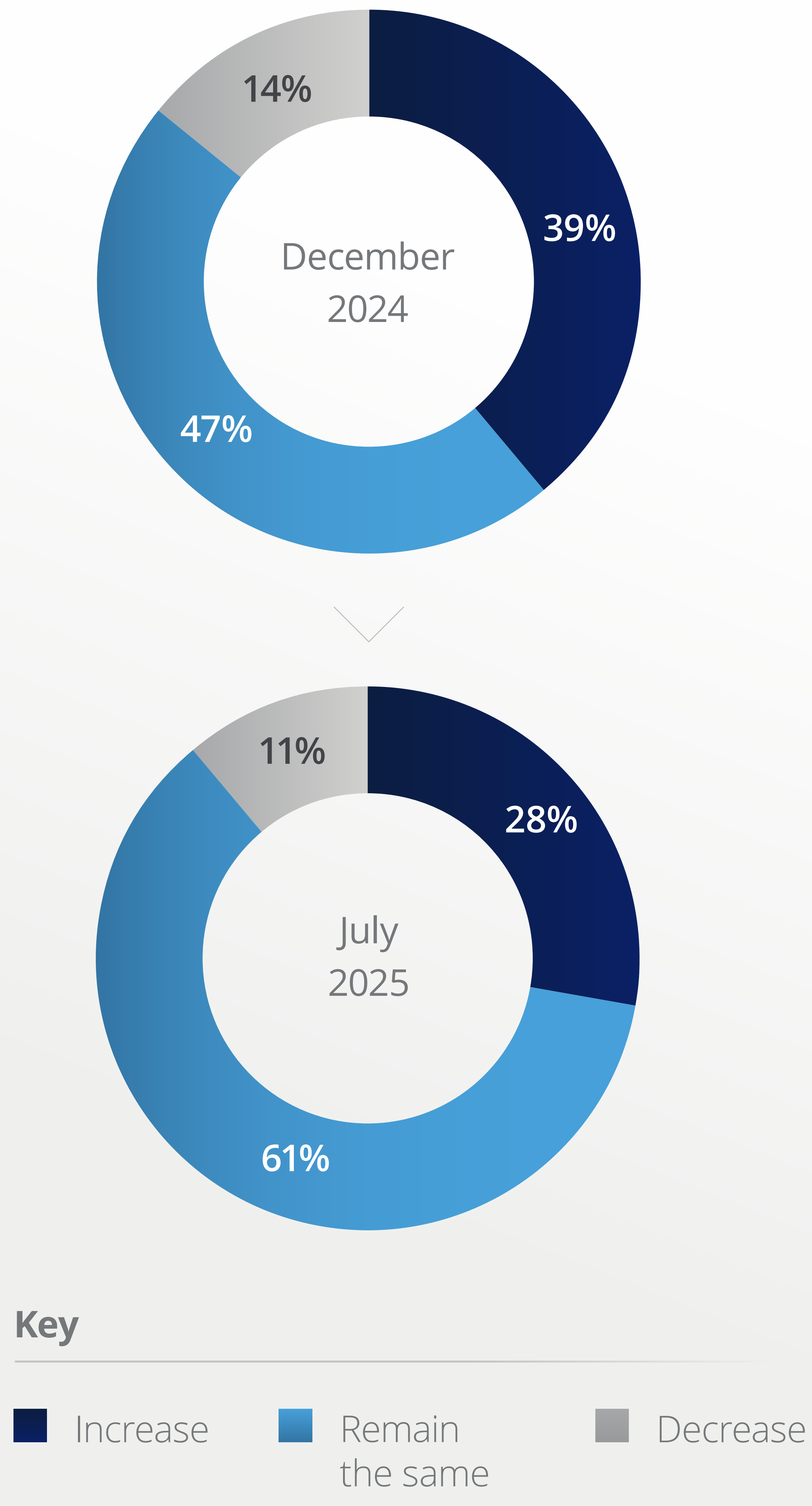
Value4Capital announced a new deal in the first half of the year, with an investment into Polish digital commercial specialist Univio. It followed on from the completion of its sale of Polish SaaS-enabled ecommerce platform Shoper.

Sandberg Capital and ARX Equity, currently fundraising, jointly backed Phobs, a Croatia-based revenue-tracking SaaS business for hotels.

For this period, I expect the overall market activity to:



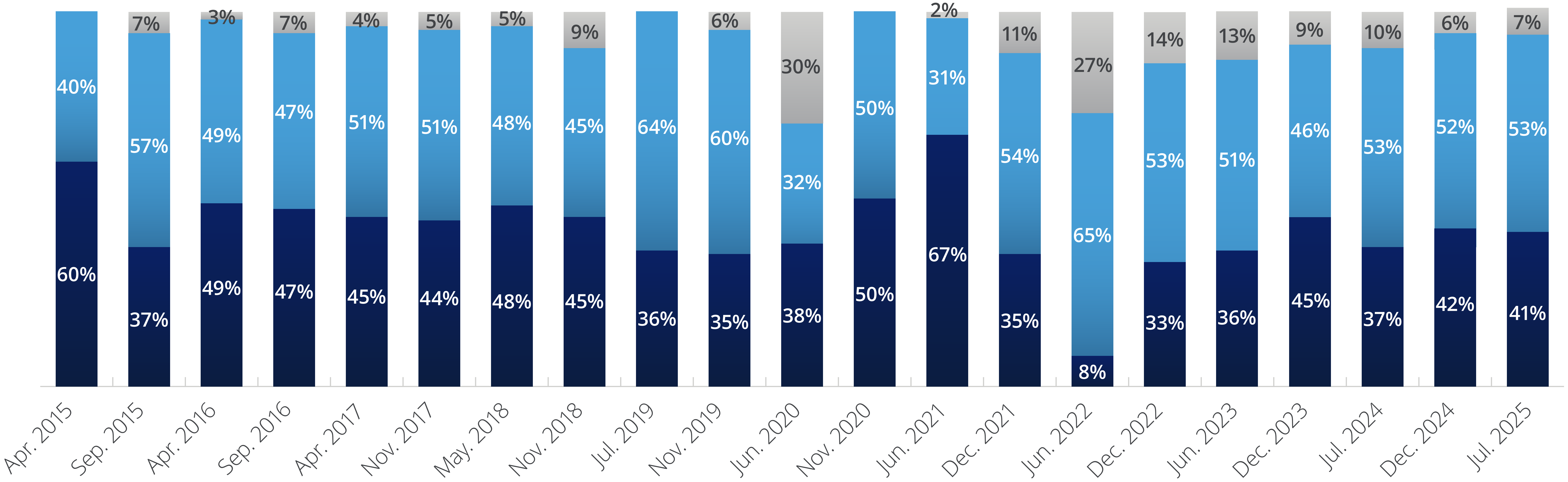
Market activity
(December 2024 vs July 2025)



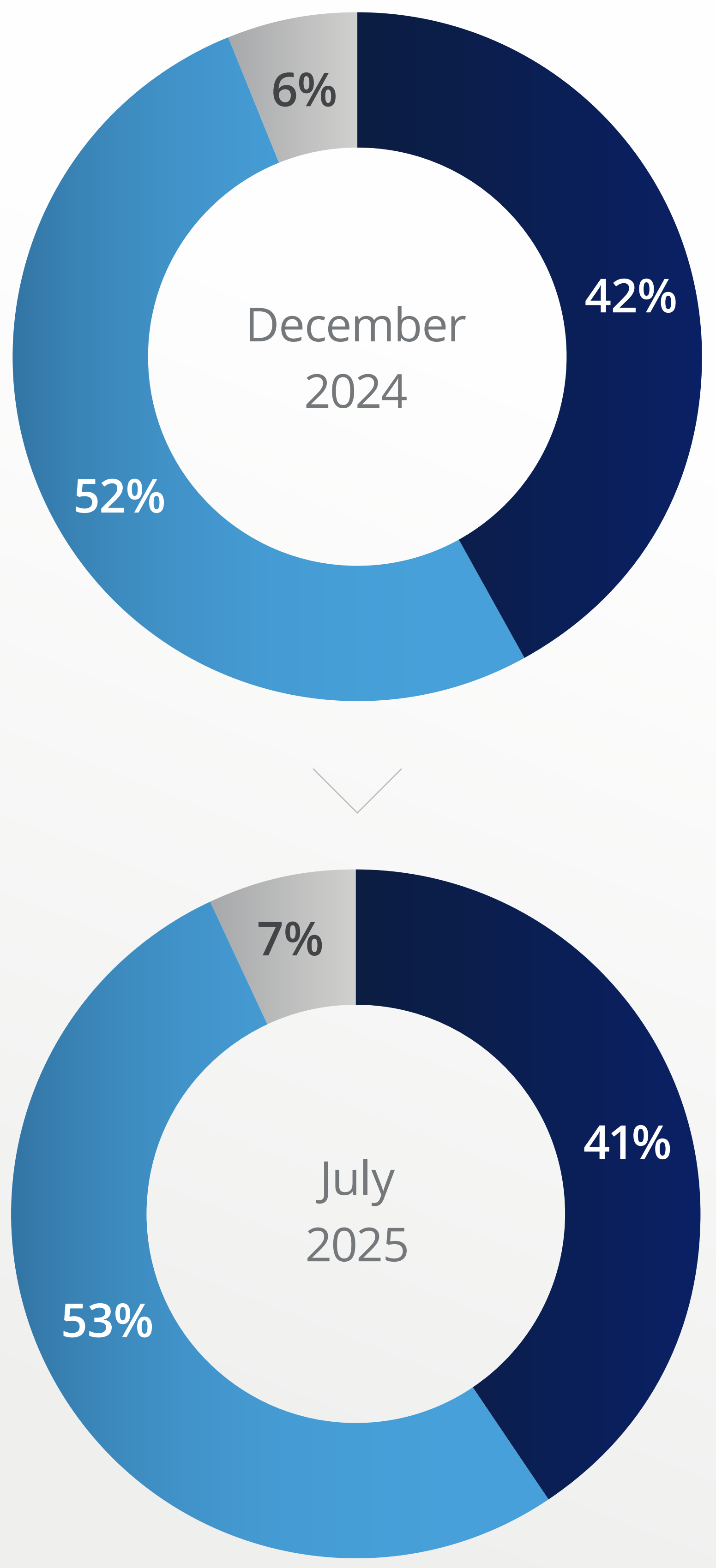
Investment return

Expectations around financial efficiency of investments remain in line with our Winter Survey, with over two-fifths (41%) expecting efficiency to improve, over half expecting no change (53%) and 7% anticipating a decline.

