



mci

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PRIVATE EQUITY
MANAGERS S.A.

Investor presentation MCI/PEM 2019

Warsaw, 30 April 2020

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2019 Major events in MCI/PEM Group (until now):

- **Realised exits:** Dotpay/eCard (PLN 255M), ABC Data (PLN 142M), Indeks (PLN 41M; partial exit), Frisco (PLN 125M), Netrisk (PLN 322M), Geewa (PLN 28M), Immoventures Sp. z o.o. (PLN 4M).
- **Systematically decreasing level of the Group's debt:** resulting primarily from:
 - ✓ PLN 75M debt repayment in 2019 by MCI Capital S.A.;
 - ✓ PLN 185M prepayments of „short” financing (up to 18 months) within the broadly understood MCI Group.
- After all repayments described above (PLN 260M), total MCI Capital S.A. bonds liabilities amount to PLN 65M and the consolidated gross debt of the broadly understood MCI Group amounts to **PLN 351M**. At present, MCI Group has **PLN 372M available liquidity**, including short-term receivables resulting from exit from Frisco investment.
- **Successful share buyback in 2019/2020:** In 2019 MCI Capital S.A. purchased its own shares worth PLN 30M (i.e. 5.67% of the share capital). On 14 February 2020 MCI Capital S.A. purchased its own shares worth PLN 10M (i.e. 1.89% of the share capital). Both buy-back shares were conducted on the basis of a share purchase program approved by the Extraordinary General Shareholders Meeting worth PLN 50M.
- **Change in the statute of MCI.PV (regarding the MCI.TV Subfund):** The changes concerned the equalization of rights of all MCI.TV participants from the O series and subsequent (investment certificates held mainly by external participants), as well as not collecting management fees by TFI from the above mentioned series, when MCI.TV rate of return is negative.
- **Return of investment funds management to TFI:** on 10 December 2019 PEM Asset Management ceased to be the management company. Since then, as a consequence, all activities relating to the fund management and revenues resulting from these activities have been implemented by TFI (100% subsidiary of PEM S.A.).
- **Merger of MCI with its subsidiary:** On 21 February 2020, the merger of MCI Capital S.A. with its subsidiary, i.e. MCI Fund Management Sp. z o.o. was registered (MCI Capital S.A. was the acquiring company).
- **Notification of Tomasz Czechowicz:** On 6 April 2020 the Polish Financial Supervision Authority (PFSA) granted Tomasz Czechowicz (TC) permission to take control of MCI Capital TFI S.A. Currently, TC holds directly and indirectly a 48.93% stake in PEM S.A. (MCI Capital TFI S.A. is a 100% subsidiary of PEM S.A.) Exceeding 50% requires the consent of the PFSA. The assumption of the control should take place within 4 months of the PFSA decision.
- **MCI as an Alternative Investment Company (AIC):** MCI Capital S.A. has been recognized by the PFSA as AIC. Therefore, the Company has made appropriate changes to the Company's Articles of Association. The Company is currently awaiting for the official decision of the PFSA in this matter.

Key financial data for 2019 MCI Capital



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↗ PLN 2,606
million

Funds' assets

↗ PLN 2,208
million

Funds' net
asset value

↗ PLN 1,514
million

IC value
in MCI balance sheet

↗ PLN 1,271
million

Net asset
value (NAV) of MCI

↘ PLN 128
million

Profit on investment

↘ PLN 113
million

Net profit

↗ PLN 24.01

Net assets per share

↘ 11%

Net Debt/Assets

Results summary – MCI Capital | Profit and loss account 12M 2019



PLN thousand	12M 2019	12M 2018	Change	Change (%)
Revaluation of shares	131 095	90 000	41 095	45,7%
Profit/loss on investment certificates	(1 259)	(71)	(1 188)	1673,2%
Dividend income	-	97 611	(97 611)	-100,0%
Revaluation of derivative financial instruments	(1 800)	-	(1 800)	n/a
Profit on investment	128 036	187 540	(59 504)	-31,7%
Operating expenses	(4 577)	(3 930)	(647)	16,5%
Other operating income	240	11 628	(11 388)	-97,9%
Other operating costs	(122)	(42 986)	42 864	-99,7%
Operating profit	123 577	152 252	(28 675)	-18,8%
Financial income	2 893	4 349	(1 456)	-33,5%
Financial costs	(11 570)	(16 849)	5 279	-31,3%
Profit before tax	114 900	139 752	(24 852)	-17,8%
Income tax	(1 512)	(2 208)	696	-31,5%
Net profit	113 388	137 544	(24 156)	-17,6%

12M'19 vs 12M'18 – MAIN CHANGES:

