

## SELECTED FINANCIAL DATA

	For the period: from 01.01.2023 to 31.12.2023	For the period: from 01.01.2022 to 31.12.2022	For the period: from 01.01.2023 to 31.12.2023	For the period: from 01.01.2022 to 31.12.2022
	PLN '000	PLN '000	EUR '000	EUR '000
Operating profit	197,540	137,767	43,622	29,385
Profit before tax	166,639	112,677	36,799	24,034
Net profit	164,917	143,263	36,418	30,558
Net cash from operating activities	58,716	(6,811)	12,966	(1,453)
Net cash from investing activities	7,023	16,696	1,551	3,561
Net cash from financing activities	(66,348)	(11,263)	(14,652)	(2,402)
Net increase/(decrease) in cash and cash equivalents	(609)	(1,378)	(134)	(294)
	<b>As at</b>	<b>As at</b>	<b>As at</b>	<b>As at</b>
	<b>31.12.2023</b>	<b>31.12.2022</b>	<b>31.12.2023</b>	<b>31.12.2022</b>
	<b>PLN '000</b>	<b>PLN '000</b>	<b>EUR '000</b>	<b>EUR '000</b>
Total assets	2,357,048	2,221,302	542,099	473,635
Long-term liabilities	246,735	177,044	56,747	37,750
Short-term liabilities	18,677	117,869	4,296	25,133
Equity	2,091,635	1,926,389	481,057	410,753
Share capital	52,461	52,461	12,066	11,186
Number of shares	52,461,033	52,461,033	52,461,033	52,461,033
Weighted average number of shares	52,461,033	51,722,661	52,461,033	51,722,661
Earnings/(loss) per weighted average ordinary share (PLN/EUR)	3.14	2.77	0.69	0.59
Book value per share (PLN/EUR)	39.87	36.72	9.17	7.83

The figures presented above are complementary to the financial statements prepared in accordance with EU IFRSs and have been converted to EUR according to the following principles:

- individual items of the statement of profit or loss and other comprehensive income and statement of cash flows – at the mid exchange rate calculated as the arithmetic mean of the exchange rates quoted by the National Bank of Poland on the last day of the month in a given period; respectively for the period from 1 January to 31 December 2023 – PLN 4.5284 and from 1 January to 31 December 2022 – 4.6883.
- individual items of assets and liabilities as at the balance sheet date – at the mid exchange rate for the last balance sheet date, quoted by the National Bank of Poland; respectively as at 31 December 2023 – 4.3480, and as at 31 December 2022 – 4.6899.



MCI CAPITAL ASI S.A.

Separate financial statements  
for the financial year ended 31 December 2023

For the shareholders of MCI CAPITAL ALTERNATYWNA SPÓŁKA INWESTYCYJNA S.A.

In accordance with the Regulation of the Minister of Finance of 29 March 2018 on current and periodic information to be published by issuers of securities and conditions for recognition as equivalent of information whose disclosure is required under the laws of a non-member state (Journal of Laws of 2018, item 757, as amended), the Management Board of the entity is required to ensure that the financial statements are prepared in accordance with the applicable accounting principles to give a true, fair and clear view of the assets and financial position of MCI CAPITAL ALTERNATYWNA SPÓŁKA INWESTYCYJNA S.A. and of its profit or loss for the financial year from 1 January to 31 December 2023.

These separate financial statements were authorised for issue by the Company's Management Board.

<u>Name and surname</u>	<u>Position</u>	<u>Signature</u>
<b>Tomasz Czechowicz</b>	President of the Management Board	
<b>Ewa Ogryczak</b>	Vice President of the Management Board	

Accounting records maintained by:  
Ground Frost Outsourcing Sp. z o.o.  
02-777 Warsaw, Aleja Komisji Edukacji Narodowej 95

**Warsaw, 25 March 2024**

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**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**for the financial year ended 31 December 2023**

		For the period: from 01.01.2023 to 31.12.2023	For the period: from 01.01.2022 to 31.12.2022
	NOTES	PLN '000	PLN '000
Other gains (losses) on investments		29	-
Revaluation of shares	1a	2,878	3,861
Gain or loss on investment certificates	1b	209,465	158,274
Valuation of other financial instruments	1c	-	(17,411)
<b>Gain on investments</b>		<b>212,372</b>	<b>144,724</b>
General and administrative expenses	2	(16,469)	(7,655)
Other operating income		1,933	878
Other operating expenses		(296)	(180)
<b>Operating profit</b>		<b>197,540</b>	<b>137,767</b>
Finance income	3	1,507	1,317
Finance costs	3	(32,408)	(26,407)
<b>Profit before tax</b>		<b>166,639</b>	<b>112,677</b>
Income tax	4	(1,722)	30,586
<b>Net profit</b>		<b>164,917</b>	<b>143,263</b>
Net other comprehensive income		-	-
<b>Total comprehensive income</b>		<b>164,917</b>	<b>143,263</b>
<b>Earnings per share</b>			
Basic	5	3.14	2.77
Diluted	5	3.14	2.75

The statement of profit or loss and other comprehensive income should be read in conjunction with the notes and other explanatory information to the separate financial statements on pages 6 to 58.

**STATEMENT OF FINANCIAL POSITION**

**as at 31 December 2023**

		As at 31.12.2023	As at 31.12.2022
	NOTES	PLN '000	PLN '000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		245	295
Right-of-use assets	15	2,605	2,991
Investments in equity accounted subsidiaries	7a	42,280	43,410
Investments in subsidiaries measured at fair value through profit or loss	7b	855	5,911
Investment certificates	6	2,289,695	2,148,677
Long-term receivables	8	11	11
Deferred tax assets	4	18,847	15,794
		<b>2,354,538</b>	<b>2,217,089</b>
<b>Current assets</b>			
Trade and other receivables	8	1,356	1,363
Income tax receivables		732	1,816
Other financial instruments		369	372
Cash and cash equivalents	9	53	662
		<b>2,510</b>	<b>4,213</b>
<b>Total assets</b>		<b>2,357,048</b>	<b>2,221,302</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	10	52,461	52,461
Supplementary capital	10	1,952,141	1,808,878
Other components of equity	10	(7,974)	(8,303)
Retained earnings, including:		95,007	73,353
<i>Profit (loss) brought forward</i>		(69,910)	(69,910)
<i>Net profit</i>		164,917	143,263
		<b>2,091,635</b>	<b>1,926,389</b>
<b>Long-term liabilities</b>			
Liabilities on account of bonds	13	162,805	83,857
Credits and loans	14	74,540	90,004
Lease liabilities	15	2,566	3,183
Provisions	16	6,824	-
		<b>246,735</b>	<b>177,044</b>
<b>Short-term liabilities</b>			
Trade and other payables	12	791	1,041
Lease liabilities	15	386	399
Liabilities on account of bonds	13	16,248	115,850
Provisions	16	1,253	579
		<b>18,678</b>	<b>117,869</b>
<b>Total equity and liabilities</b>		<b>2,357,048</b>	<b>2,221,302</b>

The statement of financial position should be read in conjunction with the notes and other explanatory information to the separate financial statements on pages 6 to 58.

