

MCI participates in the financing of Allegro acquisition, USD 3.25 billion deal, biggest tech deal in the region

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- The MCI.CreditVentures Fund (Fund), managed by Private Equity Managers (PEM), took part in the financing round for the acquisition of Allegro by the Cinven, Permira and Mid Europa Partners consortium.
- The Fund provided 50 million zlotys in the form of junior debt.
- The funds for financing the transaction were collected by a consortium. During the round in which MCI.CreditVentures took part the transaction was underwritten by J.P. Morgan and PZU , and arranged by Goldman Sachs, J.P. Morgan, and PZU.

The investment in the purchase of Allegro involved debt financing for the transaction and is a consequence of the Group's plans, announced a few months earlier.

MCI.CreditVentures, as a debt Fund, differs from other Funds where MCI is involved, in that it does not become a shareholder of a company, but instead it provides the company or its capital investors with necessary financing.

– Our involvement in the financing of Allegro acquisition confirms our strong position among Funds operating in the sector of digital economy. Being invited to join the group of financing entities and participation in the largest takeover of an internet company in the region is not only a form of recognition of our competence. This is also an opportunity to work closely within the consortium with a great partner, that is JP Morgan. We believe that this will open doors to similar projects in the future – said
Krzysztof Konopiński, CFO of Private Equity Managers, and Fund manager of MCI.CreditVentures.

As the Group announced some time ago, its strategic plans include steps to increase the

value of assets under management which are the basis for calculating the income from the management fee. One of such initiatives was offering debt financing to companies. In contrast with the equity financing model, entities looking for additional funds for development do not have to share the ownership of the company, while at the same time enjoying extra benefits which bank loans cannot give.

*- I believe that this transaction is the first of the many that we will carry out in this model. We can already see that companies are keenly interested in this form of financing. At the same time there is little competition from funds which offer such financing in the Polish currency - adds **Konopiński**.*

At the end of December 2016, the Funds with MCI involvement had assets worth about 2.2 billion zlotys (540 million dollars). The sale of Allegro by Naspers for 3.25 billion dollars (about 13 billion zlotys) was the largest transaction in Poland's digital sector and one of the largest transactions of this kind in Europe.