

MCI Capital Group Results in 2013



Warsaw, 18 March 2014

2013 overview

Key milestones

FINANCIAL RESULTS / FORECAST

- **PLN 1.1 billion worth of assets under management** at the end of 2013 – AUM value exceeded PLN 1 billion for the first time in history;
- **Net profit of PLN 186 million** in 2013 – forecast for 2013 exceeded / ROE at the level of 33% year-on-year;
- **Net assets per share** in 2013 = PLN 12.2; forecast for 2014 = PLN 16.5 per share (also this year ROE to be maintained at >30%).

NEW INVESTMENTS / EXITS

- **PLN 197 million of new investments** – 6 new investment projects (Index, Answear, Wirtualna Polska, mGenerator, Feedo and Hojo.pl) worth PLN 161 million and subsequent investment rounds in existing investments worth PLN 36 million;
- **PLN 67.1 million worth of exits** (ABC Data, Invia, Indeks, MCI.CreditVentures) + **PLN 80 million of proceeds** from the redemption of PEM shares (including PLN 40 million worth of bonds + PLN 40 million of bank debt financing).

FUNDRAISING

- **Over PLN 40 million** of revenue from the issue of MCI.TechVentures certificates;
- **PLN 84.8 million** of revenue from placing a bonds issue.

Cezary Smorszczewski

New Managing Partner and President of the Board



CURRICULUM VITAE

- A well-known and appreciated manager,
- Long-standing experience in the market of debt and capital instruments,
- Over 20 years of experience working for major financial institutions,
- Co-founder and Vice President of Alior Bank,
- Vice President of PKN Orlen,
- Vice President for Corporate Banking at Bank Pekao SA.

REASONS BEHIND THE APPOINTMENT OF A NEW PRESIDENT

- Strengthening the company's buyout competences – a market sector offering the most interesting investment opportunities;
- Cezary's competences and experience in the financial sector will enable MCI to scale up its fundraising activities and increase the share of debt (a reduction of cost of capital) in investment financing;
- MCI will advance to a new level and unleash new potential thanks to enhanced presence on international markets;
- The change of the President and the appointment of another Managing Partner helps distribute the weight of MCI's dynamic development between two persons and strengthens the team (accepting a new member with strong competences);
- In accordance with global standards, the new President will become another partner at MCI and make a capital commitment to the development of MCI's investment action thanks to his participation in PEM's pre-IPO – Tomasz Czechowicz and Cezary Smorszczewski are planning to hold a total of ca. 35% of PEM's shares;
- Tomasz Czechowicz will remain a member of the Board, still holding the key positions of Managing Partner and Chief Investment Officer, as well as focusing on portfolio management and new investments.

Management Board of MCI Management SA

Division of responsibilities



Cezary Smorszczewski
Managing Partner, President of the Board

- Managing and building the strategy of MCI Capital Group,
- Co-managing MCI.EuroVentures and developing buyout investments in the CEE region,
- Fundraising / Increasing the share of debt in investment financing.



Tomasz Czechowicz
Managing Partner, Chief Investment Officer

- Managing MCI Group,
- Developing CEE investments
- Co-managing MCI.EuroVentures, MCI.TechVentures, Internet Ventures and Helix Ventures Partners,
- Specialization: growth and expansion stage, buyout – e-commerce.



Norbert Biedrzycki
Partner, Vice President of the Board

- Co-managing MCI.EuroVentures FIZ,
- Developing ABC Data – MCI's key asset,
- Specialization: expansion stage, buyout-B2B e-commerce, e-commerce infrastructure, data centers and software.



Magdalena Pasecka
Partner, CFO, Board Member

- Managing the risk, regulations and finances of MCI Group,
- President of MCI Capital TFI Investment Fund Company.



Sylwester Janik
Partner, Board Member

- Managing MCI.TechVentures FIZ,
- Developing investments in the CEE region,
- TechVentures portfolio management,
- Specialisation: growth stage, VC – digital gaming, e-travel, e-fashion, fintech.



Wojciech Marcińczyk
Partner, Board Member

- Managing MCI.CreditVentures FIZ,
- Fundraising,
- Specialisation: debt instruments, mezzanine financing.

