



MCI Capital S.A.

PRESENTATION OF FINANCIAL RESULTS for H1 2017

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Basic data for H1 2017

↗ 2,213

PLN m

Fund assets

↗ 1,974

PLN m

Net asset value of the funds

↗ 1,371

PLN m

ICs on MCI's balance sheet

↗ 1,033

PLN m

Net asset value (NAV)

↗ 56

PLN m

Return on investment

↘ 47

PLN m

Net profit

↗ 19.54

PLN

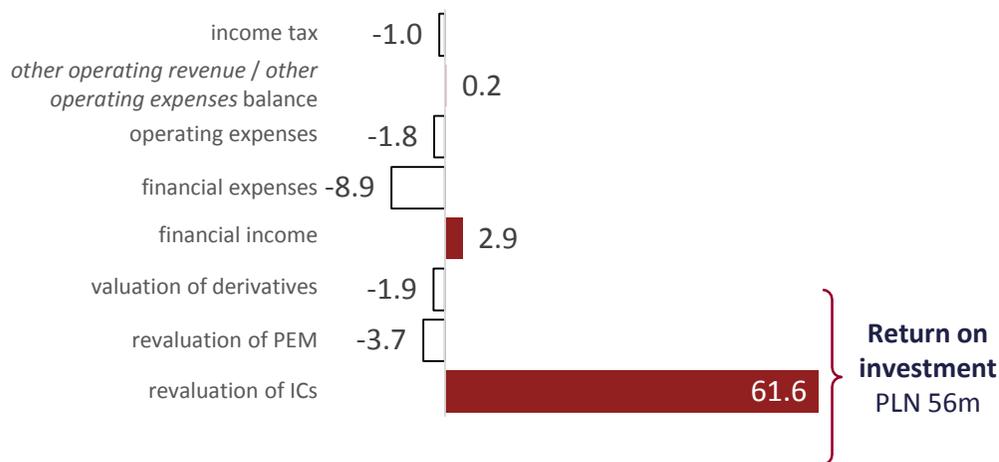
Net assets per share

↘ 47%

P/BV

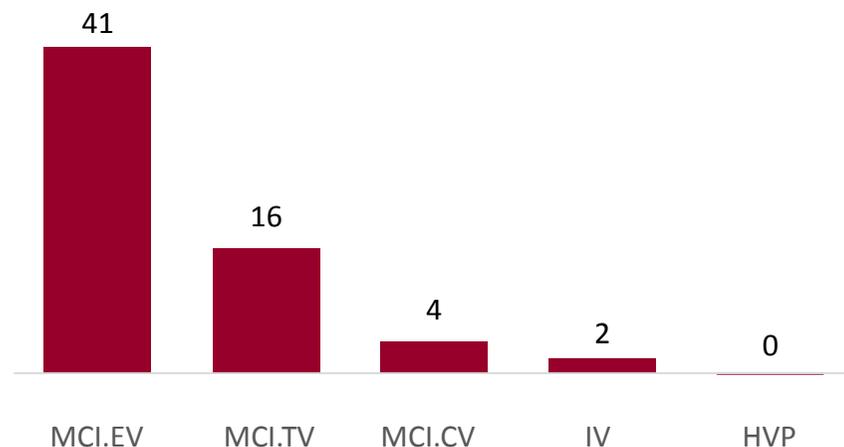
Analysis of the components of the MCI result (PLN m)

Components of the MCI result (PLN 47.4m)



- Revaluation of the ICs held (PLN 61.6m) is the most important component of the MCI result
- Revenue from sureties and guarantees accounts for a major portion of the financial income (PLN 2.9m)
- Interest expense on bonds issued represents financial expenses (PLN 8.9m)
- The value of PEM fell (by PLN 3.7m) due to reduced stock market prices compared to 31 Dec 2017
- Negative valuation of derivative instruments (PLN 1.9m) applies to the decrease in the preferential value of the investment exit option in IV and HVP Funds
- Operating expenses stand at PLN 1.8m and comprise the running costs (external services, remuneration) associated with the Group service
- An income tax of PLN 1m applies to costs of current financial settlements within the Tax Group

