



mci

MANAGEMENT

26/10/11

Investment in Morele.net

MCI.TechVentures investment strategy

2

Sector

- e-commerce
- technologies and mobile services
- digital media

Growth stage

- *Financing growth and expansion*

Value of investment

- *1.5-5 million EUR*

Geography

Poland and other CEE countries

Portfolio of MCI.TechVentures

3

Portfolio companies of MCI.TechVentures operating in e-commerce sector



MCI, thanks to its previous transactions and held assets, displays strong competence in the e-commerce sector

area of operations: e-commerce
stage: growth
value of investment: minority package

Justification of the investment:

- *Strong market position*
- *Management team*
- *Sector with high growth potential*
- *Expected economies of scale – growth in profitability*
- *Consolidation prospects*

2004

Founding of the company Morele.net S.J. (base activity creating computer networks)

2006

Launch of vendor API integrating offers from suppliers

2008

Opening own NetPunkt pickup facilities

2010

Establishing departments of the company and opening of a new warehouse

2005

Launch of online store www.morele.net

2007

Introduction of home appliances and electronics to the offer

2009

Opening affiliate NetPunkt pickup facilities – building a team of product managers

- **The best** computer store according to the ranking of Money.pl and Wprost 2008; laureate of the ranking in 2009 and 2010.
- **Highest** score in terms of **quality of service** in the *computer store* category in the ranking Quality of Service 2008, laureate of the ranking in 2009
- The most **innovative** Polish computer store, according to the ranking Kamerton Innowacyjności 2008
- II place in the ranking of Polish online computer stores, in terms of **value of sales** - source PBI / Internet Standard 2009, Internet Standard 2010, Internet Standard 2011



Managing team / founders

6



Michał Pawlik – co-owner of Morele.net Company since 2002.

Age 32 – Graduate of the Cracow University of Economics in Finance and Banking.

Creator of academic Internet networks for Cracow University of Economics and Cracow University of Agriculture.

His other achievements include winning the title of world champion in Traditional Kung Fu, Gewelsberg 2000.



Radosław Stasiak – co-owner of Morele.net Company since 2002.

Age 32 – He studied marketing and management at Cracow University of Economics. Still during his studies, he started the company „Morele” dealing with sales of computer equipment and website development. He is the co-creator of the website and software for Morele.net, launched in 2004. He is responsible mainly for the IT department, application development and maintenance.

- Value of the Polish e-commerce market in the year 2010 – more than 17 billion PLN (stores + auction platforms)
- Expenditure on computer equipment in the B2C and B2B segments (SME) – offline & online - 24 billion PLN
- Value of sales of consumer electronics in the online channel in 2010: 1.5 billion PLN
- Market share of Morele.net - about 5%

company	category (consumer electronics)	revenue in million PLN (online channel)		dynamics
		2010	2009	
Neo24.pl	Home appliances	217 000	145 550	149%
Electro.pl	Home appliances	205 021	125 000*	164%
Komputronik	Computers	130 985	120 000*	109%
Redcoon	Home appliances	100 151	69 901	143%
<u>Morele.net</u>	Computers	74 629	44 098	169%
MIX Electronics	Home appliances	70 000	67 500*	104%
Agito	Home appliances / electronics	66 122	95 313	69%