**STATEMENT OF CHANGES IN EQUITY**

**for the period from 1 January to 31 December 2023**

	<b>Share capital [Note 10]</b>	<b>Supplementary capital [Note 10]</b>	<b>Other components of equity [Note 10]</b>	<b>Retained earnings (accumulated losses)</b>	<b>Total equity</b>
<b>Comprehensive income</b>					
<b>As at 01.01.2023</b>	<b>52,461</b>	<b>1,808,878</b>	<b>(8,303)</b>	<b>73,353</b>	<b>1,926,389</b>
Transfer of profit (loss)	-	143,263	-	(143,263)	-
Share-based incentive schemes	-	-	329	-	329
Comprehensive income	-	-	-	164,917	164,917
<b>As at 31.12.2023</b>	<b>52,461</b>	<b>1,952,141</b>	<b>(7,974)</b>	<b>95,007</b>	<b>2,091,635</b>
<b>As at 01.01.2022</b>	<b>51,432</b>	<b>1,379,788</b>	<b>(8,716)</b>	<b>395,903</b>	<b>1,818,407</b>
Transfer of profit (loss)	-	429,090	-	(429,090)	-
Dividend payout	-	-	-	(36,723)	(36,723)
Share capital increase	1,029	-	-	-	1,029
Share-based incentive schemes	-	-	413	-	413
Comprehensive income	-	-	-	143,263	143,263
<b>As at 31.12.2022</b>	<b>52,461</b>	<b>1,808,878</b>	<b>(8,303)</b>	<b>73,353</b>	<b>1,926,389</b>

The statement of changes in equity should be read in conjunction with the notes and other explanatory information to the separate financial statements on pages 6 to 58.

**STATEMENT OF CASH FLOWS**

**for the period from 1 January to 31 December 2023**

	NOTES	For the period: from 01.01.2023 to 31.12.2023 PLN '000	For the period: from 01.01.2022 to 31.12.2022 PLN '000
<b>Cash flows from operating activities</b>			
<b>Profit before tax for the reporting period</b>		<b>166,639</b>	<b>112,677</b>
Adjustments for:			
Depreciation of property, plant and equipment	2	449	453
Revaluation of shares, investment certificates and derivatives		(213,142)	(144,724)
Share-based incentive scheme		329	413
Interest income		(8)	(174)
Interest expenses related to financing activities		29,620	25,968
Other adjustments		(19)	234
Change in provisions	16	7,498	13
Change in trade and other receivables	8	7	362
Change in trade and other payables	12	(251)	(211)
Expenditure on the acquisition of investment certificates		-	(23,298)
Proceeds from redemption of investment certificates		71,285	41,168
Payment of guarantees		-	(19,692)
Income tax paid	23	(3,691)	-
<b>Net cash from operating activities</b>		<b>58,716</b>	<b>(6,811)</b>
<b>Cash flows from investing activities</b>			
Proceeds from dividends	7a	4,079	21,328
Proceeds from the sale of non-current assets		-	5
Proceeds from deposits		-	7
Proceeds from disposal of shares		5,840	-
Repayments of loans advanced		-	358
Interest on loans advanced		11	42
Expenditure on purchase of shares		(2,894)	(5,038)
Expenditure on purchase of non-current assets		(13)	(6)
<b>Net cash from investing activities</b>		<b>7,023</b>	<b>16,696</b>
<b>Cash flows from financing activities</b>			
Share capital increase		-	1,029
Issue of bonds		596	76,201
Bond issue cost		(2)	(119)
Issue of promissory notes		82,500	-
Repayment of promissory notes		(82,500)	(66,005)
Interest paid on promissory notes		(209)	(925)
Proceeds from new credits	14	-	90,004
Repayment of credits and loans	14	(15,464)	(18,997)
Interest paid on credits and loans	14	(9,703)	(3,070)
Repayment of leases		(370)	(63)
Interest on leases		(140)	(86)
Repayment of bonds issued	13	(20,000)	(8,350)
Interest paid on bonds	13	(21,056)	(16,102)
Interest on cash pooling		-	(536)
Funds from cash pooling		-	(27,521)
Dividend payout		-	(36,723)
<b>Net cash from financing activities</b>		<b>(66,348)</b>	<b>(11,263)</b>
<b>Net increase/ (decrease) in cash and cash equivalents</b>		<b>(609)</b>	<b>(1,378)</b>
Opening balance of cash and cash equivalents	9	662	2,040
<b>Closing balance of cash and cash equivalents</b>	9	<b>53</b>	<b>662</b>

The statement of cash flows should be read in conjunction with the notes and other explanatory information to the separate financial statements on pages 6 to 58.

## **NOTES TO THE FINANCIAL STATEMENTS, CONTAINING SIGNIFICANT ACCOUNTING POLICIES AND OTHER EXPLANATORY INFORMATION**

### **1. Overview**

Pursuant to a decision issued by the District Court for the city of Wrocław-Fabryczna of 21 July 1999, MCI Capital Alternatywna Spółka Inwestycyjna S.A. (hereinafter referred to as "MCI Capital ASI S.A.", the "Company" or "MCI") was entered into the Commercial Register, entry No RHB 8752. Pursuant to a decision issued by the District Court for Wrocław-Fabryczna in Wrocław, 6<sup>th</sup> Commercial Division of the National Court Register, of 28 March 2001, the Company was entered into the National Court Register, entry No 0000004542. The Company was assigned:

- REGON (Statistical ID No): 932038308,
- NIP (Tax ID No): 899-22-96-521,

The Company has its registered office at ul. Rondo Ignacego Daszyńskiego 1 in Warsaw.  
The duration of the Company is indefinite.

#### Description of nature of Company's operations and principal activities

MCI is engaged in direct private equity investment activities, investing its assets through investment funds with diversified investment strategies. As at the date hereof, MCI's investments are mainly focused on the MCI.PrivateVentures FIZ fund with the separated subfunds: MCI.EuroVentures 1.0. and MCI.TechVentures 1.0. The other funds in the Group's structures are Internet Ventures FIZ w likwidacji [in liquidation] (the fund is in the process of liquidating its assets and winding up; the liquidation of Internet Ventures FIZ commenced on 1 July 2021) and MCI Digital and Climatech Fund V S.C.A. SICAV-RAIF (fund established in 2023; the fund did not make investments in 2023). The funds invest the funds entrusted in investment assets in accordance with their investment strategies in buyout and growth investments (MCI.EuroVentures 1.0. and MCI.TechVentures 1.0. sub-funds).

Investments in portfolio companies are made for a period of several years, during which the managing entities actively support the growth of the companies and supervise the implementation of their business strategy, and then look for opportunities to sell these assets. The most significant assets held by MCI include investment certificates and shares in subsidiaries.

On 14 July 2020, the Polish Financial Supervision Authority made an administrative decision on granting MCI, as an alternative investment company ("ASI") manager, the permit to operate as an internal manager of an ASI ("ZASI"). As a consequence of operating as a licensed ZASI (alternative investment company manager), MCI is subject to comprehensive supervision from the PFSA with respect to its investing activities in line with the rules applicable to investment fund companies.

The ultimate parent company is MCI Management Sp. z o.o.

#### **Composition of the Company's Management Board:**

As at 31 December 2023 and as at the date of these financial statements, the composition of the parent company's Management Board was as follows:

Tomasz Czechowicz	- President of the Management Board
Ewa Ogryczak	- Vice President of the Management Board

There were no changes in the composition of the parent company's Management Board in the reporting period.

### **2. Basis for preparation of the financial statements**

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as endorsed by the European Union ("EU IFRSs"). As at the date of authorisation of these financial statements for issue, given the ongoing process of implementing IFRSs in the European Union, the IFRSs applicable to these financial statements did not differ from the EU IFRSs.

### **3. Information concerning the preparation of the consolidated financial statements**

The Company meets the criteria for being classified as an investment entity, as set out in paragraph 27 of IFRS 10 Consolidated financial statements ("IFRS 10"). The Company has consolidated subsidiaries, including, among others, the fund manager, MCI Capital TFI S.A., and has therefore prepared consolidated financial statements as at 31 December 2023. At the same time, the Company recognises all shares and investment certificates in the separate financial statements at fair value through profit or loss pursuant to paragraph 18 of IAS 28 and paragraph 10 of IAS 27. The Company measures its investments in shares in subsidiaries (except for subsidiaries classified as investments) using the equity method in accordance with IAS 28 "Investments in Associates".