Contribution of the Funds to the MCI result (PLN 61.6m)



Revaluation of ICs (PLN 61.6m) mainly involves the valuation of the ICs held by MCI.EV, MCI.TV and MCI.CV Sub-Funds/Funds In H1 2017, the main drivers of change in value were the following:

In MCI.EV (PLN 41m) ², a portion attributable to MCI (approx. 93.2%)

- Value increases: Indeks by PLN 30.1m, Lifebrain by PLN 16.8m, ATM by PLN 8.3m, Mobiltek/Dotcard by PLN 4.6m
- Value decreases: ABC Data by PLN 6.1m
- MCI.EV's operating costs: PLN 10.8m, mainly accounted for by management fee (PLN 6.8m) and interest expense (PLN 2.3m)

In MCI.TV (PLN 16m) ², a portion attributable to MCI (approx. 55.5%)

- Value increases: Naviexpert by PLN 29.2m, Travelata by PLN 16.1m, Morele by PLN 15.5m, Wearco/Answear by PLN 8.8m, Windeln by PLN 4.5m
- Value decreases: Tatibudur by PLN 9.7m (switching to a comparative method), Gett by PLN 6.9m (strengthening of PLN against USD), Pigu by PLN 4.5m (strengthening of PLN against EUR)
- MCI.TV's operating costs: PLN 14.3m, mainly accounted for by management fee (PLN 12.5m)

Financial results in H1'17 vs H1'16



PLN thousand	1H 17	1H 16	diff	diff (%)
Revaluation of shares	52 321	47 648	4 673	10%
Profit/loss on investment certificates	5 618	(1 380)	6 998	-507%
Revaluation of derivative financial instruments	(1 910)	2 876	(4 786)	-166%
Return on investment	56 029	49 144	6 885	14%
Operating expenses	(1 812)	(2 748)	936	-34%
Other operating income	208	46	162	352%
Other operating expenses	0	0	0	n/a
Operating profit	54 425	46 442	7 983	17%
Dividend income	0	5 054	(5 054)	-100%
Financial income	2 855	2 318	537	23%
Financial expenses	(8 884)	(7 505)	(1 379)	18%
Profit before tax	48 396	46 309	2 087	5%
Income tax	(1 030)	1 851	(2 881)	-156%
Net profit	47 366	48 160	(794)	-2%

H1 17 vs H1 16 – explanation of major changes:

1. Return on investment increased by **PLN 6.9m** (14%), which was mainly due to the revaluation of the ICs held by MCI at a rate higher than that from the previous half-year

2. Valuation of the embedded financial instrument (i.e. the privileged distribution of funds invested in IV and HVP Funds) decreased by **PLN 4.8m** due to increased value of the IV portfolio valuation

3. Operating expenses decreased by **PLN 0.9m**, mainly due to external services costs having decreased by PLN 0.7m

4. Income from dividend payments from PEM S.A. was not reported in H1 2017 due to the fact that the dividend record day was set at 8 September 2017 (the amount to be paid to MCI Capital is PLN 1m, according to number of shares held as at 29 August 2017)

5. Financial expenses increased by **PLN 1.4m** due to higher average level of debt in H1 2017 (on average: PLN 284.4m) compared to H1 2016 (PLN 230.4m)

Analysis of the MCI's balance sheet

PLN thousand	30 Jun 2017	31 Dec 2016	diff	diff (%)
Assets	1 334 762	1 340 871	(6 109)	0%
Investment certificates	98 267	113 945	(15 678)	-14%
Investments in subsidiaries	1 139 690	1 083 838	55 852	5%
Investments in associates	17 735	21 389	(3 654)	-17%
Trade and other receivables	26 009	1 960	24 049	1227%
Cash and cash equivalents	18 427	81 262	(62 835)	-77%
Other assets	34 634	38 477	(3 843)	-10%
Equity and liabilities	1 334 762	1 340 871	(6 109)	0%
Equity	1 032 531	1 042 665	(10 134)	-1%
Liabilities	302 231	298 206	4 025	1%
Debt securities	286 459	266 062	20 397	8%
Bills of exchange	0	16 031	(16 031)	-100%
Other liabilities	15 772	16 113	(341)	-2%
NAV/S (in PLN)	19.54	17.75	1.79	10 %
share price (in PLN)	9.20	8.97	0.23	3%
P/BV	47%	51%	(0.03)	-7%