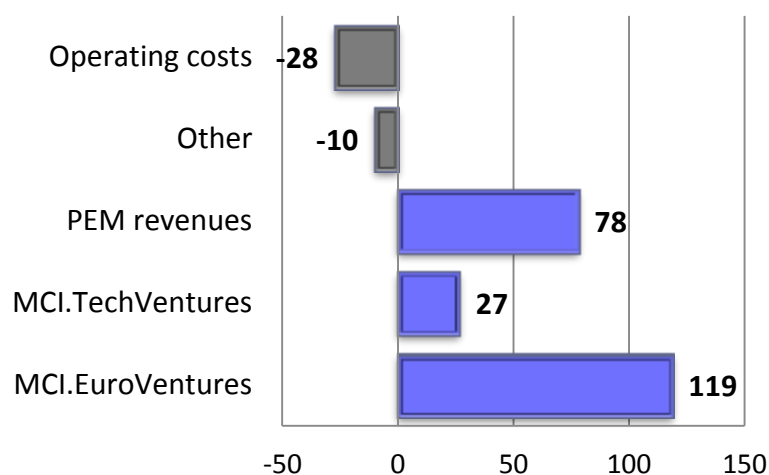
2013 results

MCI Capital Group results in 2013

in millions of PLN	2013
MCI's consolidated net result	186
consolidated total assets	940
net consolidated total assets	763
net IRR since establishment	19.7%

INDICES			
	2013	2012	Year-on-year change
MCI rate	PLN 9.62	PLN 6.37	+51%
capitalization	PLN 601 million	PLN 397 million	+51%
AUM	PLN 1,087 million	PLN 830 million	+31%
P/BV	0.79	0.69	+14%
debt/capitals*	15.7%	11%	

COMPONENTS OF MCI'S RESULT
(in millions of PLN)



* Debt – external (bonds and credit)

Factors influencing the 2013 results:

- ❑ ABC Data – good operational results reflected in the share price increase at the Stock Exchange (WSE),
- ❑ PEM SA revenues - very good results from management activities,
- ❑ Stable increase of the value of TechVentures (ca. 10% year-on-year),
- ❑ Dividends received from portfolio companies and revenue from exiting Invia,
- ❑ Low operating costs in relation to asset value.

Private Equity Managers SA

Why IPO PEM is an exceptional company:

1. It is the only investment fund company managing Private Equity to be listed on the WSE;
2. 19.7% of average annual IRR on the managed portfolio over the last 15 years;
3. Dynamic growth of assets under management – from PLN 303 million in 2008 to PLN 1.1 billion at the end of 2013;
4. A dividend-distributing company – a declaration of systematic annual dividend payments;
5. Potential to increase stable revenue proportionally to the growth of the value of assets under management.

IPO Schedule

Pre-IPO / 2014 Q1:

- Sale of shares to the management, Supervisory Board and persons supporting MCI in the investment process,
- Receipt of significant funds to be allocated to new investments,
- PEM's valuation in MCI's results.



IPO / 2nd half of 2014:

- Plans to submit the prospectus to the Polish Financial Supervision Authority in May 2014, offering Noble Securities,
- IPO project manager – Cezary Smorszczewski,
- WSE listing – depending on the development of the market situation, MCI envisages the initial public offering to take place in September or December 2014.

MCI Management Portfolio in 2013

	Company	Valuation as of 31 December 2013 (PLN million) multiplied by MCI's share in the fund	Share in assets	Country	Industry sector
TOP 10	ABC Data	331.4	35%	Poland	IT distribution
	Invia	79.4	8%	Czech Republic	e-travel
	Indeks	64.8	7%	Turkey	IT distribution
	KupiVip.ru	47.3	5%	Russia	e-commerce (clothes)
	Windeln.de	28.5	3%	Germany	e-commerce (baby care)
	Morele.net	27.0	3%	Poland	e-commerce (IT/RTV)
	Nieruchomości	19.1	2%	Poland	real estate
	Geewa	15.1	2%	Czech Republic	e-gaming
	Frisco	12.5	1%	Poland	e-grocery
	Answear	11.9	1%	Poland	e-commerce (clothes)
	total	636.9	68%	-	-
	cash in the Group and equivalents	199.2	21%	-	-
	other net positions with the funds and PEM	103.9	11%	-	-
	TOTAL ASSETS	940	100%	-	-