For this period, I expect efficiency of my financial investments to:



Investment return
(December 2024 vs July 2025)



Key

Improve
Remain the same
Decline

Investors' activities

Expectations around buying and selling have remained stable on our last Survey, with nearly a fifth (18%) expecting to sell more in the period ahead. Half of respondents expect to buy more, and nearly a third (32%) expect to divide their attention equally, up gently from 28% in our last Survey.

The year-to-date has seen an impressive slew of exits following a challenging few years. Many of these businesses have spent longer under private equity ownership, which can compress IRRs – but with the right value creation strategies, these extended hold periods can lead to stronger exit multiples. It is also likely that GPs are facing pressure to generate distributions for LPs ahead of fundraises.

While IPOs remain a rarity for private equity assets, the Warsaw Stock Exchange has hosted a number of successful exits. The flotation of Diagnostyka on the Warsaw Exchange in February came after a highly successful partnership with MidEuropa which featured 128 bolt-ons. The market closing price on the first day of trading put Diagnostyka's market capitalisation at over €1bn, ranking it as the second-largest publicly listed healthcare services provider in Central Europe and among the top seven largest listed sector players in wider Europe. The headline-grabbing event followed on from CVC's flotation of Polish retailer Zabka in October.

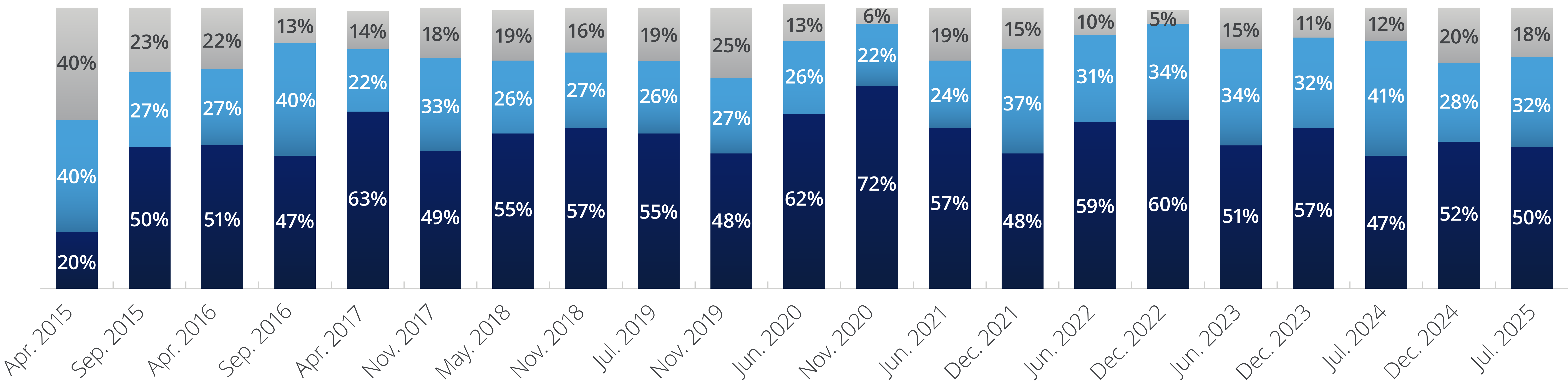
MidEuropa has had an incredibly busy 2025 for exits. In addition to its flotation of Diagnostyka, it completed the trade sale of Ahold, and announced trade sales of Optegra, Cargus, Mlinar (partial) and Regina Maria. Regina Maria's sale to Finnish healthcare giant Mehiläinen represented the largest ever healthcare services transaction in Central Europe when it was announced in April after EBITDA grew 10x.

Mehiläinen also purchased InMedica Group, a Lithuanian private healthcare network, from Invalda INVL Group following a six-year ownership which saw InMedica expand significantly from 18 to 89 facilities.

