



MCI Management S.A.
Capital Group
Opinion and Report
of the Independent Auditor
Financial Year ended
31 December 2014

The opinion contains 3 pages
The supplementary report contains 11 pages
Opinion of the independent auditor
and supplementary report on the audit
of the consolidated financial statements
for the financial year ended
31 December 2014



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This document is a free translation of the Polish original. Terminology current in Anglo-Saxon countries has been used where practicable for the purposes of this translation in order to aid understanding. The binding Polish original should be referred to in matters of interpretation.

OPINION OF THE INDEPENDENT AUDITOR

To the General Meeting of MCI Management S.A.

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of the Group, whose parent entity is MCI Management S.A. with its registered office in Warsaw, Emilii Plater 53 (“the Group”), which comprise the consolidated statement of financial position as at 31 December 2014, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and notes comprising a summary of significant accounting policies and other explanatory information.

Management’s and Supervisory Board’s Responsibility for the Consolidated Financial Statements

Management of the Parent Entity is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and with other applicable regulations and preparation of the report on the Group’s activities. Management of the Parent Entity is also responsible for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

According to the Accounting Act dated 29 September 1994 (Official Journal from 2013, item 330 with amendments) (“the Accounting Act”), Management of the Parent Entity and members of the Supervisory Board are required to ensure that the consolidated financial statements and the report on the Group’s activities are in compliance with the requirements set forth in the Accounting Act.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with section 7 of the Accounting Act, National Standards on Auditing issued by the National Council of Certified Auditors and International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management of the Parent Entity, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion, the accompanying consolidated financial statements of MCI Management S.A. Group have been prepared and present fairly, in all material respects, the financial position of the Group as at 31 December 2014 and its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union, and are in compliance with the respective regulations that apply to the consolidated financial statements, applicable to the Group.

Other Matters

The financial statements of the Group as at and for the year ended 31 December 2013 were audited by another auditor who expressed an unmodified opinion with supplementary explanation to opinion on those financial statements dated 18 March 2014.

Without qualifying our audit of the consolidated financial statements, we draw your attention to additional note No. 34 of consolidated financial statement where in section related to principles of financial statement consolidation the Management Board presented its position on the withdrawal from the full consolidation of these entities whose shares are held in closed investment funds portfolio. Investments certificates issued by these funds are held by entities from MCI Management S.A. Group.

Specific Comments on Other Legal and Regulatory Requirements

Report on the Group's Activities

As required under the Accounting Act, we report that the accompanying report on the Group's activities includes, in all material respects, the information required by Art. 49 of the Accounting Act and by the Decree of the Ministry of Finance dated 19 February 2009 on current and periodic information provided by issuers of securities and the conditions for recognition as equivalent information required by the law of a non-Member State (Official Journal from 2014, item 133) and the information is consistent with the consolidated financial statements.

On behalf of KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k.
Registration No. 3546
ul. Chłodna 51
00-867 Warsaw

Signed on the Polish original

.....
Ewa Józwik
Key Certified Auditor
Registration No. 11154

Signed on the Polish original

.....
Stacy Ligas
Limited Liability Partner
with power of attorney

9 March 2015



TRANSLATION

**MCI Management S.A.
Capital Group**

Supplementary report
on the audit of the consolidated
financial statements
Financial Year ended
31 December 2014

The supplementary report contains 11 pages
The supplementary report on the audit of the
consolidated financial statements
for the financial year ended
31 December 2014

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1. General

1.1 Identification of the Group

1.1.1 Name of the Group

MCI Management S.A. Group

1.1.2 Registered office of the Parent Company of the Group

Emilii Plater 53
00-113 Warsaw

1.1.3 Registration of the Parent Company in the register of entrepreneurs of the National Court Register

Registration court:	District Court in Warsaw, XII Commercial Department of the National Court Register
Date:	28 March 2001
Registration number:	KRS 0000004542
Share capital as at the end of reporting period:	62 732 000 zloty

1.1.4 Management of the Parent Company

The Management Board is responsible for management of the Parent Company.

As at 31 December 2014, the Management Board of the Parent Company was comprised of the following members:

- Cezary Smorszczewski – President,
- Tomasz Czechowicz – Vice-president,
- Ewa Ogryczak – Board Member,

The following changes occurred in Management Board during the year 2014:

- On 17 March 2014 Supervisory Board appointed Cezary Smorszczewski to the position of a President of the Management Board.
- On 2 April 2014 Supervisory Board appointed Magdalena Pasecka to the position of a Member of a Management Board.
- On 30 May 2014 Supervisory Board appointed Ewa Ogryczak to the position of a Member of a Management Board.
- On 30 May 2014 Supervisory Board recalled Magdalena Pasecka, Norbert Biedrzycki, Sylwester Janik, Wojciech Marcińczyk from the position of a Member of a Management Board.

1.2 Information about companies comprising the Group

1.2.1 Companies included in the consolidated financial statements

As at 31 December 2014, the following companies were consolidated by the Group:

Parent Company:

- MCI Management S.A.

Subsidiaries which are not covered by the full consolidation method and are measured at fair value through profit and loss in accordance with IFRS 10.31:

- MCI Fund Management Sp. z o.o. II MCI.PrivateVentures SKA,
- MCI Fund Management Sp. z o.o. IV MCI.PrivateVentures SKA,
- MCI Fund Management Sp. z o.o.
- MCI Fund Management Sp. z o.o. Spółka Jawna
- MCI Ventures Sp. z o.o.

In all of the above subsidiaries the Company owns, directly or indirectly 100% of shares and 100% if voting rights.

In the first half of the year 2014 the Company lost control over the Private Equity Managers S.A. Capital Group which has been subject to full consolidation so far. Currently the PEM is an associate entity.

The following subsidiaries were consolidated until the date control by the Parent ceased:

- Private Equity Managers S.A. Capital Group – subject to consolidation for the period from 1 January 2014 to 12 June 2014.

Associated entities measured at fair value through profit and loss in accordance with IFRS 28.18:

- Private Equity Managers S.A.

1.2.2 Entities excluded from consolidation

As at 31 December 2014, the following subsidiaries of the Group were not consolidated:

- Bizneslinkco Sp. z o.o. (formerly AWL III Sp. z o.o.)

1.3 Key Certified Auditor and Audit Firm Information

1.3.1 Key Certified Auditor information

Name and surname: Ewa Józwik
Registration number: 11154

1.3.2 Audit Firm information

Name: KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k.
Address of registered office: ul. Chłodna 51, 00-867 Warsaw
Registration number: KRS 0000339379
Registration court: District Court for the Capital City of Warsaw in Warsaw, XII Commercial Department of the National Court Register
NIP number: 527-26-15-362

KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k. is entered in the register of audit firms, maintained by the National Council of Certified Auditors, under number 3546.

1.4 Prior period consolidated financial statements

The consolidated financial statements for the financial year ended 31 December 2013 were audited by PKF Consult Sp. z o.o. and received an unmodified opinion with supplementary explanation to opinion .

The consolidated financial statements were approved at the General Meeting of the Parent Entity on 28 April 2014.

The consolidated financial statements were submitted to the Registry Court on 13 May 2014.

1.5 Audit scope and responsibilities

This report was prepared for the General Meeting of MCI Management S.A. with its registered office in Warsaw, Emilii Plater 53 and relates to the consolidated financial statements comprising: the consolidated statement of financial position as at 31 December 2014, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and notes comprising a summary of significant accounting policies and other explanatory information.

The consolidated financial statements were audited in accordance with the contract dated 24 July 2014, concluded on the basis of the resolution of the Supervisory Board dated 27 May 2014 on the appointment of the auditor.

We conducted the audit in accordance with section 7 of the Accounting Act dated 29 September 1994 (Official Journal from 2013, item 330 with amendments) (“the Accounting Act”), National Standards on Auditing issued by the National Council of Certified Auditors, and International Standards on Auditing.

We audited the consolidated financial statements at the Group entities during the period from 1 October 2014 to 2 March 2015.

Management of the Parent Company is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting

Standards as adopted by the European Union and with other applicable regulations and preparation of the report on the Group's activities.

Our responsibility is to express an opinion and to prepare a supplementary report on the audit of the financial statements.

The Management Board of the Parent Company submitted a statement, dated as at the same date as this report, as to the true and fair presentation of the accompanying consolidated financial statements, which confirmed that there were no undisclosed matters which could significantly influence the information presented in the consolidated financial statements.

All required statements, explanations and information were provided to us by Management of the Group and all our requests for additional documents and information necessary for expressing our opinion and preparing the report have been fulfilled.

The scope of the work planned and performed has not been limited in any way. The method and scope of our audit is detailed in working papers prepared by us and retained in the offices of the Audit Firm.

The Key Certified Auditor and the Audit Firm fulfill the independence requirements as described in Art. 56 points 3 and 4 of the Act on Certified Auditors and their Self-Governance, Audit Firms authorized to Audit Financial Statements and Public Oversight dated 7 May 2009 (Official Journal from 2009 No. 77, item 649 with amendments).

1.6 Information on audits of the financial statements of the consolidated companies

1.6.1 Parent Company

The separate financial statements of the Parent Company for the year ended 31 December 2014 were audited by KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k., certified auditor number 3546, and received an unmodified opinion.

2 Financial analysis of the Group

2.1 Summary analysis of the consolidated financial statements

2.1.1 Consolidated statement of financial position

ASSETS	31.12.2014	% of total	31.12.2013*	% of total
	PLN '000	assets	PLN '000	assets
Non-current assets				
Property, plant and equipment	472	0,0	328	0,0
Intangible assets	1	0,0	11	0,0
Goodwill	-	0,0	80 174	8,5
Investments in subsidiaries	991 861	81,1	638 101	67,4
Investments in associates	34 853	2,8	-	0,0
Investments in other entities	7	0,0	185	0,0
Investment certificates	154 601	12,6	30 403	3,2
Loans to other entities	-	0,0	446	0,0
Deferred tax assets	1 862	0,2	9 399	1,0
Trade and other receivables	-	0,0	500	0,1
Derivatives	8 847	0,7	-	0,0
Total non-current assets	1 192 504	97,5	759 547	80,2
Current assets				
Trade and other receivables	1 978	0,2	100 540	10,6
Loans to related parties	5 947	0,5	5 677	0,6
Loans to other entities	748	0,1	1 384	0,1
Other financial assets - bills of exchange	7 000	0,6	11 610	1,2
Cash and cash equivalents	15 278	1,2	67 197	7,1
Total current assets	30 951	2,5	186 408	19,7
Assets classified as held for disposal	-	0,0	562	0,1
TOTAL ASSETS	1 223 455	100,0	946 517	100,0
EQUITY AND LIABILITIES				
	31.12.2014	% of total	31.12.2013*	% of total
	PLN '000	assets	PLN '000	assets
Equity				
Share capital	62 732	5,1	62 347	6,6
Reserve capital	577 621	47,2	458 600	48,5
Other reserve capital	43 188	3,5	44 584	4,7
Other comprehensive income	-	0,0	(690)	0,1
Own shares	(5 089)	0,4	(8 959)	0,9
Retained earnings	89 158	7,3	21 410	2,3
Net profit for the period	264 794	21,6	186 184	19,7
Total equity attributable to equity holders of the parent	1 032 404	84,4	763 476	80,7
Non-controlling interest	-	0,0	-	0,0
Total equity	1 032 404	84,4	763 476	80,7
Non-current liabilities				
Loans and borrowings	186	0,0	226	0,0
Bonds issued	162 541	13,3	84 800	9,0
Total non-current liabilities	162 727	13,3	85 026	9,0
Current liabilities				
Trade and other payables	364	0,0	1 037	0,1
Loans and borrowings	41	0,0	41	0,0
Bonds issued	2 872	0,2	35 495	3,8
Provisions	11 617	0,9	12 272	1,3
Bills of exchange issued	13 430	1,1	49 170	5,2
Total current liabilities	28 324	2,3	98 015	10,4
Total liabilities	191 051	15,6	183 041	19,3
TOTAL EQUITY AND LIABILITIES	1 223 455	100,0	946 517	100,0

* - The Grupa has changed the presentation of comparable financial information



2.1.2 Consolidated statement of profit or loss and other comprehensive income

	1.01.2014 - 31.12.2014	1.01.2013 - 31.12.2013
	PLN '000	PLN '000
Revenue	25 377	78 179
Cost of sales	(2 935)	(3 620)
Gross profit/(loss) on sales	22 442	74 559
Result on valuation of investments in subsidiaries and associates	194 129	141 953
Result on valuation of investment certificates	1 815	(7 701)
Investment profits	195 944	134 252
General and administrative expenses	(10 721)	(13 249)
Result on the loss of control over subsidiary	61 992	-
Other operating income	598	1 088
Other operating expenses	(566)	(7 777)
Results from operating activities	269 689	188 873
Finance income	9 227	4 535
Finance expenses	(15 470)	(11 245)
Result on valuation of derivatives	8 847	-
Net finance income/costs	2 604	(6 710)
Profit/(loss) before tax	272 293	182 163
Income tax expense	(7 499)	4 158
Profit/(Loss) from discontinued operation	-	(137)
Profit/(loss) for the period	264 794	186 184
Attributable:		
owners of the parent entity	264 794	186 184
non-controlling interest	-	-
Other comprehensive income		
Foreign currency translation differences on foreign operations	690	(567)
Total comprehensive income for the period	265 484	185 617
Earnings per share		
Basic earnings per share (PLN)	4,24	2,99
Diluted earnings per share (PLN)	3,99	2,98

2.2 Selected financial ratios

	2014	2013*	2012*
1. Total assets	1 223 455	946 517	779 617
2. Investments in subsidiaries and associates	1 026 714	638 101	496 055
3. Investment certificates	154 601	30 404	65 050
4. Equity (not including profit for the period)	767 610	577 292	530 638
5. Profit for the period	264 794	186 184	41 576
6. Return on investments			
$\frac{\text{profit for the period} \times 100\%}{\text{investment profits}}$	135,1%	138,7%	166,2%
7. Return on equity			
$\frac{\text{profit for the period} \times 100\%}{\text{equity} - \text{profit for the period}}$	34,5%	32,3%	7,8%
8. Debt ratio			
$\frac{\text{liabilities} \times 100\%}{\text{equity and liabilities}}$	15,6%	19,3%	26,6%
9. Current ratio			
$\frac{\text{current assets}}{\text{current liabilities}}$	1,09	1,90	0,69

* - The Group has changed the presentation of comparable financial information

3 Detailed report

3.1 Accounting principles

The Parent Company maintains current documentation describing the accounting principles applied by the Group and adopted by the Management Board of the Parent Company.

The accounting principles are described in the notes to the consolidated financial statements to the extent required by International Financial Reporting Standards as adopted by the European Union.

Entities included in the Group apply common accounting principles consistent with the accounting principles applied by the Parent Company.

The financial statements of the entities included in the consolidated financial statements were prepared at the end of the same reporting period as the financial statements of the Parent Company.

3.2 Basis of preparation of the consolidated financial statements

The consolidated financial statements of the MCI Management S.A. Group were prepared in accordance with International Financial Reporting Standards as adopted by the European Union and with other applicable regulations.

The consolidated financial statements were prepared on the basis of the consolidation documentation prepared in accordance with the requirements the Decree of the Ministry of Finance dated 25 September 2009 on principles for the preparation of consolidated financial statements of a capital group by companies other than banks and insurance companies (Official Journal from 2009 No. 169, item 1327).

3.3 Method of consolidation

The method of consolidation is described in note 38 of the notes to the consolidated financial statements.

3.4 Goodwill arising on consolidation

The method of calculating goodwill arising on consolidation is described in note 8 of the notes to the consolidated financial statements.

3.5 Consolidation of equity and calculation of non-controlling interest

The share capital of the Group is equal to the share capital of the Parent Company.

Other equity items of the Group are determined by adding the equity balances of subsidiaries included in the consolidated financial statements in the proportion reflecting the Parent Company's share in the subsidiaries' equity as at the end of the reporting period to the corresponding positions of the equity of the Parent Company.

Only equity of subsidiaries arising after the Parent Company obtained control of the subsidiary is included in the equity of the Group.

Non-controlling interests in subsidiaries included in the consolidated financial statements were determined based on the non-controlling interests' share in the subsidiaries' equity as at the end of the reporting period.

3.6 Consolidation eliminations

Intercompany balances within the Group were eliminated on consolidation.

Sales between entities and other intercompany operating revenues and expenses and financial revenues and expenses were eliminated on consolidation.

The consolidation eliminations were based on the accounting records of MCI Management S.A. (or subsidiary entities) and agreed with information received from the subsidiaries.

3.7 Notes to the consolidated financial statements

All information included in the notes to the consolidated financial statements, comprising of a summary of significant accounting policies and other explanatory information, is, in all material respects, presented correctly and completely. This information should be read in conjunction with the consolidated financial statements.

3.8 Report of the Management Board of the Parent Company on the Group's activities

The report of the Management Board of the Parent Company on the Group's activities includes, in all material respects, the information required by Art. 49 of the Accounting Act and by the Decree of the Ministry of Finance dated 19 February 2009 on current and periodic information provided by issuers of securities and the conditions for recognition as equivalent information required by the law of a non-Member State (Official Journal from 2014, item 133) and the information is consistent with the consolidated financial statements.

On behalf of KPMG Audyt Spółka z ograniczoną odpowiedzialnością sp.k.
Registration No. 3546
ul. Chłodna 51
00-867 Warsaw

Signed on the Polish original

.....
Ewa Józwik
Key Certified Auditor
Registration No. 11154

Signed on the Polish original

.....
Stacy Ligas
Limited Liability Partner
with power of attorney

9 March 2015

Capital Group
MCI Management S.A.

Consolidated Financial Statements
for the reporting period ended on 31 December 2014

Translation from the Polish original

Consolidated Financial Statements
for the reporting period ended on 31 December 2014

For the shareholders of MCI Management SA

In line with the Regulation of the Minister of Finance of 19 February 2009 on current and periodic information provided by issuers of securities (Journal of Laws No. 33, item 259) the Board of Directors is obligated to provide the preparation of the annual Financial Statements which give a fair and a true view of the Company's assets and financial standing as at the end of 2014, and the profit or loss for the period.

The components of the Financial Statements are presented in this document in the following order:

	Page
Consolidated statement of profit or loss and statement of other comprehensive income for the reporting period ended on 31 December 2014	4
Consolidated statement of financial position as at 31 December 2014	5
Consolidated statement of changes in equity for the reporting period ended on 31 December 2014	7
Consolidated statement of cash flows for the reporting period ended on 31 December 2014	8
Selected notes to the Financial Statements	9

The Directors' report is appended to these Financial Statements.

The Financial Statements have been approved of for publication and signed by the Board of Directors of the parent company.