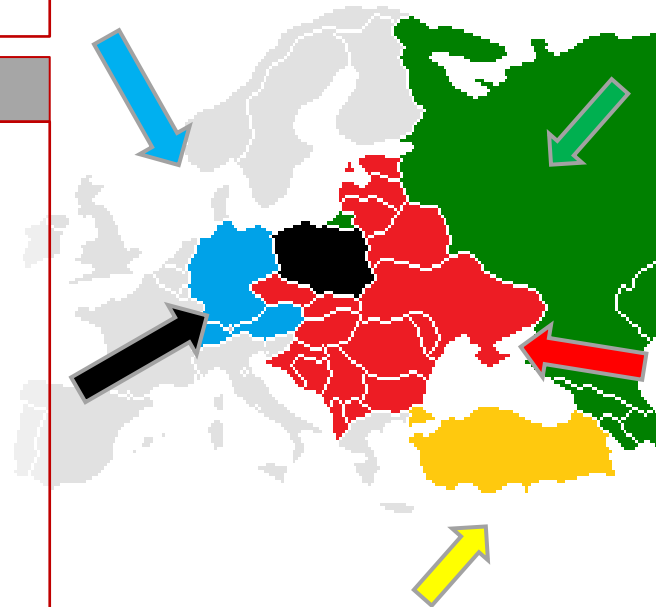
Investments/exits

Geographical diversification

Already 27% of the portfolio managed by MCI Capital Group is located outside Poland.

DACH	4%
windeln.de	web shop offering baby care products
21DIAMONDS	web shop offering made-to-order jewellery

POLAND	73%
frisco.pl	e-grocery market leader
morele.net	consumer electronics sales leader
answer.com	e-fashion market leader
ABC DATA	IT hardware distribution leader
naviexpert	navigation app for mobile phones
kompan.pl	distributor of context ads
WP.PL	new leader of the Polish internet
eBroker.PL	financial products comparison site



CIS	6%
KUPIVIP.RU	e-fashion market leader
travelata.ru	e-travel market leader in Russia (investment of Invia.cz in Travelata)

CEE	11%
Geelwa	publisher and developer of browser games TOP 10 on Facebook
invia	e-travel market leader

TURKEY	6%
INDEX GRUP	IT hardware distribution leader

Investments in 2013

Value of investments in 2013:
PLN 197 million

NEW INVESTMENTS = PLN 161 million*

ASSET	INDUSTRY SECTOR	VALUE / MCI share	Additional information
Index	IT distribution	20%	MCI received a dividend worth PLN 5.4 million
Answear	E-commerce	27%	Final round in January 2014
Wirtualna Polska	E-commerce	20%	Closing in 2014 Q1
Feedo	E-commerce	Internet Ventures	Closing in 2014 Q1
mGenerator	E-commerce	Internet Ventures	Closing in 2014 Q1
Hojo	E-commerce	Internet Ventures	Closing in 2014 Q1

CONSECUTIVE ROUNDS OF FINANCING within the framework of existing investments = PLN 36 million