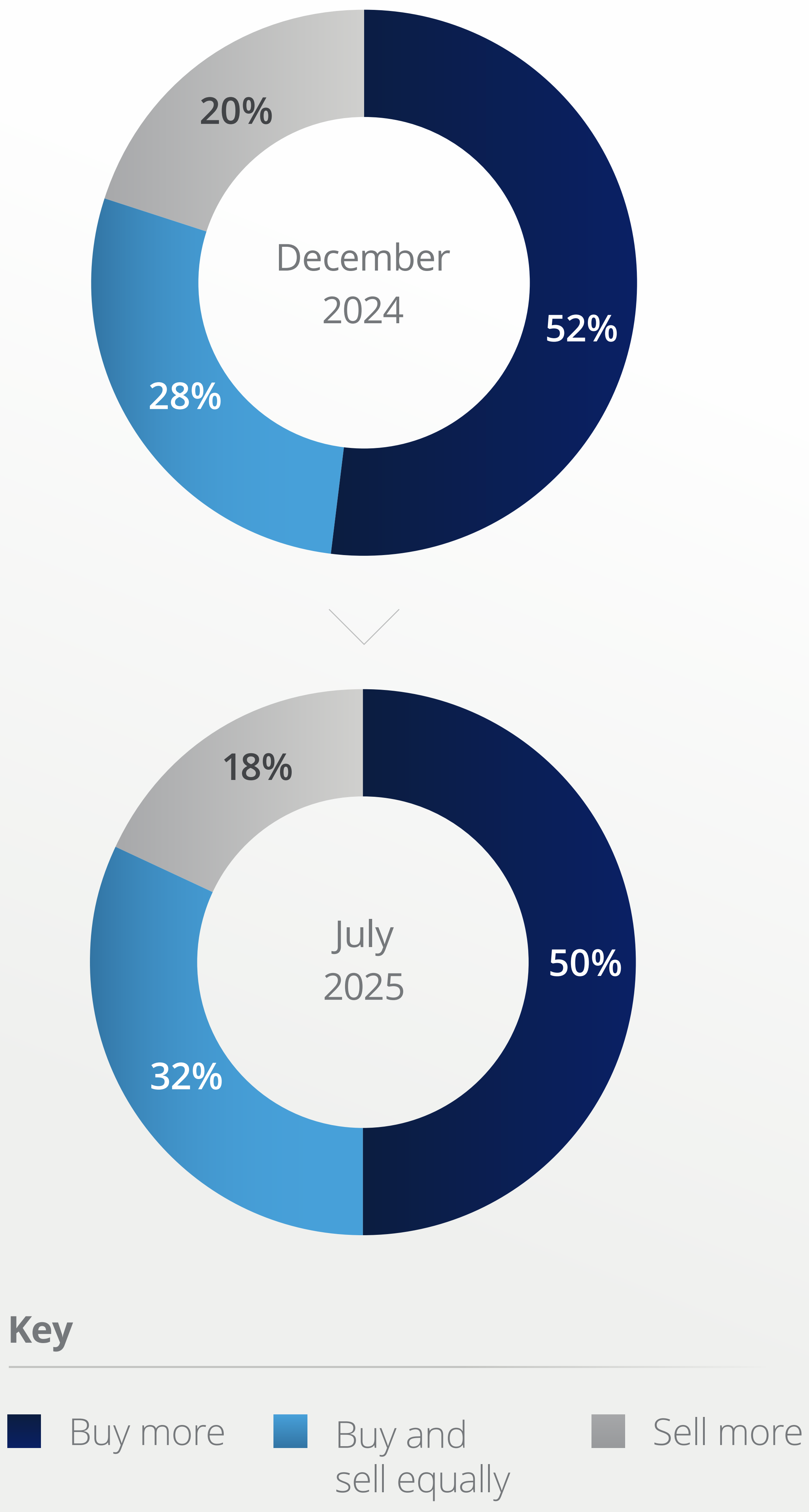
Accession Capital Partners (ACP) sold Profi, a leading producer of pâté and ready-to-eat meals across Poland, to a consortium led by Custodia Capital during the semester.

Genesis Capital sold Contectart, a Czech provider of customer care and BPO services to Croatian investor Mplus, part of Bosqar Invest.

For this period, I expect to:



Investors' activities
(December 2024 vs July 2025)



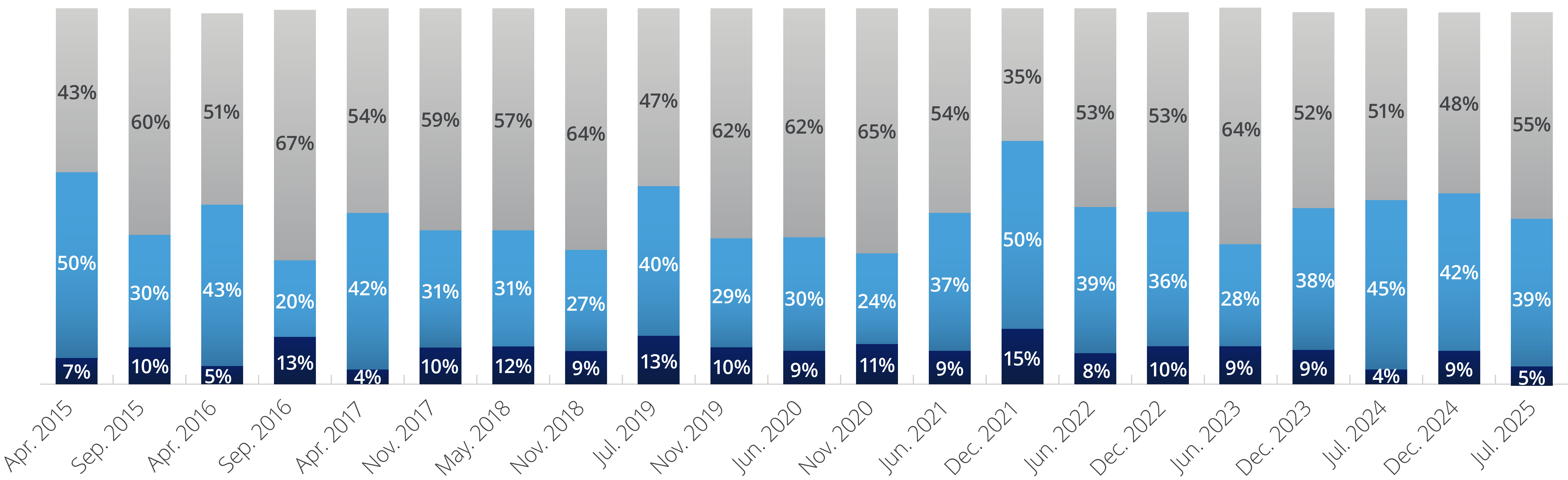
Competition for new investments

Investors in the region are increasingly looking to established businesses for opportunities, with over half (55%) expecting market leaders to attract the highest competition. Middle-size growing companies are in second place, with 39% expecting them to be the most fiercely sought after – down gently from 42% in our Winter Survey. Start-ups are expected to be the most competitive for 5% of respondents, down from a tenth in our last Survey.