- 1. Profit on investment fell by PLN 59.5M** as a result of the dividend payment by the subsidiary MCI Fund Management Sp. z o.o. (MCI FM) to MCI in 2018 (no dividend payment in 2019), which was partly offset by an increase in valuation of the funds' investment certificates owned by MCI Group (mainly MCI.EV).
- 2. A decrease in other operating income and costs** by respectively **PLN 11.4M and PLN 42.9M**, due to lack of one-off events that took place in 2018, i.e. the return by MCI to the State Treasury of PLN 42.8M in relation to the JTT case and related release of provision for litigation (PLN 11.4M).
- 3. A decrease in financial income by PLN 1.5M** due to reduced commission income from guarantees and warranties.
- 4. Financial costs fell by PLN 5.3M** due to lower average debt in 2019 vs 2018 (an average debt balance on the debt issued in 2019: PLN 177.8M vs PLN 227.7M in 2018)
- 5. Income tax (PLN 1.5M)** is a current tax paid to the tax office as a result of IC redemptions (PLN 1.8M), offset by a change in deferred tax (PLN 0.3M).

Results summary – MCI Capital | Balance Sheet as at 31.12.2019



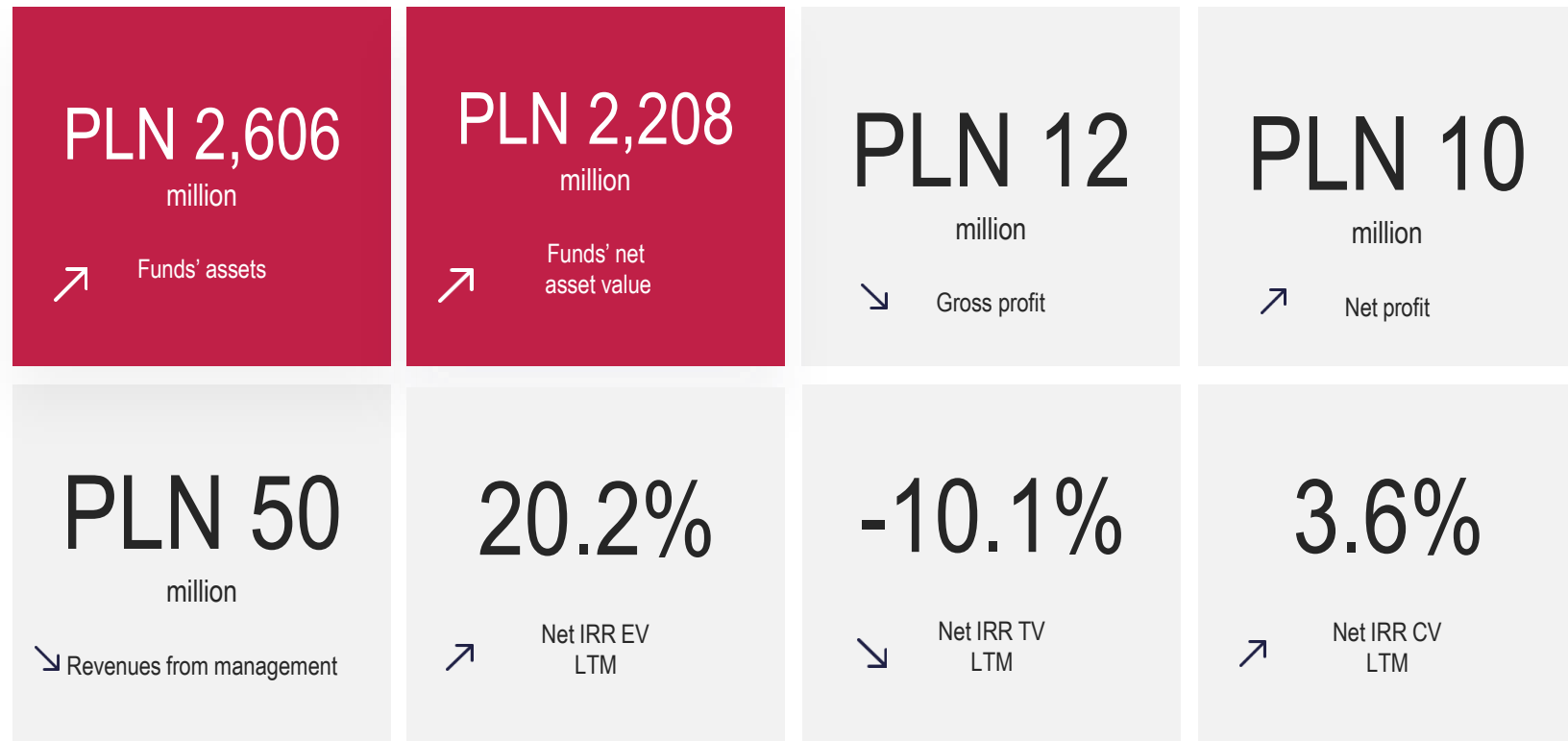
PLN thousand	31.12.2019	31.12.2018	diff	diff (%)	
Assets	1 442 799	1 368 257	74 542	5,4%	
Investment Certificates	20 251	78 443	(58 192)	-74,2%	(a)
Investment in subsidiaries	1 400 585	1 264 032	136 553	10,8%	(b)
ICs + Investment in subsidiaries	1 420 836	1 342 475	78 361	5,8%	
Investment in associates	3 715	9 173	(5 458)	-59,5%	(c)
Trade and other receivables	3 404	3 368	36	1,1%	
Cash and cash equivalents	6 501	7 203	(702)	-9,7%	
Other assets	8 343	6 038	2 305	38,2%	(d)
Equity and liabilities	1 442 799	1 368 257	74 542	5,4%	
Equity	1 271 174	1 187 911	83 263	7,0%	(e)
Liabilities	171 625	180 346	(8 721)	-4,8%	
Bond liabilities	102 302	178 429	(76 127)	-42,7%	(f)
Other liabilities	69 323	1 917	67 406	3516,2%	(g)
NAV/S (PLN)	24,01	22,46	1,55	6,9%	
share price (PLN)	9,30	9,32	(0,02)	-0,2%	
P/BV	39%	41%	(0,03)	-6,6%	