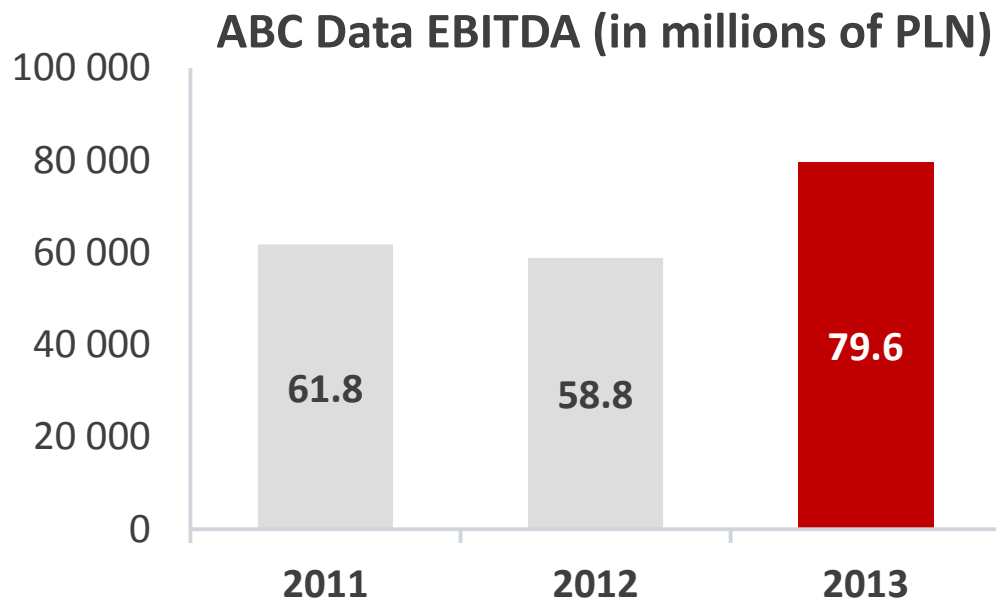
MCI.EuroVentures FIZ Portfolio



ITEM	VALUATION in millions of PLN (31 December 2013)	INVESTED FUNDS (in millions of PLN)	MCI'S SHARE IN THE ASSET	VALUATION METHOD	PLANNED EXIT VALUE OF MCI'S PACKAGE
ABC Data	331.4	109.7	61.52%	Market price of shares	6 x the invested amount <i>(PLN 45.2 million has been generated so far from exits and dividends)</i>
Indeks	64.8	70.9	20%	Market price of shares	3 x the invested amount <i>(PLN 5.4 million has been generated so far from dividend for 2012)</i>
Cash and bills of exchange	74.9	-	-	According to IAS	-
Credits and liabilities*	-119.1	-	-	According to IAS	-
Other assets	0.5	-	-	On-going valuation	-
TOTAL	352.5	-	100%		

* More than PLN 60 million of liabilities towards PEM incurred by virtue of remuneration for management, including variable remuneration for the success in 2013.

MCI's share in the fund = 100%
recognised value of certificates in MCI's assets = PLN 352.5 million



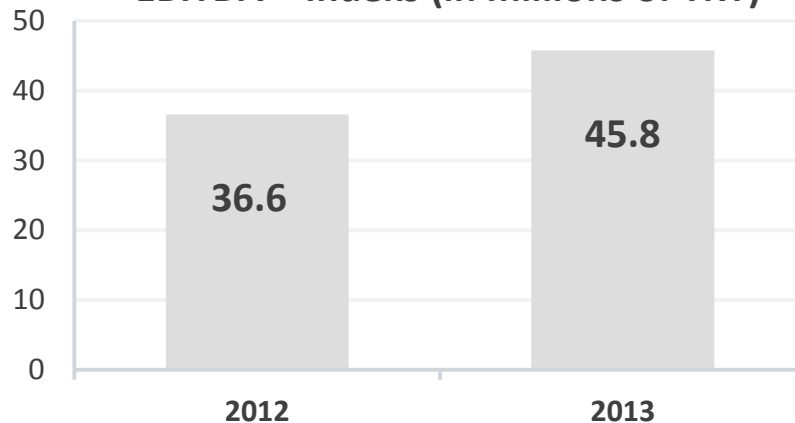
FINANCIAL RESULTS

- **The Management Board of ABC Data announced that the total net profit for 2013 would be allocated for dividend payment;**
- The planned dividend rate is 7%. MCI's estimated revenue will amount to **ca. PLN 25 million;**
- EBITDA in 2013 equaled **PLN 79.6 million** vs. PLN 58.58 million in 2012 (a 35.3% increase);
- the value of revenue in 2013 was **PLN 4,822 million** vs. PLN 3,696 million in 2012 (a 31% increase).

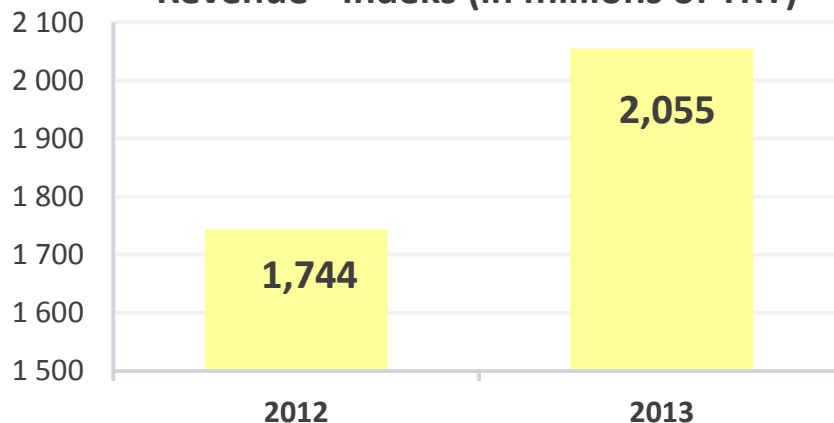
Norbert Biedrzycki, President of ABC Data SA:

“ABC Data aims to build a leading e-commerce platform in the region – an Amazon.com of the business-to-business sector”.

