

MCI Capital Results for H1 of 2016

Agenda



KPI of MCI Capital for H1 of 2016 Summary of MCI's results Funds' results from MCI's perspective Cash position in the Group NAV structure and summary of the portfolio valuations 'Closer look': MCI.EuroVentures & MCI.Tech Ventures New investments in 2016 Portfolio diversification and methods of asset valuation NAV per share Initial dividend policy MCI business model Questions and answers



2,342
PLN million

Funds' assets

2,137 PLN million

Funds' net asset value

1,438

PLN million

Asset value in MCI's balance sheet

1,193
PLN million

MCI's net asset value (NAV)

48
PLN million

Net profit

19.31

PLN

Net assets per share

10.67

PLN

Market price of shares

0.53

P/BV

KPI for H1 of 2016 – the NAV per share increased by 3% YTD



KPI	30.06.2016	31.12.2015	change
MCI share price*	10.15	11.33	-10%
Number of shares	61 779 619	61 779 619	0%
Net assets (NAV) in PLN million	1 193.0	1 154.6	3%
NAV/share	19.31	18.69	3%
P/BV	0.53	0.61	-13%
Liabilities (bonds + credits) in PLN million	230.0	230.7	0%
Cash and cash equivalents in PLN million	56.1	60.3	-7%
Net liabilities in PLN million	173.9	170.4	2%
Net debt/NAV**	14.6%	14.8%	-1%
FOPEX/NAV	0.86%	1.46%	-41%

- * MCI share price as at 22 August 2016 was PLN 10.15 per one share.
- ** External debt (bonds and credits) adjusted by cash and cash equivalents.

Comments:

- The stock market price fell by 10% as compared to the previous year.
- In H1 of 2016, the Company bought 915 489 shares, but their redemption was not registered; therefore, the number of shares did not change as compared to the end of the previous year.
- The NAV/share grew by 3% as compared to 31 December 2015.
- The P/BV decreased by 13% as compared to the end of the previous year.
- No significant changes in the debt were recorded by the company.
- The FOPEX/NAV remains at a very low level.

Funds' results from MCI's perspective

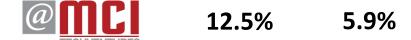


Funds' rates of return

1/1/0/

	5 year 70	y/ y /0
	17.3%	5.1%
EUROVENTURES		

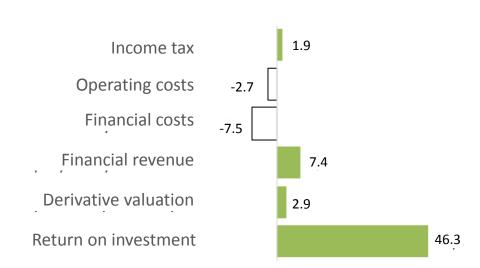
2-vear %*





^{*}annual rate of return

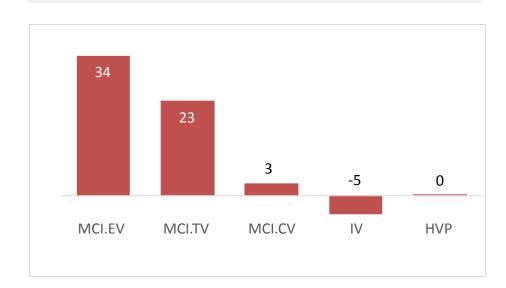
Components of the MCI's result (PLN 48 million)



Structure of MCI Capital's assets

Balance sheet item	Value in PLN million	% share
Investment in subsidiaries (IC)	1 185.1	82.4%
Investment certificates	141.4	9.8%
Cash and cash equivalents	56.1	3.9%
Private Equity Managers	33.7	2.3%
Receivables	10.4	0.7%
Derivative instruments	4.7	0.3%
Deferred income tax assets	5.5	0.4%
Loans granted	1.1	0.1%
Tangible fixed assets	0.3	0.0%
Total assets	1 438.2	100%

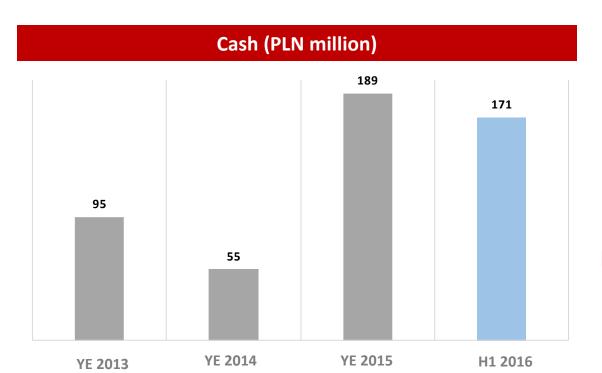
Change of the Funds' IC value (PLN 55 million)