Major changes in balance sheet items:

- an increase in Investments in Subsidiaries (**by PLN 55.9m**) due to an increase (over time) in the value of the investment certificates of EV and TV Sub-Funds held by MCI Fund Management Sp. z o.o. (MCI FM)
- an increase in Trade and Other Receivables and other receivables (**by PLN 24m**), which is mainly due to MCI having redeemed, on 30 June 2017, a portion of the ICs of the CV Fund (the amount due is PLN 20.5m)
- a decline in Investment Certificates due to MCI having redeemed the MCI.CV and IV Funds' certificates worth PLN 46.2m, offset by new acquisitions of the ICs of the MCI.CV Fund worth a total of PLN 24.9m, and an increase of PLN 5.6m in ICs (MCI.CV, IV, HVP)
- lower Cash levels (**by PLN 62.8m**), which is primarily due to: buyback of own shares, repayment of a promissory note, repayment of interest on bonds, partially set off by the issue of O series bonds
- decrease in Equity (**by PLN 10.1m**) due to the buyback and redemption of own shares (PLN 57.7m), partially offset by net profit achieved in the current period (PLN 47.4m)
- change in Liabilities (**of PLN 4m**) due to higher debt securities as a result of the issue of O series bonds (by PLN 20m), offset by a decrease in bills of exchange following the repayment of the promissory note (PLN 16m)

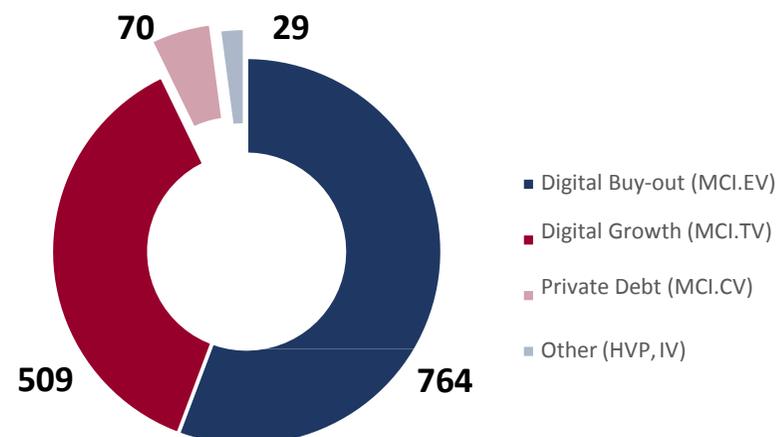
How are Fund assets reflected in MCI's balance sheet?

From NAV of the Funds to ICs included in MCI's balance sheet (PLN thousand)

Fund/Sub-Fund	% of Funds' ICs held by MCI (in %)	NAV of the Funds as at 30 Jun 2017	NAV attributable to MCI Group as at 30 Jun 2017
MCI.TechVentures 1.0	55.5%	917 784	508 911
MCI.EuroVentures 1.0	93.2%	819 176	763 554
MCI.CreditVentures 2.0 FIZ	39.5%	176 728	69 719
Internet Ventures FIZ	48.0%	51 707	24 830
Helix Ventures Partners FIZ	45.3%	8 238	3 730
Total FIZ assets		1 973 633	1 370 744

Investment certificates held by MCI Group Companies	1 370 744
Liabilities of the subsidiaries of MCI Capital S.A.	-53 980
Liabilities from unpaid amounts of investment certificates series MCI.TechVentures 1.0	-78 808
Investments in subsidiaries and ICs shown on MCI's balance sheet	1 237 957