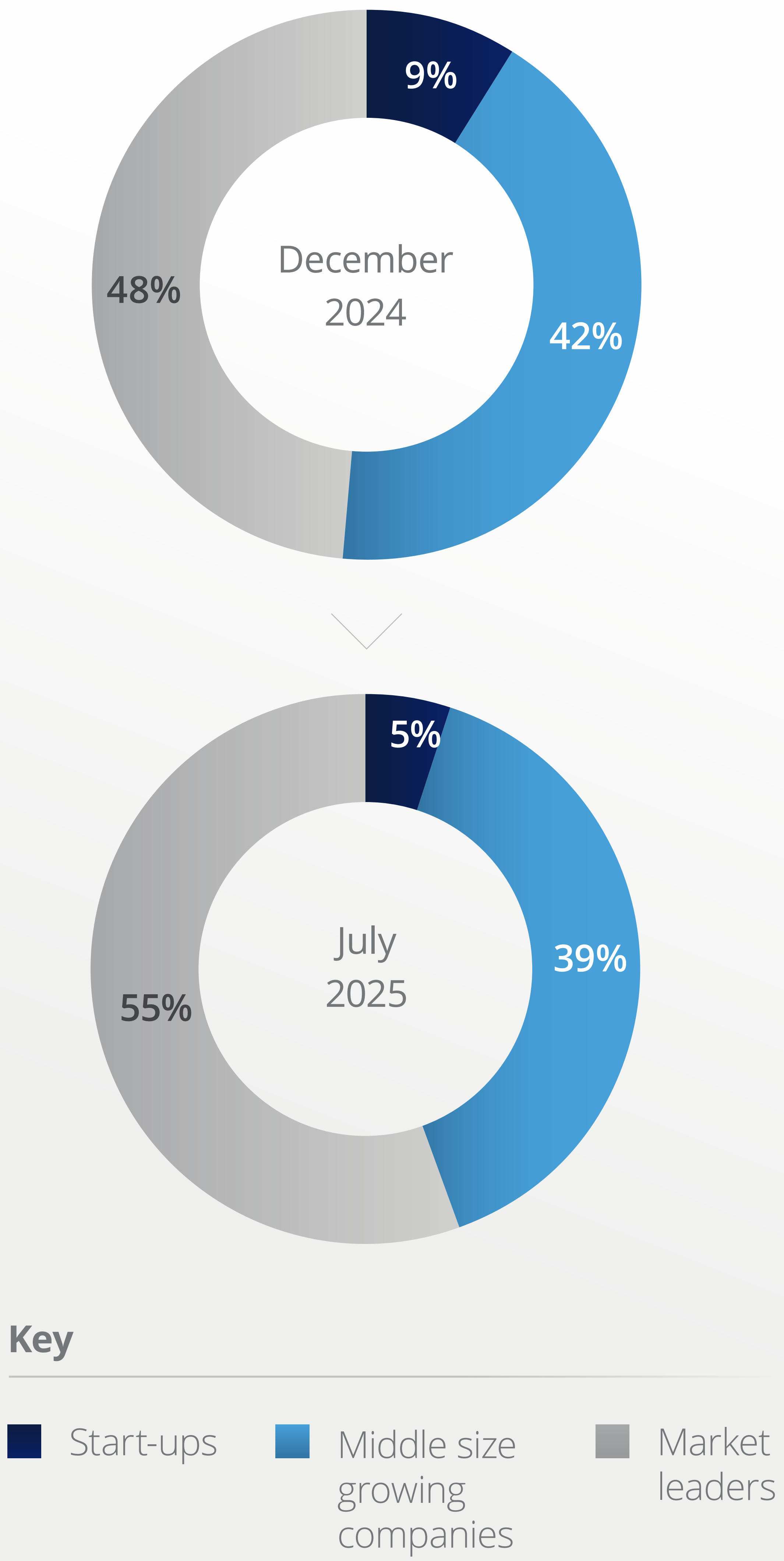
The gentle shift towards more established businesses may be a reflection of international trade dynamics and the pressures we've seen this year.

The competition around market leaders and growing businesses is clear. The former lends itself to traditional leverage owing to established revenues and cashflows; the latter benefits from less traditional lenders such as credit funds which bring innovating funding solutions.