Cash position of MCI and its affiliates (in PLN million)



Name of entity	2016 H1	2015 YE	MCI share 2016 H1	MCI share 2015 YE	2016 H1l (value share)	2015 YE (value share)	changeı
MCI Capital S.A.	56	60	100.00%	100.00%	56	60	-4
MCI.EuroVentures 1.0 sub-fund	18	98	90.56%	84.76%	17	83	-66
MCI.TechVentures 1.0 sub-fund	147	29	56.24%	55.50%	83	16	66
MCI. Credit Ventures 2.0 FIZ	11	18	71.07%	75.23%,	8	14	-6
Helix Ventures Partners FIZ	13	12	50.00%	50.79%	6	6	0
Internet Ventures FIZ	1	16	47.19%	58.35%,	1	9	-9
Other companies	1	1	100.00%	100.00%	1	1	0
TOTAL:	247	234			171	189	-18

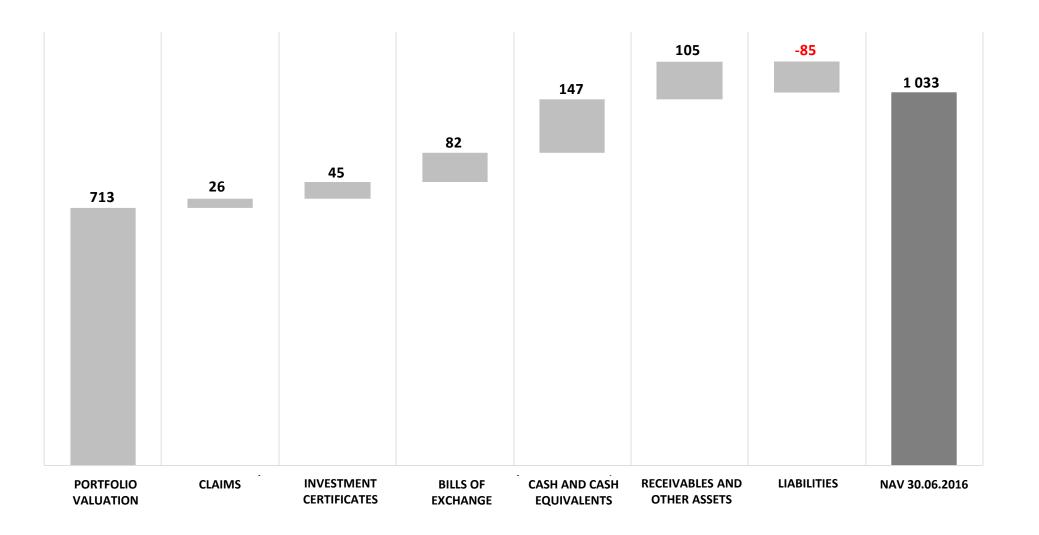


As at the end of June 2016, the Group's cash position exceeded

PLN 170 million

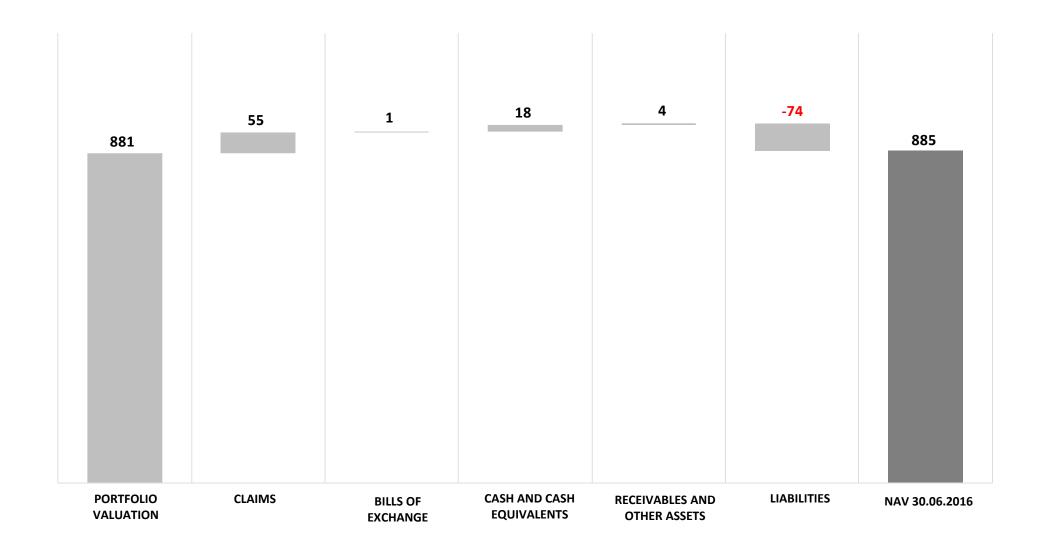
Decomposition of the NAV of MCI.TechVentures 1.0 sub-fund (in PLN million)