Name and Surname	Position/ Function	Signature
Cezary Smorszczewski	Chairman of the Board of Directors	
Tomasz Czechowicz	Vice Chairman of the Board of Directors	
Ewa Ogryczak	Member of the Board of Directors	

Accounting records kept by:
Mazars Polska Sp. z o.o.
00-549 Warszawa, ul. Piękna 18

Warsaw, 9 March 2015

SELECTED FIGURES

	Period: from 01.01.2014 to 31.12.2014 PLN'000	Period: from 01.01.2013 to 31.12.2013 PLN'000	Period: from 01.01.2014 to 31.12.2014 EUR'000	Period: from 01.01.2013 to 31.12.2013 EUR'000
Revenue	25 377	78 179	6 058	18 566
Profit (loss) on operating activities	269 689	188 873	64 376	44 853
Profit (loss) before taxation	272 293	182 163	64 997	43 259
Net profit (loss)	264 794	186 184	63 207	44 214
Net cash from operating activities	79 185	26 451	18 902	6 281
Cash flows from investing activities	(123 735)	10 017	(29 536)	2 379
Cash flows from financing activities	(7 369)	11 602	(1 759)	2 755
Net increase (decrease) in cash and cash equivalents	(51 919)	47 522	(12 393)	11 285
	As at 31.12.2014 PLN'000	As at 31.12.2013 PLN'000	As at 31.12.2014 EUR'000	As at 31.12.2013 EUR'000
Total assets	1 223 455	946 517	287 041	228 230
Non-current liabilities	162 727	85 026	38 178	20 502
Current liabilities	28 324	98 015	6 645	23 634
Equity	1 032 404	763 476	242 218	184 094
Share capital	62 732	62 347	14 718	15 034
No. of shares (in items.)	62 732 377	62 346 627	62 732 377	62 346 627
Profit (loss) per one ordinary share (in PLN / EUR)	4,24	2,99	1,01	0,71
Book value per one share (in PLN / EUR)	16,5	12,3	3,9	2,9

The figures presented above are complementary to the consolidated Financial Statements prepared in line with IFRS and have been converted to EURO according to the following simplified principles:

- individual items of assets and liabilities as at the balance sheet date - according to the average rate determined by the National Bank of Poland applicable as at the last balance sheet date; respectively as at 31 December 2014 – 4,2623, and as at 31 December 2013 – 4,1472.
- individual items of the statement of profit or loss and of the statement of cash flows for the period from 1 January to 31 December of a given year - according to the average rate calculated as the arithmetical average of exchange rates determined by the National Bank of Poland as at the last month in a given period; respectively for the period from 1 January to 31 December 2014 – 4,1893, and for the year 2013 – 4,2110.

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS
 AND STATEMENT OF OTHER COMPREHENSIVE INCOME**
 for the reporting period ended on 31 December 2014

		Period: from 01.01.2014 to 31.12.2014 PLN'000	RESTATED Period: from 01.01.2013 to 31.12.2013 PLN'000
	NOTE		
Revenue	1	25 377	78 179
Cost of sale	3	(2 935)	(3 620)
Gross profit on sale		22 442	74 559
Revaluation of shares	2	194 129	141 953
Revaluation of investment certificates	2	1 815	(7 701)
Profit on investments		195 944	134 252
General administrative expenses	3	(10 721)	(13 249)
Profit (loss) on the lost control of a subsidiary		61 992	-
Other operating income	4	598	1 088
Other operating costs	4	(566)	(7 777)
Profit on operating activities		269 689	188 873
Finance expenses	5	(15 470)	(11 245)
Finance income	5	9 227	4 535
Measurement of derivatives	2	8 847	-
Profit before taxation		272 293	182 163
Income tax	6	(7 499)	4 158
Profit (loss) on discontinued operations	-	-	(137)
Net profit for the reporting period		264 794	186 184
Attributable to:			
- owners of the parent		264 794	186 184
- non-controlling interest		-	-
		264 794	186 184
Other net comprehensive income			
Exchange differences arising from the translation of foreign operations		690	(567)
		265 484	185 617
Earnings per share	7		
continuing operations		4,24	2,99
discontinued operations		-	2,99
Diluted earnings per share	7		
continuing operations		3,99	2,98
discontinued operations		-	2,98

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
 as at 31 December 2014

		As at 31.12.2014 PLN'000	RESTATED As at 31.12.2013 PLN'000	RESTATED As at 31.12.2012 PLN'000
	NOTE			
Non-current assets				
Tangible non-current assets	-	472	328	463
Intangible assets	-	1	11	125
Goodwill	8	-	80 174	85 714
Investments in subsidiaries	9	991 861	638 101	496 055
Investments in associated entities	10	34 853	-	
Investments in other entities	-	7	185	228
Investment certificates	11	154 601	30 403	65 050
Loans granted to other entities	15	-	446	423
Deferred tax assets	6	1 862	9 399	5 194
Trade and other receivables	14	-	500	131
Derivatives	2	8 847	-	-
		1 192 504	759 547	653 383
Current assets				
Trade and other receivables	14	1 978	100 540	38 748
Loans granted to related entities	16	5 947	5 677	45 131
Loans granted to other entities	16	748	1 384	2 664
Other financial assets - bills of exchange	15	7 000	11 610	14 518
Other financial assets		-	-	3 355
Cash and cash equivalents	18	15 278	67 197	19 686
		30 951	186 408	124 102
Assets classified as held for liquidation		-	562	-
Total assets		1 223 455	946 517	777 485

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
 as at 31 December 2014 - cont.

		As at 31.12.2014 PLN'000	RESTATED As at 31.12.2013 PLN'000	RESTATED As at 31.12.2012 PLN'000
Equity				
Share capital	19	62 732	62 347	62 347
Capital redemption reserve	19	577 621	458 600	436 200
Other equity reserves		43 188	44 584	38 794
Other comprehensive income		-	(690)	(123)
Own shares		(5 089)	(8 959)	(8 958)
Retained profit (loss) from previous periods		89 158	21 410	2 378
Net profit for the period		264 794	186 184	41 576
Capitals attributable to the owners of the parent		1 032 404	763 476	572 214
Non-controlling minority shares		-	-	-
Total equity		1 032 404	763 476	572 214
Non-current liabilities				
Bank loans and borrowings	22	186	226	267
Bonds	20	162 541	84 800	34 908
		162 727	85 026	35 175
Current liabilities				
Trade and other payables	-	364	1 037	100 027
Bank loans and borrowings	22	41	41	450
Bonds	20	2 872	35 495	28 390
Current provisions	23	11 617	12 272	12 217
Bills of exchange	21	13 430	49 170	29 012
		28 324	98 015	170 096
Total equity and liabilities		1 223 455	946 517	777 485

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
 for the reporting period ended on 31 December 2014

	Note	Share capital	Capital redemption reserve				Other equity reserves			Other comprehensive income Exchange differences arising on translation of foreign operations	Own shares	Retained profit from previous periods	Net profit for the reporting period	Capital attributable to owners of the parent
		Issue of shares as part of conversion of convertible bonds	Issue of shares - execution of the managerial option programme	Issue of shares above the nominal value	Profit distribution	On account of optional incentive programmes	Measurement of the equity component of the bonds	Unregistered increase of share capital						
Restated		PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000	PLN'000
As at 01.01.2013		62 347	28 175	1 641	106 440	299 944	33 977	4 817	-	(123)	(8 958)	2 382	41 572	572 214
Capital increase		-	-	-	-	-	-	100	-	-	-	-	-	100
Fund for Settlement of the Buy-Back Programme		-	-	-	-	-	5 690	-	-	-	-	298	-	5 988
Changes in equity	19	-	-	-	-	22 400	-	-	-	-	(1)	(22 842)	-	(443)
Other comprehensive income		-	-	-	-	-	-	-	-	(567)	-	-	-	(567)
Transfer of profit (loss)		-	-	-	-	-	-	-	-	-	-	41 572	(41 572)	-
Profit (loss) for the period		-	-	-	-	-	-	-	-	-	-	-	186 184	186 184
As at 31.12.2013		62 347	28 175	1 641	106 440	322 344	39 667	4 817	100	(690)	(8 959)	21 410	186 184	763 476
As at 01.01.2014		62 347	28 175	1 641	106 440	322 344	39 667	4 817	100	(690)	(8 959)	21 410	186 184	763 476
Capital increase		385	-	1 151	-	-	(492)	-	(100)	-	-	-	-	944
Changes in equity	19	-	-	-	-	117 870	(94)	-	-	690	-	(118 436)	-	30
Measurement of financial assets		-	-	-	-	-	-	578	-	-	-	-	-	578
Fund for Settlement of the Buy-Back Programme		-	-	-	-	-	(1 288)	-	-	-	3 870	-	-	2 582
Transfer of profit (loss)		-	-	-	-	-	-	-	-	-	-	186 184	(186 184)	-
Profit (loss) for the period		-	-	-	-	-	-	-	-	-	-	-	264 794	264 794
As at 31.12.2014		62 732	28 175	2 792	106 440	440 214	37 793	5 395	-	-	(5 089)	89 158	264 794	1 032 404

Notes presented on pages 8 to 54
 are integral part of these Financial Statements

CONSOLIDATED STATEMENT OF CASH FLOWS
 for the reporting period ended on 31 December 2014

	As at 31.12.2014 PLN'000	RESTATED As at 31.12.2013 PLN'000
Net profit for the reporting period	264 794	186 184
Adjustments for:		
Income tax	-	(152)
Depreciation and amortisation of intangible non-current assets	141	248
Profit (loss) on investments	(195 944)	(134 252)
Financial income and expenses	(2 711)	8 454
Write-off of goodwill	-	5 540
Change in the level of provisions	(655)	55
Change in the level of trade and other receivables	98 562	(61 792)
Change in the level of trade and other payables	(673)	(6 939)
Change in the level of deferred income tax assets and liabilities	8 037	(4 205)
Paid costs of bond issue	(1 267)	(941)
Measurement of warrants / managerial options	2 299	5 339
Payment of investment certificates - disclosed in changes in receivables	(31 000)	31 000
Payment for the amortisation of PEM shares from the loan	(40 000)	-
Other adjustments, of which exclusion of adjustments to deconsolidation	(51 051)	(52)
Income tax paid	-	(118)
Proceeds from granted loans	2 150	1 603
Outflows for the purchase of certificates	(14 201)	(3 521)
Proceeds from sale of certificates	52 188	-
Outflows for the purchase of related entities	(11 484)	-
Net cash from operating activities	79 185	26 451
Cash flows from investing activities		
Outflows for the purchase of fixed assets	(322)	(39)
Outflows for the purchase of bills of exchange	(319 510)	-
Proceeds from sale and repaying bills of exchange	113 432	6 600
Proceeds from bonds	42 665	3 456
Other investing proceeds and outflows	40 000	-
Net cash from investing activities	(123 735)	10 017
Cash flows from financing activities		
Net proceeds from issue of shares and other instruments, capitals and equity contributions	1 226	409
Issue of own bills of exchange	50 000	63 854
Repayment of own bills of exchange with interest	(87 031)	(49 179)
Repayment of loans	(5 271)	(60)
Repayment of taken up borrowings with interest	(1 860)	39 991
Issue of bonds	79 884	84 350
Repayment of issued bonds	(35 350)	(116 414)
Interest paid on bonds	(8 967)	(11 349)
Net cash from financing activities	(7 369)	11 602
Adjustment related to assets intended for liquidation	-	(548)
Net increase /(decrease) of cash and cash equivalents	(51 919)	47 522
Cash and cash equivalents opening balance	67 197	19 673
Change in the level of cash due to exchange differences	-	2
Cash and cash equivalents closing balance	15 278	67 197

SELECTED NOTES TO THE FINANCIAL STATEMENTS

General Information

MCI Management SA (hereinafter referred to as MCI or the Company) was registered in the Commercial Register on 21 July 1999 in the District Court for the city of Wrocław Fabryczna with the number RHB 8752. By decision of the District Court for the city of Wrocław - Fabryczna in Wrocław, VI Commercial Division of the National Court Register, on the day of 28 March 2001 the Company was registered in the National Court Register with the number 0000004542.

- REGON (statistical number): 932038308
- NIP (tax identification number): 899-22-96-521
- The Company's registered office is in ul. Emilii Plater 53 in Warsaw,
- The Company's lifetime is indefinite.

The Company does not have internal organisational units.

Composition of the MCI Capital Group as at 31 December 2014

- MCI Fund Management Sp. z o.o. II MCI.PrivateVentures SKA – direct subsidiary,
- MCI Fund Management Sp. z o.o. IV MCI.PrivateVentures SKA – direct subsidiary,
- MCI Fund Management Sp. z o.o. – direct subsidiary,
- MCI Fund Management Sp. z o.o. Spółka Jawna – indirect subsidiary,
- MCI Ventures Sp. z o.o. – indirect subsidiary,
- Bizneslinkco Sp. z o.o. (formerly AWL III Sp. z o.o.) – indirect subsidiary.

In all subsidiaries listed above the Company holds - directly or indirectly - 100% of shares and 100% of votes.

In the first half of 2014 the Company lost control of the Private Equity Managers S.A. Capital Group which was subject to full consolidation. Currently the company is an associated entity.

Compliance statement

These consolidated Financial Statements have been prepared in line with the requirements of the International Financial Reporting Standards approved of by the European Union ("IFRS"). The IFRS comprise standards and interpretations of the Council of the International Financial Reporting Standards ("IFRS Council"), International Financial Reporting Standards Interpretation Committee ("IFRS Interpretation Committee") and the European Union ("EU").

The consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the period from 1 January 2014 to 31 December 2014, as well as consolidated statement of financial position as at 31 December 2014 together with comparative data have been prepared using the same accounting principles for each of the presented periods.

Approval of the Financial Statements for this reporting period

These Financial Statements were approved of by the Company's Board of Directors on 9 March 2014.

Approval of the Financial Statements for the previous reporting period

The Financial Statements for the previous reporting period ended on 31 December 2013 were approved of by the Shareholders' Meeting on 28 April 2014.

On 13 May 2014 the consolidated Financial Statements for 2013 were filed to the District Court for the Capital City of Warsaw to update the Company's registration data in the National Court Register.

Functional and presentation currency

Figures presented in the consolidated Financial Statements are calculated and presented in a currency applied in the economic environment in which the Group runs its operations ("functional currency"), i.e. Polish zloty. Figures in the consolidated financial statements are presented in thousands Polish zlotys (TPLN).

Accounting estimates and judgements

Preparation of the consolidated Financial Statements in line with the IFRS/IAS requires the Board of Directors to make estimates and assumptions which affect the application of the adopted accounting principles and presented figures disclosed in the consolidated Financial Statements, as a lot of information contained in the Financial Statements cannot be measured in a precise manner.

All judgments, assumptions and estimates which have been made for the purpose of these consolidated Financial Statements have been presented in obligatory disclosures related to particular items of these Financial Statements, in the notes to the consolidated Financial Statements which are integral part of the consolidated Financial Statements. Estimates and judgments are subject to continuous verification. They result from previous experience, including forecasts as to future events, which are relevant in a given situation, and new information.

Below are main assumptions related to the future and other principal reasons for uncertainty of estimates as at the balance sheet date, which carry a material risk of the necessity to make important adjustments of the carrying value of assets and liabilities during the consecutive accounting period.

Estimates and assumptions which carry the material risk include:

Main estimates and assumptions have been presented in *notes*:

- *No. 9 "Investments in subsidiaries"*
- *No. 10 "Investments in associated entities"*
- *No. 11 "Investment certificates"*

Fair value of financial instruments

The model and assumptions adopted to measure the fair value. Material risks relate to fair value of own shares in subsidiaries. The fair value is affected by the adopted models of measurement.

Share-based payments

The model and main assumptions adopted to measure the fair value of equity instruments: price of equity instruments, historical variability, risk-free interest rate, expected dividend yield, etc.

Accounting policies

The principles adopted by the Group (Accounting Policies) have been presented in *note No. 38 "Description of most material accounting policies applied by the Company"*

Below we present and explain material differences resulting from the restatement of comparative data

Statement of financial position as at 31 December 2013 before and after the restatement of figures.

	RESTATED	INITIAL	DIFFERENCE
	As at 31.12.2013 PLN'000	As at 31.12.2013 PLN'000	PLN'000
ASSETS			
Non-current assets			
Tangible non-current assets	328	328	-
Intangible assets	11	11	-
Goodwill	80 174	80 174	-
Investments in subsidiaries	638 101	-	638 101
Investments in other entities	185	185	-
Borrowings granted to other entities	446	446	-
Deferred tax assets	9 399	9 375	24
Trade and other receivables	500	500	-
Other financial assets	30 403	667 118	(636 715)
	759 547	758 137	1 410
Current assets			
Trade and other receivables	100 540	100 540	-
Borrowings granted to related entities	5 932	255	5 677
Borrowings granted to other parties	1 129	1 129	-
Other financial assets	11 610	11 610	-
Cash and cash equivalents	67 197	67 632	(435)
	186 408	181 166	5 242
Assets classified as held for liquidation	562	562	-
Total assets	946 517	939 865	6 652
EQUITY AND LIABILITIES			
Equity			
Share capital	62 347	62 347	-
Capital redemption reserve	458 600	458 600	-
Other equity reserves	44 584	44 584	-
Other comprehensive income	(690)	(690)	-
Own shares	(8 959)	(8 959)	-
Retained profit/ loss from previous periods	21 410	21 342	68
Net profit for the period	186 184	186 178	6
Equity attributable to the owners of the parent	763 476	763 402	74
Non-controlling shares	-	-	-
Total equity	763 476	763 402	74
Non-current liabilities			
Bank loans and borrowings	226	226	-
Bonds	84 800	84 800	-
	85 026	85 026	-
Current liabilities			
Trade and other payables	1 037	1 055	(18)
Bank loans and borrowings	41	41	-
Bonds	35 495	35 495	-
Current provisions	12 272	12 308	(36)
Bills of exchange	49 170	42 538	6 632
	98 015	91 437	6 578
Total equity and liabilities	946 517	939 865	6 652

Statement of financial position as at 31 December 2012 before and after the restatement of figures.

	RESTATED	INITIAL	DIFFERENCE
	As at 31.12.2012 PLN'000	As at 31.12.2012 PLN'000	PLN'000
ASSETS			
Non-current assets			
Tangible non-current assets	463	463	-
Intangible assets	125	125	-
Goodwill	85 714	85 714	-
Investments in subsidiaries	496 055	-	496 055
Investments in other entities	228	228	-
Borrowings granted to other entities	423	423	-
Deferred tax assets	5 194	7 308	(2 114)
Trade and other receivables	131	131	-
Other financial assets	65 050	568 111	(503 061)
	653 383	662 503	(9 120)
Current assets			
Trade and other receivables	38 748	75 412	(36 664)
Borrowings granted to related entities	45 131	239	44 892
Borrowings granted to other parties	2 664	2 664	-
Other financial assets	3 355	4 388	(1 033)
Receivables on bonds	14 518	14 518	-
Cash and cash equivalents	19 686	19 879	(193)
	124 102	117 100	7 002
Total assets	777 485	779 603	(2 118)

Statement of financial position as at 31 December 2012 before and after the restatement of figures
 - cont.