#### **4. Date of authorisation of the financial statements for the current financial year**

The financial statements were prepared and authorised for issue by the Company's Management Board on 25 March 2024.

#### **5. Date of authorisation of the financial statements for the previous financial year**

The financial statements were authorised by the Company's Management Board on 30 March 2023 and by the General Meeting of Shareholders on 28 June 2023.

#### **6. Going concern assumption**

These financial statements have been prepared on the assumption that the Company will continue as a going concern in the foreseeable future, i.e. for at least 12 months after the balance sheet date of 31 December 2023. At the date of approving these financial statements, the Company's Management Board was aware of no facts or circumstances that would indicate a threat to the Company's continuing as a going concern in the 12 months after the balance sheet date, as a result of any planned or forced discontinuation or material downsizing of its existing operations, except for negative working capital (i.e. excess of short-term liabilities over current assets), which will be covered mainly by proceeds from redemption of investment certificates held by the Company. The Company finances its operations by, among other means, bank credits, issuing bonds and other debt instruments, therefore the value of short-term liabilities exceeds the value of current assets, which is a natural situation for the Company and the Company does not identify any threat to its ability to continue as a going concern on this account.

The Company's Management Board notes the continuing uncertainty regarding the effects of the armed conflict in Ukraine. The Company's Management Board does not identify a threat to the Company's ability to continue as a going concern as well as the current liquidity of the Company as a result of the war in Ukraine and the sanctions imposed on Russia.

#### **7. Functional currency and presentation currency**

Items of the separate financial statements relating to the Company are measured and presented using the primary currency of the economic environment in which the Company operates (the "functional currency"), which is the Polish zloty.

Figures in the financial statements are presented in thousands of Polish zloty, unless stated otherwise.

#### **8. Key judgements and estimates**

The preparation of the financial statements requires the Management Board of the Company to make judgements, estimates and assumptions that affect the adopted accounting policies and amounts reported in the financial statements. Actual values may differ from these estimates.

All judgements, assumptions and estimates which have been made for the purposes of these financial statements are presented in the required disclosures relating to individual items of these financial statements and in the supplementary notes to the financial statements which constitute an integral part of the financial statements. Estimates and judgements are verified on an on-going basis. They are based on past experience, including expectations as to future events which seem justified in a given situation and new information.

Below are the key assumptions concerning the future and other basic reasons for uncertainty of estimates as at the balance sheet date.

##### **Valuation of investment certificates**

Investment certificates are measured at fair value on the basis of official and reporting valuations, based on the funds' net asset value. In the opinion of the Company's Management Board, measurement of investment certificates at the net asset value ("NAV") is the best reflection of the fair value of these investments.

For key information about the investment certificates, see **Note 6 "Investment certificates"**.

##### **Measurement of payments made in the form of the Company's treasury shares**

Equity-settled share-based payment transactions are measured by the Company by reference to the fair value of the equity instruments granted. The Company determines the fair value of the equity instruments granted as at the valuation date. The entity determines fair value based on market prices if available, taking into account the terms and conditions upon which those equity instruments were granted.

The fair value measurement of the scheme is performed taking into account the vesting period, at the time of vesting.

The Company uses the Black-Scholes equation to value the entitlements.

The Company has assumed dividend payments, in accordance with the Company's dividend policy for 2021-2023 adopted by the Company's Management Board on 26 October 2020, over the life of the entitlements granted in the form of MCI shares. The assumption also applies to the Company's share buybacks as a form of distribution of funds to investors which is an alternative to dividends.

The Company determines the risk-free interest rate as the yield earned on currently available zero-coupon government bonds and fixed-rate government bonds and their yields in the period to maturity.

The Company estimates the expected volatility in accordance with paragraph B25 of Annex B of IFRS 2. To this end, the Group considers the following factors:

- implied volatility from traded share options on the entity's shares, or other traded instruments of the entity that include option features (such as convertible debt), if any;
- the historical volatility of the share price over the most recent period that is generally commensurate with the expected term of the option;
- the length of time an entity's shares have been publicly traded. A newly listed entity might have a high historical volatility, compared with similar entities that have been listed longer.
- the tendency of volatility to revert to its mean, i.e. its long-term average level, and other factors indicating that expected future volatility might differ from past volatility;
- appropriate and regular intervals for price observations. The price observations should be consistent from period to period. Also, the price observations should be expressed in the same currency as the exercise price.

For additional information, see **Note 20 "Share-based incentive schemes"**.

#### **Impairment of equity-accounted investments**

At the end of each reporting period, the Company assesses whether there is any indication that the investments made in subsidiaries are impaired. Where such an indication exists, the Company estimates the higher of the value in use of the investment or the fair value less costs to sell of the asset, and if the carrying amount of an asset exceeds its recoverable amount, the Company recognises an impairment loss in the statement of profit or loss. Estimating value in use requires assumptions to be made about, among other things, the future cash flows that the Company may receive from dividends or cash proceeds from the sale of an investment, if any, less costs to sell.

#### **Deferred tax assets/ liabilities**

Deferred tax assets are recognised in the amounts of income taxes recoverable in future periods in respect of deductible temporary differences, which will result in amounts that are deductible in determining taxable profit and tax loss of future periods, calculated subject to the prudence principle. Deferred tax assets are calculated using the tax rates applicable in the year when the tax obligation arises. The carrying amount of a deferred tax asset is reviewed as at each balance sheet date and is reduced to the extent it is no longer probable that sufficient taxable profits will be generated to allow the deferred tax asset to be realised in full or in part.

The Company recognises a deferred tax liability for all taxable temporary differences associated with investments in subsidiaries, except to the extent that both of the following conditions are satisfied:

- a) the Company is able to control the timing of the reversal of the temporary difference; and
- b) it is probable that the temporary difference will not reverse in the foreseeable future.

The Company recognises deferred tax liabilities on the valuation of the investment certificates of MCI.EuroVentures 1.0. separated within the MCI.PrivateVentures FIZ fund only up to the level of expected redemptions of the subfund's investment certificates in the foreseeable future, i.e. covering the period of 3 years from the balance sheet date. The above approach to the recognition of deferred tax liabilities results from the Company's control over MCI Capital TFI S.A., i.e. the company managing the MCI.EuroVentures 1.0. subfund (the Company holds 100% of the shares in MCI Capital TFI S.A.), and thus the condition for not recognising a deferred tax liability as defined in Section 39 of IAS 12 "Income Taxes" is met. – the value of the unrecognised deferred tax liability from the valuation of the investment certificates of MCI.EuroVentures 1.0. separated within the MCI.PrivateVentures FIZ fund amounted to PLN 286 million as at 31 December 2023. For the remaining investment certificates, condition (b) described above is not met and the Company recognises a deferred tax liability on this account.

#### **Investment entity**

In accordance with the criteria set out in paragraph 27 of IFRS 10, an entity meets the definition of an investment entity if:

- it obtains funds from one or more investors for the purpose of providing that/those investor(s) with investment management services;
- it commits to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
- it measures and evaluates the performance of substantially all of its investments on a fair value basis.

The main goal of MCI in purchasing the funds' investment certificates was to earn benefits by investing in financial assets and earning profit from an increase in the value of net assets of the funds. The company invests funds in order to obtain returns from the increase in the value of investments (investment certificates). The primary activity of the Company is to invest funds to closed-end investment funds and thus obtain a return on the capital invested. The company, as a public company, has many investors for whom the most important issue is the return on the invested capital over the long term. The Management Board analyses and evaluates the Company's performance through the prism of the increase in the fair value of assets being held, which are investment certificates of closed-end investment funds, through which the Company makes its investments. The Company treats closed-end investment funds as investment entities and therefore values the investment certificates held in these funds at fair value through profit or loss. In addition, the Company also has equity-accounted subsidiaries.