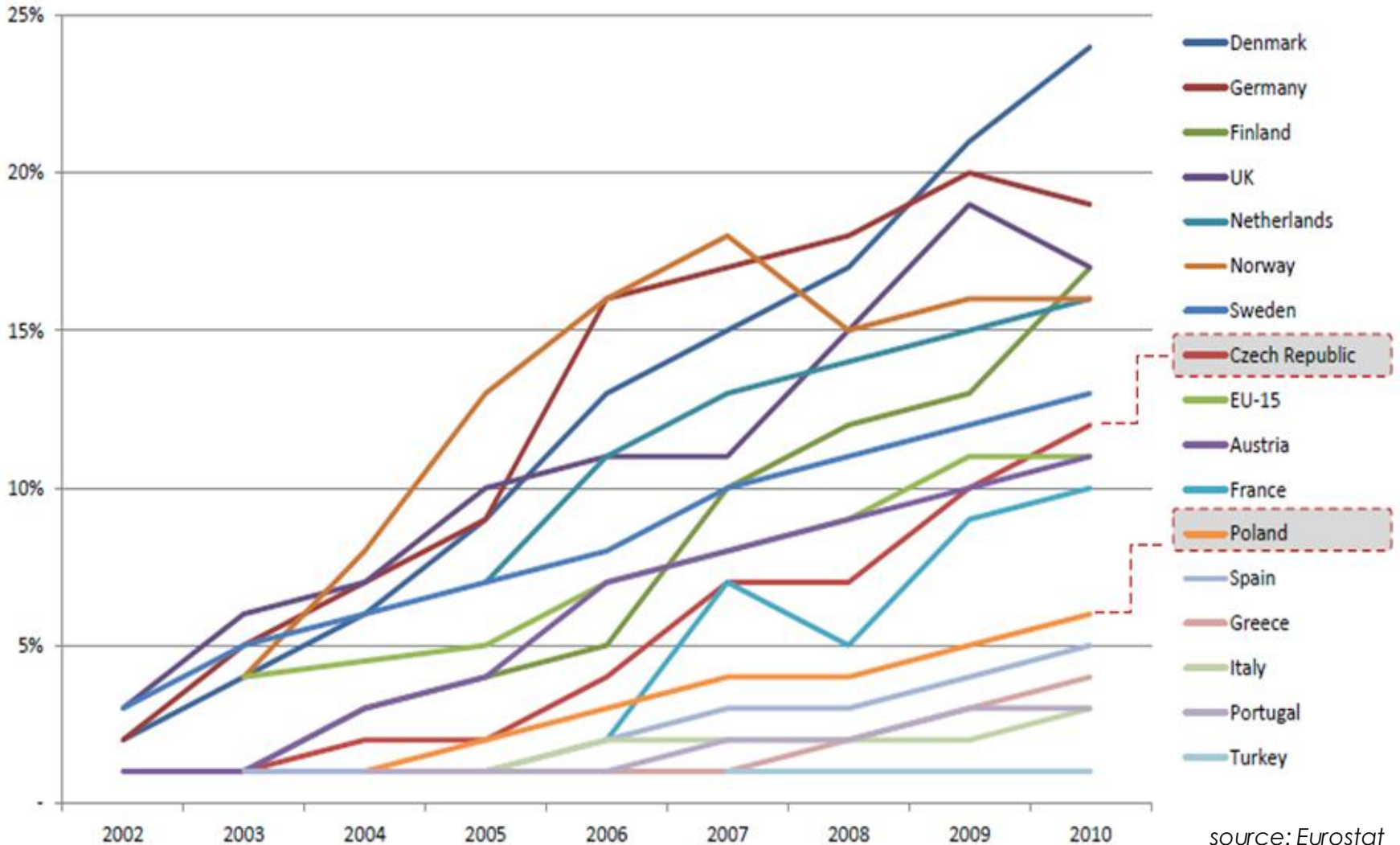
* Estimate data

source: Report of Internet Standard 2011 and 2010

Growth potential for e-commerce market in Europe

8

% citizens shopping online for consumer electronics



source: Eurostat

Total online sales of consumer electronics in Poland was estimated in the year 2010 at 1.5 billion PLN – 5%

Market share – in online sales of consumer electronics in Poland

Share of e-commerce in retail sales in 2010: Poland = 3%; Europe = 10%

Operates on the market with a high growth potential

Growth of sales and computer segment in 2010 – 14%

Recording higher-than-market growth

Growth of sales in Morele.net in the year 2010 – 68%

Growth of e-commerce market in the years 2006-2010 – 310%

Operates on dynamically growing market

Growth of revenue in Morele.net in the years 2006-2010 – 663%

Growth is above market where the company operates

Structure of sales:

- b2c: 75%
 - b2b: 25%
- | | |
|-----------------|-----|
| IT: | 72% |
| Appliances: | 24% |
| Photo & phones: | 4% |

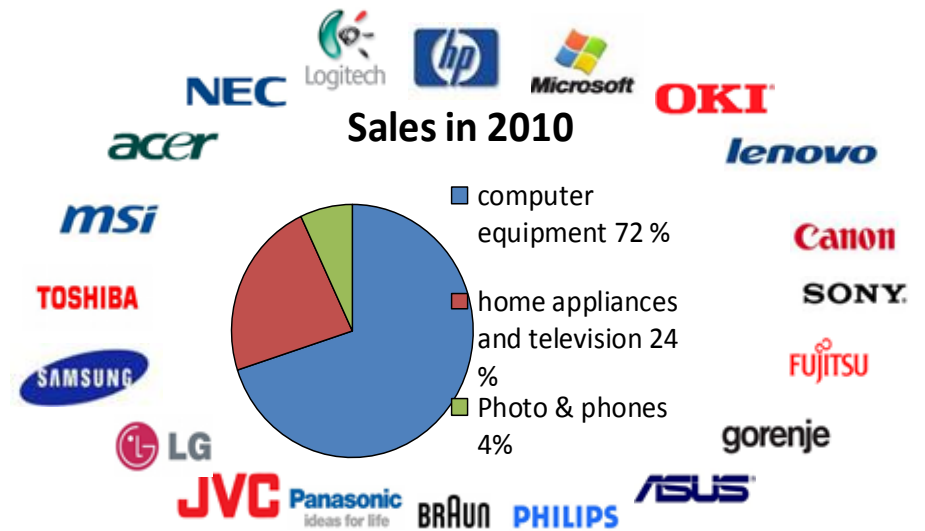
www.morele.net:

(in millions)	2007	2008	2009	2010
Page views	11	21	22	28
User visits (UV)*	0.3	0.5	0.5	0.6

*) records for December of respective years according to Google

Newsletter reach – 250k subscribers
Volume of sales – 15k orders monthly

Assortment of premium products



source: own data of company

Strategic objective:

- Achieve leading position in the segment of IT e-commerce in Poland

Growth strategy:

- Create tools enabling as much interactivity with clients as possible strengthening their loyalty
- Research options to enter foreign markets (CEE)





MCI Management SA

Warszawskie Centrum Finansowe
ul. Emilii Plater 53, 00-113 Warszawa
tel. +22 540 73 80, fax +22 540 73 81
e-mail: office@mci.eu

www.mci.pl

- Morele.net is positioned as an online computer store. It is definitely the biggest „online only” player in Poland – without the dead weight of traditional sales channels. It's competitors are traditional computer stores that also provide online sales. In some places, the company competes with electronics retail chains who also want to exist online and introduce online sales. In terms of IT equipment sales, Morele.net holds a firm second place on the market.
- Thanks to advanced integration of IT systems (of the company and distributors) Morele.net is able to present practically the entire offer of computer products available in Poland (almost 50k products available online)
- The warehousing and purchasing platform currently operated by the company is beyond that of any competitor (new companies face barriers in creating proper relations with suppliers and manufacturers as well as a barrier in experience in developing such systems), meanwhile actual competitors (retail chains and computer stores) remain dependent, through the dominant role of traditional sales, on the traditional model based on physical stock
- Due to the fact that in the future the store's brand will play a decisive role in the decision-making process of online customers, the company has put significant emphasis on building relations with customers and maintaining them since the very beginning