	RESTATED	INITIAL	DIFFERENCE
	As at 31.12.2012 PLN'000	As at 31.12.2012 PLN'000	PLN'000
EQUITY AND LIABILITIES			
Equity			
Share capital	62 347	62 347	-
Capital redemption reserve	436 200	436 200	-
Other equity reserves	38 794	38 794	-
Other comprehensive income	(123)	(123)	-
Own shares	(8 958)	(8 958)	-
Retained profit/ loss from previous periods	2 378	2 314	64
Net profit for the period	41 576	41 572	4
Equity attributable to the owners of the parent	572 214	572 146	68
Non-controlling shares	-	-	-
Total equity	572 214	572 146	68
Non-current liabilities			
Bank loans and borrowings	267	267	-
Bonds	34 908	34 908	-
Deferred tax liabilities	-	2 132	(2 132)
	35 175	37 307	(2 132)
Current liabilities			
Trade and other payables	100 027	100 069	(42)
Bank loans and borrowings	450	450	-
Bonds	28 390	28 390	-
Current provisions	12 217	12 229	(12)
Bills of exchange	29 012	29 012	-
	170 096	170 150	(54)
Total equity and liabilities	777 485	779 603	(2 218)

Notes to the restatement of the Statement of financial position as at 31 December 2013

Investments in subsidiaries

	RESTATED	INITIAL
	As at 31.12.2013 PLN'000	As at 31.12.2013 PLN'000
MCI Fund Management Sp. z o. o.	72	-
MCI Fund Management Sp. z o. o. II MCI.PrivateVentures SKA	638 029	-
	638 101	-

Other financial assets

	RESTATED	INITIAL
	As at 31.12.2013 PLN'000	As at 31.12.2013 PLN'000
Investment certificates of MCI.EuroVentures 1.0	-	352 514
Investment certificates of MCI.TechVentures 1.0	-	280 139
Investment certificates of MCI.BioVentures FIZ	-	4 062
	-	636 715
Investment certificates of Helix Ventures Partners FIZ	8 132	8 132
Investment certificates of MCI.ImmoVentures FIZ	21 036	21 036

Investment certificates of Internet Ventures FIZ	1 235	1 235
	30 403	30 403
	30 403	667 118

As at 31 December 2013 MCI Management S.A. met the definition of an investment entity in line with IFRS 10, hence the following subsidiaries:

- MCI Fund Management Sp. z o.o.
- MCI Fund Management Sp. z o.o. II MCI.PrivateVentures SKA

were not subject to consolidation by MCI Management S.A. in line with IFRS 10. For this reason the comparative information has been restated as if the companies listed above were not consolidated but were recognised at fair value through profit (loss). As a result the restated figures present shares in the companies listed above, and not investment certificates in the closed-end investment funds which were held by the companies listed above.

Borrowings granted to related entities

	RESTATED	INITIAL
	As at	As at
	31.12.2013	31.12.2013
	PLN'000	PLN'000
MCI Fund Management Sp. z o. o.	60	-
MCI Fund Management Sp. z o. o. MCI.PrivateVentures Spółka Jawna	5 617	-
	5 932	-

In line with IFRS 10 MCI Management S.A. meets the definition of an investment entity, hence the companies listed above were not subject to consolidation by MCI Management S.A. For this reason comparative information has been restated as if the companies listed above were not consolidated but were recognised at fair value through profit (loss). As a result joint transactions between these companies and MCI Management S.A. Group have not been eliminated.

Liabilities under bills of exchange

	Interest rate	Nominal value	Interest	Total
	% per annum	PLN'000	PLN'000	PLN'000
MCI Fund Management Sp. z o. o. Spółka jawna	3,67%	6 600	33	6 632

In line with IFRS 10 MCI Management S.A. meets the definition of an investment entity, hence the companies listed above were not subject to consolidation by MCI Management S.A. For this reason comparative information has been restated as if the companies listed above were not consolidated but were recognised at fair value through profit (loss). As a result joint transactions between these companies and MCI Management S.A. Group have not been eliminated.

Consolidated statement of profit and loss and statement of other comprehensive income for the period from 1 January to 31 December 2013 after restating the comparative data

	RESTATED	INITIAL	DIFFERENCE
	Period: from 01.01.2013 to 31.12.2013 PLN'000	Period: from 01.01.2013 to 31.12.2013 PLN'000	Period: from 01.01.2013 to 31.12.2013 PLN'000
Continuing operations			
Revenue	78 179	78 179	-
Costs of sale	(3 620)	(3 620)	-
Gross profit on sale	74 559	74 559	-
Revaluation of shares	141 953	(43)	141 996
Revaluation of investment certificates	(7 701)	128 050	(135 751)
Other	-	7 532	(7 532)
Profits on investments	134 252	135 539	(1 287)
General administrative costs	(13 249)	(13 405)	156
Other operating income	1 088	1 103	(15)
Other operating costs	(7 777)	(7 777)	-
Profit on operating activities	188 873	190 019	(1 146)
Financial costs	(11 245)	(11 251)	6
Financial income	4 535	3 389	1 146
Profit before taxation	182 163	182 157	6
Income tax	4 158	4 158	-
Net profit on continuing operations	186 321	186 315	6
Profit (loss) on discontinued operations	(137)	(137)	-
Net profit for the period	186 184	186 178	6

Notes to the restatement of the Statement of financial position as at 31 December 2012

Investments in subsidiaries

	RESTATED	INITIAL
	As at	As at
	31.12.2012	31.12.2012
	PLN'000	PLN'000
MCI Fund Management Sp. z o. o.	105	-
MCI Fund M Sp. z o. o. MCI.PrivateVentures SKA	495 950	-
	496 055	-

Other financial assets

	RESTATED	INITIAL
	As at	As at
	31.12.2012	31.12.2012
	PLN'000	PLN'000
Investment certificates of MCI.EuroVentures 1.0	-	238 314
Investment certificates of MCI.TechVentures 1.0	-	252 449
Investment certificates of MCI.BioVentures FIZ (dawniej Nordkapp Ventures FIZ)	-	12 298
Investment certificates of Helix Ventures Partners FIZ	8 820	8 820
Investment certificates of MCI.CreditVentures FIZ	54 549	54 549
Investment certificates of Internet Ventures FIZ	1 681	1 681
	65 050	568 111

As at 31 December 2013 MCI Management S.A, met the definition of an investment entity in line with IFRS 10, hence the following subsidiaries:

- MCI Fund Management Sp. z o.o.
- MCI Fund Management Sp. z o.o. II MCI.PrivateVentures SKA

were not subject to consolidation by MCI Management S.A. in line with IFRS 10. For this reason the comparative information has been restated as if the companies listed above were not consolidated but were recognised at fair value through profit (loss). As a result the restated figures present shares in the companies listed above, and not investment certificates in the closed-end investment funds which were held by the companies listed above.

Borrowings granted to related entities

	RESTATED	INITIAL
	As at	As at
	31.12.2012	31.12.2012
	PLN'000	PLN'000
MCI Fund Management Sp. z o. o.	56	-
MCI Venture Projects Sp. z o. o.	239	239
MCI Fund Management Sp. z o. o. MCI.PrivateVentures Spółka Jawna	44 836	-
	45 131	239

In line with IFRS 10 MCI Management S.A. meets the definition of an investment entity, hence the companies listed above were not subject to consolidation by MCI Management S.A. For this reason comparative information has been restated as if the companies listed above were not consolidated but were recognised at fair value through profit (loss). As a result joint transactions between these companies and MCI Management S.A. Group have not been eliminated.

Trade and other receivables

	RESTATED	INITIAL
	As at	As at
	31.12.2012	31.12.2012
	PLN'000	PLN'000
Trade receivables	15 163	15 163
Impairment write-off on receivables	(473)	(473)
Net trade receivables	14 690	14 690
Prepayments	177	177
Receivables on disposal of shares and other financial receivables	4 149	4 149
Impairment write-off on receivables on account of share disposal	(236)	(236)
Receivables from related entities	19 534	19 534
Tax/ budget receivables	178	178
Other receivables	387	37 051
	38 879	75 543
Minus non-current:		
Trade receivables		
Receivables on disposal of shares and other financial receivables	50	50
Impairment write-off on receivables on account of share disposal	(8)	(8)
Other receivables	89	89
Non-current	131	131
Current	38 748	75 412

Notes to the restatement of the statement of profit and loss and statement of other comprehensive income for the period from 1 January to 31 December 2013

Revaluation of shares

	RESTATED	INITIAL
	Period:	Period:
	from 01.01.2013	from 01.01.2013
	to 31.12.2013	to 31.12.2013
	PLN'000	PLN'000
Digital Avenue S.A.	(49)	(49)
MCI Fund Management Sp. z o. o.	(33)	-
Alternative Investment Partners Sp. z o. o.	6	6
MCI Fund Management Sp. z o. o. MCI.PrivateVentures Spółka Jawna	180 509	-
MCI Fund Management Sp. z o. o. II MCI.PrivateVentures S.K.A.	(38 480)	-
	141 953	(43)

Revaluation of investment certificates

	RESTATED	INITIAL
	Period: from 01.01.2013 to 31.12.2013 PLN'000	Period: from 01.01.2013 to 31.12.2013 PLN'000
Investment certificates of MCI.TechVentures 1.0	-	118 829
Investment certificates of MCI.EuroVentures 1.0	-	26 878
Investment certificates of MCI.BioVentures FIZ	-	(8 249)
Investment certificates of Internet Ventures FIZ	(2 567)	(2 567)
Investment certificates of MCI.CreditVentures FIZ	(2 571)	(4 278)
Investment certificates of Helix Ventures Partners FIZ	(2 563)	(2 563)
	(7 701)	128 050

As at 31 December 2013 MCI Management S.A. met the definition of an investment entity in line with IFRS 10, hence it does not consolidate its subsidiary MCI Fund Management Sp. z o.o. II MCI.PrivateVentures SKA. Hence, comparative information has been restated as if the company were not consolidated. As a result, rather than measurements of investment certificates of closed-end investment funds, which this company holds, we present a valuation of this company.

Other items

	RESTATED	INITIAL
	Period: from 01.01.2013 to 31.12.2013 PLN'000	Period: from 01.01.2013 to 31.12.2013 PLN'000
Other	-	7 532
	-	7 532

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 for the reporting period ended on 31 December 2014

1. Revenues

Revenues principally include revenues from managing six investment funds by companies from the PEM Group.

Since 13 June 2014 this item has not been recognised directly in the MCI's income statement, because PEM is not consolidated due to lost control of the company.

Revenues constitute primarily:

- **Fixed fee** - this remuneration is calculated and collected on a quarterly basis. This is a percent of the value of a given investment fund assets (defined in the statute of investment funds). Measurements of funds assets are performed at the end of each quarter and a fixed fee is calculated on the value of assets. The fee is collected on all paid investment certificates.
- A fee which depends on the value increase of fund's net assets per an investment certificate (referred to as **success fee**) - this remuneration depends on the increase of the fund assets value above a defined value.

Income from managing investment funds

	Period: from 01.01.2014 to 31.12.2014 PLN'000	RESTATED Period: from 01.01.2013 to 31.12.2013 PLN'000
Fixed fee		
MCI.TechVentures 1.0 FIZ sub-fund management	4 857	9 110
MCI.EuroVentures 1.0 FIZ sub-fund management	4 276	5 690
Helix Ventures Partners FIZ fund management	630	1 800
MCI.CreditVentures 2.0 FIZ (dawniej: MCI.BioVentures FIZ) fund management	255	264
MCI.CreditVentures FIZ sub-fund management	-	531
Internet Ventures FIZ sub-fund management	1 297	2 358
Other income	453	272
	11 768	20 025
Success fee		
MCI.TechVentures 1.0 sub-fund management	8 570	626
MCI.EuroVentures 1.0 sub-fund management	5 039	57 528
	13 609	58 154
	25 377	78 179

1. Income from investments

The item "Income on investments" discloses the effect of revaluation of the following financial assets:

- shares in subsidiaries, associated and other entities,
- investment certificates of closed-end investment funds held by MCI,
- derivatives.

Revaluation of shares

	Period: from 01.01.2014 to 31.12.2014 PLN'000	RESTATED Period: from 01.01.2013 to 31.12.2013 PLN'000
Subsidiaries		
MCI Fund Management Sp. z o. o.	53 806	(33)
MCI Fund Management Sp. z o. o. II MCI.PrivateVentures SKA	107 607	(38 480)
MCI Fund Management Sp. z o. o. IV MCI.PrivateVentures SKA	21 060	-
MCI Fund Management Sp. z o. o. MCI.PrivateVentures SKA	-	180 509
MCI Ventures Sp. z o. o.	(2)	-
	182 471	141 996
Associated companies		
Private Equity Managers S.A.	11 836	-
Other companies		
Digital Avenue S.A.	(178)	(49)
Alternative Investment Partners Sp. z o. o.	-	6
	(178)	(43)
	194 129	141 953

Information on measurements of the positions above has been presented in the [notes](#)

- [No. 9 "Investments in subsidiaries"](#)
- [No. 10 "Investments in associated entities"](#)

Revaluation of investment certificates

	Period: from 01.01.2014 to 31.12.2014 PLN'000	RESTATED Period: from 01.01.2013 to 31.12.2013 PLN'000
Investment certificates of Helix Ventures Partners FIZ	1 254	(2 563)
Investment certificates of Internet Ventures FIZ	(1 104)	(2 567)
Investment certificates of MCI.CreditVentures FIZ	166	(2 571)
Investment certificates of MCI.CreditVentures FIZ 2.0	1 499	-
	1 815	(7 701)

Information on measurements of the positions above has been presented in [note No. 11 "Investment certificates"](#).

Measurement of financial derivatives

	Period: from 01.01.2014 to 31.12.2014 PLN'000	RESTATED Period: from 01.01.2013 to 31.12.2013 PLN'000
Measurement of embedded derivative on investment certificates of Internet Ventures FIZ	6 317	-
Measurement of embedded derivative on investment certificates of Helix Ventures Partners FIZ	2 530	-
	8 847	-

As at 31 December 2014 there was a measurement of an embedded financial derivative, being a mechanism of privileged distribution of money allocated in investments made by the funds listed above. In the event of disinvestment the Company has the priority of return of the invested capital.

2. General and administration costs

	Period: from 01.01.2014 to 31.12.2014 PLN'000	RESTATED Period: from 01.01.2013 to 31.12.2013 PLN'000
Amortisation/depreciation of non-current and intangibles assets	(141)	(248)
Materials and energy use	(108)	(92)
Bought-in services	(4 529)	(4 454)
Funds management	(2 754)	(1 834)
Taxes and other fees	(179)	(207)
Remuneration	(5 007)	(8 973)
Employee benefits and social security	(119)	(240)
Other costs	(819)	(821)
	(13 656)	(16 869)
General and administration costs	(10 721)	(13 249)
Cost of sales	(2 935)	(3 620)
	(13 656)	(16 869)

3. Other operating income and expenses

Other operating income

	Period: from 01.01.2014 to 31.12.2014 PLN'000	RESTATED Period: from 01.01.2013 to 31.12.2013 PLN'000
Damages and reimbursement of court costs	-	55
Income from re-invoicing of costs	310	63
Income from organising seminars and promotional events	121	148
Other operating income	164	273
Reversed provisions	3	437
Income from lease	-	15
Sales of debts	-	97
	598	1 088

Other operating expenses

	Period: from 01.01.2014 to 31.12.2014 PLN'000	RESTATED Period: from 01.01.2013 to 31.12.2013 PLN'000
Costs of provisions	-	(248)
Re-invoiced costs	(268)	(138)
Impairment losses on receivables	(41)	(210)
Revaluation of non-current assets	-	(69)
Receivables on dividends written-off	-	(91)
Annual VAT adjustment on account of structure	(4)	(31)
Overdue VAT with execution costs in line with decision of tax authorities	-	(1 108)
Impairment losses on goodwill of ImmoPartners	-	(5 540)
Other operating expenses	(253)	(342)
Total	(566)	(7 777)

4. Financial income and expenses

Financial income

	Period: from 01.01.2014 to 31.12.2014 PLN'000	RESTATED Period: from 01.01.2013 to 31.12.2013 PLN'000
Interest on short-term bank deposits	404	425
Gains and losses on translation differences	-	160
*Commission income - fiduciary transactions, guarantees	815	1 099
** Income from interest on bonds	2 574	-
*** Income from interest on borrowings and bills of exchange	5 402	1 932
Other financial income	32	919
	9 227	4 535

* Constitute primarily income from guarantees granted to the sub-fund MCI.TechVentures 1.0 – more information in [note No. 30 "Guarantees and securities"](#).

** Constitute received interest on bonds taken up by Private Equity Managers S.A.

*** Constitute primarily calculated or received interest from related entities:

- Interest on borrowings granted to MCI Fund Management Sp. z o.o. Spółka Jawna of TPLN 265
- Interest on borrowings granted to MCI Fund Management Sp. z o.o. of TPLN 5
- Interest on bills of exchange from MCI Fund Management Sp. z o.o. of TPLN 1 373
- Interest on bills of exchange from MCI Fund Management Sp. z o.o. Spółka Jawna of TPLN 2 633
- Interest on bills of exchange from Private Equity Managers S.A. of TPLN 26

Information on granted borrowings and receivables on bills of exchange has been presented in the notes:

- [No. 16 "Borrowings granted"](#)
- [No.15 "Other financial assets - bills of exchange"](#)

Financial expenses

	Period: from 01.01.2014 to 31.12.2014 PLN'000	RESTATED Period: from 01.01.2013 to 31.12.2013 PLN'000
Costs of interest on:		
Issued bills of exchange	(952)	(1 436)
Bank loans	(981)	(19)
Received borrowings	(158)	89
* Issued bonds	(11 656)	(9 002)
Budget interest	-	(772)
Interest on dividends	(470)	
Gains and losses on translation differences	(365)	(18)
Other	(888)	(87)
	(15 470)	(11 245)

* more information in *note No. 20 "Liabilities on bonds"*

5. Income tax and deferred tax

Income tax is disclosed in the statement of comprehensive income

	Period: from 01.01.2014 to 31.12.2014 PLN'000	RESTATED Period: from 01.01.2013 to 31.12.2013 PLN'000
Current tax	-	(42)
Deferred tax	(7 499)	4 200
	(7 499)	4 158

Reconciliation of profit before taxation to tax amounts

	Period: from 01.01.2014 to 31.12.2014 PLN'000	RESTATED Period: from 01.01.2013 to 31.12.2013 PLN'000
Profit before taxation	272 293	* 243 077
Income tax disclosed in profit (loss)	7 499	(4 158)
Effective tax rate	3%	(2)%
Items differentiating tax base and accounting base:		
Non-taxable income disclosed in statement of profit and loss (-)	(295 138)	(312 149)
Taxable income disclosed in statement of profit and loss (+)	210	6 477
Expenses disclosed in statement of profit and loss not being tax deductible costs (+)	33 972	67 566
Expenses disclosed in statement of profit and loss being tax deductible costs (-)	(15 181)	(16 650)
Tax losses used from previous periods	-	(106)
Tax losses of current period	3 844	11 852
Income tax on discontinued operations	-	152
	(272 293)	(242 858)
Taxable base	-	219
Current income tax	-	42

* The amount of profit before taxation does not include profits from joint-stock partnerships, foreign companies, closed-end funds, because they are not subject to corporate income tax.

Tax losses

Incurring in years year	Incurring in the amount of 000'PLN	Used in the amount of 000'PLN	To use in the amount of 000'PLN	To use by year
2010	11 537	5 769	5 768	2015
2012	4 715	-	4 715	2017
2013	9 774	-	9 774	2018
2014	3 844	-	3 844	2019
	29 870		24 101	

Deferred income tax

	As at 31.12.2014 PLN'000	RESTATED As at 31.12.2013 PLN'000
Deferred income tax assets:		
Due for realisation after 12 months	1 742	1 803
Due for realisation within 12 months	6 411	7 919
	8 153	9 722
Deferred income tax liabilities:		
Due for settlement after 12 months	-	-
Due for settlement within 12 months	6 291	323
	6 291	323

In the statement of financial position the Company compensates deferred tax assets and liabilities by disclosing them under one item.

In the 2013 Financial Statements deferred tax assets and liabilities were disclosed separately (gross). The Company changed their presentation on 1 January 2014 and adjusted the comparative figures in the 2014 Financial Statements.