For this period, I expect the highest competition for new investment opportunities in:



Competition for new investments
(December 2024 vs July 2025)



Vendor pricing

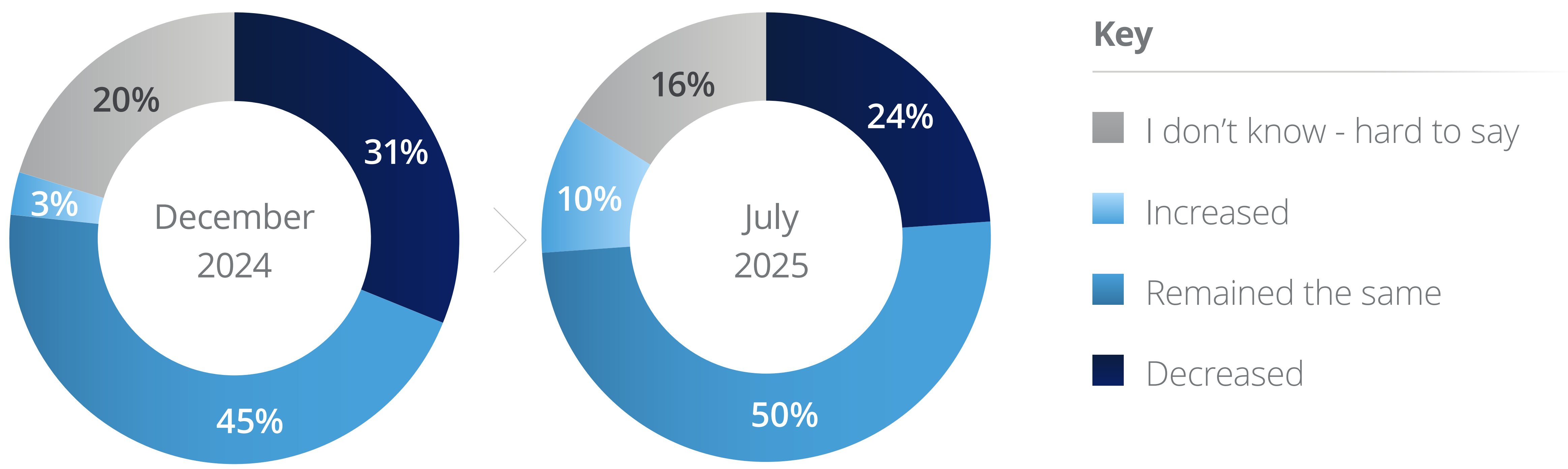
Sentiment may be shifting again around vendor pricing expectations, with a tenth of respondents suggesting they have risen in the last semester (up from 3% last time) – and with fewer expecting them to come down in the year ahead. The proportion reporting a decrease has come down from a third (31%) to a quarter (24%), and half saw no change.

Looking at the year ahead, the sentiment is just as mixed as in our last Survey. The proportion of respondents expecting pricing to increase has inched up from 9% to 11% – the same proportion expecting pricing to fall in the year ahead.

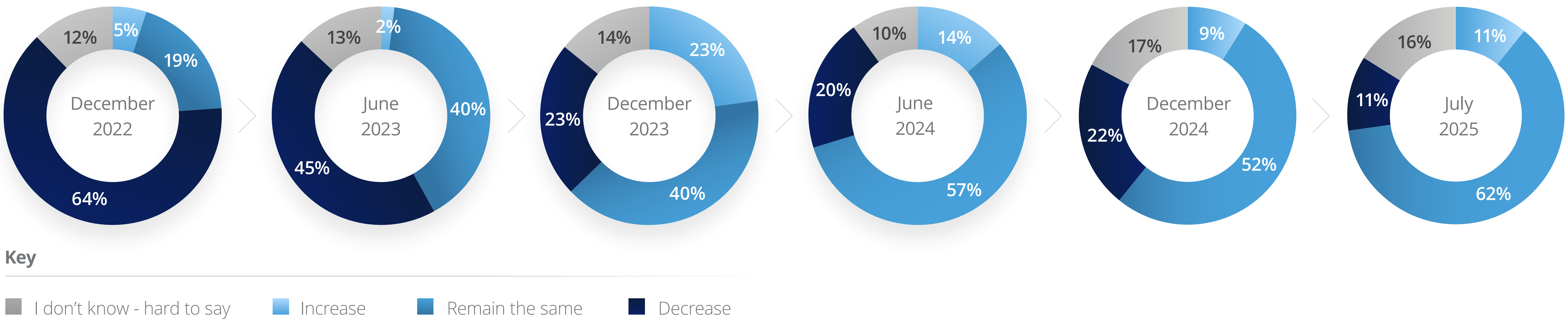
The 11% expecting a fall is half the percentage of our last Survey, possibly suggesting a reversion to punchier expectations. The majority (62%) expect no change, up from 52% in our last Survey.

Several factors may be driving the shift in expectations. Time and guidance from advisers may have helped sellers adjust to market conditions, leading to greater alignment on pricing. Some owners have built stronger businesses and now seek valuations that reflect that growth, while others may be motivated by changing personal priorities or business dynamics.

