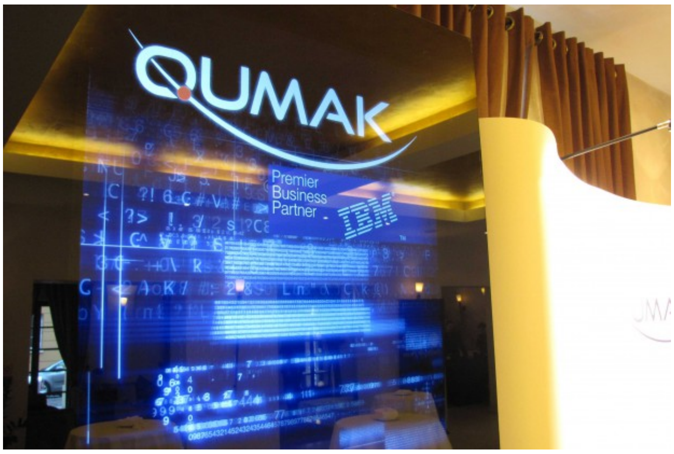
Back in April 2018, Polish system integrator Qumak announced a bid to merge with Polish outsourcer Euvic Group -- but alas the deal to create one of the biggest IT firms in CEE was not to be, following the bankruptcy of Qumak.



Signs of the PLN 220 million (€50.85m) deal being in trouble appeared early last month, following a Qumak filing in the Warsaw Stock Exchange. The filing pointed out the merger fell through, and as a result Qumak management was going through "strategic options," including the possibility of an investor able to save the company with cash injection.

"The goal is to acquire an investor interested in taking control over the company and supporting its development," the company said back then. "The review is to be fast and finish on 11 October. The Management Board does not intend to conduct a lengthy trial in this matter."

However the deadline has come and gone with no investor in sight, leading to Qumak filing for bankruptcy.

But why did the Qumak-Euvic merger fail in the first place? According to the Polish media, the reason lies with the taxman. CRN.pl reports the Polish Treasury put a tax bill worth PLN 38m (€8.78m) on the deal. Euvic was not too happy with this development, leading to the resignation of several execs and the outright rejection of the merger by the board.

Qumak was hoping the merger with Euvic would create one of the biggest IT firms in CEE, one with combined 2020 profits worth PLN 30m (€6.93) on revenues reaching PLN 450m

(€103.98m).

Go [Qumak Bankruptcy Notice]

Go [A Large Integrator is Looking for an Investor (CRN.pl)]