Deferred income tax assets

	Tax losses possible to deduct 000' PLN	Interest and bonuses on bonds 000' PLN	Other assets 000' PLN	Total 000' PLN
Balance as at 31 December 2011	876	306	2 903	4 085
Effect on profit or loss	2 377	14	832	3 223
Effect on equity	-	-	-	-
Balance as at 31 December 2012	3 253	320	3 735	7 308
Effect on profit or loss	1 751	(239)	902	2 414
Effect on equity	-	-	-	-
Balance as at 31 December 2013	5 004	81	4 637	9 722
Effect on profit or loss	(425)	(81)	(1 063)	(1 569)
Effect on equity	-	-	-	-
Balance as at 31 December 2014	4 579	-	3 574	8 153

Other deferred tax assets relate primarily to:

- JTT provision - more information in [note No. 23 "Provisions"](#)
- measurement of investment certificates (Helix Ventures Partners FIZ, Internet Ventures FIZ)
- measurement of shares of Digital Avenue S.A.

Deferred income tax liabilities

	Revaluation of related entities 000' PLN	Interest 000' PLN	Other titles 000' PLN	Total 000' PLN
Balance as at 31 December 2011	1 145	351	1 435	2 931
Effect on profit or loss	(1 145)	565	(219)	(799)
Effect on equity	-	-	-	-
Balance as at 31 December 2012	-	916	1 216	2 132
Effect on profit or loss	1	(916)	(894)	(1 809)
Effect on equity	-	-	-	-
Balance as at 31 December 2013	1	-	322	323
Effect on profit or loss	4 224	75	1 669	5 968
Effect on equity	-	-	-	-
Balance as at 31 December 2014	4 225	75	1 991	6 291

Other deferred tax provisions relate primarily to:

- measurement of investment certificates of MCI.CreditVentures 2.0 FIZ,
- measurement of derivatives,
- measurement of shares of Private Equity Managers S.A.

6. Earnings per share

Earnings per share

	Period: from 01.01.2014 to 31.12.2014 PLN'000	RESTATED Period: from 01.01.2013 to 31.12.2013 PLN'000
Net profit for the reporting period	264 794	186 184
Weighted average of ordinary shares (in thousands)	62 502	62 347
Basic earnings per share (in PLN per one share)	4,24	2,99

Diluted earnings per share

	Period: from 01.01.2014 to 31.12.2014 PLN'000	RESTATED Period: from 01.01.2013 to 31.12.2013 PLN'000
Net profit for the reporting period	264 794	186 184
Costs of interest on convertible bonds (after deducting tax)	1 007	-
Earnings applied when determining diluted earnings per share	265 801	186 184
Weighted average of ordinary shares (in thousands)	62 502	62 347
Adjustments for:		
- incentive programme based on the issue of shares (thousands)	-	22
- subscription warrants (thousands)	-	142
- theoretical change of convertible bonds (thousands)	4 167	-
Weighted average No. of ordinary shares for the purposes of diluted earnings per share (thousands)	66 668	62 511
Diluted earnings per share (in PLN per one share)	3,99	2,98

7. Goodwill

	Period: from 01.01.2014 to 31.12.2014 PLN'000	RESTATED Period: from 01.01.2013 to 31.12.2013 PLN'000
MCI Asset Management Sp. z o. o. SKA	-	80 174
	-	80 174

The Company's goodwill of TPLN 80.174 related to the acquisition of MCI Asset management Sp. z o.o. SKA by PEM Capital Group. In June 2014 MCI Management S.A. lost control of PEM Capital Group as a result of which the Company does not hold this goodwill.

8. Investments in subsidiaries

Shares in subsidiaries

	As at 31.12.2014 PLN'000	RESTATED As at 31.12.2013 PLN'000
MCI Fund Management Sp. z o. o.	53 878	72
MCI Fund Management Sp. z o. o. II MCI.PrivateVentures SKA	745 636	638 029
MCI Fund Management Sp. z o. o. IV MCI.PrivateVentures SKA	192 342	-
MCI Ventures Sp. z o. o.	5	-
	991 861	638 101

Characteristics of subsidiaries:

– MCI Fund Management Sp. z o. o.

Company with headquarters in Poland holding certificates of:

- ✓ Sub-fund MCI.TechVentures 1.0 separated within MCI.PrivateVentures FIZ,
- ✓ Sub-fund MCI.EuroVentures 1.0 separated within MCI.PrivateVentures FIZ,

Shareholder in MCI Fund Management Sp. z o. o. Spółka Jawna and general partner in:

- ✓ MCI Fund Management Sp. z o. o. II MCI.PrivateVentures SKA,
- ✓ MCI Fund Management Sp. z o. o. IV MCI.PrivateVentures SKA.

– MCI Fund Management Sp. z o. o. II MCI.PrivateVentures SKA

Company with headquarters in Poland holding shares in MCI Fund Management Sp. z o. o. Spółka Jawna.

– MCI Fund Management Sp. z o. o. IV MCI.PrivateVentures SKA

Company with headquarters in Poland holding shares in MCI Fund Management Sp. z o. o. Spółka Jawna.

– MCI Ventures Sp. z o. o.

Company with headquarters in Poland holding shares in Bizneslinkco Sp. z o.o. (dawniej; AWL III Sp. z o. o.)

Information about the loss of control of an entity which in 2013 was a subsidiary

In the first half of 2014 the Company lost control of its subsidiary **Private Equity Managers S.A.** which as at 31 December 2014 is an associated entity.

Measurement of shares in subsidiaries

Shares in the above companies are disclosed in fair value based on the adjusted net asset value of a company as at the balance sheet date.

Adjusted net asset value is reflected in fair value of investments in subsidiaries - primarily investment certificates of closed-end investment funds.

The measurement of subsidiaries is affected by the following components of net assets of these companies:

- Unpaid amount of taken up issued A1 series investment certificates in the sub-fund MCI.TechVentures 1.0 FIZ of TPLN 170.000
- Balance of granted and received borrowings, bills of exchange of TPLN 54.000

The fair value of investment certificates in subsidiaries is settled based on published measurements of investment funds. The measurements of the above funds are carried out on a quarterly basis.

The measurements are approved of by the Company's Board of Directors.

The investment fair value in subsidiaries showing the effect of increase and decrease of investment certificates value by 10 percentage points:

Subsidiary	+10%	-10%
MCI Fund Management Sp. z o. o.	59 266	48 490
*MCI Fund Management Sp. z o. o. II MCI.PrivateVentures SKA	745 636	745 636
*MCI Fund Management Sp. z o. o. IV MCI.PrivateVentures SKA	192 342	192 342
*MCI Ventures Sp. z o. o.	5	5
	997 249	986 473

* Increase or decrease of investment certificates value does not affect the value of these subsidiaries, since as at 31 December 2014 these companies do not hold investment certificates.

9. Investments in associated entities

	As at 31.12.2014 PLN'000	RESTATED As at 31.12.2013 PLN'000
Private Equity Managers S.A.	34 853	-

As at 31 December 2014 the company holds directly 10,25% of shares of Private Equity Managers S.A. The closed-end fund MCI.PrivateVentures acting for the benefit of the sub-fund MCI.EuroVentures FIZ (whose 100% of investment certificates is held by MCI Management S.A.) holds an additional 21,38% of shares of the above company.

Through shares held directly and indirectly the Company materially affects PEM; as a result, the company is treated as an associated entity and measured at fair value through profit or loss.

Measurement of shares in an associated entity

Shares of Private Equity Managers S.A. were measured at PLN 101,92 PLN per 1 share. The price is based on the most recent transaction compared to the fund Mezzanine Management (AMC III MOON BV) of 15 January 2015, which is not a related entity. The price above reflects the fair value of one share as at 31 December 2014.

Fair value of investments in associated entities showing the effect of increase and decrease of PEM's shares by 10 percentage points:

	<u>+10%</u>	<u>-10%</u>
Private Equity Managers S.A.	38 338	31 368

10. Investment certificates

Financial assets also comprise investment certificates of investment funds.

	As at 31.12.2014 PLN'000	RESTATED As at 31.12.2013 PLN'000
Investment certificates of Helix Ventures Partners FIZ	9 951	8 132
Investment certificates of Internet Ventures FIZ	13 722	1 235
Investment certificates of MCI.CreditVentures 2.0 FIZ	130 928	-
Investment certificates of MCI.CreditVentures FIZ	-	21 036
	<u>154 601</u>	<u>30 403</u>

The measurement of investment certificates is carried out on a quarterly basis based on the fair value measurement of portfolio companies owned by these funds. Revaluation of certificates to their fair value from quarterly measurements is disclosed in MCI's profit or loss at the end of each quarter.

Fair value of investments in subsidiaries showing the effect of increase and decrease of investment certificates value by 10 percentage points:

	<u>+10%</u>	<u>-10%</u>
Investment certificates of Helix Ventures Partners FIZ	10 946	8 956
Investment certificates of Internet Ventures FIZ	15 094	12 350
Investment certificates of MCI.CreditVentures 2.0 FIZ	144 021	117 835
	<u>170 061</u>	<u>139 141</u>

11. Financial assets and liabilities measured at fair value

The Company discloses at fair value the following components of financial assets and liabilities:

Financial assets designated as measured at fair value through profit/loss at initial recognition:

Investments in shares in subsidiaries, associated entities and other entities which do not run investment operations, as well as investment certificates of investment funds and derivatives are recognised at fair value at initial recognition with changes in fair value disclosed in profit/loss.

The method of shares measurement depends on the type of available source information used in the measurement. In the case of entities whose shares are not quoted on the active market, the fair value is determined based on measurement techniques commonly applied by market participants. The presumptions of measurement techniques are not based on information coming from the active market, but indicate best the fair value of these entities.

Financial assets disclosed at fair value through profit/loss

The Company classifies the principles of fair value measurement using the hierarchy below which reflects the importance of source data applied during measurements:

- **Level I:** financial assets/ liabilities measured directly based on prices quoted on the active market.
- **Level II:** financial assets/ liabilities measured with techniques based on information coming from the active market or market observations.
- **Level III:** financial assets/ liabilities measured with techniques commonly applied by market participants. The presumptions of measurement techniques are not based on information coming from the active market.

The table below presents a classification to the relevant measurement level:

	Balance as at 31.12.2014		Balance as at 31.12.2013	
	Level	Method of measurement	Level	Method of measurement
Investments in subsidiaries				
MCI Fund Management Sp. z o. o.	3	Adjusted net assets	3	Adjusted net assets
MCI Fund Management Sp. z o. o. II MCI.PrivateVentures SKA	3	Adjusted net assets	3	Adjusted net assets
*MCI Fund Management Sp. z o. o. IV MCI.PrivateVentures SKA	3	Adjusted net assets	-	-
MCI Fund Management Sp. z o. o. Spółka Jawna	3	-	3	Adjusted net assets
MCI Ventures Sp. z o. o.	3	Adjusted net assets	-	-
Investments in associated entities				
**Private Equity Managers S.A.	3	Observable price of the most representative transaction (pre-IPO)	-	-
Investment certificates				
Investment certificates of Helix Ventures Partners FIZ	3	Net asset value	3	Net asset value
Investment certificates of MCI.CreditVentures FIZ	3	Net asset value	3	Net asset value
Investment certificates of Internet Ventures FIZ	3	Net asset value	3	Net asset value
*** Investment certificates of MCI.CreditVentures 2.0 FIZ	3	Net asset value	-	-

* As at 31 December 2013 MCI Fund Management Sp. z o. o. MCI.PrivateVentures IV SKA was measured at fair value through other comprehensive income. As at 31 December 2014 the above company was measured at fair value through profit/ loss. This change is due to the fact that since 1 January 2014 MCI Management S.A. is an investment entity.

** In the first half of 2014 the Company lost control of the subsidiary Private Equity Managers S.A., which as at 31 December 2014 is an associated entity and is measured at fair value through profit/loss in line with IAS 28 paragraph 18.

*** In December 2014 the Company bought all investment certificates of MCI.CreditVentures 2.0 FIZ from its indirect subsidiary MCI Fund Management Sp. z o. o. Spółka Jawna.

12. Bonds

Bonds of Private Equity Managers S.A.

	As at 31.12.2014 PLN'000	RESTATED As at 31.12.2013 PLN'000
Liability as at issue date at nominal value	40 000	-
Interest calculated	2 665	-
Interest paid	(2 073)	-
Payment	(40 592)	-
	<u>-</u>	<u>-</u>

On 20 December 2013 Private Equity Managers SA issued 40.000 items of ordinary registered unsecured series "B" bonds of a nominal value of TPLN 40 000. The bonds shall be redeemable by 20 December 2018.

The bonds bear interest based on WIBOR 6M + 5% margin per annum starting on the issue date.

The bonds were issued to pay liabilities to the Company on account of purchase of own shares by Private Equity Managers SA. Mutual settlements of TPLN 40 000 have been deducted.

On 30 September and 31 December 2014 the Company sold the above bonds to MCI Asset Management Sp. z o.o. Spółka Jawna. (this is an indirect subsidiary of Private Equity Managers S.A.)

13. Trade and other receivables

	As at 31.12.2014 PLN'000	RESTATED As at 31.12.2013 PLN'000
Trade receivables	101	515
Impairment loss on receivables	-	(41)
Net trade receivables	<u>101</u>	<u>474</u>
Receivables from related entities	7	98 665
Receivables on account of the disposal of shares and other financial receivables	-	48
Tax/budget receivables	12	-
Prepayments	228	719
Other receivables	1 630	1 134
	<u>1 978</u>	<u>101 040</u>

Due to the short-term character of these receivables the carrying value is the best indicator of the fair value.

Receivables from related entities

	As at 31.12.2014 PLN'000	RESTATED As at 31.12.2013 PLN'000
Alternative Investment Partners Sp. z o. o.	3	2
* MCI.EuroVentures 1.0 FIZ	-	67 471
**MCI.CreditVentures 2.0 FIZ	-	31 131
MCI.CreditVentures FIZ	-	37
Helix Ventures Partners FIZ	-	3
Tomasz Czechowicz	1	18
Private Equity Managers S.A.	3	-
MCI.Ventures Project Sp. z o.o. SKA	-	1
Other	-	2
	7	98 665

*Relates to receivables on the payment of the variable fee for managing the sub-fund MCI.EuroVentures 1.0. The resolution on the variable fee payment was passed in December 2013. The fee was paid in 2014. The fee was collected for the first time since the day of the MCI.EuroVentures 1.0 fund establishment.

**These are primarily receivables of TPLN 31 000 from the MCI.CreditVentures closed-end investment fund arose on the redemption of investment certificates by the fund as a result of a commenced liquidation. The certificates were redeemed with free cash.

14. Receivables on bills of exchange

Due to formal reasons the MCI Group does not have cash pool that would allow direct liquidity management in the group. The financial surpluses are deposited in the group among companies and investment funds managed through short-term financial instruments (bills of exchange).

As at 31 December 2014 the Company had receivables on bills of exchange to the following entities:

	Interest rate % per annum	Nominal value PLN'000	Interest PLN'000	Total PLN'000
MCI Fund Management Sp. z o. o. Spółka Jawna	3,70%	7 000	-	7 000

As at 31 December 2013 the Company had receivables on bills of exchange to the following entities:

	Interest rate % per annum	Nominal value PLN'000	Interest PLN'000	Total PLN'000
Alternative Investment Partners Sp. z o. o.	3,65%	1 100	3	1 103
Alternative Investment Partners Sp. z o. o.	3,70%	1 600	12	1 612
Alternative Investment Partners Sp. z o. o.	3,67%	7 201	74	7 275
Alternative Investment Partners Sp. z o. o.	3,70%	1 600	20	1 620
		11 501	109	11 610

Due to the short-term character of the above receivables on bills of exchange the carrying value is the best indicator of the fair value.

15. Borrowings granted

	As at 31.12.2014 PLN'000	RESTATED As at 31.12.2013 PLN'000
Borrowings granted to related entities	5 947	5 677
Borrowings granted to other entities	748	1 830
	6 695	7 507

Borrowings granted to related entities

	Interest rate	As at 31.12.2014 PLN'000	RESTATED As at 31.12.2013 PLN'000
	%		
MCI Fund Management Sp. z o. o.	8,59%	65	60
MCI Fund Management Sp. z o. o. Spółka Jawna	4,72%	5 882	5 617
		5 947	5 677

The borrowings were concluded for the period of 12 months.

Due to the short-term character of the above receivables on granted borrowings the balance sheet value is the best indicator of the fair value.

16. Financial instruments

		As at 31.12.2014 PLN'000	RESTATED As at 31.12.2013 PLN'000
Non-current assets	Type of a financial instrument		
Investments in subsidiaries	Measured at fair value through profit/loss	991 861	638 101
Investments in associated entities	Measured at fair value through profit/loss	34 853	-
Investments in other entities		7	185
Borrowings granted to other entities	Borrowings and receivables measured through amortised cost	-	446
Trade and other receivables	Borrowings and receivables measured through amortised cost	-	500
Derivatives	Measured at fair value through profit/loss	8 847	-
Investment certificates	Measured at fair value through profit/loss	154 601	30 403

Financial instruments (cont.)

		As at 31.12.2014 PLN'000	RESTATED As at 31.12.2013 PLN'000
Current assets			
	Borrowings and receivables measured through amortised cost		
Trade and other receivables		1 978	100 540
Other financial assets - bills of exchange	Cash and cash equivalents	7 000	11 610
Borrowings granted to related entities	Borrowings and receivables measured through amortised cost	5 947	5 677
Borrowings granted to other entities	Borrowings and receivables measured through amortised cost	748	1 384
Cash and cash equivalents	Cash and cash equivalents	15 278	67 197
Non-current liabilities			
	Borrowings and loans measured through amortised cost		
Bank loans and borrowings		186	226
Payables on bonds	Bonds measured through amortised cost	162 541	84 800
Current liabilities			
	Trade and other liabilities measured at amortised cost		
Trade and other payables		364	1 037
Payables on bonds	Bonds measured through amortised cost	2 872	35 495
Short-term payables on bills of exchange	Trade and other liabilities measured at amortised cost	13 430	49 170
Short-term bank loans and borrowings	Borrowings and loans measured through amortised cost	41	41

17. Cash and cash equivalents

As at the balance sheet date the balance of cash and cash equivalents of TPLN 15.278 (in 2013: TPLN 67.197) comprised primarily cash at bank and bank deposits measured at nominal value.

18. Equity

Share capital

		As at 31.12.2014 PLN'000	RESTATED As at 31.12.2013 PLN'000
Share capital issued and paid		62 732	62 347
No. of shares		62 732	62 347
Nominal value per share		1	1
Nominal value of all shares		<u>62 732</u>	<u>62 347</u>

The issue of 385 thousand shares was connected with a payment of remuneration for Board Members on account of an incentive programme.

	No. of items as at 31.12.2013	No. of items
Increase due to the execution of the incentive programme		62 347
		<u>385</u>
	No. of items as at 31.12.2014	62 732

Capital redemption reserve

	As at 31.12.2014 PLN'000	RESTATED As at 31.12.2013 PLN'000
Balance at beginning of period	457 803	436 200
Execution of incentive programmes	1 151	-
Moved to profit for previous period to capital redemption reserve	118 667	22 400
Balance at end of period	577 621	458 600

19. Liabilities on bonds

	As at 31.12.2014 PLN'000	RESTATED As at 31.12.2013 PLN'000
Balance as at the issue date at fair value	201 150	147 600
Costs related to the issue	(2 949)	(2 117)
Balance as at the issue date	198 201	145 483
Equity part (excl. of deferred tax)	(578)	-
Payables part as at the issue date	197 623	145 483
Calculated interest – cumulative costs	21 734	19 521
Paid interest	(18 594)	(17 259)
Repayment	(35 350)	(27 450)
	165 413	120 295
Non-current	162 541	84 800
Current	2 872	35 495
	165 413	120 295

Bonds issued by the Company MCI Management S.A.