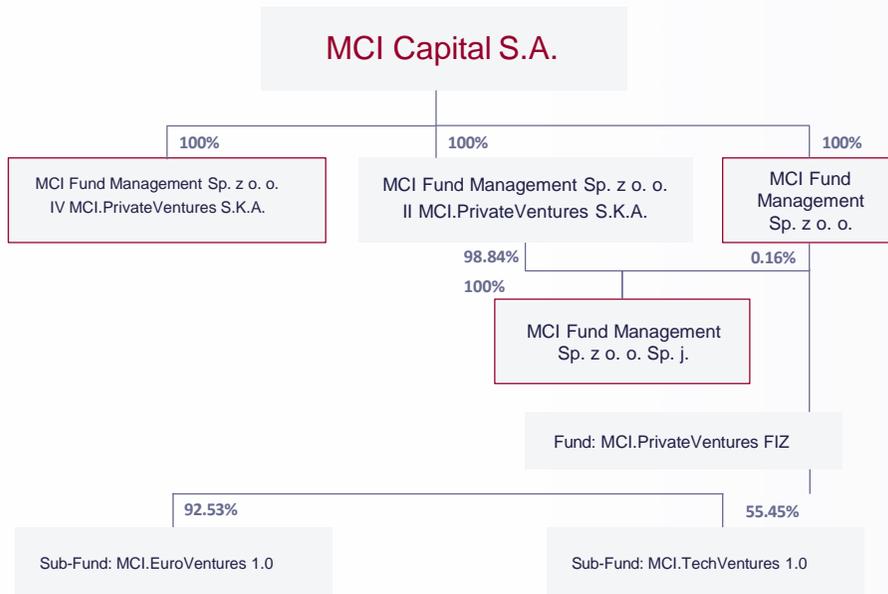
ICs of the Funds on MCI's balance sheet (PLNmillion)



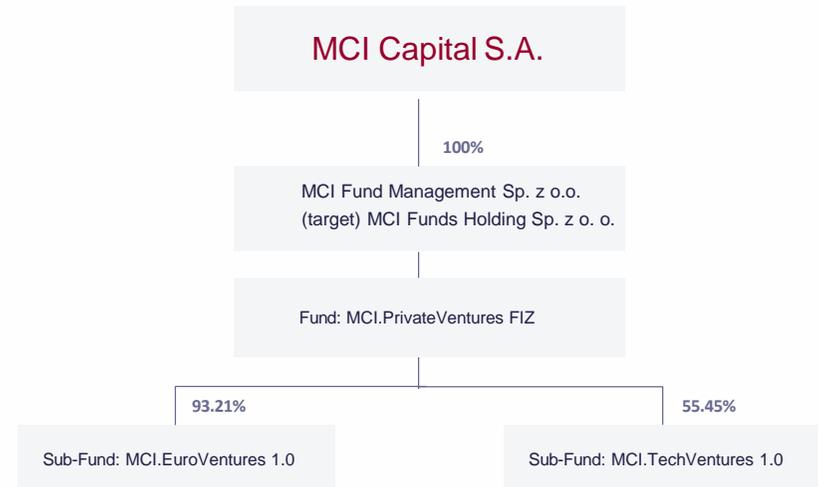
- MCI holds the investment certificates (ICs) of five (5) closed-end investment funds (FIZs) It indirectly owns ICs of TV and EV Sub-Funds through its subsidiaries and directly owns ICs of CV, IV and HVP Funds.
- The amount of ICs and investments in subsidiaries recognised in MCI's balance sheet (PLN 1,238m) is lower than the sum of ICs attributable to MCI (PLN 1,370.7m) in respect of the liabilities of MCI's subsidiaries amounting to PLN 54m and the unpaid series of the ICs of the TV Fund amounting to PLN 78.8m.
- ICs of EV and TV Funds contribute the most to MCI's balance sheet, i.e. 93.2% and 55.5%, respectively.

Simplifying the capital structure of the Group

Current structure



Target structure



Simplifying the capital structure:

- Offsetting of mutual obligations (RB 59 and 60/2017)
- Transformation of the legal form of the MCI Fund Management Sp. z o. o. (MCI FM) company: from general partnership to corporation
- Merger of 4 companies
- Acquisition by MCI FM of the assets of the merged companies (mainly ICs of MCI.EV and MCI.TV Funds)
- Changing the company's name from MCI FM to MCI Funds Holding Sp. z o. o.