Major changes in balance sheet items:

- a decrease in Investment Certificates (**of PLN 58.2M**) was caused mainly by MCI.CV certificates redemption (by PLN 56.9M) and decrease in valuation of Internet Ventures certificates (by PLN 3.1M), which was partly compensated by realised profit on MCI.CV certificates (+PLN 1.8M).
- an increase in Investments in subsidiaries (**of PLN 136.6M**), mainly as a result of the appreciation of valuation of MCI.EV ICs (increase of PLN 203.5 million), partly compensated by the decrease in valuation of MCI.TV ICs (decrease of PLN 39.4 million) held by MCI FM. At the same time, in H1 2019 a deferred tax liability was recognized at MCI FM level in connection with the valuation of MCI.EV and MCI.TV ICs. The total impact of creating a provision for deferred tax on the 2019 financial result amounted to PLN 27.5M (increase of deferred tax liability, negative impact on net profit for the period).
- a decrease in Investment in associates (PEM S.A.) (**of PLN 5.5M**) due to decline of the PEM S.A. stock market price.

- d) an increase of Other assets (**by PLN 2.3M**) mainly as a result of an increase in valuation of a derivative instrument (by PLN 2.2M) guaranteeing the return of funds invested in Internet Ventures, due to the decrease in value of Internet Ventures IC.
- e) an increase in Equity (**by PLN 83.3M**) due to a net profit of PLN 113.4M realised in 2019, compensated partially by share buyback in the amount of PLN 30M (shares were redeemed on 21 February 2020).
- f) a decrease in Bond liabilities (**of PLN 76.1M**) following the repayments of K bonds series – PLN 54.5M in Q2 2019 and M bonds series – PLN 20.7M in 4Q 2019.
- g) an increase in Other liabilities (**of PLN 67.4M**) mainly due to the bill-of-exchange liability towards MCI FM (PLN 61.5M), granted guarantee of the minimum rate of return (PLN 4.0M) and the lease liability (PLN 2.1M) in connection with the application of the new IFRS 16 *Leases* standard (MCI is a party to Warsaw Spire office space rent/lease agreement, which is classified as a lease agreement; meanwhile, sublease of space to related entities is presented as sublease and corresponding lease receivables are recognised).

Key financial data for 2019 PEM



Results summary – PEM | Profit and loss account 12M 2019

PLN thousand	12M 2019	12M 2018	Change	Change (%)
Revenues from fund management	50 157	52 005	(1 848)	-3,6%
Costs of core activities	(4 642)	(10 010)	5 368	-53,6%
Profit from core activities	45 515	41 995	3 520	8,4%
Operating expenses	(30 938)	(26 296)	(4 642)	17,7%
Other operating income	225	74	151	204,1%
Other operating costs	(45)	(127)	82	-64,6%
Profit on operating activities	14 757	15 646	(889)	-5,7%
Financial income	83	53	30	56,6%
Financial costs	(2 388)	(1 997)	(391)	19,6%
Profit before tax	12 452	13 702	(1 250)	-9,1%
Income tax	(2 626)	(5 128)	2 502	-48,8%
Net profit	9 826	8 574	1 252	14,6%

12M'19 vs 12M'18 – MAIN CHANGES:

- Decrease of Revenues from fund management by PLN 1.8M y/y. Revenue structure is as follows:
 - Fixed remuneration: **PLN 38.3M** (2019) vs PLN 46.9M (2018);
 - Variable remuneration: **PLN 11.8M** (2019) vs PLN 5.1M (2018).
- The growth of variable remuneration was mainly due to the increase in Netrisk valuation and the realisation of variable remuneration for the management of MCI.EV. At the same time, there was the decrease in fixed remuneration as a result of lower management fee for MCI.TV due to the lack of charging a fixed remuneration from external investors' IC series (after the statutory change – fixed remuneration is not charged, if the MCI.TV rate of return, after charging the remuneration, is negative). The decrease in revenues in this respect equaled PLN 8.3M.
- Net assets value under management:** PLN 2.2 billion as at 31 December 2019 vs PLN 2.1 billion as at 31 December 2018.
- Decrease of Costs of core activities by PLN 5.4M** mainly as a result of reduced distribution costs, as a consequence of the MCI.PV statutory change in September 2019 and the introduction of these changes in the rules for calculating remuneration for the management of MCI.TV (as a result in Q3 and Q4 2019 PEM incurred PLN 2.6M lower distribution costs).
- Increase of Operating expenses by PLN 4.6M**, mainly due to higher costs of external services (increase by PLN 4.1M) as a result of writing off expenses related to the establishment of a new foreign investment fund and higher costs of legal / consulting services, marketing costs – due to MCI.TV situation.
- Effective tax rate of 21.1% in 2019 and 37.4% in 2018. Higher tax in 2018 mainly as a result of higher interest income on cash pool (tax revenues) and higher level of non-deductible bill-of-exchange interest costs.

Results summary – PEM | Balance Sheet as at 31.12.2019



PLN thousand	31.12.2019	31.12.2018	diff	diff (%)	
Assets	124 703	112 974	11 729	10,4%	
Goodwill	83 969	83 969	-	0,0%	
Trade and other receivables	30 419	17 041	13 378	78,5%	(a)
Cash and cash equivalents	546	6 147	(5 601)	-91,1%	
Other assets	9 769	5 817	3 952	67,9%	(b)
Equity and Liabilities	124 703	112 974	11 729	10,4%	
Equity	51 282	41 124	10 158	24,7%	(c)
Liabilities	73 422	71 850	1 572	2,2%	
Loans	37 701	39 402	(1 701)	-4,3%	(d)
Bills of exchange	8 722	8 318	404	4,9%	(e)
Provisions	16 909	17 586	(677)	-3,8%	(f)
Other liabilities	10 090	6 544	3 546	54,2%	(g)
NAV/S (PLN)	14,98	12,01	2,97	24,7%	
share price (PLN)	9,80	24,20	(14,40)	-59,5%	
P/BV	65%	201%	(1,36)	-67,5%	

Major changes in balance sheet items:

- a) Trade and other receivables include mainly receivables on management fees; increase in position (**by PLN 13.4M**) resulted mainly from higher variable remuneration charged for 4Q 2019 mostly due to MCI.EV (increase by PLN 10.1M) and fixed remuneration charged for the period 2Q-4Q 2019 for MCI.TV management, which was visible on the balance sheet as at YE2019 (increase by PLN 4.9M), which was offset by a decrease in prepayments (by PLN 2.4M) as a result of writing off expenses related to establishment of a new foreign investment fund.
- b) an increase in Other assets (**by PLN 3.9M**) as a result of an increase in deferred tax assets (by PLN 1.7M) mainly due to an increase in provisions for variable remuneration and recognition of the right to use assets on the balance sheet (PLN 2.2M) in connection with application of the new IFRS 16 *Leases* standard.
- c) an increase in Equity (**by PLN 10.2M**) due to a net profit of PLN 9.8M realised in 2019 and the recognition of the incentive program for the President of the Management Board (PLN 0.3M).

- d) a decrease in Loans (**by PLN 1.7M**) as a result of repayment of ING loan installments (PLN 6.3M; on schedule) and use of overdraft facility (PLN 4.9M).
- e) Bills-of-exchange include liabilities towards Loanventures Sp. z o.o. (SPV MCI.CV); change compared to the previous year results from accrued interests.
- f) Provision for Carry fee at the end of 2019 amounted to PLN 14.8M and other provisions amounted to PLN 2.1M (vs respectively PLN 16.2M and PLN 1.4M at the end of 2018). Most significant increases in provision for Carry fee in 2019: +PLN 5.4M Netrisk/TAA (exit in January 2020), +PLN 0.8M Frisco (exit in December 2019), +PLN 0.5M Travelata, +PLN 0.1M AGAN. Largest decreases in provision for Carry fee in 2019: -PLN 5.0M Dotcard (exit in January 2019); -PLN 1.7M Grupa Morele, -PLN 0.7M Naviexpert, -PLN 0,5M Answear, -PLN 0,3M Gett.
- g) an increase in Other liabilities (**by PLN 3.5M**) mainly due to recognition of the lease liability (PLN 2.3M) on application of the new IFRS 16 *Leases* standard, increase of tax liabilities (by PLN 1.1M) and increase of Trade and other liabilities (by PLN 0.1M).

Six transactions completed in last 16 months generated over PLN 930 million (~EUR 220 million) inflow.