The table below presents payables on issue of bonds, their redemption date and balance of interest paid as at 31 December 2014

Bond series	Date of distribution	Date of redemption	No. of bonds	Interest paid	
				Nominal value 000' PLN	000' PLN
Series H1	2013-04-03	2016-04-11	36 000	36 000	4 017
Series H2	2013-06-26	2016-06-28	18 800	18 800	2 017
Series H3	2013-12-19	2016-12-19	30 000	30 000	2 156
Series G1 (Convert.)	2014-03-21	2018-03-21	50 000	50 000	1 683
Series I1	2014-10-17	2017-10-17	31 000	31 000	-
				165 800	9 873

"Series F" bonds – issued on 1 April 2011 (35 350 items of a total value of MPLN 35,3), on 31 March 2014 the bonds were redeemed with interest.

20. Liabilities on bills of exchange

Due to formal reasons the MCI Group does not have cash pool allowing a direct liquidity management in the group. Financial surpluses are deposited in the group between companies and investment funds through short-term financial instruments (bill of exchange).

As at 31 December 2014 the Company had liabilities on bills of exchange to the following entities:

	Interest rate % per annum	Nominal value PLN'000	Interest PLN'000	Total PLN'000
*MCI.TechVentures 1.0 FIZ	1,0% EUR	13 413	17	13 430

Due to the short-term character of the above liabilities on bills of exchange the carrying value is the best indicator of the fair value.

As at 31 December 2013 the Company had liabilities on bills of exchange to the following entities:

	Interest rate % per annum	Nominal value PLN'000	Interest PLN'000	Total PLN'000
*MCI Fund Management Sp. z o. o. Spółka Jawna (dawniej; MCI Fund Management Sp. z o. o. MCI.PrivateVentures SKA)	3,67%	6 600	33	6 633
*MCI.TechVentures 1.0 FIZ	**1,00%	12 921	16	12 937
*MCI.EuroVentures 1.0 FIZ	4,15%	18 500	71	18 571
*MCI.EuroVentures 1.0 FIZ	4,20%	4 000	5	4 005
ABCD Management Sp. z o.o. SKA	3,65%	7 000	24	7 024
		49 021	149	49 170

* liabilities to related entities

** bills of exchange in EURO

21. Banks loans and borrowings

	As at 31.12.2014 PLN'000	RESTATED As at 31.12.2013 PLN'000
Non-current		
Bank loan - non-current part	186	226
	186	226
Current		
Bank loan - current part	41	41
	41	41
Total loans and borrowings	227	267

22. Provisions

	As at 31.12.2014 PLN'000	RESTATED As at 31.12.2013 PLN'000
* Litigation related costs	11 466	11 492
Bonuses and holidays/leaves	5	548
Other costs	146	232
	11 617	12 272

*The provision was created due to costs of litigation related to compensation for bringing the company JTT to bankruptcy.

23. Information related to paid (or declared) dividend, in total and per one share, divided into ordinary and privileged shares

The Company has not passed a resolution on the dividend payment for 2014 and did not pay dividends for 2013.

Dividends received

The Company received a dividend for 2013 from the company Private Equity Managers SA of TPLN 4 350 (net).

24. Material events after the balance sheet date

On 15 December 2015 the company AMC III MOON B.V., a subsidiary of Accession Mezzanine Capital III L.P., with headquarters in St Helier, Jersey („MM“), purchased 8,33 percent of shares of Private Equity Managers S.A. under the third tranche pre-IPO Private Equity Managers S.A. The purchase price was TPLN 25.000.

25. Remuneration to key personnel

The following figures have been disclosed in the statement of comprehensive income as employee benefits:

	As at 31.12.2014 PLN'000	RESTATED As at 31.12.2013 PLN'000
Cost of current employment	2 567	3 734
Cost of social security	81	94
Share options granted to Board Members and other staff	2 299	5 339
Other employee benefits	179	87
	<u>5 126</u>	<u>9 254</u>

The table below presents information about average remuneration (including Board of Directors)

	As at 31.12.2014 No. of staff	RESTATED As at 31.12.2013 No. of staff
Board of Directors	3	3
Supervisory Board	5	6
Operational staff	9	8
	<u>17</u>	<u>17</u>

Remuneration of the Board of Directors and Supervisory Board

	Period: from 01.01.2014 to 31.12.2014 PLN'000	RESTATED Period: from 01.01.2013 to 31.12.2013 PLN'000
Board of Directors		
Short-term employee benefits	1 658	1 047
Incentive programmes - share options	1 986	5 339
Flat fee for using passenger cars	56	58
	3 700	6 444
Supervisory Board		
Short-term employee benefits	84	104
Incentive programmes - share options	201	42
	285	146

Receivables on advances and other receivables from Board Members

	Period: from 01.01.2014 to 31.12.2014 PLN'000	RESTATED Period: from 01.01.2013 to 31.12.2013 PLN'000
Tomasz Czechowicz	1	18
*Sylwester Janik	-	8
*Wojciech Marcińczyk	-	2
	1	28

* On 30 May 2014 resigned from the Board membership.

Borrowings granted to Members of the Board

The Company did not grant borrowings to Members of the Board.

26. Related entities

Entities which constitute the Capital Group

As at 31 December 2014 MCI Management S.A. Capital Group comprised the following entities:

Parent company:

- **MCI Management S.A.**
 Its scope of operations include primarily investments in closed-end investment funds.

Direct subsidiaries:

- **MCI Fund Management Sp. z o. o.**
 The company holds certificates of:
 - ✓ Sub-fund MCI.TechVentures 1.0 separated within MCI.PrivateVentures FIZ,
 - ✓ Sub-fund MCI.EuroVentures 1.0 separated within MCI.PrivateVentures FIZ
 The company holds shares and is general partner in the following companies:
 - ✓ *MCI Fund Management Sp. z o. o. II MCI.PrivateVentures SKA
 - ✓ *MCI Fund Management Sp. z o. o. IV MCI.PrivateVentures SKA
- **MCI Fund Management Sp. z o. o. II MCI.PrivateVentures SKA**
- **MCI Fund Management Sp. z o. o. IV MCI.PrivateVentures SKA**
- ****MCI Ventures Sp. z o. o.**

Indirect subsidiaries:

- MCI Fund Management Sp. z o. o. Spółka Jawna
- ** Bizneslinkco Sp. z o.o. (formerly: AWL III Sp. z o. o.)

*Companies established in 3Q 2013

**Companies purchased in 4Q 2014

In all subsidiaries listed above the Company holds - directly or indirectly - 100% of shares and 100% of votes.

The final controlling entity is Alternative Investment Partners Sp. z o.o.

Equity structure

The Company's key shareholders as at 31 December 2014:

	Shares in share capital		Share in total No. of votes during Shareholders' Meeting (SM)	
	No. shares in thousands	% of share capital	No. of votes during SM	% of total votes during SM
Alternative Investment Partners Sp. z o. o.	32 558	51,90%	32 558	51,90%
Quercus Towarzystwo Funduszy Inwestycyjnych S.A.	4 529	7,22%	4 529	7,22%
BZ WBK Towarzystwo Funduszy Inwestycyjnych S.A.	3 156	5,03%	3 156	5,03%
Other	22 488	35,85%	22 488	35,85%
	62 731	100,00%	62 731	100,00%

The Company's main shareholder is Alternative Investment Partners Sp. z o. o with 51,90% of shares and votes during Shareholders' Meetings.

The Company's key shareholders as at 31 December 2013 r:

	Shares in share capital		Share in total No. of votes during Shareholders' Meeting (SM)	
	No. of shares in thousands.	% of share capital	No. of votes during SM	% of total votes during SM
Alternative Investment Partners Sp. z o. o	30 658	49,17%	30 658	50,58%
Funds related to Quercus Towarzystwo Funduszy Inwestycyjnych Spółka Akcyjna	4 288	6,88%	4 288	7,00%
MCI Management Spółka Akcyjna	1 837	2,95%	1 837	2,94%
Other	25 564	41,00%	25 564	39,48%
	62 347	100%	62 347	100%

Information on transactions with related entities in 2014

	Year 2014				Total
	Related to note	Final controlling entity	Subsidiaries	Other related entities	
Investments:					
Investments in subsidiaries	9	-	991 861	-	991 861
Investments in associated entities	10	-	-	34 853	34 853
Investment certificates	11	-	-	154 601	154 601
Derivatives	2	-	-	8 847	8 847
Receivables:					
Granted borrowings	16	-	5 947	-	5 947
Trade receivables	14	4	-	3	7
Other financial assets - receivables on bills of exchange	15	-	7 000	-	7 000
Liabilities:					
Payables on bills of exchange	21	-	-	13 430	13 430
Trade payables	-	-	-	25	25
Off-the-balance sheet liabilities:					
Granted guarantees					
Income and expenses:					
Income from guarantees	5	-	-	600	600
Financial income	5	-	4 276	1 053	5 329
Gains on investments - shares	2	-	182 471	11 836	194 307
Gains on investments - investments certificates of Helix Ventures Partners FIZ	2	-	-	1 254	1 254
Losses on investments - investment certificates of Internet Ventures FIZ	2	-	-	(1 104)	(1 104)
Gains on investments - investment certificates of MCI.CreditVentures FIZ	2	-	-	166	166
Gains on investments - investment certificates of MCI.CreditVentures FIZ 2.0	2	-	-	1 499	1 499
Finance expenses	5	-	(294)	(366)	(660)
Other operating costs	-	-	-	(3)	(3)
Other operating income	-	4	-	22	26
Income on embedded derivatives	2	-	-	8 847	8 847
General administrative costs	-	(1)	-	-	(1)

Information on transactions with related entities in 2013

	Related to note	Year 2013			Total
		Final controlling entity	Subsidiaries	Other related entities	
Investments:					
Investments in subsidiaries	9	-	638 101	-	638 101
Investment certificates	11	-	-	30 403	30 403
Receivables:					
Granted borrowings	16	-	5 677	-	5 677
Liabilities:					
Payables on bills of exchange	21	-	6 633	35 513	42 146
Off-the-balance sheet liabilities:					
Granted guarantees		-	-	-	-
Income and expenses:					
Income from guarantees	5	-	-	733	733
Financial income	5	-	1 260	-	1 260
Gains (losses) on investments - shares	2	6	141 996	-	142 002
Losses on investments - investment certificates of Helix Ventures Partners FIZ	2	-	-	(2 563)	(2 563)
Gains (losses) on investments - investment certificates of Internet Ventures FIZ	2	-	-	(2 567)	(2 567)
Gains (losses) on investments - investment certificates of MCI.CreditVentures FIZ	2	-	-	(2 571)	(2 571)
Finance expenses	5	-	(32)	(1 386)	(1 418)
Other operating income	-	4	10	1	10

Board of Directors

Transactions with Members of the Board are presented in [Note 32 "Incentives programme"](#)

Supervisory Board

Transactions with Members of the Supervisory Board are presented in [Note 32 "Incentives programme"](#)

Members of the Board of MCI Management S.A. who hold functions in subsidiaries

As at 31 December 2014 the following persons from the Board of Directors and Supervisory Board of MCI Management S.A held a position in subsidiaries:

Subsidiaries/common management with MCI	Members of the Board of Directors		
	Tomasz Czechowicz	Cezary Smorszczewski	Ewa Ogryczak
MCI Fund Management Sp. z o. o.	Yes	No	Yes
MCI Fund Management Sp. z o. o. II	Yes	No	Yes
MCI.PrivateVentures SKA			
MCI Fund Management Sp. z o. o. II	Yes	No	Yes
MCI.PrivateVentures SKA			
MCI Ventures Sp. z o. o.	Yes	No	Yes
MCI Fund Management Sp. z o. o. Spółka Jawna	Yes	No	Yes
Bizneslinkco Sp. z o.o. (dawniej: AWL III Sp. z o. o.)	Yes	No	Yes

No member of the Supervisory Board holds a position in subsidiaries.

Benefits for Members of the Board and of Supervisory Board are presented in [Note No. 26 "Remuneration of key personnel"](#).

Information on changes in the composition of the Board of Directors and Supervisory Board is presented in the Directors' Report in [Note No. 22](#).

27. Purchase and disposal of subsidiaries

Purchase of subsidiaries

In Q4 2014 the Company purchased 100% shares of MCI Ventures Sp. o. o. The purchase price was TPLN 7, whereas the value of purchased net assets of this company was TPLN 5.

In 4Q 2014 the subsidiary MCI Ventures Sp. z o. o. purchased 100% shares of Bizneslinkco Sp. z o.o. (formerly; AWL III Sp. z o. o.). The purchase price was TPLN 11, whereas the value of purchased net assets of this company was TPLN 5.

Disposal of subsidiaries

In 1Q 2014 r. the Company contributed 45% shares of Private Equity Managers S.A. as a contribution in kind to its subsidiary MCI Fund Management Sp. z o. o. IV MCI.PrivateVentures SKA.

In the first half of 2014 shares of Private Equity Managers S.A. held by the subsidiary MCI Fund Management Sp. z o. o. IV MCI.PrivateVentures SKA were disposed of during the pre-IPO (45%).

As a result of the transactions described above the Company lost control of Private Equity Managers S.A. As at 31 December 2014 MCI Management S.A. holds 10,25% shares of PEM. Since 1 July 2014 the company above is an associated entity.

28. Purchase of additional shares in the associated entity

In 4Q 2014 the Company purchased additional 4,25% shares in Private Equity Managers S.A. The purchase price of these shares was TPLN 11 477.

29. Loan guarantees

Guarantee of the loan granted by Alior Bank S.A. for the benefit of MCI.PrivateVentures FIZ

On 28 September 2012 MCI Management S.A. guaranteed a loan granted by Alior Bank S.A. for the benefit of MCI.PrivateVentures closed-end investment fund, by signing "Declaration on submission to enforcement based on the bank writ of enforcement" as a guarantee of a loan of TPLN 60 000 granted for the benefit of a sub-fund MCI.EuroVentures 1.0. The bank may proceed to enforcement up to TPLN 120 000 based on the writ of enforcement within 24 months following the day of the loan agreement termination.

Guarantee of the loan granted by Alior Bank S.A. for the benefit of MCI.CreditVentures 2.0

On 15 May 2014 MCI Management S.A. guaranteed a loan granted by Alior Bank S.A. for the benefit of MCI Credit Ventures 2.0, by signing "Declaration on submission to enforcement based on the bank writ of enforcement" as a guarantee of a loan of TPLN 15 300 granted for the benefit of MCI Credit Ventures 2.0. The bank may proceed to enforcement up to TPLN 30 600 based on the writ of enforcement within 24 months following either the date of the loan agreement termination or the maturity date of total liabilities.

Guarantee of the loan granted by Alior Bank S.A. for the benefit of MCI. PrivateVentures FIZ

On 11 September 2014 MCI Management S.A. guaranteed a loan granted by Alior Bank S.A. for the benefit of MCI.PrivateVentures closed-end fund by signing "Declaration on submission to enforcement based on the bank writ of enforcement" as a guarantee of a loan of TPLN 65 000 granted for the benefit of sub-fund MCI.EuroVentures 1.0. The bank may proceed to enforcement up to TPLN 130 000 based on

the writ of enforcement within 24 months following either the date of the loan agreement termination or the maturity date of total liabilities.

Guarantee of the loan granted by Raiffeisen Bank Polska S.A. for the benefit of MCI Venture Projects Sp. z o.o. VI SKA

On 16 February 2015 MCI Management S.A. guaranteed a loan of TPLN 30 000 granted by Raiffeisen Bank Polska S.A. for the benefit of MCI Venture Projects Sp. z o.o. SKA by signing "Guarantee repayment of all liabilities". Under the Guarantee the Company is obligated to repay to the bank each amount of up to TPLN 45 000. The guarantee is valid until 1 October 2017.

30. Contingent assets and liabilities

Contingent assets

As regards claim against Anna Hejka

These are described in [Note No. 15](#) "Litigations before court, arbitration authority or public administration authority" in the Directors' Report for 2014.

Contingent liabilities

As regards claims for compensation – Anna Hejka

These are described in [Note No. 15](#) "Litigations before court, arbitration authority or public administration authority" in the Directors' Report for 2014.

31. Incentive programme

Incentive programme for Members of the Supervisory Board in 2014

On 28 April 2014 the Shareholders' Meeting of MCI Management S.A. passed a resolution on an incentive programme for the Supervisory Board for 2014.

The programme is addressed to members of the Supervisory Board who incessantly remained members of the Supervisory Board between 30 June 2014 and the termination date (a day on which ends the Shareholders' Meeting during which the Company's Financial Statements for 2014 were approved of).

Members of the Supervisory Board who perform their duties as Supervisory Board members in this time space are entitled to purchase from the Company a number of shares on conditions defined in the resolution and of a value not exceeding TPLN 100. The members of the Supervisory Board are authorised to dispose of the Company's shares purchased under the realisation of the Buy Back Programme.

Every entitled member of the Supervisory Board shall be obligated to pay the Company a price defined in the resolution for each share purchased from the Company.

The price for all shares purchased by an entitled member of the Supervisory Board shall be paid in full by this entitled member not later than on the day of concluding such agreement, prior to the transfer of shares ownership to the entitled member of the Supervisory Board, unless the Company agrees in the contract to a different manner of settling the price. The Company and the entitled member of the Supervisory Board may agree that the disposal of shares by the Company to the entitled member of the Supervisory Board takes place through an investment company and such transaction shall be settled by the end of 2015.

Entitled members of the Supervisory Board cannot transfer rights acquired under this resolution, unless the Company agrees otherwise.

TPLN 201 were disclosed in 2014 expenses on account of the incentive programme for members of the Supervisory Board for 2014.

There was no incentive programme for members of the Supervisory Board in 2013.

Incentive programme for Members of the Board of Directors in 2014

On 30 May 2014 the Supervisory Board of MCI Management S.A. passed a resolution on the Option Programme for Board Members in 2014.

The Option Programme is addressed to Board Members who have been given the right to additional remuneration for performing the obligations of Member of the Board of Directors. The Option Programme gives Board Members the right to purchase from the Company a number of shares on conditions defined in the resolution.

The condition of purchasing shares by entitled Board Members as part of additional remuneration is to remain on the position of the Company's Board Member during the whole period of entitlement (including the termination date - this is a date indicated by the Supervisory Board falling not sooner than 15 days and not later than 90 days following the termination date of the Company's Shareholders' Meeting during which the Financial Statements for 2014 were approved of) as well as to execute at least 75% of priorities defined for 2014 in the Company's Business Plan for 2014 approved of by the Supervisory Board on 2 April 2014, or in the contract concluded by the Company with an entitled Member of the Board of Directors.

By 30 April 2015 the Supervisory Board shall determine if the condition defined above has been met and shall decide on a precise termination date.

The number of shares which will be offered to entitled Board Members under the granted right to shares shall be defined by the Supervisory Board on the termination date in line with rules defined in the resolution.

The value of entitlement for the entitled Board Member shall be determined by the Supervisory Board on the termination date in line with rules defined in the resolution. In any case, the value of the entitlement shall not be higher than the base value, which is TPLN 200.

Every entitled member of the Board of Directors shall be obligated to pay the Company a price defined in the resolution for each share purchased from the Company.

The price for all shares purchased by an entitled member of Board of Directors shall be paid in full by this entitled member not later than on the day of concluding such agreement, prior to the transfer of shares ownership to the entitled member of the Board of Directors, unless the Company agrees in the contract to a different manner of settling the price. The Company and the entitled member of the Board of Directors may agree that the disposal of shares by the Company to the entitled member of the Supervisory Board takes place through an investment company and such transaction shall be settled by the end of 2015.