Decomposition of the NAV of MCI. Euro Ventures 1.0 sub-fund (in PLN million)





'Closer look' at MCI. Euro Ventures The assets will probably repeat the previous success.











- **56%** of the portfolio mature investments close to the exit.
- Investments in the given companies amounted to PLN 270 million, and their current valuation, including the dividend paid out, is PLN 711 million.
- The fund's historic track record shows returns of
 2.5 4.0x CoC an average 4-year IRR > 25%





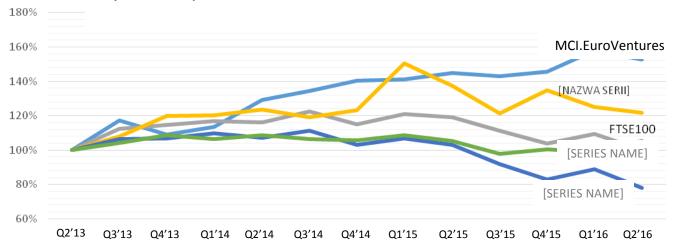






 44% of the portfolio of MCI.EuroVentures is made up of new investments. We have invested PLN 330 million in these assets. We expect the companies to contribute to the portfolio growth, just as our previous investments did.





17.96%

Average annual rate of return**

^{*}The quarterly valuations of the A series of MCI.EuroVentures compared to valuations of stock indices as at the day of preparation of the fund valuation (the last day of each quarter)

^{**} Average annual rate of return of the A series certificates, 2Q 2016, calculated as the arithmetic average of the rates of return (Q2) since the creation of the sub-fund.

'Closer look' at MCI. Tech Ventures 30% of the portfolio is valued at the purchase price





Candidates for European and global champions

Strong regional champions



since 2015



since 2015

AUCTIONATA

since 2015



since 2011

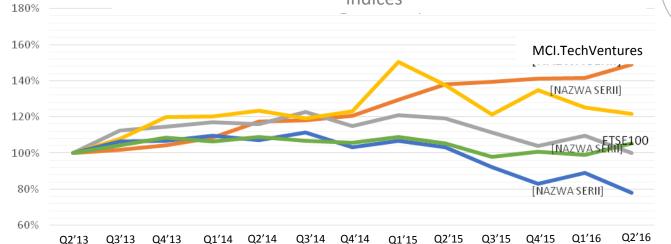


since 2012



since 2015

3-year comparison of valuations of MCI.TV fund with stock indices*



- The Fund's portfolio includes companies developed by us to become regional champions (Invia case), as well as companies which keep expanding their extraregional activity.
- The TV portfolio is based to a significant degree on assets bought in the last several months.
- The possibility of a significant growth is connected with the Fund's specific features (companies at early stages of development) and the fact that 30% of the portfolio value is still valued at the purchase price.

22.21%

Average annual rate of return **

^{**}The quarterly valuations of the A series of MCI.TechVentures compared to valuations of stock indices as at the day of preparation of the fund valuation (the last day of each quarter)

^{**} Average annual rate of return of the A series certificates, Q2 2016, calculated as the arithmetic average of the rates of return (Q2) since the creation of the sub-fund.

New investments – in 2016, MCI Capital's fund spent over PLN 275 million on new investments and next rounds of financing



marketínvoice	FinTech	Online factoring platform
REMOTEMYAPP	Online solution	Streaming of multimedia content
Prowly	SaaS	Professional support of companies' PR and communications departments
<u>a</u>	Data centres	Leader of data centres in Poland with extensive optical fibre infrastructure
dotpay* MOBILTEK BRILLIANT MINDS	FinTech	Mobile banking and online payments

marketinvoice

- MarketInvoice the leader in its category – enables online factoring,
- A financing round of GBP 7.2 million was led by MCI.TechVentures,
- Another investor **Northzone** (invested in MarketInvoice & Spotify; joint investment in iZettle),
- Now, the company operates only on the British market, but it is planning a geographic expansion,
- As part of the platform, British companies have been granted GBP 850 million of financing so far; the company assumes that by the end of 2016, the amount should exceed one billion GBP.