- Investment date: July 2015
- Exit date: January 2019
- Realised proceeds: PLN 255 million
- Exit route: sale to Nets A/S, Hellman & Friedman's portfolio company
- Industry: Digital financial services
- Gross MoIC : 4.1x
- Deal strategy: FinTech – digital core model



- Investment date: May 2007
- Exit date: January 2019
- Realised proceeds: PLN 142 million
- Exit route: sold to ALSO Group
- Industry: Data centre
- Gross MoIC: 2.3x
- Deal strategy: IT distribution – CEE market leader



- Investment date: Jan 2012
- Exit date: December 2019
- Realised proceeds: PLN 125 million
- Exit route: sold to Eurocash
- Industry: E-grocery
- Gross MoIC: 2.8x
- Deal strategy: e-grocery – market disruptor



- Investment date: Dec 2017
- Exit date: January 2020
- Realised proceeds: PLN 322 million
- Exit route: sold to TA Associates
- Industry: Online insurance
- Gross MoIC: 4.2x
- Deal strategy: InsurTech – consolidation platform



- Investment date: June 2007
- Exit date: February 2020
- Realised proceeds: PLN 28 million
- Exit route: sold to Applovin Corporation
- Industry: gaming (online), PvP
- Gross MoIC: 1.7x
- Deal strategy: Global developer and publisher of casual competitive multiplayer games



- Investment date: July 2015
- Exit date: December 2019
- Realised proceeds: PLN 126 million (including PLN 41 million in 2019 and PLN 17 million in 2020)
- Exit route: sold on the market
- Industry: IT/consumer electronics
- Gross MoIC: 1.3x
- Deal strategy: IT distribution – fast growing market

2 0 1 9 EXITS

2 0 2 0 EXITS

Results summary – MCI.EuroVentures 1.0.



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MCI.EuroVentures 1.0. 4Q 2019

Fund Managers:

**Tomasz Czechowicz / Maciej Kowalski/
Krzysztof Konopiński**

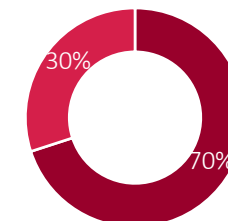
MCI.EuroVentures 1.0. invests in medium-sized market leaders in digital technology or digital ecosystem with an EBITDA of EUR 3 to 30M; leading companies within a particular area of activity, with preference being given to the following industries: TMT, retail and consumer, financial services, transport and logistics, B2B services and software.

Portfolio (PLN million) as of 4Q 2019

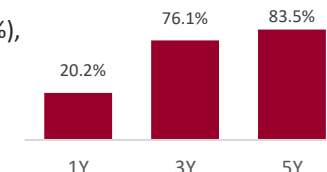
	COUNTRY	CUMULATIVE PURCHASE PRICE	(PARTIAL) EXIT	VALUE
	PL	230.4	46.3	373.1
	HU	77.9		321.1
	TR	100.6	139.0	19.3
	PL	23.5		21.4
	PL	115.1		115.0
	PL			245.5
Private debt MCIC/MCIM	PL			184.5

Geographical breakdown of portfolio

Other countries
Poland



Return rates (%), series A



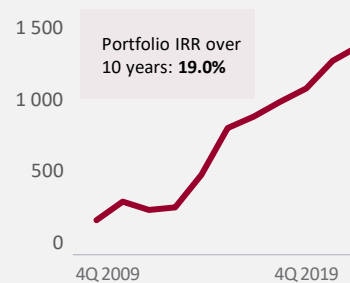
Gross assets (PLN 1 368 million)

NAV
Liabilities: retail bonds, Millennium Bank



- MCI: 99%
- HNWI: 1%

Gross asset value 4Q'09-4Q'19 (PLN million)



Key exits 2019:



Dotpay/eCard
Investment: 2015
Exit: 2019
CoC: 4.1x
IRR: 48%
Exit value: PLN 255 million



ABC Data
Investment: 2007
Exit: 2019
CoC: 2.3x
IRR: 12%
Exit value: PLN 142 million



Netrisk.hu
Investment: 2017
Exit: 2020
CoC: 4.2x
IRR: 100%
Exit value: PLN 322 million

Results summary – MCI.TechVentures 1.0.



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MCI.TechVentures 1.0. 4Q 2019

Fund Managers:















Tomasz Czechowicz / Krzysztof Konopiński

MCI.TechVentures 1.0. focuses on investments in rapidly growing CEE and Western Europe companies with a target for achieving a cash-on-cash return of 3-5x. Areas of interest: marketplace, fintech/insurtech, SaaS, AI.