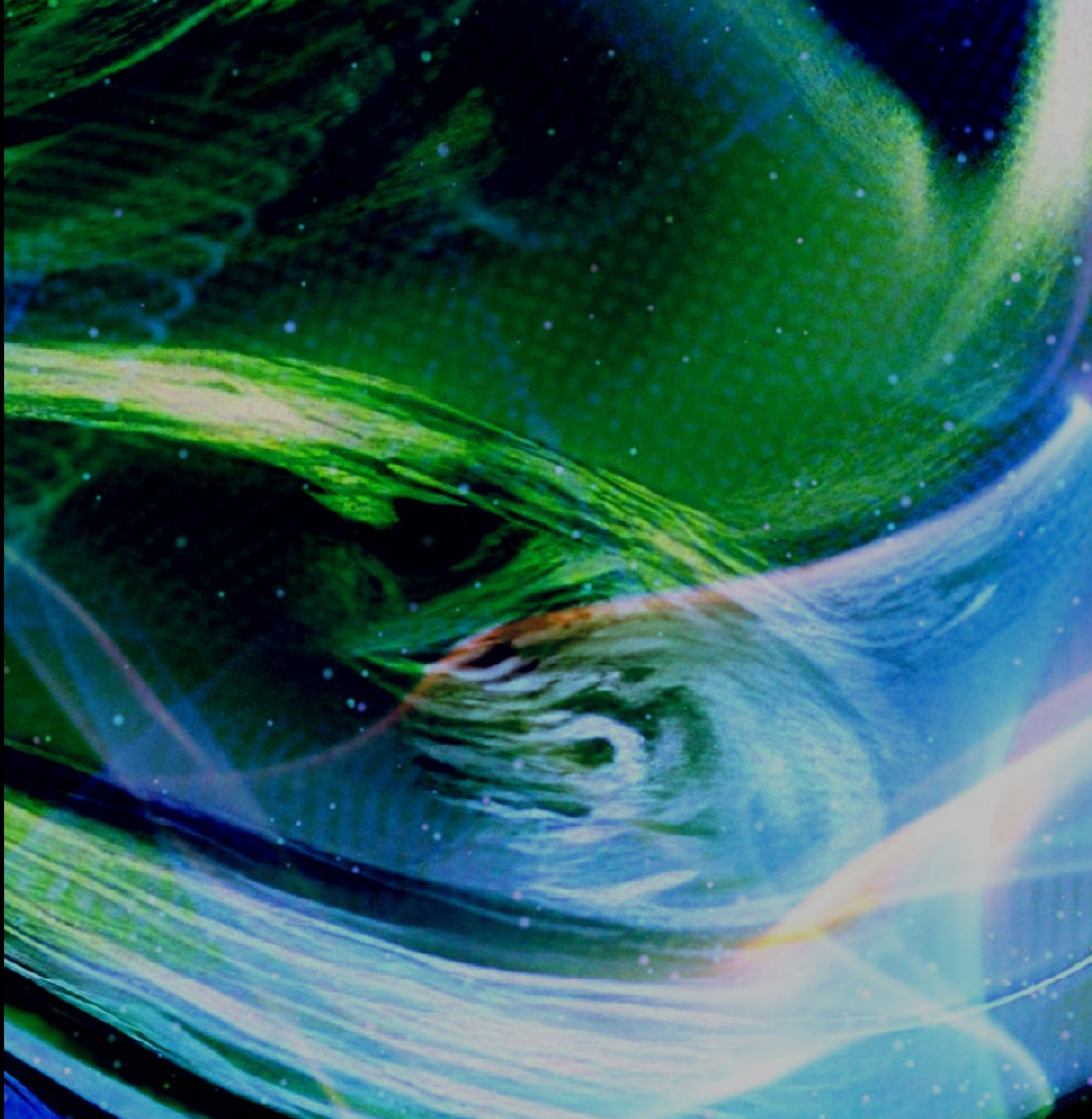
Relative to 6 months ago, vendor pricing expectations have:



Over the next 12 months, we expect vendor pricing expectations to:



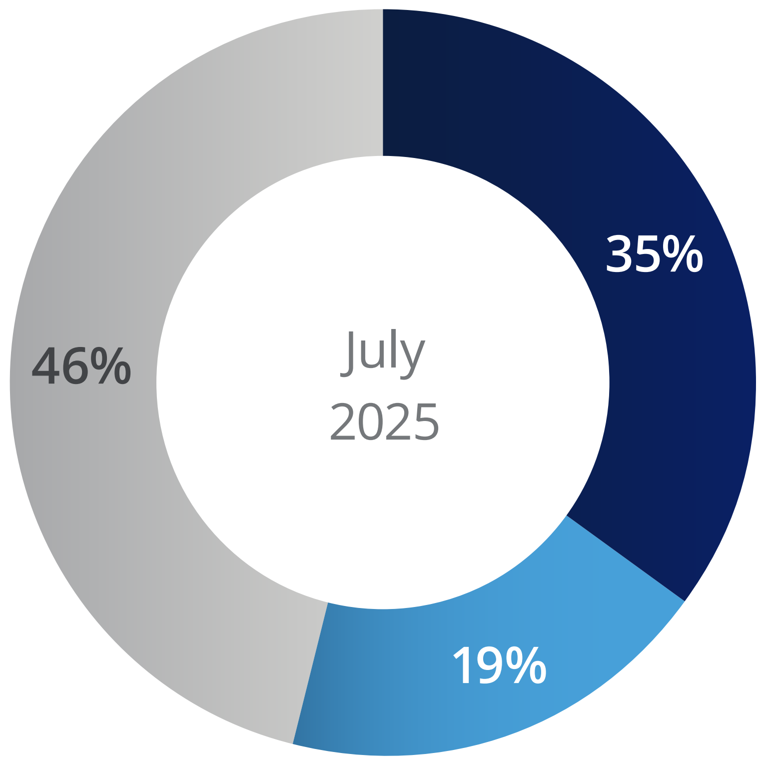
Navigating today's backdrop



Navigating today's backdrop

Respondents are divided on the impact of events of the last year on their portfolios. Nearly half (46%) note no change in buyer appetite, while over a third (35%) feel there are fewer interested parties. Nearly a fifth (19%) cite a boost in interest for assets.