Changes in capital

Own share buyback:

- In 2017, the Company acquired 5.9m shares (at an average price of PLN 9.75) for a total of PLN 57.7m
- Following the redemption of shares in June 2017, the Company's share capital was reduced to PLN 52.9m
- Following share redemption, NAV/S rose by PLN 0.98 (5.3%)
- Own shares can possibly be bought back at a total price of PLN 12.3m by 31 Dec 2018

Equity	1 042 665 A		1 032 531 D
- of which:			
Share capital	58 752	-5 899	52 853
Own shares	0	-57 682	0
Financial result	-82 243		47 366 E
Supplementary capital	1 020 712	-51 783	886 686
Other reserves	43 773		43 955
Retained earnings	1 671		1 671
Number of shares	58 752 198 B	-5 899 084	52 853 114 F
Book value per one share (in PLN)	17.75 C = A/B		19.54 G = D/F
Change in NAV/S excluding buyout	17.75		18.55 H = (A+E)/B
Impact of buyout on performance			0.98 I = G-H
			5.3% J = I/H

Authorised share capital:

• On 24 August 2017, the Extraordinary Meeting of Shareholders of MCI decided to extend by two years the period during which share capital can be increased within the limits of authorised share capital by not more than 6 273 237 shares.

• An issue price for new shares must not be lower than the higher of the following prices:

- (1) the Company's average share price calculated for the 30-day period preceding the fixing of the share issue price.
- (2) the Company's average share price calculated for the 5-day period preceding the fixing of the share issue price.

Growth rate of NAV/S



NAV per share



- Net asset value per share increased by 10% (from PLN 17.75 at the end of last year to PLN 19.54 as at 30 Jun 2017)
- Increase in investment certificates held accounts for about half of the rise in net asset value
- Redemption of shares accounts for about half of the rise in net asset value



Fund performance



	6M	1Y	3Y	5Y
	6.2%	-4%	13.4%	108.5%
	2.3%	-3.5%	22.5%	53.5%
	4.6%	4.1%	21.5%	

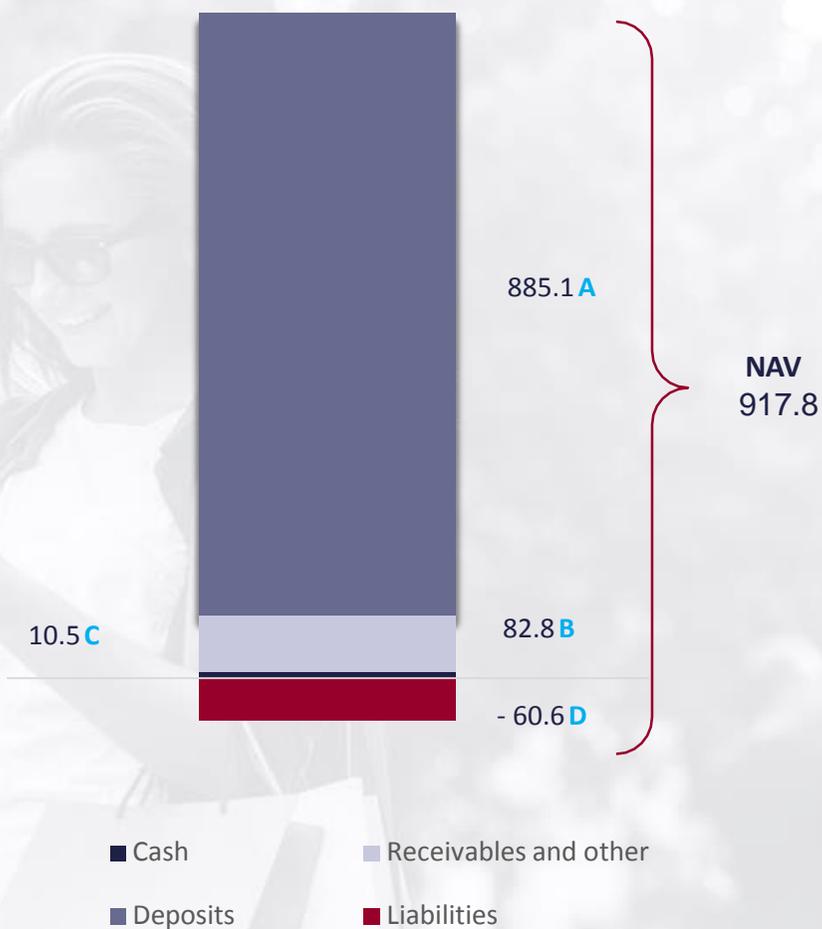
5-year average annual return for MCI.EV: 15.5%