EBITDA – Indeks (in millions of TRY)



Revenue - Indeks (in millions of TRY)



- Signing a contract with Apple from Q4 2013 / estimated effect on revenue: 2014 + USD 100 million;
- The difficult political situation since Q2 2013 has had no major impact on the company's financial result / the net result was more significantly influenced by a substantial drop in the value of the lira;
- Potential of the real estate project.

FINANCIAL RESULTS (in millions of TRY)

	2012	2013	change
Revenue	1,336	1,615	20.9%
EBITDA	36.6	45.8	25.1%
Net debt	-30.5	-33.2	-9%
Net profit	16.6	5.3	-68%
EV/EBITDA	4.8	4.3	-10.4%

MCI.TechVentures FIZ Portfolio



POSITION	FAIR VALUE / VALUATION in millions (31 December 2013)	INVESTED FUNDS (in millions of PLN)	MCI's share in the asset	VALUATION METHOD discount ca. 15%–30%	MCI'S PLANNED EXIT VALUE
Invia	104	46.3	83%	Last transaction	5x CoC
KupiVIP	62	49.2	6%	Comparative 0.75 EV/S + 0.25 EV/GM	2–3 x CoC
Windeln.de	37	25.2	10%	Purchase cost + preferred option	2x CoC
Answear.com	16	15	22% (27% in 2014)	Purchase cost	4x CoC
Frisco	16	13.4	50% (11.5% Helix)	DCF	5x CoC
Morele.net	35	10.7	45%	Comparative 0.3 EV/Sales + 0.7 EV/GM	3–4x CoC
NaviExpert	12	2.1	55%	DCF	2x CoC
Geewa	20	11.7	64%	Comparative EV/Sales	>5x CoC
Remaining portfolio	13	-	-	-	-
Other assets	8	-	-	-	-
Cash and bills of exchange	54	-	-	-	-
Liabilities	-11	-	-	-	-
TOTAL	367.3	-	-	-	-

MCI's share in the fund = 76,28%
recognised value of certificates in MCI's assets = PLN 280.1 million



Invia – revenue in 2013 amounted to EUR 12.41 million vs. EUR 10.66 million in 2012;
Travelata – revenue in 2013 amounted to USD 0.65 million vs. USD 0.024 million, planned revenue in 2014 set to increase by ca. 500%.



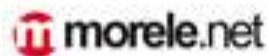
KupiVip – client base increased by more than 25% with respect to 2012; a positive EBITDA result; increase of the average basket value by ca. 15% with respect to 2012.



Windeln.de – net sales revenue doubled with respect to 2012; the average basket value increased to more than EUR 80 and the client base grew to include more than 180 thousand users; December 2013 – acquisition of web shops offering children’s articles (kindertraum.ch, toys.ch) in Switzerland.



Frisco – a robust growth with respect to 2012 caused by increasing readiness of Warsaw’s residents to buy foods online and by the high quality of the services offered by the company; successful launch of Poland’s first virtual shop in the Warsaw metro.



Morele.net – revenue in 2013 grew by 30% year-on-year; new ERP deployed; logistics outsourced to ABC Data; optimization of human resources and cost reduction.

Other MCI funds

ITEM	VALUATION in millions (31 December 2013)
MCI.CreditVentures FIZ	
Other assets	0.1
Real estate	19
Other items	2
TOTAL	21.0

MCI's share in the fund = 100%
recognised value of certificates in MCI's assets = PLN 21.0 million

ITEM	VALUATION in millions (31 December 2013)
MCI.BioVentures FIZ	
Value of assets	3.2
Cash	1.3
Other items	-0.1
TOTAL	4.4

MCI's share in the fund = 92%
recognised value of certificates in MCI's assets = PLN 4.1 million

Internet Ventures FIZ	
Value of assets	2.55
Cash	0.29
Other items	-0.49
TOTAL	2.35