Key investment assumptions:

- Digital disruption
- Digital adaptation
- Digital ecosystem

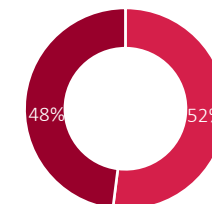
Portfolio (PLN million) as of 4Q 2019

	COUNTRY	MODEL/AERA	CUMULATIVE PURCHASE PRICE	PARTIAL EXIT	VALUE
Morele/Pigu 	PL / LT	eCommerce	69		173
Gett 	IL	Marketplace	144		165
Answer 	PL	eCommerce	46		97
Frisco 	PL	eCommerce	44		114
KupivIP 	RU	eCommerce	96		29
Tatilbudur 	TR	Marketplace	48		46
Travelata 	RU	Marketplace	30		78
Marketinvoice 	UK	Fintech	32		38
Telematics 	PL	Fintech	4	40	0
Azimo 	UK / PL	Fintech	27		41
AsGoodAsNew 	DE	eCommerce	20		35
Windeln.de 	DE	eCommerce	83	32	2
Gamedesire 	DE	Gry online	26		19
Geewa 	PL	Gry online	17		26

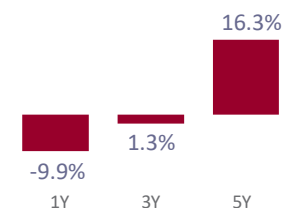
Geographical breakdown of portfolio

Other countries



Poland



Return rates (%), series O



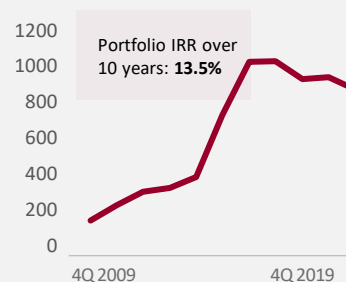
Gross assets (869 mln PLN)

NAV  Liabilities: Raiffeisen, Millennium, retail bonds 



- MCI: 49%
- HNWI: 51%

Gross asset value 4Q'09-4Q'19 (mln PLN)



Key exits (last 6 years):
exits totalling nearly PLN 800 M

zettle

invia

MALL.CZ

frisco.pl
supermarket online

Investment: 2015
Exit: 2018
CoC: 3.7x
IRR: 70%
Exit value: PLN 165 M

Investment: 2008
Exit: 2016
CoC: 11x primary, 3.5x secondary; IRR: 46%
Exit value: PLN 270 M

Investment: 2010
Exit: 2012
CoC: 4.1x
IRR: 174%
Exit value: PLN 16. M

Investment: 2012
Exit: 2019
CoC: 2.8x
IRR: 22%
Exit value: PLN 125 M

naviexpert

windeln.de
clothes for mom & baby

eBroker.pl

Investment: 2007
Recapitalisation: 2017
CoC: 17.8x
IRR: 37%

Investment: 2013
Partial exit: 2015
CoC: 3.5x
IRR: >90%

Investment: 2010
Exit: 2015
CoC: 5.7x
IRR: >60%

New investments : 1 - 2 investments per year

Key financial KPIs (EUR):

- 33M-150M EV
- 2.5M-10M EBITDA
- 20%-50% organic growth (YoY)

Sourcing:

- PE/VC recapitalization
- Strategic sponsor (carveout)
- Public to private
- Succession/M&As financing

Market position:

- Market lider
- Top 3 player with potential to became market leader throw M&As

Geography:

- North CEE (Poland, Baltics, Czech Republic, Slovakia, Hungary)
- South CEE (Romania, Bulgaria, Slovenia, Croatia, Greece)

Sectors (CEE Natonal and Regional Digital Disruptors and Enablers):

- Payments, Fintech & Insurtech
- Marketplaces/e-commerce
- SaaS & Software
- MedTech & EdTech
- Digital Enablers (eg. data centers, logistics)
- Digital media & Entertainment

Value creation:

- Domestic M&As
- Crossborder M&As
- Digital Organic Growth Acceleration

Valuation and Terms:

- 10-15 EV/EBITDA
- Single majority/Consortium majority

Key Risks:

- Technology risk
- Globalization risk
- Exit risk
- Transaction risk

























Exit potential:

- >150M EV – attractive for Global/ Pan-European Strategics, Global/ Pan-European PE

Investment capacity:

- 1-2 deals per year
- *Maciej Kowalski*: e-commerce, Marketplaces, Data centers, Telecommunication, Transport & Logistics
- *Łukasz Wierdak*: Payments, Fintech, SaaS, B2B
- *Krzysztof Konopiński*: Medtech, EdTech, Digital media & Entertainment

Expected cash flow 2020 – 2024

2020	2021	2022	2023	2024
 - exit**  - exit*   - exit**  - exit**    	 - LINX / MEZZANINE DEBT  - MEZZANINE DEBT KUPIVIP.RU  	  	     	 A placzewetó biztosítási portál    
~PLN 480 million	~PLN 125 million	~PLN 760 million	~ PLN 1,400 million	~PLN 640 million

- ✓ The Group plans to **withdraw approximately 10% of Funds' NAV annually**.
- ✓ Exit expectations are assumed on **average PLN 680 million level per year in 2020 – 2024**.
- ✓ In the implementation of the plan, there may be changes between years in relation to sales of individual companies, but they do not affect the minimum annual liquidity level generated by the Funds.
- ✓ **The Group maintains a liquidity buffer at the level of PLN 200 million - PLN 300 million annually, but does not "go below" PLN 100 million of total liquidity.**

* Frisco : exit took place in 4Q 2019, while the inflow of funds in 2020

** Netrisk, Geelwa: exit and cash settlement took place in 2020. Regarding Index, in April 2020 EV has sold its last stake in the company (PLN 17 million), therefore currently EV has no Index shares.