5-year average annual return for MCI.TV: 8.8%

5-year average annual return for WIG: 8.4%

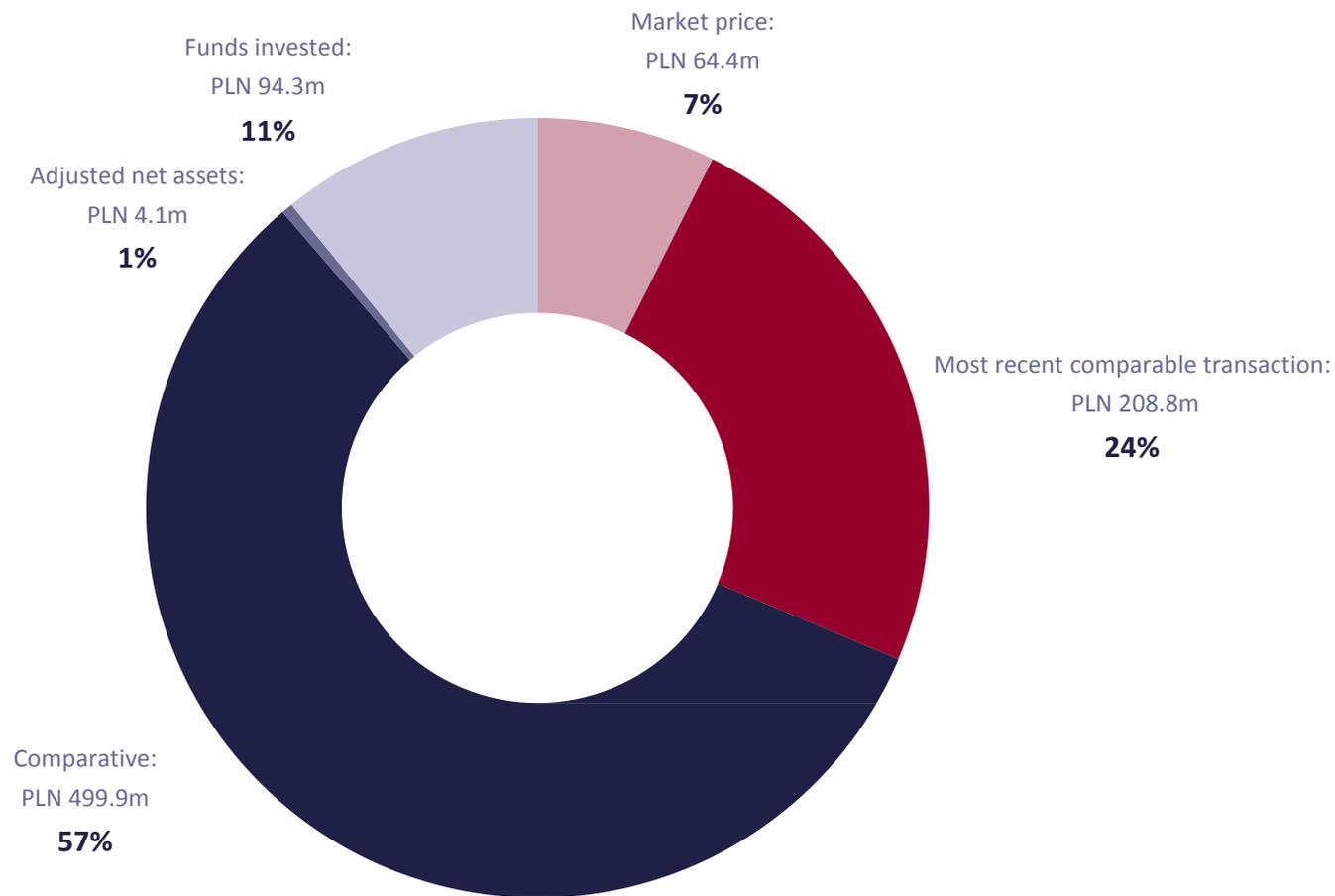
NAV breakdown for the MCI.TechVentures 1.0 Sub-Fund