OUR FINTECH PORTFOLIO











We maintain geographic and sectoral diversification





We are pursuing a geographic diversification strategy by planning our investments according to the following geographic structure:

50% Poland
40% West European,
Scandinavian and Israeli markets
10% growing markets: Russia and Turkey

Strong diversification of the TV and EV portfolio

(share of the TOP 10 companies in the total number of the NAV of MCI.TV and MCI.EV funds as at 30.06.2016)



	Company	Valuation (PLN million)	% NAV**	Fund
1	ABCDATA	221.9	11.5%	EUROVENTURES
2	INDEX GRUP	161.1	8.4%	EUROVENTURES
3	Gett (A)*	122.1	6.3%	@ ITECHVENTURES
4	MOBILTEK dotpay	116.2	6.0%	EUROVENTURES
5	ត្តកា	113.9	5.9%	EUROVENTURES
6	wirtualna polska	109.9	5.7%	EUROVENTURES
7	KUPI V IP.RU	96.9	5.0%	@ TECHVENTURES
8	brain Inality growth	89.1	4.6%	EUROVENTURES
9	pigu.lt taupyk laiką ir pinigus!	64.4	3.3%	@ TECHVENTURES
10	AUCTIONATA	63.4	3.3%	@ TECHVENTURES

^{*}Value after the dividend's deduction.

^{**}Percentage share in the NAV of two funds: MCI.EV and MCI.TV.