Coronavirus: situation in the Group

MCI STRATEGY FOR VOLATILE MARKET

- MCI is well positioned for coronavirus market impact
- Our strategy focuses on investing in companies from the CEE region with digitization at the core of their business models that can be the beneficiary of changes currently occurring among consumers and suppliers
- The buyout strategy has been implemented since 2008 and since 2015 it has been the dominant area of MCI Group activity. In its 20-year history, MCI has invested approximately EUR 600 million (including approximately EUR 280 million in co-investments) in 14 buyout investments, realizing 2.7 MoIC and 29.4% IRR with 0% loss equity ratio
- Core sectors: e-commerce, fintech, TMT, digital healthcare
- MCI Group exits about 10% of Funds' NAV per year. The Group maintains a liquidity buffer at the level of PLN 200 million - PLN 300 million annually, but does not "drop" below PLN 100 million of total liquidity
- MCI Group ended 2019 with net assets of PLN 2.2 billion

LIQUIDITY POSITION IN MCI (Q2 2020)



* as of 29/04/2020: available liquidity, including short-term receivables from Frisco S.A. exit

** as of 29/04/2020; total gross debt ~PLN 351 million (due in the period Q2.2020-Q4.2023)

COVID-19 impact on MCI and immediate surroundings



MCI is well adapted to the changing environment

COVID-19 impact on immediate surroundings

Our assessment of situation after the first two months

- Significant perturbations and high volatility on capital markets and in the economy for the next 3-6 quarters
- Significant acceleration of digital transformation, exceeding critical mass by e-commerce and digital services in the CEE region (eg. SARS in China in 2002)
- Increased interest in e-commerce and digital business models by strategic sponsors
- Reduced activity in M&As and Private Equity transactions and new IPOs

COVID-19 impact on MCI

Covid-19 impact on business and MCI portfolio

Business:

- Decrease in fundraising volume (up to 200M per year)
- Maintaining level of new investments (1-2 per year)
- Possible extension of time needed for exit realisation
- Establishment of MDTF III in 2022/2023

Portfolio:

- Frisco/Pigu/Morele (positive impact: increase 50%-100% y/y)
- Travelata and Tatilbudur (travel sector: negative impact)
- Rest of MCI portfolio: long-term (>1Y+) positive impact

Adaptation measures taken by Management Board

- Focus on managing portfolio companies (portfolio management) and exiting smaller investments (small tickets)
- Improving the Group's efficiency / significant reduction of „burned” cash in the Group < 25M FOPEX
- Conservative approach to the funds' debt - net debt to NAV in the range of 0-10% (historically 10%-33%)
- Remodelling and concentrating the portfolio on stars (expansion/buyout stage) - 8 projects with PLN 200M average investment ticket and above PLN 300M exit value
- New investments: 1-2 investments per year in the period 2021-2023, further increase in selectivity, focus on digital projects (disruption) and digital infrastructure in key region for the fund (PL/CZ/SLO/HU/Baltic States).