Entitled members of the Board of Directors cannot transfer rights acquired under this resolution, unless the Company agrees otherwise.

TPLN 249 were disclosed in 2014 expenses on account of the incentive programme for members of the Board of Directors for 2014.

TPLN 657 were disclosed in 2013 expenses and TPLN 1 014 were disclosed in 2014 expenses on account of the incentive programme for members of the Board of Directors.

Incentive programme for Mr Tomasz Czechowicz

Under the resolution of the Supervisory Board dated 30 May 2014 due to the fact that Mr Tomasz Czechowicz does not receive remuneration for performing his function as Board Member and in line with the Company's intention to strengthen the relationships and interests with Mr Tomasz Czechowicz, the Supervisory Board granted Mr Tomasz Czechowicz additional remuneration, i.e. the right to purchase the Company's 50.000 shares at the price defined in the resolution.

The incentive programme was executed in 2014.

TPLN 437 were disclosed in 2014 expenses on account of the incentive programme for Tomasz Czechowicz.

There was no additional incentive programme for Tomasz Czechowicz in 2013, apart from the programme for the Board of Directors.

32. Remuneration paid to auditor of the Financial Statements (net)

	Period: from 01.01.2014 to 31.12.2014 PLN'000	RESTATED Period: from 01.01.2013 to 31.12.2013 PLN'000
Audits of annual Financial Statements	126	129
Half-year reviews of Financial Statements	85	63
Other services	12	-
	223	192

33. Operating leasing agreements

As at the balance sheet date the Company does not utilise any assets under operating leasing agreements. The Company incurs expenses related to the lease of premises on which it operates. The agreements are usually concluded for an indefinite period of time with a notice period of 1-3 months. The annual lease cost incurred by the Company is TPLN 120 (in 2013 - TPLN 105).

34. Financial leasing liabilities

As at 31 December 2014 and 2013 the Company had no liabilities on financial leasing.

35. Financial risk management

INVESTMENT RISK

Venture capital risk

The essence of the venture capital investments is the possibility of obtaining higher rates of return through investing in projects of higher risk level.

Prior to making a venture capital investment, a business plan needs to be thoroughly analysed, which, however, does not always ensure that company development will go as planned. This relates particularly to technology investments which have yet no use on the market, hence, are difficult to evaluate. If a business model of a company is not successful, it can negatively affect the value of investment, of which also incurring losses. As a result, this could negatively affect the company's profit through the measurement of investment certificates held by the company.

Risk related to measurement of managed companies affecting the value of managed assets

Once a quarter the MCI Group measures the fair value of assets held in funds, and the measurement value translates to the value of managed assets and the level of received remuneration.

Funds whose investment certificates are held by companies from the MCI Capital Group invest their capital for 5 to 10 years. Companies which are not listed on the stock exchange receive financing. Hence, liquidity of such investments is limited and the profit is realised through disposal of a company's shares usually to sector investors or financial investors. It is not certain if the funds find buyers for their investments in future and if they are able to achieve planned rates of return. The risk of economic downturn and downturn on stock exchange may additionally make it more difficult to exit or materially restrict the potential rate of return. As a result, this could negatively affect the Group's profit/loss.

Competition risk related to acquiring new investment projects

The MCI Group's development is closely linked to possibilities of making new investments in promising and technologically advanced economic projects. The market observes increased competition of other funds (venture capital, Private equity) and *business angels* interested in making investments in companies from the new technologies sector. The MCI Group's Board of Directors has addressed this risk through geographical expansion to new and perspective markets where the competition is smaller. A material competitive advantage of MCI Management S.A. is its recognition in Poland and abroad, which allows to acquire new projects.

Risk related to the structure of investment funds portfolio

An important aspect of creating the portfolio is its appropriate diversification, which aims at mitigating the investment risk. The Company tries to mitigate this risk through limiting the level of capital invested in one project. As at the publication date of the report the portfolio of investment funds owned by MCI includes three companies, whose share in net assets of particular funds exceeded 20%, i.e. ABC Data S.A., Netia S.A. (indirectly through portfolio companies) and one non-public company. As at the measurement of 31 December 2014 investments in these companies were 34,9%; 20,1% and 20,5% respectively. The four largest investments constituted 40,1% of the managed assets portfolio.

Foreign exchange risk

Funds make investments also in currencies other than zloty. As at 31 December 2014 investments in currencies other than zloty constituted 31,3% of the managed assets portfolio. Due to this fact, currency fluctuations will affect the reported investment value which will fall if zloty is appreciated against other currencies in which particular investments are run. Fluctuations of investment currencies (due to lower income from sales of investments) may lower the value of managed assets and hence lead to a decrease of MCI revenues. The managing company (Private Equity Managers S.A) executes a policy of securing the foreign exchange risk through adjusting a proper currency of financing to the original currency of investment.

RISK FACTORS RELATED TO ENVIRONMENT IN WHICH THE MCI GROUP RUNS ITS OPERATIONS

Risk of changes to the legal, tax, regulations and economy system

In the MCI Group's environment changes to the legal, tax, regulations and economy system may take place. This may result in changes in the economical situation such as increase of interest rates, economic downturn, worsened situation in the industry sector in which the company operates or invests, and other regulatory changes affecting the taxation of revenues obtained by the Company. These elements may negatively affect the Company's profit.

Risk of innovative technologies downturn

The majority of the current investment portfolio of the managed funds, as well as their planned investments, is realised in the sector of innovative technologies. A downturn in this industry sector may materially affect the number and scope of investment projects realised by the funds, as well as their profitability, which in turn, may lead to material decrease of the Company's profit.

Political risk

Political and economic situation in some countries where MIC Group's funds invested, or intend to invest in future, may be instable, which may affect portfolio companies and their value and, in consequence, affect the value of investment certificates held by MCI.

CURRENCY RISK

In the period from 1 January to 31 December 2014 the Company did not make any transactions which could put it to currency risk.

LIQUIDITY RISK

Due to the character of transactions and of financial assets the liquidity risk is small. The Company manages the liquidity risk through monitoring payment deadlines and monies demand for servicing payments (ongoing transactions monitored on a weekly basis) and cash demand. Cash demand is compared against available sources of financing (especially by evaluating the possibilities of obtaining financing in the form of loans, borrowings, bonds) and it is confronted with investments with free monies.

The Company manages the risk through monitoring liquidity ratios based on carrying amounts, analysing the level of liquid assets in relation to cash flows and maintaining access to diverse sources of financing (of which also to credit facilities).

The liquidity management process is optimised through centralised management of funds in the MCI Group where liquid excesses of cash generated by individual companies from the Group are invested in borrowings and other instruments issued by companies from the Group (less credit risk). The surpluses of the Company's cash are invested in current liquid financial instruments, e.g. bank deposits.

CREDIT RISK

The Company's credit risk is primarily related to bank deposits. The maximum amount put to credit risk equals carrying amounts of deposits. The Company concludes bank deposit agreements with entities of high creditworthiness and it deposits its cash for short periods.

36. Operating segments

SEGMENT A – INVESTMENTS – direct investment activity of private equity / venture capital comprises purchasing and disposing of financial assets on the Group's entities own account. Hence, the most significant assets of this segment comprise shares in companies and financial instruments such as bonds, investment certificates, foreign bills of exchange, borrowings and deposits. Currently this is the main segment of the MCI Group.

SEGMENT B – CAPITAL MANAGEMENT – foreign investment capital management - comprises assets and liabilities related to external operations of providing capital management services (in particular investment funds).

Currently the segment is fully assigned to the capital group Private Equity Managers SA. On 12 June 2014 the MCI Group lost control of the group mentioned above, thus operations of the segment at the end of the period are run through an associated entity.

Below are presented main items of each segment.

SEGMENTS RELATED TO THE CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND STATEMENT OF OTHER COMPREHENSIVE INCOME for the reporting period ended on 31 December 2014

	SEGMENT B PLN'000	SEGMENT A PLN'000	RAZEM PLN'000
Revenue	25 377	-	25 377
Cost of sale	(2 935)	-	(2 935)
Gross profit on sale	22 442	-	22 442
Revaluation of shares	-	194 129	194 129
Revaluation of investment certificates	-	1 815	1 815
Other	(209)	209	-
Profit on investments	(209)	196 153	195 944
General administrative costs	(1 689)	(9 032)	(10 721)
Profit/loss on lost control of a subsidiary	-	61 992	61 992
Other operating income	365	233	598
Other operating costs	(252)	(314)	(566)
Profit on operating activities	20 657	249 032	269 689
Finance costs	(3 384)	(12 086)	(15 470)
Finance income	1 127	8 100	9 227
Measurement of derivatives	-	8 847	8 847
Profit before taxation	18 400	253 893	272 293
Income tax	(22)	(7 477)	(7 499)
Net profit	18 378	246 416	264 794

SEGMENTS RELATED TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION as at 31 December 2014

	SEGMENT B PLN'000	SEGMENT A PLN'000	RAZEM PLN'000
ASSETS			
Non-current assets			
Property, plant and equipment	-	472	472
Intangible assets	-	1	1
Goodwill	-	-	-
Investments in subsidiaries	-	991 861	991 861
Other investments in entities	34 853	7	34 860
Investment certificates	-	154 601	154 601
Borrowings granted to other entities	-	-	-
Deferred tax assets	-	1 862	1 862
Trade and other receivables	-	-	-
Bonds	-	-	-
Measurement of derivatives	-	8 847	8 847
	34 853	1 157 651	1 192 504
Current assets			
Trade and other receivables	-	1 978	1 978
Borrowings granted to related entities	-	5 947	5 947
Borrowings granted to other entities	-	748	748
Receivables on bonds	-	-	-
Other financial assets	-	7 000	7 000
Cash and cash equivalents	-	15 278	15 278
	-	30 951	30 951
Assets intended for liquidation	-	-	-
Total assets	34 853	1 188 602	1 223 455

**SEGMENTS RELATED TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION
 as at 31 December 2014 cont.**

	SEGMENT B PLN'000	SEGMENT A PLN'000	RAZEM PLN'000
EQUITY AND LIABILITIES			
Equity			
Share capital	-	62 732	62 732
Capital redemption reserve	-	577 621	577 621
Other capital reserves	-	43 188	43 188
Own shares	-	(5 089)	(5 089)
Retained profit (loss) from previous periods	-	89 158	89 158
Net profit for the period	18 378	246 416	264 794
Capitals attributable to the owners of the parent	18 378	1 014 026	1 032 404
Non-controlling minority shares	-	-	-
Total equity	18 378	1 014 026	1 032 404
Non-current liabilities			
Borrowings and bank loans	-	186	186
Bonds	-	162 541	162 541
	-	162 727	162 727
Current liabilities			
Trade and other payables	-	364	364
Borrowings and bank loans	-	41	41
Bonds	-	2 872	2 872
Short-term provisions	-	11 617	11 617
Payables on bills of exchange	-	13 430	13 430
	-	28 324	28 324
Total equity and liabilities	18 378	1 205 077	1 223 455

Geographic information

Income in the MCI Management SA capital group relates primarily to income attained on the territory of Poland.

37. Description of material accounting policies

Material accounting policies applied while preparing these Financial Statements have been presented below. The policies have been applied in all presented periods in a continuous manner, unless specified otherwise.

On pages 11 – 18 of these Financial Statement are presented notes and information about restatement of comparative data due to the use of IFRS 10 related to investment entities.

Continuation as going concern

The company's Financial Statements have been prepared on the assumptions that the company shall continue its operations in the foreseeable future comprising a period not shorter than 12 months after the reporting date, i.e. 31 December 2014. As at the Financial Statement's date the MCI's directors do not state the existence of any facts and circumstances which would indicate threats to the company's continuation as going concern within 12 months after the reporting date as a result of intentional or forced neglect or material limitation of the company's hitherto activities.

Consolidation

Subsidiaries

Subsidiaries are all entities in which investments have been made and in relation to which MCI Management SA is the controlling entity.

In line with IFRS 10 the Company controls an entity in which investments have been made if and only if it simultaneously:

- (a) manages the entity in which investments have been made;
- (b) due to its investments in the entity it is subject to variable profit/ loss or has the right to variable profit/ loss; and
- (c) is able to manage the entity in which investments have been made and affect the value of its profit/loss.

The Company does not consolidate subsidiaries, since it has a status of an investment entity due to meeting the criteria of IFRS 10 paragraph 27.

Investment entity

The Company meets three criteria of classification as an investment entity defined in paragraph 27 IFRS 10, i.e.:

- obtains funds from one or more investors for the purpose of providing those investor(s) with investment management services;
- commits to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- measures and evaluates the performance of substantially all of its investments on a fair value basis, and hence it may be classified as an investment entity.

In line with paragraph 31 IFRS 10 an investment entity does not consolidate its subsidiaries apart from subsidiaries running investment activities. Thus, investments in subsidiaries which run investment activities are consolidated with the full method. Investments in subsidiaries other than these which run investment activities are measured at fair value through income statement and disclosed in profit/loss for the current period.

Fair value of investments in subsidiaries (not running investment activities) is determined based on adjusted net asset value of every subsidiary as at the balance sheet date. The adjusted net asset value is determined based on measurement of net asset value of funds which issue investment certificates in which subsidiaries invest. A value of investment certificates of these funds is, in turn, based on measurement at fair value of investments in portfolio companies. The fair value is adjusted with liabilities of funds.

Associated entities

An associated entity is an entity much affected by an investor who participates in decision-making related to the financial and operational policies of an entity in which investments have been made. However, such investor does not control these policies.

In line with IFRS 28.18 the Group measures its investments in associated entities or joint ventures at fair value through profit/ loss in line with IFRS 9.

Measurement of investments in associated entities at fair value is disclosed in the consolidated financial statements and in the individual financial statements in line with IFRS 27.11.

Measurement of investments in associated entities at fair value is based on:

- for listed companies – quotations of shares on the public market as at the balance sheet date,
- for companies not listed on the public market:
 - at fair value of net assets of an associated entity as at the balance sheet date or
 - for representative sales transactions of shares of an associated entity in the reporting period – at the value of the share from this sales transaction.

Foreign currencies

As at the balance sheet date financial assets and liabilities denominated in foreign currencies are converted according to the average rate determined by the National Bank of Poland applicable on that day. Profits and losses arising on the currencies translations are disclosed directly in the statement of profit and loss, except for if they arose as a result of measurement of non-monetary assets and liabilities when changes of fair value are disclosed directly in equity.

Employee benefits

Amounts of short-term employee benefits (other than those on account of employment termination and compensation benefits) are recognised as liabilities, after acknowledging all amounts which have already been paid, and at the same time they are posted as costs of the period, unless the benefit shall be recognised as original costs of the asset.

Employee benefits in the form of paid absences are recognised as liabilities and costs at the moment when employees performed work if the work performed causes an increase of possible future paid absences, or at the moment when they occur if there is no connection between work and increase of possible future paid absences.

Share-based payments

Equity compensation plans include shares, share options and other capital instruments issued by an entity, as well as cash payments whose value depends on the future market price of the entity's shares.

The total amount charged to costs during the period, when staff obtains entitlements to realise options, is determined based on fair value of granted options, with exclusion of the effect of potential non-market conditions of obtaining entitlements (e.g. goals to achieve as regards profitability and sales increase).

Proceeds from realisation of options (less transaction costs directly related to the realisation) are disclosed in share capital (nominal value) and share premium account (sales of shares above their nominal value).

Taxes

The obligatory charges to profit include current tax and deferred tax. Current tax is calculated based on tax result (tax base) for the reporting period. Tax profit (loss) differs from accounting profit (loss) due to exclusion of taxable income and tax deductible costs in the following periods, as well as items of income and expenses which shall never be subject to taxation. Tax burden is calculated based on tax rates applicable in a given reporting period.

Deferred tax is calculated using the balance sheet method as tax to be paid or reimbursed in the future on differences between the carrying values of assets and liabilities and the respective tax values applied to calculate the taxable amount.

Deferred tax provision is established on all positive temporary differences subject to taxation, whereas a component of deferred tax assets is recognised up to the amount in which it is likely to reduce future tax profits by recognised negative temporary differences.

An item of assets or a tax liability does not arise if temporary differences arise on goodwill or on initial recognition of a different item of assets or liabilities in a transaction which does not affect either the tax or accounting result.

The value of the deferred tax component is subject to an analysis as at each reporting date and if the expected future tax income is insufficient to realise the component of assets or part thereof, it is written off.

Deferred tax is calculated with tax rates which are applicable when an item of assets is realised or a liability becomes due.

Deferred tax is recognised in the statement of comprehensive income, except for when it relates to items directly recognised in the equity. In the latter case deferred tax is also charged directly to equity.

Financial instruments

Assets and financial liabilities are disclosed in the Company's balance sheet at the moment when the Company becomes a party to a binding agreement.

The Company classifies financial instruments to the following categories: components of financial assets or financial liabilities measured at fair value through profit/loss, held-to-maturity investments, borrowings and receivables, financial assets available for sale.

Financial assets measured at fair value through profit/ loss at initial recognition

The Company classifies the following components of financial assets at fair value through profit/ loss: investments in subsidiaries and associated entities, investment certificates, derivatives.

Investments in subsidiaries and associated entities are measured at fair value through profit/ loss at initial recognition in line with IFRS 10 and 28. The measurement method at fair value depends on the type of available source information applied during the measurement. For entities whose shares are not quoted on the active market the fair value is determined based on measurement techniques commonly applied by market participants. These measurement techniques are not based on information coming from the active market and are the best indication of fair value of these entities.

The fair value of investment certificates is determined based on net asset value of funds.

The fair value of derivatives is determined based on measurements at fair value with the use of available source information.

Changes in fair value of these assets are disclosed in the income statement under "Profit (loss) on investments".

Financial assets are disclosed under the following items:

- ✓ Investments in subsidiaries,
- ✓ Investments in associated entities;
- ✓ Investment certificates;
- ✓ Derivatives.

Financial income

Financial income includes dividends or interest generated by a component of financial assets.

Impairment of financial assets other than measured at fair value through profit/ loss

As at each balance sheet date the Company evaluates if there is objective evidence for impairment of a financial assets component or a group of financial assets.

For assets disclosed at amortised cost if there is objective evidence that an impairment loss has been incurred, the amount of the impairment write-off equals the difference between the carrying value of a financial assets component and the current value of estimated future cash flows (exclusive of future losses on uncollected receivables which have not yet been incurred), discounted through applying the primary effective interest rate (i.e. interest rate determined at initial recognition). The impairment amount is disclosed in the statement of profit and loss.

In the first place the Company assesses if there is objective evidence for impairment of financial assets components which are material as individual components, as well as evidence for impairment of financial assets which are not material as individual assets. Objective evidence for impairment of financial assets components or of a group of assets include information obtained by a holder of asset components and relating to the following events:

- ✓ the issuer or debtor having material financial difficulties,
- ✓ not keeping terms of an agreement,
- ✓ the lender grants the borrower certain facilities due to the borrower's economic difficulties,
- ✓ high probability of the borrower's bankruptcy or other financial restructuring,

- ✓ disappearance of an active market for a given financial asset due to financial difficulties.

If a conducted analysis reveals that there is no objective evidence for impairment of a financial asset component which was tested individually, regardless of its being material or immaterial, the Company includes this component to a group of financial assets with a similar credit risk and tests it for impairment jointly. Assets which are tested for impairment individually and for which an impairment write-off has been disclosed, or for which it has been decided that the current write-off shall not be changed, are not considered for joint tests for impairment. If the impairment write-off decreases in the following period and this decrease is objectively connected with an event taking place after the recognition of the write-off, the write-off recognised previously is reversed. The reversal of the impairment write-off is disclosed in the statement of profit and loss in the amount in which the carrying value of the asset component did not exceed its amortised cost/ recoverable amount as at the reversal date.