Valuation of the portfolio of MCI.TechVentures 1.0

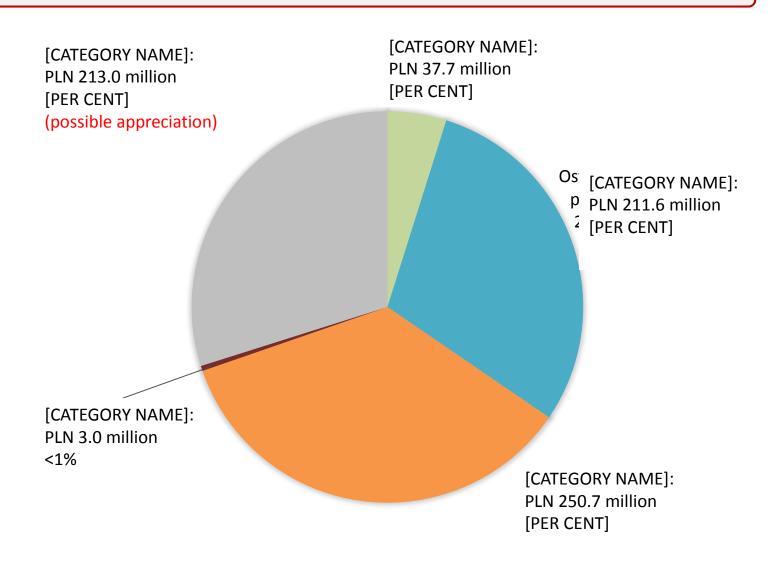


Investment (PLN 000)	% of capital held	Accumulated purchase value	Dividend	Partial exit	Valuation as at Q2/2016			Valuation method
					Value of MCI shares	Value of options	Total	
Digital Avenue SA	30.91%	-1 622	0	643	1 061	n/a	1 061	
Optizen Labs S.A.	50.58%	-14 457	0	4 285	962	n/a	962	Market price
windeln.de AG	7.10%	-49 075	0	32 850	32 662	n/a	32 662	1
GT Gettaxi Limited	2.87%	-71 974	0	0	120 976	1 081	122 057	
Azimo Limited	8.65%	-22 769	0	0	26 128	0	26 128	Last comparable transaction
Auctionata AG	9.28%	-40 214	0	0	62 367	1 052	63 419	
Ganymede Group Sp. z o.o.	38.47%	-25 000	0	0	24 896	68	24 964	
Travelata	28.74%	-19 485	0	0	27 204	1 640	28 844	
GMZ.co Sp. z o.o.	46.90%	-5 245	0	0	6 075	n/a	6 075	
UAB Pigu	51.00%	-46 038	0	0	64 375	-107	64 268	
Geewa a.s.	48.94%	-12 453	0	147	10 833	728	11 561	Comparative
Morele.net Sp. z o.o.	45.45%	-10 000	0	0	52 933	1 817	54 750	
21Diamonds GmbH	2.79%	-2 391	0	0	369	0	369	
Answear.com	30.76%	-29 628	0	0	33 127	4 616	37 743	
NaviExpert Sp. z o.o.	54.01%	-1 801	0	0	12 236	9 884	22 120	
Biotech Varsovia Pharma Sp. z o.o.	65.00%	-3 100	0	0	141	0	141	
Śpiący Rycerz Sp. z o.o.	100.00%	-2 907	0	0	2 887	n/a	2 887	Adjusted net asset
MCI.ImmoVentures Sp. z o.o.	100.00%	-0	0	0	0	n/a	0	
Frisco S.A.	49.12%	-23 607	0	0	23 607	n/a	23 607	
Blacksquare Investments Limited	13.73%	-81 460	0	0	87 675	9 183	96 858	
Oktogo Holding Limited	9.03%	-10 469	0	0	2 715	6 800	9 514	
asgoodasnew electronics GmbH	10.85%	-8 896	0	0	9 128	1 420	10 547	Invested funds (taking into account
MCI Ventures Sp. z o.o.	100.00%	-7	0	0	7	n/a	7	current exchange rate)
iZettle AB	1.49%	-28 922	0	0	30 279	0	30 279	
Tatilbudur	59.75%	-42 275	0	0	42 643	-446	42 197	
	TOTAL	-553 795	0	37 924	675 285	37 736	713 021	

Structure of MCI.TechVentures 1.0 portfolio according to valuation methods



Fund portfolio structure broken down by particular valuation methods

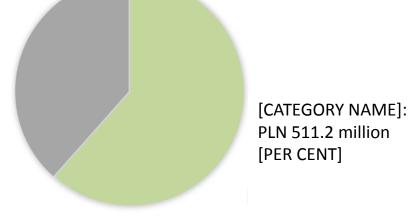


Structure of MCI. Euro Ventures 1.0 portfolio according to valuation methods



Investment (PLN 000)	% of capital held	Accumulated purchase value	Dividend	Partial exit	Valuation as at Q2/2016		Valuation method	
					Value of MCI shares	Value of shares	Total	
ABC Data	61.52%	119 807	116 938	32 382	221 934	n/a	221 934	
Indeks	26.08%	95 994	23 325	0	161 133	n/a	161 133	Market price
Wirtualna Polska	11.33%	60 000	0	55 136	151 370	-41 466	109 903	iviarket price
eCard S.A.	51.00%	18 918	0	0	18 273	n/a	18 273	
Mobiltek	100.00%	116 781	0	0	116 226	n/a	116 226	Invested funds (taking int
ATM	30.46%	109 348	0	0	113 915	n/a	113 915	account current exchang
Lifebrain AG	11.10%	87 071	0	0	88 510	621	89 131	rate)
	TOTAL	607 919	140 263	87 518	871 361	-40 845	830 515	7

The fund's portfolio structure broken down by particular valuation methods [CATEGORY NAME]: PLN 319.3 million [PER CENT] ...



We maintain a 'young' portfolio structure on a constant basis



	Port	folio aging – by v	value (PLN mill	ion)		
Age (years)	TV	EV	IV	HVP	TOTAL	
0-1	136.9	248.4	8.4	0.0	393.7	
1-2	262.7	89.1	14.5	0.0	366.3	
2-5	277.9	271.0	12.4	3.8	565.1 Possible n	-
5-10	35.7	221.9	0.0	4.1	261.8 appreciation	
>10	0.0	0.0	0.0	0.0	0.0 value	
_		•		•		
TOTAL	713.1	830.5	35.3	8.0	1 586.9	