MCI's share in the fund = 50%
recognised value of certificates in MCI's assets = PLN 1.2 million

Helix Ventures Partners FIZ	
Value of assets	15.1
Cash	1.4
Other items	-0.2
TOTAL	16.3

MCI's share in the fund = 50%
recognised value of certificates in MCI's assets = PLN 8.1 million

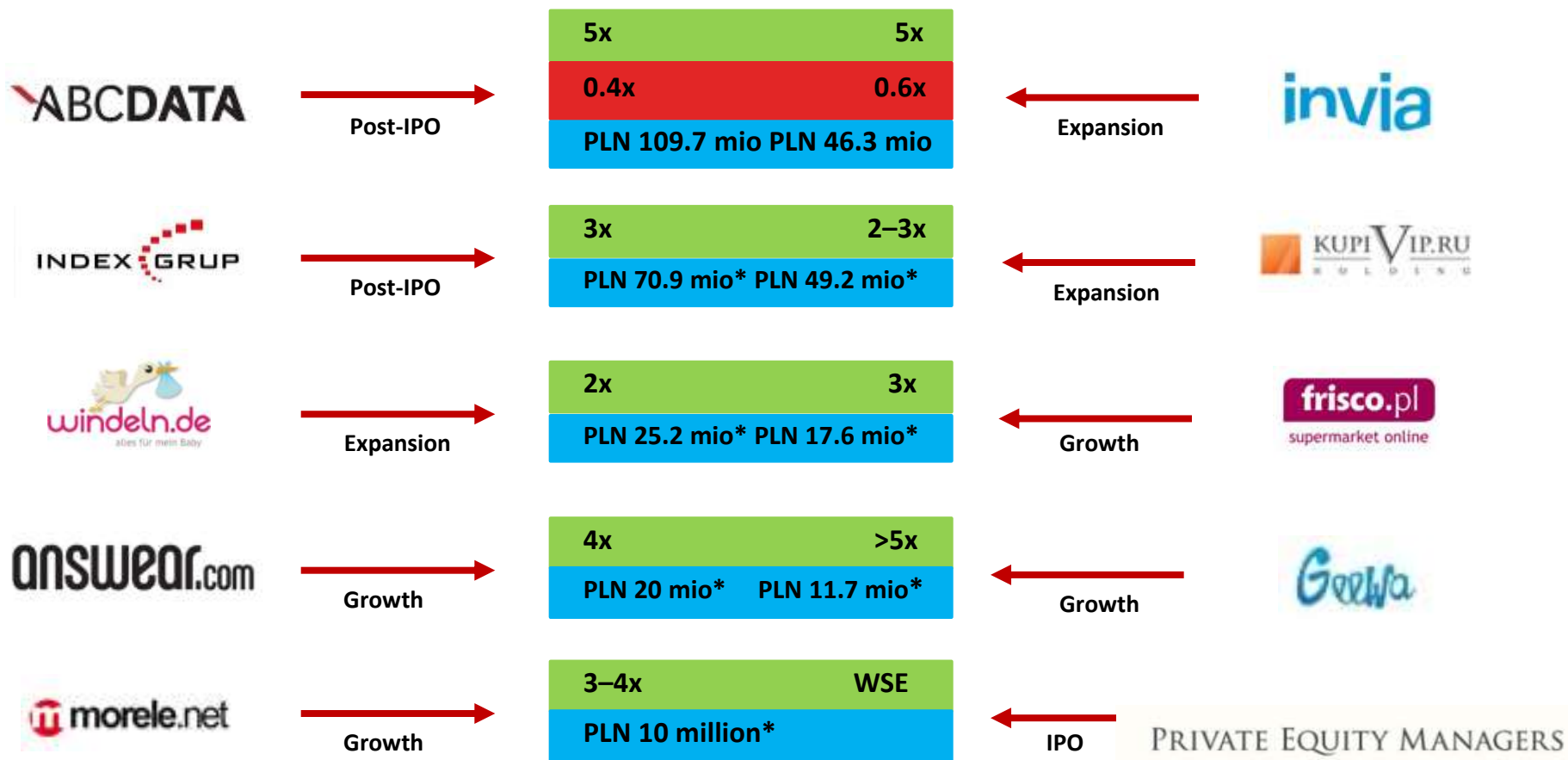
Exits in 2013

Value of exits in 2013:
PLN 147.1 million

COMPANY	EXIT TYPE	AMOUNT	ADDITIONAL INFORMATION
Invia	sale to Mezzanine Management and dividend	PLN 28.2 million	sale of an 8% stake + dividend
ABC Data	dividend	PLN 18.5 million	total return on investment from 2011 to 2013 = PLN 45 million
Indeks	dividend	PLN 5.5 million	for 2012
MCI.CreditVentures	sale of assets	PLN 14.9 million	apartments and other assets
PEM	share redemption and cancellation	PLN 80 million	planned pre-IPO in Q2 IPO by the end of 2014

Exit potential

Forecasted exit pipeline



AGENDA

Expected cash on cash

Executed cash on cash

Value of fund's investments

* Cost of purchase by MCI.TechVentures – MCI's share in the fund amounts to 76%

MCI's latest investments

Transaction details

- **Business area:** development of internet services, online advertising market;
- **Stage:** growth, expansion;
- **Investment value:** a 20% stake held as a consortium with Innova Capital.

Reasons for making the investment

- **o2 Group will use MCI's experience** in creating the value of internet websites (bankier.pl, Mall.cz, travelplanet.pl) and its knowledge of the mechanisms of the market of the internet and new technologies;
- **MCI's investment risk diversification** – purchase of a 20% stake (less than 10% of the total assets of MCI Group) rather than a 100% share package of the company;
- **MCI is investing in a market leader, the largest vehicle on the market, consolidating o2 and WP;**
- **A co-investment with Innova Capital involving the acquisition of a majority stake in o2.**

Feedo

- A baby care marketplace platform. Feedo.cz and Feedo.sk are leaders of the Czech and Slovak market for products in this category.
- Feedo will allocate the funds from the investment for the development of its technology platform, as well as for marketing and communication activities, and the development of top-quality customer service.
- Co-investment by Internet Ventures.FIZ (a commitment fund) and the National Capital Fund.

mGenerator

- A B2B platform enabling automatic and semi-automatic creation of mobile company websites, e-commerce platforms (online shops) and applications (in particular sales applications). The company is a pioneer in the area of automatic design of mobile websites in Poland.