Cash and cash equivalents

Cash and short-term deposits include cash at bank and short-term deposits with an original maturity of up to three months.

Financial liabilities

After the initial recognition the Company measures financial liabilities at amortised cost with the use of the effective interest rate method. Financial liabilities are disclosed under the following items:

- ✓ loans, borrowings,
- ✓ bonds,
- ✓ bills of exchange,
- ✓ trade and other payables.

Profits and losses in measurements of financial liabilities are disclosed in the statement of profit and loss under financial income and expenses.

Provisions for liabilities

Provisions for liabilities are established when the Company is under present obligation (legal or customary) resulting from past events and it is probable that meeting this obligation will cause a reduction of the Company's economic benefits and that one may reliably estimate the liability amount. If the Company expects that costs for which a provision was established will be refunded (e.g. under an insurance agreement), this refund is disclosed as a separate asset component, but only if there is a certainty that this refund will take place. Costs related to a given provision are disclosed in the statement of profit and loss less any refunds. Provisions for future operating losses are not established.

Functional currency. Disclosure of figures in the Financial Statements

Items in the Financial Statements related to the Company are presented in a currency applicable in the economic environment in which the Company operates ("functional currency"), i.e. Polish zloty. Figures in the Financial Statements are presented in thousand zlotys.

Changes in the accounting standards

The Company's Financial Statements have been prepared according to International Financial Reporting Standards ("IFRS") approved of by the European Union, applicable as at 31 December 2014.

In 2014 the Company adopted all new and approved standards and interpretations issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) and authorised for use in the EU, applicable to the Company's operations and relevant for the accounting period from 1 January 2014.

A number of Standards, amendments to Standards and Interpretations do not apply yet or have not been approved of by the European Union for reporting periods ending on 31 December 2014 and these were not applied in the Financial Statements. From among the new Standards, amendments to Standards and Interpretations these presented below shall materially affect the Company's Financial Statements.

Standards and Interpretations approved of by the EU which have not yet entered into force for reporting periods ended on 31 December 2014

Changes to IFRS 2010-2012

IFRS 2

Share-based payments (applicable since 1 February 2015) explaining the definition of "conditions of obtaining entitlements" from Appendix a to IFRS 2 through a separate definition of terms and conditions which need to be met and terms of providing services.

The Company is evaluating potential effects on the Financial Statements.

Standards and Interpretations awaiting the approval by the European Union

IFRS 9 Financial Instruments

The new standard replaces Financial instruments contained in IAS 39: recognition and measurement, classification guidelines, measurement of financial assets, including impairment guidelines. IFRS 9 eliminates from IAS 39 categories of financial assets: held-to-maturity, available for sale and borrowings and receivables.

In line with the new standard financial assets at initial recognition shall be classified to one of three categories:

- financial assets measured at amortised cost;
- financial assets measured at fair value through profit/ loss; or
- financial assets measured at fair value through other comprehensive income.

A component of financial assets is classified to categories measured at initial recognition at amortised cost if the following two conditions are met:

- assets are kept in a business model whose aim is to maintain assets to obtain cash flows arising from the contract; and
- its contractual terms and conditions lead to arising cash flows which only constitute a repayment of equity and interest on the unpaid part of equity.

If the above conditions are not met (as in the case of equity instruments of other entities), the component of financial assets is measured at fair value.

Profits and losses on measurement of financial assets at fair value are disclosed in profit/ loss for current period, except for assets held in a business model whose aim is to keep assets both to obtain cash flows from contracts and their sale - for these assets profits and losses on measurement are disclosed in other comprehensive income.

If an investment in an equity instrument is not intended for trade, IFRS 9 provides a possibility to make an irreversible decision to measure such a financial instrument at initial recognition at fair value through other comprehensive income. This choice can be made separately for each instrument. Amounts disclosed in other comprehensive income in relation to the above measurement cannot be reclassified to the profit/loss for the period in the following periods.

The new standard keeps almost all current requirements of IAS 39 as regards classification and measurement of financial liabilities and exclusion of financial assets and liabilities. However, IFRS 9 requires that the change of fair value related to the change of credit risk of financial liabilities which at initial recognition were measured at fair value through profit/ loss be presented in other comprehensive income. Only the remaining profit/loss on measurement at fair value shall be disclosed in profit/loss for the current period. However, if application of this requirement caused lack of proportionality of income and costs, or if financial liabilities arose on obligations to grant a borrowing or financial guarantees contracts, the whole change of fair value would be disclosed in profit/loss for the current period.

As regards estimates of financial assets impairment IFRS 9 replaces the model of "loss incurred" contained in IAS 39 with a model of "loss expected", which means that an event causing the loss will not

need to precede its identification and write-off establishment. The new principles aim at avoiding situations when write-offs for credit losses are established too late and in insufficient values.

In brief, the model of "loss expected" uses two approaches to loss estimation, according to which a loss is determined based on:

- credit loss expected within 12 months, or
- life-time expected loss.

The choice which approach will be applied depends on whether there has been a material increase of credit risk for a given asset component since its initial recognition. If the credit risk related to financial assets has not increased materially as compared to its level at initial recognition, impairment write-off of these financial assets shall equal the loss expected within 12 months. However, if there has been a material increase of credit risk, impairment write-off of these financial assets shall equal the expected loss over the whole life-time of this instrument, which will simultaneously increase the value of the recognised write-off. This standard assumes that if there are no counterarguments, a sufficient criterion for identification of a life-time expected loss is a payment outstanding for 30 days.

It is expected that at the moment of application the new standard shall affect the Financial Statements materially. However, prior to its first application, the entity is not able to carry out an analysis of how the standard affects the financial statements. The company has not yet chosen the date of the standard's first application.

CAPITAL GROUP
MCI MANAGEMENT S.A.

Consolidated Directors' Report
for the reporting period ended on 31 December 2014

Translation from the Polish original

Consolidated Directors' report for the reporting period ended on 31 December 2014

For the shareholders of MCI Management S.A.

The Directors' report is appended to the consolidated Financial Statements.

Name and Surname	Position/ Function	Signature
Cezary Smorszczewski	Chairman of the Board of Directors	
Tomasz Czechowicz	Vice Chairman of the Board of Directors	
Ewa Ogryczak	Member of the Board of Directors	

Warsaw, 9 March 2015

DIRECTORS' REPORT FOR THE REPORTING PERIOD ENDED ON 31 December 2014

1. Characteristics of the operations of Capital Group MCI Management S.A. (CG MCI)

MCI MANAGEMENT S.A. („MCI”, „Company”) was established in 1999 and is one of the leading *private equity* groups in the CEE region. So far MCI has run its business in two areas: (1) in the investment segment and (2) in the asset management segment. In 2014 MCI sold the majority of shares of Private Equity Managers S.A., a company managing assets, to external investors and managers employed in the Company, keeping for itself 10,25% of company shares. Hence, 2015 will be the first year in which MCI runs only investment operations. Simultaneously, MCI Group takes interest in investments in the sector of new technologies related to the Internet, IT distribution and TMT.

MCI's net profit for 2014 was MPLN 265, which makes 34% return on equity as compared to equity at the end of 2013. The Company's net assets exceeded MPLN 1.000 for the first time in history and were MPLN 1.032. Thus net asset value per share was PLN 16,46 - 61% above the share closing price on the Warsaw Stock Exchange on 31 December 2014.

Until end of June 2014 CG MCI operated in the asset management segment. As at the end of June 2014 assets under management were billion PLN 1,5 and were 36% higher than the value of assets under management at the end of 2013.

Segment of investments

This segment is a direct *private equity / venture capital* investment activity, i.e. purchasing and disposing of financial assets for the own account of entities in the CG MCI. CG MCI invests its assets through 5 investment funds which apply diversified investment strategy. Funds make investments in investment assets in line with their investment strategy, from big *buyout* and *growth* investments (MCI.EuroVentures 1.0 FIZ and MCI.TechVentures 1.0 FIZ) through investments in small technological companies starting their operations (Helix Ventures FIZ and Internet Ventures FIZ) to debt instruments and property (MCI.CreditVentures 2.0 FIZ). Investments in portfolio companies are made for several years when a manager actively supports the development of companies and supervises the accomplishment of their business strategy and seeks opportunities for the asset disposal.

The most significant assets of this segment are shares in companies and other financial instruments such as bonds, investment certificates, foreign bills of exchange, borrowings and deposits.

Asset management segment

The asset management segment includes assets and equity and liabilities related to external operations of providing equity management services (investment funds in particular).

Currently the segment is fully assigned to the capital group Private Equity Managers S.A. On 12 June 2014 CG MCI lost control of the mentioned group and hence operations of this segment as at the end of the period are performed through a subsidiary.

Capital Group Private Equity Managers S.A. („PEM”) plays a role of a managing company in investment funds with a capital share of MCI Management S.A. and of external investors.

In the first half year of 2014 CG MCI had income from management of MPLN 25,4 which was higher by MPLN 16,6 than in the corresponding period in 2013.

As a result of PEM deconsolidation, CG MCI recognised profit of MPLN 62.

2. Events materially affecting MCI's operations in 2014

A SUMMARY OF THE MOST IMPORTANT EVENTS IN THE PERIOD JANUARY-DECEMBER 2014 AND IN 2015 UNTIL THE REPORTING DATE

On 17 March 2014 the most important personnel change took place. Cezary Smorszczewski was appointed Chairman of MCI. The previous Chairman Tomasz Czechowicz became Vice Chairman of the Board of Directors responsible for investment activities in the Internet and new technologies sector and for the management of current investment portfolio.

The appointment of Cezary Smorszczewski for the position of Chairman strengthened MCI's competences within buyout investments and the Company's position on foreign markets, particularly in Central Eastern Europe. Mr Smorszczewski became also important shareholder of Private Equity Managers S.A. and supports MCI in fundraising and carrying out PEM's IPO.

On 30 May 2014 Mrs Ewa Ogryczak, CFO of MCI Management S.A., was appointed Member of the Board. On the same day Mr Wojciech Marcińczyk, Sylwester Janik and Norbert Biedrzycki resigned from acting as Board Members.

In March and October 2014 MCI issued bonds of MPLN 81 - in March bonds convertible into shares of G1 series of MPLN 50 maturing on 21 March 2018; in October bonds of I1 series of MPLN 31 maturing on 17 October 2017. On 31 March 2014 the Company, according to the timetable, redeemed the series F bonds of MPLN 35,3.

The strategic project of CG MCI in 2014 was a separation of an asset management company – Private Equity Managers S.A. This operation resulted in obtaining additional equity which was intended to be used for new prospective investments. After the sale of shares MCI holds directly 10,25% shares of PEM. In the sub-fund MCI.EuroVentures 1.0, in which MCI – through its subsidiaries – holds 98,81% investment certificates, remains 12,35% PEM's shares.

3. Events after 31 December 2014 which can materially affect the future profit/loss

In the Directors' opinion by the reporting date of this Directors' report no events which could materially affect the future profit/loss of the company and its figures took place.

4. Anticipated development of MCI Group

2015 will be the first year in which CG MCI will operate exclusively as an investment vehicle investing its funds and obtained financing in portfolio companies through dedicated funds. CG MCI intends to continue investing its assets in 5 investment funds which present 5 different investment strategies - from big investments of the *buyout* and *growth* type (MCI.EuroVentures 1.0 FIZ and MCI.TechVentures 1.0 FIZ), through investments in small technological companies starting their operations (Helix Ventures FIZ and Internet Ventures FIZ) to debt instruments and property (MCI.CreditVentures 2.0 FIZ).

We believe that the trend of economy digitalisation will bring measurable benefits, hence we have consistently followed it. CG MCI has also taken interest in investments in new Internet technologies. We see huge potential in the *Internet of Things* field which, as we expect, should grow at a rate of 20% annually, and in the sector of enterprises at a rate even twice as that.

After a very active 2014, we plan to invest dynamically in 2015 by spending circa bn PLN 0,5 on investments. We estimate that our net assets per share should increase by 15%-20%. As regards tactical objectives our main assignment is to stabilise the exchange rate of ABC Data S.A. and to sell the Czech company Invia.

5. Current and expected financial standing of MCI Management S.A. and key figures

In 2014 MCI Management S.A. Group attained a consolidated net profit of MPLN 265. In the same time the value of its net assets increased up to almost MPLN 1.032.

The attained net profit resulted primarily from the increase of the value of financial assets - certificates of the funds MCI.EuroVentures 1.0 FIZ and MCI.TechVentures 1.0 FIZ, management revenue attained by PEM and profit/loss on PEM's deconsolidation.

The profit/loss for 2014 may be divided into the following components:

- (i) Revenue on account of management - MPLN 25
- (ii) Increased value of certificates of MCI.EuroVentures 1.0 FIZ - MPLN 142 attained mainly due to dividends from Indeks and ABC Data S.A., and increased value of shares of Indeks and Wirtualna Polska
- (iii) Increased value of certificates of MCI.TechVentures 1.0 FIZ - MPLN 43
- (iv) Profit/loss on PEM's deconsolidation - MPLN 62
- (v) General and administrative expenses - MPLN 14

Net asset value per share was PLN 16,46 and was higher than MCI's share price as at 31 December 2014 by 61% (PLN 10,23).

6. Directors' information related to the realisation of forecasts of profit/ loss for 2014 and oncoming years

FORECASTS AND ESTIMATES OF PROFIT/LOSS FOR 2014

On 18 December 2013 the Directors of MCI Managements S.A. informed in the Current Report No. 57/2013 about the forecast of consolidated figures which Capital Group MCI intended to attain as at the end of 2014 :

- the forecast of net asset value per share as at the end of 2014 was estimated as at PLN 16,50
- the value of new investments realised by funds from the Capital Group MCI shall be not less than MPLN 305 in 2014

The forecast was realised in 99%; the net asset value per share as at 31 December 2014 was PLN 16,46.

7. Description of basic risks and threats

INVESTMENT RISK

Risk of *venture capital* investments

The essence of the venture capital investments is the possibility of obtaining higher rates of return through investing in projects of higher risk level.

Prior to making a venture capital investment, a business plan needs to be thoroughly analysed, which, however, does not always ensure that company development will go as planned. This relates particularly to technology innovations which have yet no use on the market, hence, are difficult to evaluate. If a business model of a company is not successful, it can negatively affect the value of investment, of which also incurring losses. As a result, this could negatively affect the company's profit through decreased value of investment certificates.

Risk related to the measurement of the portfolio companies

Portfolio companies of investment funds, whose certificates are held by CG MCI's companies, are measured at fair value once a quarter and the value of measurement translates to the value of held investment certificates. Measurements are confirmed by auditors. Measurement methods are partly based directly on market prices of listed companies or on comparative figures of companies listed on stock exchange in Poland and abroad. Hence, if there is downturn on stock exchanges, there is a risk of lower results of CG MCI (reflecting changes to measurements mentioned above).

Funds whose investment certificates are held by companies from the MCI Capital Group invest their capital for 5 to 10 years. Companies which are not listed on stock exchange receive financing. Hence, liquidity of such investments is limited and the profit is realised through disposal of a company's shares usually to sector investors or financial investors. It is not certain if the funds find buyers for their investments in future and if they are able to achieve planned rates of return. The risk of economic downturn and downturn on stock exchange may additionally make it more difficult to exit or materially restrict the potential rate of return. As a result, this could negatively affect the CG MCI's profit/loss.

Competition risk related to acquiring new investment projects

The CG MCI's development is closely linked to possibilities of making new investments in promising and technologically advanced economic projects. The market observes increased competition of other funds (*venture capital, private equity*) and *business angels* interested in making investments in companies from the sector of new technologies. The MCI Group's Board of Directors has addressed this risk through geographical expansion to new and perspective markets where the competition is smaller. A material competitive advantage of MCI Management S.A. is its recognition in Poland and abroad, which allows to win new projects.

Risk related to the structure of funds' investment portfolio

An important aspect of creating the portfolio is its appropriate diversification, which aims at mitigating the investment risk. The Company tries to mitigate this risk through limiting the level of capital invested in one project. As at the publication date of the report the portfolio of investment funds owned by MCI includes three companies, whose share in net assets of particular funds exceeded 20%, i.e. ABC Data S.A., Netia S.A. (indirectly through portfolio companies) and one non-public company. As at the measurement of 31 December 2014 investments in these companies were 34,9%; 20,1% and 20,5% respectively. The four largest investments constituted 40,1% of the portfolio of assets under management.

Foreign exchange risk

Funds make investments also in currencies other than zloty. As at 31 December 2014 investments in currencies other than zloty constituted 31,3% of the portfolio of assets under management. Due to this fact, currency fluctuations will affect the reported investment value which will fall if zloty is appreciated against other currencies in which a particular investment is run. Fluctuations of investment currencies (due to lower measurements or lower income from sales of investments) may lower the value of managed assets and hence lead to a decrease of investment certificates held by CG MCI. As far as possible, the managing company executes a policy of securing the foreign exchange risk through adjusting a proper currency of financing to the original currency of investment.

RISK FACTORS RELATED TO ENVIRONMENT IN WHICH MCI GROUP RUNS ITS OPERATIONS

Risk of changes to the legal, tax, regulations and economy system

In the MCI Group's environment changes to the legal, tax, regulations and economy system may take place. This may result in changes in the economical situation such as increase of interest rates, economic downturn, worsened situation in the industry sector in which the company operates or invests, and other regulatory changes affecting the taxation of revenues obtained by the Company. These elements may negatively affect the Company's profit/loss.

Risk of downturn in the sector of innovative technologies

The majority of the current investment portfolio of the managed funds, as well as their planned investments, is realised in the sector of innovative technologies. A downturn in this sector may materially affect the number and scope of investment projects realised by the funds, as well as their profitability, which in turn, may lead to material decrease of the Company's profit/loss.

Political risk

Political and economic situation in some countries where MCI Group's funds invested, or intend to invest in future, may be instable, which may affect portfolio companies and their value and, in consequence, affect the value of investment certificates held by MCI.

8. Information on the purchase of own shares

Information on the purchase of own shares of MCI Management S.A.

In the 2014 reporting period the Company did not purchase any own shares.

Information on the purchase of own shares of Private Equity Managers S.A.

On 18 December 2013 the Extraordinary General Meeting of Shareholders of Private Equity Managers S.A. decided on redemption of 14.010.507 own shares in the company capital. The nominal value of redemption was TPLN 14 011. The redemption was performed through the purchase of own shares by Private Equity Managers S.A. with remuneration totalling TPLN 80 000.

The share capital of Private Equity Managers S.A. is TPLN 3 335.

In December 2014 PEM SA, to pay for the purchased own shares, issued B series bonds of a nominal value of TPLN 40.000 which were taken up by MCI Management S.A. Then, the companies agreed to a mutual set-off of receivables. On 30 September and 31 December 2014 MCI Management S.A. sold these bonds to an indirect subsidiary of PEM SA, i.e. MCI Asset Management Sp. z o.o. Sp. j.

9. Information on branches of MCI Management SA

In 2014, as well as at the reporting date MCI Management SA did not have any company branches.

10. Information on concluded agreements material for the operations of MCI Management S.A.

Issue of ordinary bonds of G1 and I1 series

More information in the consolidated Financial Statements for 2014 in the note No. 20 "Liabilities on bonds". The objective of the issue was to finance the Company's current operations.