## **9. Accounting policy**

### **Standards and interpretations that have been endorsed by the European Union**

Published Standards and Interpretations that have been issued but are not yet effective and have not been applied early:

- IFRS 17 Insurance Contracts (issued on 18 May 2017) including Amendments to IFRS 17 (issued on 25 June 2020) – effective for annual periods beginning on or after 1 January 2023.
- Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of accounting policies, were issued by the International Accounting Standards Board on 12 February 2021 and are effective for annual periods beginning on or after 1 January 2023.
- Amendment to IAS 8, Definition of accounting estimates, was issued by the International Accounting Standards Board on 12 February 2021 and is effective for annual periods beginning on or after 1 January 2023.
- Amendments to IAS 12 Deferred tax related to assets and liabilities arising from a single transaction were issued on 7 May 2021 and are effective for annual periods beginning on or after 1 January 2023.
- Amendments to IFRS 17 Insurance Contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative information (published on 9 December 2021) – effective for annual periods beginning on or after 1 January 2023.

### **Standards and interpretations not yet endorsed by the European Union**

These financial statements do not take into account the standards and interpretations listed below, which are pending endorsement by the European Union.

- IFRS 14 Regulatory Deferral Accounts (issued on 30 January 2014) – pursuant to the European Commission's decision, the process leading to the approval of a preliminary version of the standard will not be initiated until its final version is published; not endorsed by the EU by the date of authorisation of these financial statements for issue; effective for annual periods beginning on or after 1 January 2016;
- Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (issued on 11 September 2014) – work leading to endorsement of the amendments was deferred by the EU for an indefinite period – effective date was deferred by the IASB for an indefinite period;
- Amendments to IAS 1: Presentation of Financial Statements: Classification of liabilities as short-term and long-term and Classification of liabilities as short-term and long-term – deferral of the effective date and Non-current liabilities including covenants (issued on 23 January 2020, 15 July 2020 and 31 October 2022, respectively) – not endorsed by the EU until the date of authorisation of these financial statements – effective for annual periods beginning on or after 1 January 2024;

- Amendments to IFRS 16 Leases: Lease obligations in sale and leaseback transactions (issued on 22 September 2022) – not yet endorsed by the EU by the date of authorisation of these financial statements – effective for annual periods beginning on or after 1 January 2024.
- Amendments to IAS 7: Statement of cash flows and IFRS 7: Financial instruments: Disclosures: Supplier finance arrangements (issued on 25 May 2023) – not endorsed by the EU as at the date of authorisation of these financial statements for issue – effective for annual periods beginning on or after 1 January 2024;
- Amendments to IAS 21: Effects of changes in foreign exchange rates: Lack of Exchangeability (issued on 15 August 2023) – not endorsed by the EU as at the date of authorisation of these financial statements for issue – effective for annual periods beginning on or after 1 January 2025

New or amended standards and interpretations which were applied for the first time in 2023 did not have a material effect on these separate financial statements.

### **Investment entity**

The Company meets the following criteria for being classified as an investment entity, as set out in paragraph 27 of IFRS 10, i.e.:

- it obtains funds from one or more investors for the purpose of providing those investor(s) with investment management services;
- it commits to its investor(s) that its business purpose is to invest funds solely for returns from capital appreciation, investment income, or both; and
- it measures and evaluates the performance of substantially all of its investments on a fair value basis.

The main goal of MCI in purchasing the funds' investment certificates was to earn benefits by investing in financial assets and earning profit from an increase in the value of net assets of the funds. The company invests funds in order to obtain returns from the increase in the value of investments (investment certificates). The primary activity of the Company is to invest funds to closed-end investment funds and thus obtain a return on the capital invested. The company, as a public company, has many investors for whom the most important issue is the return on the invested capital over the long term. The Management Board analyses and evaluates the Company's performance through the prism of the increase in the fair value of assets being held, which are investment certificates of closed-end investment funds, through which the Company makes its investments. The Company treats closed-end investment funds as investment entities and therefore values the investment certificates held in these funds at fair value through profit or loss. In addition, the Company also has equity-accounted subsidiaries.

### **Effects of changes in foreign exchange rates**

As at the balance sheet date, monetary assets and liabilities denominated in foreign currencies are translated at the mid rate quoted by the NBP for that date. Foreign exchange gains and losses are recognized directly in profit or loss, except to the extent that they arise from the measurement of assets and liabilities where changes in fair value are recognised directly in equity.

## **Operating expenses**

Operating expenses are the administrative and economic costs connected with the maintenance of the Company and ensuring of its proper functioning. General and administrative expenses include, among others:

- salaries and employee benefits, as well as social security costs (this applies to persons employed under an employment contract, mandate contracts or contracts for a specific work),
- costs of third party services,
- depreciation of fixed assets and amortization of intangible assets,
- consumption of materials and energy,
- taxes and charges,
- other expenses.

## **Employee benefits**

Amounts of short-term employee benefits, other than those on account of employment termination and equity benefits, are recognised as liabilities, net of all amounts which have already been paid, and at the same time they are recognised as expenses of the period, unless the benefit is to be recognised as a cost of assets.

Employee benefits in the form of paid absences are recognised as liabilities and costs at the moment when employees performed work if the work performed causes an increase of possible future paid absences or at the moment when they occur if there is no connection between work and increase of possible future paid absences.

## **Carry fee**

The Carry fee is calculated on the basis of parameters from the actual offer to sell a given investment in a portfolio company (partial or full exit) and may not exceed 5% of the net profit made on a given investment, calculated as the difference between the proceeds from the sale of an investment in a portfolio company (sale price) and other investment income earned during the life of the investment and the expenditure incurred on a given investment and related to a given portfolio company, plus 10%, i.e. the expected return on the investment (hurdle rate) per annum in the period from the time the relevant expenditure was incurred until the proceeds from the sale of the investment (shares) are received by the fund in accordance with the agreement entered into with the manager of the relevant portfolio company investment and the Company's compensation policy.

## **Share-based payments**

Equity compensation benefits include benefits in such forms as shares, share options and other equity instruments issued by the company, that meet the IFRS 2 criteria of an equity-settled scheme. The fair value measurement of the scheme is performed taking into account the vesting period, at the time of vesting and is recognised as a remuneration expense in the income statement and in equity under Other components of equity.

## **Taxes**

Mandatory decrease in profit/(increase in loss) comprises current income tax and deferred income tax. Current tax expense is calculated based on the taxable profit (tax base) for a financial year. The net profit/(loss) established for tax purposes differs from the net profit/(loss) established for financial reporting purposes due to exclusion of taxable income and costs which are deductible in future years as well as items which will never be subject to taxation. Tax expenses are calculated based on the tax rates effective for a given financial year.

Deferred income tax is calculated as the tax to be paid or received in subsequent periods using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases.

A deferred tax liability is recognised for all taxable temporary differences, and deferred tax asset is recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised.

The Company recognises a deferred tax liability for all taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint arrangements, except to the extent that both of the following conditions are satisfied:

- a) the Company is able to control the timing of the reversal of the temporary difference; and
- b) it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets or liability is not recognised if the temporary difference arises from goodwill or from the initial recognition of another asset or liability in a transaction that affects neither the accounting profit or loss, nor taxable profit or loss.

The carrying amount of a deferred tax asset is reviewed as at each balance sheet date and is reduced to the extent it is no longer probable that sufficient taxable profits will be generated to allow the deferred tax asset to be realised in full or in part.

Deferred tax is calculated at tax rates that are expected to apply in the period when the asset is recovered or the liability is settled.