- mGenerator aims to become a leader on the European market of B2B platforms.
- The Fund's investment will be used to finance the development of the on-line platform, as well as comprehensive marketing support in order to acquire a broad client base and prepare the project for international expansion.
- Co-investment by Internet Ventures.FIZ (a commitment fund) and the National Capital Fund.

Hojo.pl

- A marketplace platform streamlining the ordering of professional cleaning services and the largest free search engine of such offers in Poland.
- The company will receive a capital injection of PLN 2.5 million, with possible further financing by MCI funds in the amount of PLN 4 million in subsequent rounds.
- Co-investment by Internet Ventures.FIZ (a commitment fund) and the National Capital Fund.

The level of financing for both companies will amount to a total of PLN 7 million, with the potential capital injection of more than PLN 20 million in subsequent rounds by other MCI Group funds.

The total amount of financing will depend on the effective execution of business plans.

MCI's plans and strategy for 2014–2016

PLANS

- Value of new investments amounting to at least PLN 305 million,
- Assets per one share at the end of the year will amount to PLN 16.5, translating into a ROE of 30%,
- At least PLN 100 of exits year-on-year,
- Development of the management team.

INVESTMENT STRATEGY

Digital disruption investments:

MCI considers and executes investments in pure players. It forecasts the greatest growth for companies operating in such areas as digital media, e-commerce, marketplaces, Fintech, Internet of Things, Software as a Service, cloud computing, mobile internet and digital entertainment.

Digital ecosystem investments:

MCI considers investing in companies operating in the field of internet infrastructure development, such as telecommunications and data centres.

Digital adaptation investments:

MCI supports investment companies which have become leaders in traditional sectors of the economy, but have the ambition to go European and global by capitalizing on the opportunities provided by the internet. The fund is looking for companies which have the potential to be as successful as the Polish champions, including Empik.com, mBank and WSE.

Disclaimer

- ❑ This presentation does not constitute an offer within the meaning of the law.
- ❑ This presentation has been prepared using the best knowledge of MCI Management SA and as of the publication date it contains up-to-date data.

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