MCI.TechVentures

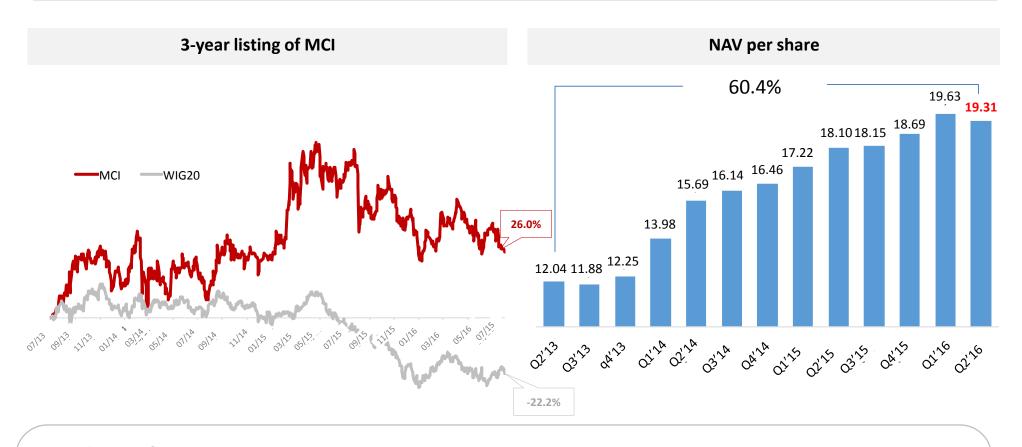
TOP 10	Company	Purchase date	Age
1	Morele.net	2011-10-18	2-5
2	KupiVip	2012-12-12	2-5
3	Windeln.de	2013-02-25	2-5
4	Answear	2013-09-09	2-5
5	Gamedesire	2015-03-11	1-2
6	Auctionata	2015-04-16	1-2
7	Gett	2015-04-30	1-2
8	Pigu	2015-07-31	0-1
9	iZettle	2015-10-07	0-1
10	Tatilbudur	2015-11-06	0-1

MCI.EuroVentures

TOP 7	Company	Purchase date	Age
1	ABC Data	2008-06-30	5-10
2	Indeks	2013-05-07	2-5
3	Wirtualna Polska	2014-02-10	2-5
4	Lifebrain AG	2015-06-26	1-2
5	eCard	2015-07-22	0-1
6	Mobiltek	2016-03-07	0-1
7	ATM	2016-03-23	0-1

MCI Capital maintains a stable growth of value of the NAV/share





3-year listing of MCI

In the last 3 years, the price of MCI shares has grown by **26%**. Within the given period, the value of WIG20 has fallen by 22.2%.

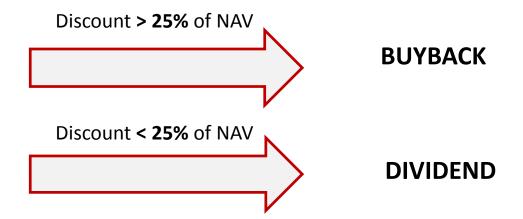
Growth of the NAV per share within the last 3 years

The company maintains a stable growth of the value of the NAV/share. 3 years ago, the NAV/share was 12.04, whereas as at 30.06.2016, the index was 19.31. This means a growth by 60.4% in the period under analysis.



RECOMMENDATION:

From 2018, assignment of at least 2% of the NAV per year to buyback or dividend



NOTES:

- In the years 2016 and 2017, the dividend will be realised in the buyback formula due to bond covenants.
- According to the agreement on the management of assets made with PEM TFI, the Management Board can assign between 2% and 4% a year for payment of the dividend or the share buyback.
- The final decision about the dividend payment must be made by a resolution of the company's Management Board.



> 10% of IRR
PERFORMANCE
of the portfolio of
PE/VC/PD funds

Target: > 15% of IRR

1.0% to 3.0% of IRR BUYBACK of own shares > 2% of IRR LEVERAGING of the balance sheet total

THE III STABLE PILLARS OF MCI GROWTH:

- The targeted average rate of return on the portfolio of PE/VC/PD funds stably exceeds 10% of IRR a year. The growth of diversification of MCI.EuroVentures and the share of the debt portfolio funds affects the stability of the result in a middle-term.
- Leveraging keeping the debt at an average level of 20%-30% of the value of the company assets, which translates into the growth of the IRR value of 2% per year.
- **Buyback** (purchase of own shares) for the purpose of redemption, translating into the growth of the IRR value of 2.0%-10% per year.

Disclaimer



- This presentation does not constitute an offer within the meaning of the law.
- This presentation has been prepared based on the best knowledge of MCI Capital SA and contains up-to-date information as at the day of its publication.

MCI Capital SA

Warsaw Financial Center

ul. Emilii Plater 53, 00-113 Warsaw

tel. +22 540 73 80, fax +22 540 73 81

e-mail: office@mci.eu

www.mci.pl