Deferred tax assets and liabilities are recognised in the statement of profit or loss, except where they relate to items that are recognised directly in equity, in which case the related deferred tax is also recognised in equity.

Under the agreement of 16 June 2021 and the annex to this agreement of 3 August 2021 concluded between MCI Capital Alternatywna Spółka Inwestycyjna Spółka Akcyjna and MCI Capital Towarzystwo Funduszy Inwestycyjnych Spółka Akcyjna, a Tax Group operating under the name MCI ASI PGK was established. The agreement was registered by the Head of the First Mazovian Tax Office in Warsaw by a decision issued on 31 August 2021.

In accordance with the provisions of the agreement on the establishment of the Tax Group, MCI Capital ASI S.A. is the parent company and thus represents the Group, while MCI Capital TFI S.A. is the subsidiary.

The agreement to establish the Tax Group was concluded for a period of three consecutive fiscal years, i.e. from 1 September 2021 to 31 August 2024, and thus covers the following fiscal years:

- 1) the first year, i.e. the period from 1 September 2021 to 31 August 2022;
- 2) the second year, i.e. the period from 1 September 2022 to 31 August 2023;
- 3) the third year, i.e. the period from 1 September 2023 to 31 August 2024.

The companies forming MCI ASI PGK may decide to extend the period of operation of the tax group by concluding a new agreement and registering it with the competent head of the tax office.

As of 1 January 2022, there have been changes to the tax legislation due to which the income requirement of a minimum of 2% share of income has been abolished and the tax income generated by the tax group may be reduced by the tax loss incurred in the period before the formation of the group. These changes are effective for the Group as of 1 September 2022.

In the first tax year, the Tax Group was required to achieve a tax return ratio of at least 2%, calculated as a share of income, while losses generated by companies prior to the formation of the Tax Group according to regulations applicable before 1 January 2022 could not be accounted for in the period of existence of the Tax Group.

In addition, the Tax Group was not allowed to benefit from tax exemptions and to enter into transactions with related parties that are not members of the Tax Group on non-arm's length terms. The companies forming the Tax Group are jointly and severally liable for its corporate income tax liabilities due for the term of the agreement.

The minimum tax took effect on 1 January 2024. This tax applies to companies which are Corporate Income Tax (CIT) payers and Tax Groups which, in a given fiscal year, incurred a loss from a source of income other than capital gains, or for which the share of income from the above source in income from the same source was 2% or less. For the duration of the Tax Group (September 2023 to August 2024), this provision will not apply to the Group's tax settlements.

### **Financial instruments**

Financial assets and financial liabilities are recognised in the statement of financial position when the Company becomes party to a binding agreement.

Financial instruments are classified into the following categories: financial assets measured at amortised cost; financial assets measured at fair value through other comprehensive income; financial assets measured at fair value through profit or loss; financial liabilities measured at fair value through profit or loss and financial liabilities subsequently measured at amortised cost.

### **Financial assets**

The Company classifies the following financial assets as measured at fair value through profit or loss: investment certificates, investments in subsidiaries measured at fair value through profit or loss, other financial instruments.

Financial assets other than those referred to above are classified on initial recognition depending on an entity's financial instrument management model and the characteristics of contractual cash flows from such instruments.

Depending on the business model, financial assets may be classified as:

- held for the purpose of collecting contractual cash flows,
- held for the purpose of collecting contractual cash flows or for sale,
- held for trading and other.

The business model is assessed at the initial recognition of the financial asset. The business model criterion refers to the way the Company is managing financial assets in order to generate cash flows.

The fair value of investment certificates is determined on the basis of the funds' net asset value.

Fair value of other financial instruments is determined on the basis of a model of fair value measurement using available source information.

Changes in the fair value of these assets are recognised in profit or loss. Financial assets are disclosed under the following balance sheet items:

- investment certificates,
- investments in subsidiaries measured at fair value through profit or loss
- other financial instruments,
- cash and cash equivalents,
- long-term receivables,
- short-term receivables.

### **Investments in equity-accounted subsidiaries**

The Company measures its investments in shares in subsidiaries (except for investments in investment certificates of investment funds controlled by the entity and subsidiaries classified as investments and reported as "Investments in subsidiaries measured at fair value through profit or loss") using the equity method in accordance with IAS 28 "Investments in Associates".

Subsidiaries that provide services unrelated to investment activities, i.e. activities related to the management of investment funds, are measured using the equity method. Subsidiaries that provide services related to investment activities are measured at fair value through profit or loss.

The equity method involves adjusting the cost of an investment for changes that have occurred in net assets of the Company's subsidiaries from the date on which control is obtained until the date on which the financial statements are prepared, unless the investment has previously been disposed of, in which case until the date of disposal.

These changes result from both the profit or loss for the reporting period and any other changes, i.e. contributions to equity, cancellation of shares. In addition, in the case of dividend payments by subsidiaries, their value adjusts the value of the shares in the period in which the Company received the dividend.

Changes in the valuation of shares are recognised in the income statement under the heading "Revaluation of shares".

Impairment tests for investments accounted for using the equity method are performed by comparing the recoverable amount (the higher of value in use and fair value less costs to sell) with the carrying amount. Impairment losses are included in the carrying amount of the investment and are presented in other operating expenses.

The reversal of the impairment loss is recognised at an amount corresponding to the increase in the recoverable amount of the investment.

## **Leases**

Under IFRS 16, a contract is a lease or contains a lease component if it transfers the right to control the use of the identified asset for a given period for consideration.

The right-of-use is conveyed where the lessee has both the right to direct the identified asset's use and to obtain substantially all the economic benefits from that use in the period.

If the definition of lease is satisfied, the lessee recognises a right-of-use asset and a lease liability, initially measured at the present value of the lease payments to be made over the lease term, except for short-term leases (up to 12 months) and leases in respect of which the underlying asset has a low value.

At the lease commencement date, the lessee recognises a right-of-use asset and a lease liability. In accordance with IFRS 16, the Company recognises right-of-use assets and lease liabilities in the statement of financial position for all leases, except where IFRS 16 provides for exemptions from recognition.

For leases commencing, the Company recognises right-of-use assets and lease liabilities in the following manner:

- the lease liabilities are measured at the present value of the lease payments remaining to be made, discounted at the incremental borrowing rate of the agreement,
- the value of the right-of-use asset for individual leases (separately for each lease) is determined at cost.

The cost of a right-of-use asset comprises:

- a) the amount of the lease liability initially measured;
- b) any lease payments made at or prior to commencement, less any lease incentives received;
- c) any initial direct costs incurred by the Company, and
- d) an estimate of costs to be incurred by the Company in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. The Company incurs the obligation for those costs either at the commencement date or as a consequence of having used the underlying asset during a particular period.

At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

- a) fixed payments (including in-substance fixed payments), less any lease incentives receivable – for the leases recognised by the Company, the rate used to discount future cash flows is 4.32%;
- b) variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- c) amounts expected to be payable by the Company under residual value guarantees;
- d) the exercise price of a purchase option if the Company is reasonably certain to exercise that option.

The initial measurement of both assets and liabilities is significantly affected by the determination of the lease term. According to the definition of the lease period set out in IFRS 16, this period includes the non-cancellable period and periods resulting from the extension or termination options, if there is reasonable certainty that the Company will extend the contract or will not use the termination option.

In addition, the Company makes other subjective assessments when making estimates and assumptions that affect the measurement of lease liabilities and right-of-use assets as regards:

- a) determination of incremental borrowing rates used in discounting future cash flows;
- b) indication of the useful lives of right-of-use assets
- c) structure of fixed and variable payments in the contract.

## **Finance income and costs**

Finance income and costs include interest accrued on financial assets or financial liabilities and are recognised on an accrual basis, i.e. in the financial year to which they relate.