MCI PORTFOLIO: KEY COMPANIES & COVID19 IMPACT

<p>Poland ATM Infrastructure COVID19 impact: Neutral/Positive</p>	<p>PLN 397m Value in portfolio MCI.EV/MCI.CV</p>	<ul style="list-style-type: none"> ■ The company addressed business continuity issues, 90% of the employees work remotely, all necessary products and components have been ordered. ■ Current market trends that are being shaped (digitization, mobility, disaster recovery/backup office, cooperation of global partners) are very positive and supportive for ATM. Company works on adapting products and their sales process to the new market situation.
<p>Hungary NETRISK Insurance COVID19 impact: Neutral/Positive</p>	<p>PLN 321m Value in portfolio MCI.EV</p>	<ul style="list-style-type: none"> ■ Netrisk is well positioned to strengthen its revenues both during COVID19 and after the epidemic. The way the society reacts (staying at home, working from home) in the countries of Central and Eastern Europe helps accelerate customer migration from off-line channels to on-line channels. The desire to buy insurance products online is now even stronger than before and COVID19 will be a catalyst for long-term changes. Netrisk continues to operate (business as usual) and is preparing to gain even greater market share.
<p>Poland IAI E-commerce COVID19 impact: Positive</p>	<p>PLN 115m Value in portfolio MCI.EV</p>	<ul style="list-style-type: none"> ■ IAI serves a very diverse group of online sellers (over 6,000 stores), whose total sales in Mar'2020 increased by +68% compared to Mar'2019 due to the closing of a significant part of stationary sales. ■ „Lockdown” has created the perfect ecosystem for e-commerce sellers. As a technology company, at its core, IAI is operationally prepared to take advantage of both short and long-term digital transformation trends - stationary vendors have realized that having an internet domain is a must to respond flexibly to market disruptions. The company is observing an increase in orders for new stores in the SaaS model.
<p>Poland/Baltics PIGU/ MORELE E-commerce COVID19 impact: Positive</p>	<p>PLN 193m Value in portfolio MCI.TV/MCI.CV</p>	<ul style="list-style-type: none"> ■ The e-commerce sector is and will be one of the main beneficiaries of "lockdown" in both the short and long term. ■ Morele has seen a 100% increase in margin volumes, and Pigu by 50% in recent weeks. ■ The main goal of Morele and Pigu is to ensure the safety of employees and customers and to support the continuity of logistics processes and the supply chain.
<p>Israel/USA GETT E-commerce (mobility) COVID19 impact: Neutral/Positive</p>	<p>PLN 165m Value in portfolio MCI.TV</p>	<ul style="list-style-type: none"> ■ Gett has implemented employee safety procedures and a business continuity plan. The company is currently seeing growth in the UK, with no change in RU and a decrease in traffic in Israel. The mechanism is that B2C increases (people switch from public transport to taxis) and B2B decline (e.g. transport from airports has dropped significantly). The company is prepared for a three-month lockdown in all markets (IL, UK, RU): The current plan is to increase the pressure on "business delivery" and reduce costs in the current business model (marketing, call center, payroll reduction).
<p>Polska FRISCO E-commerce (e-grocery) COVID19 impact: Positive</p>	<p>PLN 125m Value in portfolio MCI.TV/HVP</p>	<ul style="list-style-type: none"> ■ Coronavirus pandemic time is an opportunity for Frisco to grow and expand. The company currently records weekly sales at the level of pre-crisis monthly sales. The company completes its product range on an ongoing basis, cooperates directly with suppliers, has implemented procedures and system changes that allow increasing the efficiency of receiving goods. The company also ensures that prices are maintained at the level of those of large hypermarkets. ■ There was a visible increase in revenues: an increase in revenues in Mar'20 +100% compared to Mar'19 and 34% above plan 2020; revenue increase in Kwi'20 +86% compared to Kwi'19 and 29% above 2020 plan.

* value in portfolio as of 31.12.2019

Coronavirus: digital portfolio

IAI # 1 Polish supplier of e-commerce platforms for online stores in the SaaS model, growing at the rate of 2x e-commerce market growth and already processing PLN 6 billion GMV.

ATM leading data center on the Polish market, adapted to support hyperscale.

Travelata – seller of vacation packages on the online and call center claiming to be # 1.

Focus #1 contact center application and business communication services provided in the cloud computing model. The leader of the Polish market in the field of business automation & communication tools.

E-commerce/SaaS

IT

E-Travel

CRM/SaaS

Morele Group – regional leader of multi-product e-commerce with marketplace functionality. It is characterized by profitable and at the same time dynamic expansion of the scale of operations. On the path to achieve PLN 2 billion in sales in the next 2-3 years.

E-commerce

IAI-Shop

morele.net
pigu.lt



travelataru
онлайн гипермаркет туров

Focus Telecom Polska

MCI

Gett

Transport/SaaS

Gett – world innovation leader in the field of corporate ground travel/transport in the SaaS model. Present in 100 countries, it uniquely consolidates any suppliers on one platform, reducing the cost of ground transport of its business clients by 30%.

Answer.com #1 e-commerce platform in the fashion industry in Central and Eastern Europe, present on 7 markets. These online shopping combined with a rich life style e-commerce section are growing profitably at a rate of over 30% on average annually.

E-commerce

answer.com
UNLIMITED FASHION STORE

DIGITAL PORTFOLIO

netrisk.hu
A piacvezető biztosítási portál

Fintech

Hungarian **Netrisk** # 1 is an online insurance broker with over 55% market share. This high-margin, growing 20% on average per year business is undergoing a dynamic roll-out in the M&As model for the CEE region.

E-commerce

asgoodasnew
so górfu kávé neu

mfind

MARKETFINANCE

AZIMO

Fintech

AGAN – leading seller of renewed electronics. A dynamically growing business supported by ecological trends, with an attractive price and quality offer for customers.

Fintech

Marketfinance – a marketplace that revolutionizes the market of financial services for SMEs. Flexible offer from factoring to revolving loans.

Fintech

Azimo is a leading European digital money transfer service offering digital money transfers to over 200 countries and regions of the world.


Mfind – #2 challenger on the Polish online insurance broker market. Very attractive B2C offer, combined with innovative cooperation models with insurers.

Thank you for your attention




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