(PLN m)



A	885.1	Deposits
	658.7	shares
	171.7	stock
	41.1	options (preferred)
	13.6	claims
B	82.8	Receivables and other
	78.8	unpaid ICs other
	4.0	receivables
C	10.5	Cash
D	60.6	Liabilities
	42.7	bank loans
	11.5	reserves (investment settlements)
	6.0	from management fee
	0.4	other

Sub-fund's portfolio structure by valuation method



Portfolio structure of MCI.TechVentures 1.0 ^{2/2}

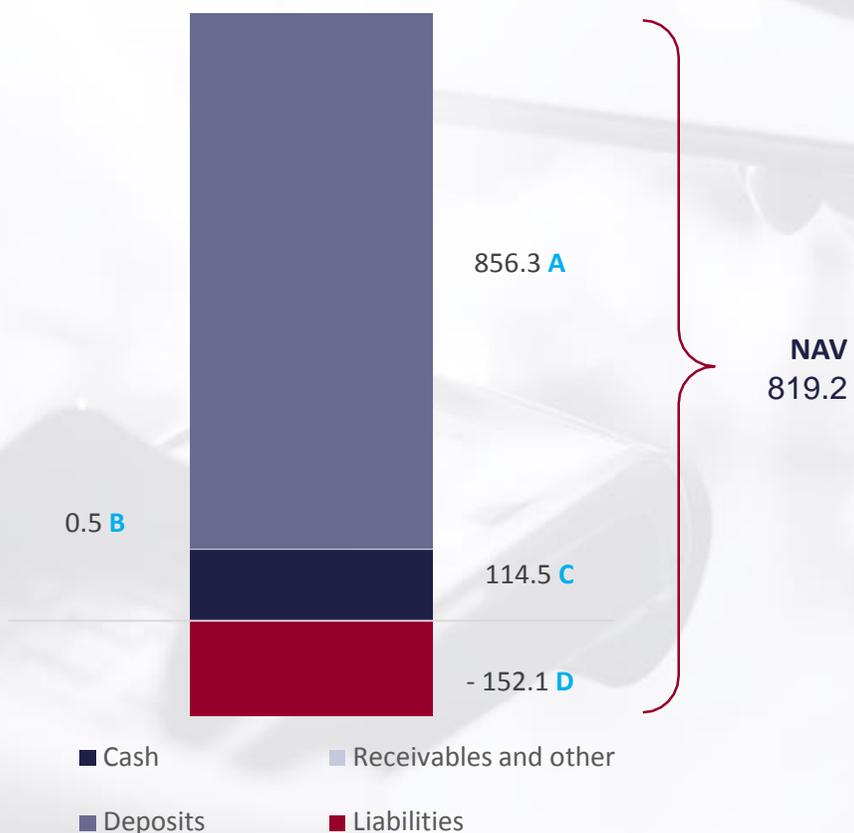
representing at least 2% of asset value



Investment (PLN 000)	Holding (%)	Cumulated purchase price	Dividend	Partial exit	Valuation as at Q2'2017	Valuation method
Windeln.de	16.9%	-77 438	0	32 850	63 652	Market price
Gett	2.9%	-71 974	0	0	128 098	Most recent comparable transaction
Frisco	49.8%	-28 627	0	0	57 221	
Azimo Limited	8.6%	-23 670	0	0	23 439	
UAB Pigu	51.0%	-47 301	0	0	94 939	Comparative
Morele.net	52.5%	-17 516	0	0	91 289	
KupiVIP	13.7%	-81 460	0	0	86 456	
NaviExpert	95.7%	-1 801	0	0	58 568	
Answear.com	30.8%	-31 936	0	0	57 126	
Tatilbudur	61.8%	-47 030	0	0	46 215	
Travelata	44.6%	-19 809	0	0	36 224	
Ganymede Group	38.5%	-25 000	0	0	25 000	
iZettle	2.3%	-43 941	0	0	43 710	Funds invested (taking into account the current FX rate)
Marketinvoice Limited	13.2%	-32 232	0	0	28 879	
asgoodasnew	18.4%	-17 532	0	0	21 710	
TOTAL		-567 268	0	32 850	862 525	
Other investments		-33 074	0	5 853	9 028	
TOTAL		-600 342	0	38 703	871 553	

NAV breakdown for the MCI.EuroVentures 1.0 Sub-Fund

(PLN m)



A	856.3	Deposits
	541.3	stock
	225.5	shares
	52.4	claims (Indeks)
	27.1	ICs of the MCI.CV Fund
	10.0	other