## **Impairment of financial assets**

At each reporting date, the Company assesses whether credit risk of a given financial instrument measured at amortised cost has increased significantly since initial recognition. When making the assessment, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial

instrument as at the date of initial recognition and consider reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

In order to identify a significant increase in credit risk, the Company applies the following qualitative criteria:

- Payments that are more than 30 days past due, unless the Company has reasonable and supportable information that is available without undue cost or effort, that demonstrates that the credit risk has not increased significantly since initial recognition even though the contractual payments are more than 30 days past due.
- Forbearance, which is extension of the repayment date or splitting the payment due into instalments except for cases, where extension of repayment date or splitting payment due into instalments is the tool of managing liquidity and concern transactions with related parties;
- Events associated with increase in risk, so called "soft evidence" of impairment, identified as part of analysis of relationship with contractor.

At each reporting date, the Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition.

If, at the reporting date, the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

In the case of trade receivables, the Company always measures an impairment loss on the expected credit losses at an amount equal to full lifetime expected credit losses.

#### **Investment certificates**

Investment certificates are measured at fair value through profit or loss and recognised in profit or loss of the current period. The fair value of investment certificates is the reporting valuation of funds (or official valuation if reporting valuation is not available), i.e. the net asset value of the investment certificates ("NAV per IC") held by the Company. Valuation of investment certificates is made at the frequency specified in the fund's Statute, but not less than once every three months. It is based on an estimate of the value of the financial instruments in which the fund invests. Individual components of the fund's investments (shares, other financial instruments, debt instruments) are measured at fair value. The revaluation of investment components is made quarterly. Valuation of other assets and liabilities of funds is also carried out at fair value. Therefore, the reporting and official valuation of funds (i.e. NAV per IC) is the best reflection of the fair value of investment certificates.

#### **Cash and cash equivalents**

Cash and current deposits in the statement of financial position include cash at bank and in hand as well as current deposits with an original maturity of three months or less.

#### **Trade and other receivables**

Receivables are assets controlled by the Company that have a reliably determined value and arise from past events that will result in future inflows of economic benefits to the Company.

In the financial statements, receivables are broken down into long-term receivables (in non-current assets) and short-term receivables (in current assets).

### **Long-term receivables**

Long-term receivables are receivables with a maturity of more than one year from the balance sheet date. Trade receivables, which are always classified as short-term receivables, are not recognised as long-term receivables. Long-term receivables are recognised at amounts receivable.

### **Short-term receivables**

Short-term receivables include all trade and other receivables maturing within less than 12 months of the balance sheet date. Short-term receivables are recognised at amounts receivable.

Receivables are remeasured, taking into account the probability of their payment, by means of an allowance for expected credit losses. Each item is analysed on a case-by-case basis and the amount of the allowance depends on the situation of the debtor, the type of debt and how it is secured. In the case of trade receivables, the Company always measures an impairment loss on the expected credit losses at an amount equal to full lifetime expected credit losses.

### **Trade payables and other liabilities**

#### **Long-term liabilities**

Long-term liabilities are liabilities which are payable within more than 12 months from the balance sheet date. Liabilities denominated in foreign currencies are translated at the balance sheet date into the Polish currency using the mid exchange rate quoted for the foreign currency by the National Bank of Poland for that date. Long-term liabilities are measured at the amount payable.

#### **Short-term liabilities**

Short-term liabilities comprise all trade payables and all or part of other liabilities falling due within 12 months of the balance sheet date. Short-term liabilities are measured at the amount payable.

### **Financial liabilities**

When a financial liability is recognised initially, the Company measures it at its fair value plus, in the case of a financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial liability.

Financial liabilities are subsequently measured at amortised cost using the effective interest method. Financial liabilities are disclosed under the following balance sheet items:

- credits, loans,
- bonds,
- trade and other payables.

Any gains or losses on measurement of financial liabilities are recognised in the statement of profit or loss under finance income or costs.

### **Provisions for liabilities**

The Company recognises a provision if the Company has a present obligation (legal or constructive) resulting from past events whose settlement is likely to result in an outflow of economic benefits and whose amount can be reliably estimated. If the Company anticipates that costs for which provisions have been recognised will be recovered, e.g. under an insurance agreement, any such recovery is recognised as a separate item of assets but only when it is practically certain to occur. Cost related to a given provision is recognised in profit or loss net of any recoveries. Provisions are not recognised for future operating losses.

### **Guarantees granted**

On initial recognition, the guarantee is measured at fair value, i.e. the amount of consideration received determined on an arm's length basis. As at each balance sheet date, the Company assesses whether the guarantee liability measured in accordance with expected credit losses (according to IFRS 9) is greater than the fair value, i.e. the amount of consideration received determined on an arm's length basis. Where such a surplus exists, the Company recognises it as a provision in the balance sheet. Revenue from guarantees granted is recognised progressively over the period for which the guarantee is granted.

### **Functional currency. Presentation of items disclosed in the financial statements**

Items of the financial statements relating to the Company are measured using the primary currency of the economic environment in which the Company operates (the “functional currency”), which is the Polish zloty. Figures in the financial statements are presented in thousands of Polish zloty, unless stated otherwise.

**NOTES TO THE SEPARATE FINANCIAL STATEMENTS**  
**for the period from 1 January to 31 December 2023**

**1. Gains and losses on investments**

The item of gains and losses from investments includes revaluation of financial assets and realised net gain or loss on sale of financial assets:

- shares in subsidiaries,
- investment certificates of closed-end investment funds ("FIZ") held by MCI,
- other financial instruments.

**1a. Revaluation of shares**

	For the period: from 01.01.2023 to 31.12.2023 PLN '000	For the period: from 01.01.2022 to 31.12.2022 PLN '000
<b>Subsidiaries</b>		
MCI Capital TFI S.A.*	2,911	3,995
MCI Digital and Climatech GP S.à r.l.	(17)	-
	<b>2,894</b>	<b>3,995</b>

\*\*In view of the annexes of 28 November 2019 referred to in **Note 7a "Investments in equity-accounted entities"**, results of MCI Capital TFI S.A. ("TFI") and PEM Asset Management Sp. z o.o. w likwidacji [in liquidation] ("PEM AM") are presented together. Therefore, the results generated by PEM AM in presented periods are allocated to the value of TFI shares, due to the decision taken to discontinue PEM AM's fund asset management activities and to transfer these activities to TFI.

MCI Capital TFI S.A., PEM Asset Management Sp. z o.o. w likwidacji [in liquidation] and MCI Digital and Climatech GP S.à r.l. are measured using the equity method.

	For the period: from 01.01.2023 to 31.12.2023 PLN '000	For the period: from 01.01.2022 to 31.12.2022 PLN '000
<b>Other entities</b>		
MCI Investments Sp. z o.o.	(16)	(129)
Simbio Holdings Limited	-	(5)
	<b>(16)</b>	<b>(134)</b>

**1b. Gain or loss on investment certificates**

**Unrealised gain or loss on revaluation of investment certificates**

	For the period: from 01.01.2023 to 31.12.2023 PLN '000	For the period: from 01.01.2022 to 31.12.2022 PLN '000
Investment certificates of MCI.EuroVentures 1.0.*	226,982	280,009
Investment certificates of MCI.TechVentures 1.0.**	(27,887)	(120,075)
Investment certificates of Internet Ventures FIZ w likwidacji [in liquidation]	305	(1,660)
Shares in MCI Digital and Climatech Fund V S.C.A. SICAV-RAIF***	(2,806)	-
<b>Revaluation of investment certificates (unrealised gain or loss)</b>	<b>196,594</b>	<b>158,274</b>

\*The gain from revaluation of investment certificates of MCI.EuroVentures 1.0, a Subfund separated within MCI.PrivateVentures FIZ, in 2023 resulted from changes in the subfund's net assets on account of a profit on

operations in the amount of PLN 232.0 million following an increase in the valuation of the subfund's investments, i.e. the revaluation of investments in Netrisk (Broker Lux Topco S.à r.l.) in the amount of PLN 105.9 million, MCI Capital ASI S.A. in the amount of PLN 33.9 million, eSky in the amount of PLN 18.9 million, Gett in the amount of PLN 13.5 million and IAI in the amount of PLN 12.2 million. As at 31 December 2023, the Company's share in the subfund's NAV was 99.53%.