Bill of exchange agreements

More information in the consolidated Financial Statements for 2014 in note No. 21 "Liabilities on bills of exchange".

Loan received in an associated company Private Equity Managers S.A.

Under the loan agreement with Alior Bank S.A. on 14 January 2014 the loan of TPLN 40 000 was disbursed. The loan was intended for the purchase of Private Equity Managers S.A. shares from MCI Management S.A. (for the purpose of their redemption). The loan was granted by 31 December 2018 and it bears interest based on WIBOR 3M rate increased by the margin. The capital payoff shall be made in 20 equal instalments of TPLN 2 000 each. The agreement interest rate is defined at WIBOR 3M plus 3,8%.

The amount of the received loan was intended for paying off the liabilities of Private Equity Managers S.A. on account of purchasing own shares in order to redeem them.

11. Description of important transactions with subsidiaries

More information in the consolidated Financial Statements for 2014 in note No. 27 "Subsidiaries".

Bill of exchange agreements

More information in the consolidated Financial Statements for 2014 in note No. 21 "Liabilities on bills of exchange".

12. Information on received loans, borrowing agreements, together with their maturity dates, on guarantees constituting at least 10% of the issuer's equity

This information is presented in note No. 22 to the consolidated Financial Statements for 2014 "Bank loans and borrowings" and in note No. 30 "Guarantees and securities".

13. Information on granted loans, granted guarantees and securities, particularly on borrowings, guarantees and securities granted to the issuer's subsidiaries

This information is presented in note No. 16 to the consolidated Financial Statements for 2014 "Borrowings granted" and in No. 30 "Guarantees and securities".

14. Information on issuer's organisational and capital relationships with other entities and defining its main domestic and foreign investments (securities, financial instruments, intangible assets and property), including capital investments made outside its subsidiaries and a description of methods of their financing

Information on organisational and capital relationships and investments in MCI Management S.A. are described in the consolidated Financial Statements.

15. Litigations before court, arbitration authority or public administration authority:

JTT compensation

On 2 October 2006 proxies of MCI Management S.A. filed a lawsuit in the District Court of Wrocław against the State Treasury for payment of compensation of MPLN 38,5 on damages incurred and profits lost by MCI Management S.A., as a shareholder of JTT Computer S.A., which arose due to illegal activities of tax authorities. By the final Court of Appeals order of 31 March 2011 MCI received compensation of MPLN 46,6 (with interests). The State Treasury appealed against the order of the Court of Appeals by filing a cassation to the Supreme Court. On 26 April 2012 the Supreme Court dismissed the judgement favourable to MCI and submitted the case to further examination by the Court of Appeals. On 17 January 2013 the Court of Appeals upheld the judgement under appeal and again awarded MCI damages on account of JTT.

On 17 January 2013 the State Treasury appealed to the Supreme Court against the second judgment of the Court of Appeals in Wrocław. The Supreme Court accepted the file for examination and settled a hearing date for 26 March 2014. By the judgment of 26 March 2014 the Supreme Court annulled the decision of the Court of Appeals in Wrocław of 17 January 2013 and submitted the case for further re-examination by the Court of Appeals in Wrocław.

The first appellate hearing was held in July 2014 when the Court of Appeals allowed the evidence from the complementary hearing of witnesses.

As at the date of this report the litigation continues, the case is considered by the Court of Appeals which runs an evidence hearing related to witness statements. The next session of the Court of Appeals was scheduled for 19 March 2015.

Counterclaim – claims for compensation Anna Hejka/MCI

On 2 April 2011 Anna Hejka requested the Company to pay her an amount of MPLN 30 as compensation claim for services provided by Anna Hejka in relation to the Issuer's investment in the company ABC Data S.A. Anna Hejka supports her claims against the Company based on Issuer's failing to perform contractual obligations as well as on delict (prohibited) actions as a result of which, as she states, she has been deprived of success fees.

On 31 August 2011 the Company filed against Anna Hejka a suit by writ of payment of PLN 250,525.00 with statutory interest on sums and dates specified in the claim. The sum under the writ of payment includes:

- PLN 107,348.83 as advance on remuneration and expenses which has never been returned to or settled with the Company,
- PLN 143,127.60 as contractual penalty to be paid to the Company in line with the agreement concluded in 2006 for the company's shares which were granted to Anna Hejka as advance payment and never returned.

On 31 August 2011 the Company filed a lawsuit to obligate Anna Hejka to declare her will and it requested to secure non-monetary claim prior to the initiation of the proceedings. Anna Hejka's declaration of will shall include her obligation to sell 46.470 Issuer's shares of the Series "H" to Alternative Investment Partners Sp. z o.o. The subject of the claim security would be a court's order prohibiting Anna Hejka to dispose of or encumber 46.470 series "H" shares registered on her securities account.

On 10 February 2012 Anna Hejka filed a counterclaim to the District Court in Płock for MCI Management S.A. paying for her benefit a sum of PLN 15,803,295 as compensation for her bonuses, fulfilling a function of a Board Member, for incentive programmes and other contractual matters settled between parties. In the course of litigation the amount of the counterclaim against the Company was reduced to PLN 12.163.470.

By the publication date of this report there were no changes to the litigations related to Anna Hejka. Further court hearings take place.

Corporate income tax – JTT compensation

On 20 June 2011 the Company MCI SA requested the Ministry of Finance for the Ministry's interpretation related to the corporate income tax on the compensation received from the State Treasury for the significant loss on JTT shares held by MCI Management S.A. According to the Company, the compensation received from the State Treasury does not constitute taxable income. Tax authorities in their individual interpretation issued on 14 September 2011 considered the Company's standpoint incorrect, as a result of which the Company filed to the Voivodship Administrative Court against the issued interpretation. The Voivodship Administrative Court in Warsaw decided on 12 November 2012 that the file shall not be examined and stated that exemptions from taxation on compensations awarded based on provisions of the civil law could be used by the end of 1998, but this provision has been deleted. In January 2013 the Company appealed against the order of the Voivodship Administrative Court in Warsaw to the Supreme Administrative Court. A date of a hearing in this case was schedule for 9 April 2015.

Tax liabilities on VAT for December 2007

On 1 August 2013 Director of the Tax Control Office issued a decision indicating an understatement of tax due on account of determined irregularities of PLN 995,634 for December 2007. The decision was made based on control proceedings brought about by the Director of the Tax Control Office in Warsaw of 4 December 2012. The proceedings under consideration comprised reliability and fairness of declared tax bases and correctness of calculating and paying VAT for December 2007.

The Director of the Tax Control Office found irregularities in the calculation of VAT liabilities resulting mainly from failing to issue a VAT invoice for activities performed in 2006-2007 for the benefit of ABC DATA Holding S.A. as well as from the sale of shares held by ABC Data Holding S.A.

On 16 August 2013 the Company appealed against the decision of the Director of the Tax Control Office to the Director of the Tax Chamber in Warsaw, appealing fully against the decision of the Tax Control Office. According to the Company the decision of the Tax Control Office is a breach of material tax law and proceedings. The Director of the Tax Chamber upheld the decision of the Tax Control Office. Toward the end of 2013 the Company paid tax liabilities resulting from the decision of the Tax Control Office with interest and

on 3 January 2014 it appealed against the decision of the Tax Control Office to the Voivodship Administrative Court.

On 2 September 2014 the Voivodship Administrative Court in Warsaw announced the judgment with which it overruled the Tax Chamber Director's decision. The judgement was not appealed against by the parties and it is final and binding. The law suit files were submitted to the Tax Chamber - the case is currently reconsidered by this authority.

Litigation filed by Renata Raczyńska against the Company

Litigation filed by Renata Raczyńska against MCI take place before the District Court in Wrocław. The value of the claim is TPLN 450.

As at the date of this report no court hearing date was scheduled.

Litigation filed by the Company against Izabela Raczyńska

Litigation filed by MCI against Izabela Raczyńska takes place before the District Court in Opole. The value of the claim is TPLN 261,6.

The first court hearing was scheduled for 10 March 2015.

16. Issue of shares and Issuer's use of proceeds from the issue

In the reporting period 2014 the Company issued 385 000 items of shares. The issue related to the payment of remuneration for Board Members on account of the incentive programme.

17. Management of the financial resources

Capital Group MCI Management S.A. issues bonds and holds pre-approved loans which give the Company financial security and allow to make new investments. Funds obtained in this way and income from disposing of new investments are used to make further investments. The Company's Directors plan to continue this policy. Free cash is invested in safe financial instruments or bank deposits. The Group aims at working out significant inventories of day-to-day liquidity which allows the Company to react in a flexible way to arising investment opportunities.

18. Realisation of investment plans

Due to experience and considerable network of contacts and partners MCI Group has vast access to new investment projects. A very dynamic development of the Internet sector - constituting the main segment of the Group's interest - creates a number of investment opportunities. The Directors assess that with a day-to-day liquidity of MPLN 200 in the Group (cash and pre-approved loans) MCI is privileged as compared to its competitors and will be able to use the market investment potential.

19. Factors and unusual events affecting 2014 profit/ loss of MCI Management SA

No other factors or unusual events which could affect the Company's profit/loss for 2014 occurred in the Company's operations in 2014.

20. Factors which in the Company's opinion will affect the Company's profit/ loss for the following period

The main factors which will affect the Company's 2015 profit/ loss are: stock exchange prices and financial and operating profit/ loss of portfolio companies - this will materially affect the value of the Group's investment assets, the Group's profit/ loss and opportunities of the assets disposal.

The situation on capital markets translates into the situation on debt markets and into opportunities of winning new investments.

21. Changes to main principles of management in MCI Management S.A.

No changes to the main principles of management in MCI Management S.A. took place in 2014.

22. Changes among personnel managing and supervising MCI Management S.A.

Composition of the Board of Directors of MCI Management S.A. in 2013:

- Tomasz Czechowicz – Chairman of the Board (throughout 2013)
- Norbert Biedrzycki – Vice Chairman of the Board (throughout 2013)
- Sylwester Janik – Member of the Board (until 28 June 2013 and from 17 July 2013)
- Magdalena Pasecka – Member of the Board (throughout 2013)
- Wojciech Marcińczyk – Member of the Board (throughout 2013)

Composition of the Supervisory Board of MCI Management S.A. in 2013:

- Hubert Janiszewski – Chairman of the Supervisory Board (throughout 2013)
- Dariusz Adamiuk – Member of the Supervisory Board (throughout 2013)
- Wojciech Siewierski – Member of the Supervisory Board (throughout 2013)
- Piotr Czapski – Member of the Supervisory Board (from 28 June 2013)
- Stanisław Kluza – Member of the Supervisory Board (from 15 July 2013)
- Marek Góra – Member of the Supervisory Board (until 28 June 2013)
- Jarosław Dąbrowski – Member of the Supervisory Board (until 28 June 2013)

As at the date of these Financial Statements the composition of the Board of Directors was as follows:

- Cezary Smorszczewski – Chairman of the Board (from 17 March 2014)
- Tomasz Janusz Czechowicz
- Ewa Ogryczak – Member of the Board (from 30 May 2014)

Changes to the Board of Directors from the beginning of the period until the date of this report:

- Norbert Biedrzycki – resigned on 30 May 2014
- Sylwester Janik – resigned on 30 May 2014
- Magdalena Pasecka – resigned on 30 May 2014
- Wojciech Marcińczyk – resigned on 30 May 2014

Composition of the Supervisory Board as at 31 December 2014:

- Hubert Janiszewski – Chairman of the Supervisory Board,
- Wojciech Siewierski – Member of the Supervisory Board,
- Piotr Czapski – Member of the Supervisory Board,
- Stanisław Kluza – Member of the Supervisory Board,
- full professor Phd. Krzysztof Obłój – Member of the Supervisory Board,
- Dorota Lange-Socha – Member of the Supervisory Board.

23. Agreements concluded between MCI Management S.A. and the Management providing for a compensation in the case of their resignation or dismissal from current positions

Agreements concluded between MCI Management S.A. and the Management in 2014 do not provide for compensations in the case of their resignation or dismissal.

24. Information on total remuneration, bonuses or benefits, including these arising on incentive programmes (in cash, in kind or in any other form), paid or due, separately to persons managing and supervising the issuer in the issuer's organisation, regardless of whether they were recognised as costs or arose from profit sharing, and if the parent company is the issuer - separate information on remuneration and bonuses received for performing functions in governing bodies of subsidiaries

In the period from 1 January 2014 to 31 December 2014 net remuneration paid and gross remuneration due to MCI's Members of the Board of Directors and Supervisory Board were:

	Period: from 01.01.2014 to 31.12.2014 PLN'000	Period: from 01.01.2013 to 31.12.2013 PLN'000
Board of Directors		
GRUPA MCI		
Smorszczewski Cezary	436	-
Ogryczak Ewa	267	-
*Pasecka Magdalena	94	226
*Marcińczyk Wojciech	101	227
*Janik Sylwester	53	1188

PEM GROUP

**Chyczewski Michał	-	171
**Pasecka Magdalena	-	139
**Marcińczyk Wojciech	-	329

Supervisory Board

MCI GROUP

Adamiuk Dariusz	7	17
Czapski Piotr	12	-
Janiszewski Hubert	20	-
Kluza Stanisław	10	10
Lange-Socha Dorota	5	-
Obłój Krzysztof	4	-

PEM Group

**Adamiuk Dariusz	-	3
**Kluza Stanisław	-	1
**Niewiński Adam	-	3
**Siewierski Wojciech	-	-

* Resigned from performing the function of Board Member in 2014

** In June 2014 CG MCI lost control of the group PEM S.A.

Information on incentive programmes for the Board of Directors and Supervisory Board is presented in note No. 32 to the consolidated Financial Statements "Incentive Programmes".

25. Shares held by persons managing and supervising MCI Management S.A.

According to the knowledge of MCI Management S.A., as at 9 March 2015 the number of shares held by persons managing the Company is as follows:

Board of Directors:

	<i>Number of shares held</i>	<i>Number of shares given under the option programme</i>
Cezary Smorszczewski	-	-
Tomasz Czechowicz	*1 425 092	*887 183
Ewa Ogryczak	-	-

*Nominal value per share is PLN 1.

Supervisory Board:

	<i>Number of shares held</i>	<i>Number of shares given under the option programme</i>
Hubert Janiszewski	*21 467	-
Piotr Czapski	-	-
Stanisław Kluza	-	-
Krzysztof Obłój	-	-
Dorota Lange-Socha	-	-

* Nominal value per share is PLN 1.

26. Majority shareholders

	Share in share capital		Share in No. of votes on Shareholders' Meeting	
	No. of shares in thousands	Share in share capital	No. of votes on Shareholders' Meeting	Share in No. of votes on Shareholders' Meeting
Alternative Investment Partners Sp. z o. o.	32 558	51,90%	32 558	51,90%
Quercus Towarzystwo Funduszy Inwestycyjnych S.A.	4 529	7,22%	4 529	7,22%
BZ WBK Towarzystwo Funduszy Inwestycyjnych S.A.	3 156	5,03%	3 156	5,03%
Others	22 488	35,85%	22 488	35,85%
	62 731	100,00%	62 731	100,00%

The Company's main shareholder is Alternative Investment Partners Sp. z o. o, which holds 51,90% of shares and votes on the General Shareholders' Meeting.

27. Information on agreements as a result of which changes in the proportion of shares held by current bond- and shareholders may appear in the future

A detailed description of incentive programmes for the Board of Directors and Supervisory Board is presented in the consolidated Financial Statements for the period from 1 January to 31 December 2014 in note No. 32.

28. Indication of owners of securities which provide special control rights toward MCI Management S.A., with description of these rights

In line with §14 section 2 letter a) of the Issuer's Articles of Association as long as the shareholder Alternative Investment Partners Sp. z o.o. holds at least 20% votes on the Shareholders' Meeting - this shareholder appoints and dismisses 1 member of the Supervisory Board.

29. Information on the control system of employee shares programmes in MCI Management S.A.

Information on realised and planned incentive programmes is presented in note No. 32 to the consolidated Financial Statements - "Incentive Programmes".

30. Indication of any limitations to the transfer of ownership and executing the voting rights from securities of MCI Management S.A.

As at the signing date of the consolidated Financial Statements for 2014 there are no restrictions related to transferring the ownership of securities of MCI Management S.A. and executing the voting rights therefrom, apart from own shares coming from the buyout of own shares where the voting right is excluded.

31. Date of concluding agreement with auditor of the Financial Statements on carrying out audit or review of Financial Statements or consolidated Financial Statements and on the period for which the agreement has been concluded.

On 24 July 2014 the Company concluded agreement with KPMG Sp. z o.o. sp. k – entity authorised to audit Financial Statements - on carrying out audit of individual and consolidated Financial Statements for the period from 1 January 2014 r. – 31 December 2014. Upon a shareholders' resolution of 27 May 2014 KPMG Sp. z o.o. sp. k was appointed auditor to carry out audit of the Company's 2014 individual and consolidated Financial Statements.

32. Net remuneration to auditor carrying out half-year review and annual audit of individual and consolidated Financial Statements of MCI Management S.A.

	Period: from 01.01.2014 to 31.12.2014 PLN'000	RESTATED Period: from 01.01.2013 to 31.12.2013 PLN'000
Audit of annual Financial Statements	126	129
Review of half-year Financial Statements	85	63
Other services	12	-
	223	192

33. MCI Management S.A. Directors' statement on observing corporate governance

In line with § 91 section 5 item 4) of the Regulation of the Minister of Finance of 19 February 2009 on current and periodic information provided by issuers of securities and terms and conditions of approving of information required by law of a non-member state as equivalent (Journal of Laws of 2014, item 133) and in line with § 29 section 5 of the Stock Exchange Rules and with the Resolution No. 1013/2007 of the Board of GPW S.A. (Warsaw Stock Exchange) dated 11 December 2007, Board of Directors of MCI Management S.A. provides a Statement on observing corporate governance in 2014.

Principles of corporate governance, which MCI Management S.A. is subject to, is presented in the document "Good practices of companies listed on the Warsaw Stock Exchange" appended to the Resolution No. 19/1307/2012 of the Stock Exchange Council of 21 October 2012 on adopting amendments to Good practices of companies listed on the Warsaw Stock Exchange. The wording of these principles is publically available on the Stock Exchange website http://www.gpw.pl/WSE_corporate_governance

A report related to observing corporate governance in MCI Management S.A. in 2014 including a description of rules of appointing and dismissing managing persons and their powers, particularly their right to issue or redeem shares; description of principles of amending the Company's statute or articles of association, the manner of operation of the General Meeting of Shareholders and fundamental powers thereof, particularly principles arising on bylaws of the General Meeting of Shareholders will be presented on the Company's official Internet website.

34. Directors' Statement in line with § 92 section 1 items 5 and 6 of the Regulation of the Minister of Finance of 19 February 2009

In relation to § 92 section 1 items 5 and 6 of the Regulation of the Minister of Finance of 19 February 2009 on current and periodic information provided by issuers of securities we declare that:

- a) to the best of our knowledge the annual consolidated Financial Statements and comparative figures have been prepared in line with applicable accounting principles and they reflect in a fair, true and clear manner the assets and financial standing of the Capital Group MCI Management S.A. and its profit/ loss, and the CG MCI Management S.A. Directors' report presents the true picture of the Capital Group development and achievements, including a description of basic risks and threats.
- b) the entity authorised to audit Financial Statements that audited the annual consolidated Financial Statements have been appointed in compliance with applicable law; the auditing company and its licensed auditors who audited these Financial Statements met conditions of issuing an impartial and independent opinion on the audit in line with applicable regulations and professional standards.