B	0.5	Receivables and other
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C	114.5	Cash
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D	152.1	Liabilities
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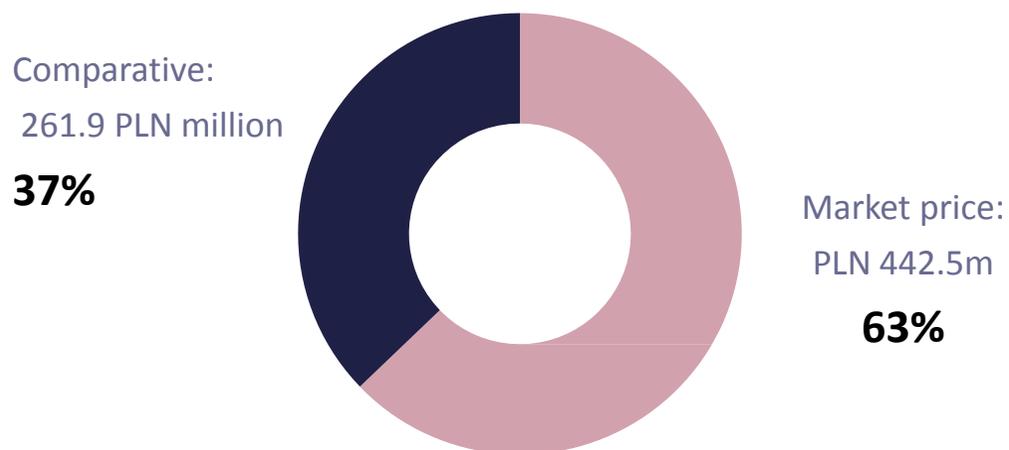
	119.8	bank loans
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	17.4	liabilities arising from transaction
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	11.4	other liabilities
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	3.5	from management fee
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Sub-fund's portfolio structure by valuation method



Investment (PLN 000)	Holding (%)	Cumulated purchase price	Dividend	Partial exit	Valuation as at Q2'2017	Valuation method
Indeks	26.1%	-95 994	23 325	0	173 557	Market price
ABC Data	60.7%	-119 807	116 938	34 962	140 712	
ATM	30.5%	-113 738	0	0	128 264	
Lifebrain	16.5%	-87 071	0	0	106 304	Comparative
Dotcard	75.4%	-18 286	0	0	88 520	
Mobiltek	100.0%	-137 104	0	0	67 099	
TOTAL		-571 999	140 263	34 962	704 456	

Summary



- Return on investment **increased by 14%** to **PLN 56m**
- Net profit **decreased by 2%** to **PLN 47.4m**
- In the first half of the year, the Company acquired 5.9m own shares for a total of **PLN 57.7m**, thus achieving an **increase in NAV/s of PLN 0.98 (5.3%)**
- NAV/s **increased by 10%** to PLN 19.54 in the first half of the year
- The funds in which MCI is engaged significantly improved their performance compared to the second half of 2016



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