\*\*The loss from revaluation of investment certificates of MCI.TechVentures 1.0, a Subfund separated within MCI.PrivateVentures FIZ, in 2023 resulted mainly from changes in the subfund's net assets on account of a loss on operations in the amount of PLN 55.5 million following a decline in the valuation of the subfund's investments, i.e. a loss on revaluation of investments in MarketFinance of PLN 20.8 million, in Gett of PLN 17.3 million, in GameDesire of PLN 11.1 million, in Travelata of PLN 5.4 million and in Papaya of PLN 5.0 million, offset in part by an increase in the valuation of the subfund's investment in Answear of PLN 11.2 million. As at 31 December 2023, the Company's share in the subfund's NAV was 48.08%.

\*\*\*The loss from revaluation of shares in MCI Digital and Climatech Fund V S.C.A., SICAV-RAIF resulted from MCI Digital and Climatech GP S.à r.l. incurring the costs of managing the fund and other costs of the fund's day-to-day operations. In 2023, the fund did not make investments.

The unrealised net gain or loss is determined as the difference between the valuation of certificates held as at the balance sheet date and the valuation of certificates held as at the previous balance sheet date (revaluation), taking into account changes in the number of certificates held (redemption, acquisition of new issues).

**Realised net gain or loss on redemption of investment certificates**

	For the period: from 01.01.2023 to 31.12.2023 PLN '000	For the period: from 01.01.2022 to 31.12.2022 PLN '000
Investment certificates of Helix Ventures Partners FIZ w likwidacji [in liquidation]	-	100
Investment certificates of MCI.TechVentures 1.0.*	(252)	(7,606)
Investment certificates of Internet Ventures FIZ w likwidacji [in liquidation]**	9,262	10,133
Investment certificates of MCI.EuroVentures FIZ***	3,861	-
Investment certificates of MCI.Partners FIZ w likwidacji [in liquidation]	-	890
Value of preferred distribution of funds from Internet Ventures FIZ w likwidacji [in liquidation]	-	(3,518)
<b>Realised net gain or loss on redemption of investment certificates</b>	<b>12,871</b>	<b>(1)</b>

\*On 14 July 2023, 27,215 investment certificates of the MCI.TechVentures 1.0 subfund were automatically redeemed. Following the redemption, the Company holds 1,266,895 certificates of the subfund.

\*\*\*In December 2023, the Company partially redeemed the investment certificates of the fund Internet Ventures FIZ w likwidacji [in liquidation]. 70,451,387 of the fund's investment certificates held by the Company were redeemed. Following the redemption, the Company still holds 2,412,136 investment certificates of the fund.

\*\*\*On 31 July 2023, the Company redeemed 82,330 investment certificates of the MCI.EuroVentures FIZ subfund. Following the redemption, the Company holds 3,143,937 certificates of the subfund.

For information on the valuation of the above items, see **Note 6 "Investment certificates"**.

	For the period: from 01.01.2023 to 31.12.2023 PLN '000	For the period: from 01.01.2022 to 31.12.2022 PLN '000
Gain or loss on investment certificates	209,465	158,274
	<b>209,465</b>	<b>158,274</b>

### 1c. Valuation of other financial instruments

	For the period: from 01.01.2023 to 31.12.2023	For the period: from 01.01.2022 to 31.12.2022
	PLN '000	PLN '000
Issued return rate guarantee for investment in MCI.TechVentures 1.0. subfund	-	(17,411)
	<u>-</u>	<u>(17,411)</u>

In 2022, the entire value of the guarantee issued was settled and, consequently, the Company no longer incurred costs on account of the guarantee in 2023.

### 2. General and administrative expenses

	For the period: from 01.01.2023 to 31.12.2023	For the period: from 01.01.2022 to 31.12.2022
	PLN '000	PLN '000
Depreciation of fixed assets and amortization of intangible assets,	(449)	(453)
Material and energy consumption	(80)	(69)
Third-party services*	(5,642)	(3,400)
Taxes and charges	(283)	(293)
Wages and salaries	(2,467)	(2,598)
Carry fee**	(6,824)	-
Management options scheme	(329)	(413)
Employee benefits	(29)	(44)
Social security	(135)	(167)
Other expenses	(231)	(218)
	<u>(16,469)</u>	<u>(7,655)</u>

\*Costs of third-party services include mainly costs of legal and tax advisory, costs of audit and accounting services.

\*\*Variable Carry Fee costs comprise costs related to investments in Netrisk and IAI. The recognition of costs on this account in 2023 is related to a signed agreement with one of the managers establishing the Company's liability on this account.

### 3. Finance income and costs

#### Finance income

	For the period: from 01.01.2023 to 31.12.2023	For the period: from 01.01.2022 to 31.12.2022
	PLN '000	PLN '000
Interest income calculated using the effective interest rate method, including:	8	174
<i>Interest on bank deposits</i>	-	7
<i>Interest on loans</i>	8	167
Net foreign exchange gains and losses	204	-
Fee and commission income – guarantees*	1,295	1,128
Other finance income	-	15
	<u>1,507</u>	<u>1,317</u>

\*\*MCI Capital ASI S.A. provides services related to investments which consist in financial support to entities in which an investment in the form of a warranty and guarantee was made to maximise returns

in investments. This activity does not constitute a separate significant activity or a separate significant source of income for the investment entity.

## Finance costs

	For the period: from 01.01.2023 to 31.12.2023	For the period: from 01.01.2022 to 31.12.2022
	PLN '000	PLN '000
Interest expense on:	(29,862)	(25,891)
<i>Bonds issued</i>	(19,810)	(21,312)
<i>Bank credits*</i>	(9,703)	(3,070)
<i>Promissory notes issued</i>	(209)	(824)
<i>Lease liabilities</i>	(140)	(149)
<i>Cash pool</i>	-	(536)
Finance costs on credit security	(95)	(159)
Commission on a credit received	(719)	(305)
Other finance costs**	(1,732)	(52)
	<b>(32,408)</b>	<b>(26,407)</b>

\*An increase in interest expense on bank credit facilities as a result of an increase in the balance of liabilities in respect of credit facilities (an increase in average credit utilisation from PLN 39 million in 2022 to PLN 107 million in 2023).

\*\*Other finance costs of PLN 1,731 thousand represent default interest on the lump-sum corporate income tax arrears on the dividend paid out by MCI Fund Management Sp. z o.o. For details, see **Note 23 "Contingent assets and liabilities"**.