When marketing a company for sale, do you notice a difference in buyer appetite compared to last year?

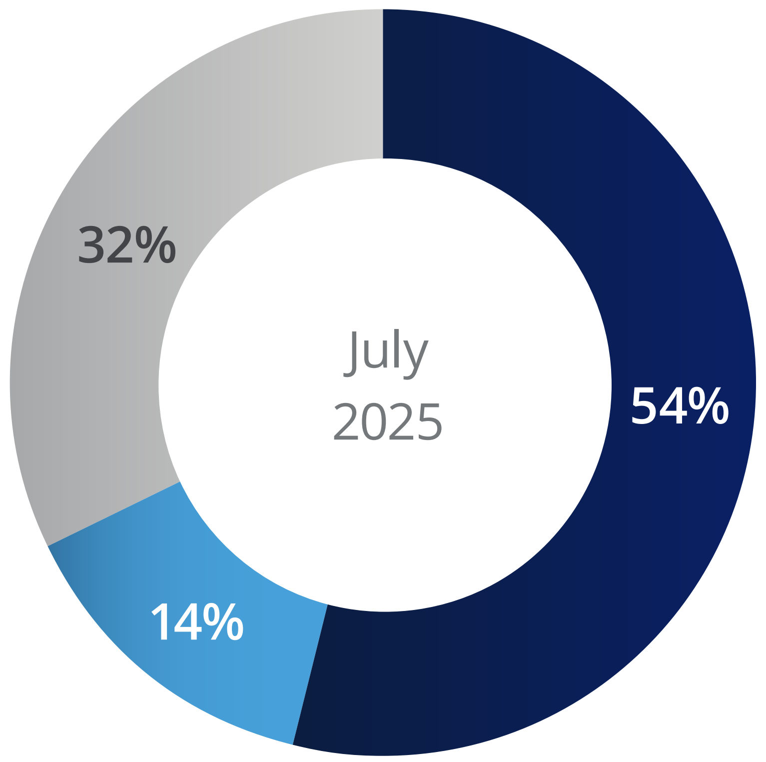


Key

- The number of interested parties has decreased
- The number of interested parties has increased
- It is the same as in previous periods

A third of respondents (32%) feel that US investors and companies have reduced their activities in the EU and the CE region in the last six months. Over half (54%) have noticed no change, and just 14% feel US parties are more interested in the region, both in terms of operatins and capital.

What is the impact of the new administration in the US on your fund and portfolio?

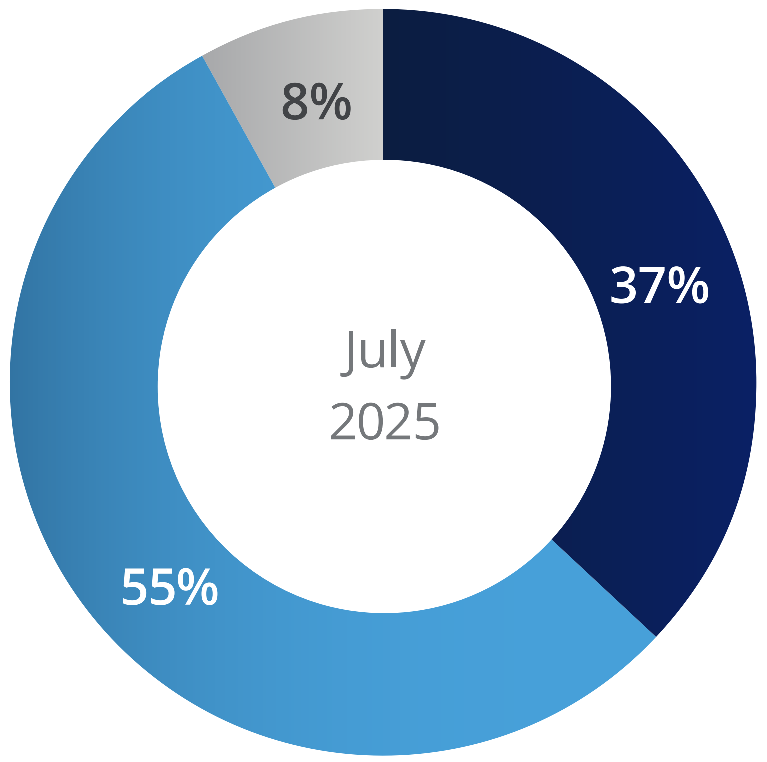


Key

- We see no change in relations with US investors and companies
- US investors and companies are reducing their activities in the EU and the CE region in the last six months
- US investors and companies are more interested in the region, both in terms of operations and capital

GPs globally are talking more about operational improvements as a way to drive value in today's challenging world, and CE is no exception. Over half (55%) claim this has always been their main focus – unsurprising given the relatively low levels of leverage employed in transactions in CE vis-à-vis Western Europe. Over a third (37%) say this is the only reliable way to add value in today's backdrop. Under a tenth (8%) claim they are not focusing more on this and continue to rely on leverage for returns.

Are you focusing more on operational improvement in your portfolio now compared to three years ago?



Key

- Yes, in today's backdrop it is only reliable to add value
- It has always been our main focus
- No, we do a bit of this but also use leverage to boost returns

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