## 4. Income tax

### Income tax recognised in the statement of comprehensive income

	For the period: from 01.01.2023 to 31.12.2023	For the period: from 01.01.2022 to 31.12.2022
	PLN '000	PLN '000
Income tax – current portion	(4,775)	1,643
Income tax – deferred portion	3,053	28,943
	<b>(1,722)</b>	<b>30,586</b>

### Reconciliation of income tax

	For the period: from 01.01.2023 to 31.12.2023	For the period: from 01.01.2022 to 31.12.2022
	PLN '000	PLN '000
Profit before tax	<b>166,639</b>	<b>112,677</b>
Corporate income tax at the statutory tax rate (19%)	(31,661)	(21,409)
Effect of permanent differences between profit before tax and taxable income:	(894)	16
<i>I Non-taxable income</i>	1,140	1,770
- revaluation of shares and certificates	1,235	1,767
- other	(95)	3
<i>II Non-tax-deductible expenses</i>	(2,033)	(1,754)
- revaluation of shares and certificates	(1,221)	(1,032)
- incentive scheme	(62)	(79)
- interest accrued on bonds	-	(60)
- interest and commission expense on credit	(390)	(275)

- interest expense on promissory notes	-	(177)
- interest expense on past-due public charges	(329)	-
- other	(31)	(131)
<b>Other:</b>	<b>30,833</b>	<b>51,979</b>
- unrecognised deferred tax on the valuation of investment certificates of MCI.EuroVentures 1.0.	36,780	53,202
- flat-rate tax on dividends from MCI Fund Management Sp. z o.o.	(3,691)	-
- MCI TFI tax accounted for in MCI within the Tax Group	(1,284)	(1,206)
- reversal of deferred tax on unused tax losses (2015 and H1 2016)	(930)	-
- other	(42)	(17)
	<b>(1,722)</b>	<b>30,586</b>
<b>Effective tax rate</b>	<b>(1.0%)</b>	<b>(27.1%)</b>

Under the agreement of 16 June 2021 and the annex to this agreement of 3 August 2021 concluded between MCI Capital ASI S.A. and MCI Capital TFI S.A., a Tax Group operating under the name MCI ASI PGK was established. The agreement was registered by the Head of the First Mazovian Tax Office in Warsaw by a decision issued on 31 August 2021.

In accordance with the provisions of the agreement on the establishment of the Tax Group, MCI Capital ASI S.A. is the parent company and thus represents the Group, while MCI Capital TFI S.A. is the subsidiary.

The agreement to establish the Tax Group was concluded for a period of three consecutive fiscal years, i.e. from 1 September 2021 to 31 August 2024, and thus covers the following fiscal years:

- 1) the first year, i.e. the period from 1 September 2021 to 31 August 2022;
- 2) the second year, i.e. the period from 1 September 2022 to 31 August 2023;
- 3) the third year, i.e. the period from 1 September 2023 to 31 August 2024.

### Tax losses

Incurring in (year)	Loss amount PLN '000	Amount utilised PLN '000	Amount to be utilised PLN '000	To be utilised until Until
1H2016	2,890	1,445	1,445	31.08.2024
	<b>2,890</b>	<b>1,445</b>	<b>1,445</b>	

### Deferred income tax

	As at 31.12.2023 PLN '000	As at 31.12.2022 PLN '000
<b>Deferred tax assets:</b>		
To be realised after 12 months	18,662	13,739
To be realised within 12 months	340	2,091
	<b>19,002</b>	<b>15,830</b>
<b>Deferred tax liabilities:</b>		
To be settled after 12 months	-	1
To be settled within 12 months	156	34
	<b>156</b>	<b>35</b>

### Deferred tax assets

	Deductible tax losses	Other*	Total
	PLN '000	PLN '000	PLN '000
<b>As at 31 December 2021</b>	<b>930</b>	<b>1,642</b>	<b>2,572</b>
Effect on profit/loss	1,468	11,789	13,257
Effect on equity	-	-	-
<b>As at 31 December 2022</b>	<b>2,398</b>	<b>13,431</b>	<b>15,829</b>
Effect on profit/loss	(2,398)	5,571	3,173
Effect on equity	-	-	-
<b>As at 31 December 2023</b>	<b>-</b>	<b>19,002</b>	<b>19,002</b>

\*The item mainly relates to temporary differences on the valuation of investment certificates of the MCI.TechVentures 1.0. subfund separated within the MCI.PrivateVentures FIZ fund (PLN 15,906 thousand), temporary differences on carry fee provisions (PLN 1,297 thousand) and the valuation of bonds (PLN 1,459 thousand) as at 31 December 2023.

### Deferred tax liabilities

	Valuation of investment certificates	Valuation of shares	Other	Total
	PLN '000	PLN '000	PLN '000	PLN '000
<b>As at 31 December 2021</b>	<b>14,973</b>	<b>1</b>	<b>746</b>	<b>15,720</b>
Effect on profit/loss	(14,973)	-	(712)	(15,685)
Effect on equity	-	-	-	-
<b>As at 31 December 2022</b>	<b>-</b>	<b>1</b>	<b>34</b>	<b>35</b>
Effect on profit/loss	33	(1)	88	120
Effect on equity	-	-	-	-
<b>As at 31 December 2023</b>	<b>33</b>	<b>-</b>	<b>122</b>	<b>155</b>

### Deferred tax assets, net

<b>As at 31 December 2023</b>	<b>18,847</b>
<b>As at 31 December 2022</b>	<b>15,794</b>

### Deferred tax liabilities, net

<b>As at 31 December 2023</b>	<b>-</b>
<b>As at 31 December 2022</b>	<b>-</b>

## 5. Earnings per share

### Basic earnings per share

	For the period:	For the period:
	from 01.01.2023 to 31.12.2023	from 01.01.2022 to 31.12.2022
	PLN '000	PLN '000
Profit attributable to shareholders of the Company	164,917	143,263
Weighted average number of ordinary shares (in thousands)	52,461	51,723
<b>Basic/diluted earnings per share (PLN per share)</b>	<b>3.14</b>	<b>2.77</b>

## Diluted earnings per share

	For the period: from 01.01.2023 to 31.12.2023	For the period: from 01.01.2022 to 31.12.2022
	PLN '000	PLN '000
Profit attributable to shareholders	164,917	143,263
Profit applied in the determination of diluted earnings per share	164,917	143,263
Weighted average number of ordinary shares (in thousands)	52,461	51,723
Adjustments, of which:	76	322
<i>management options scheme ('000)</i>	76	322
Weighted average number of ordinary shares for the purposes of diluted earnings per share (in thousands)	52,537	52,045
<b>Diluted earnings per share (PLN per share)</b>	<b>3.14</b>	<b>2.75</b>

## 6. Investment certificates

	As at 31.12.2023	As at 31.12.2022
	PLN '000	PLN '000
Investment certificates of MCI.EuroVentures 1.0.	2,124,366	1,946,867
Investment certificates of MCI.TechVentures 1.0.	164,828	196,855
Investment certificates of Internet Ventures FIZ w likwidacji [in liquidation]	469	4,955
Shares in MCI Digital and Climatech Fund V S.C.A., SICAV-RAIF*	32	-
	<b>2,289,695</b>	<b>2,148,677</b>

\*On 28 April 2023, the MCI Digital and Climatech Fund V S.C.A., SICAV-RAIF was established in Luxembourg; MCI Capital ASI S.A. holds 99.99% of shares in this entity (0.01% of shares are held by the management company MCI Digital and Climatech GP S.à r.l.). The contribution to the fund's initial capital amounted to EUR 30,000. In addition, in the second half of 2023, MCI Capital ASI S.A. made an additional capital contribution of PLN 2.7 million.

## Valuation of investment certificates

Investment certificates are valued on a quarterly basis, based on the fair value measurement of investments in portfolio companies and other investments held by these funds. Revaluation of certificates to their fair value from quarterly valuations is recognised in profit or loss of MCI at the end of each quarter.

## Reconciliation of investment certificates held by MCI and assets value of subsidiaries and investment certificates presented in the statement of financial position of MCI as at 31 December 2023:

Fund	% held	NAV attributable as at 31.12.2023 to MCI	NAV as at 31.12.2023	NAV as at 31.12.2022	Change in NAV
MCI.TechVentures 1.0.	48.08%	164,828	342,845	406,282	(63,437)
MCI.EuroVentures 1.0.	99.53%	2,124,366	2,134,302	1,956,794	177,508
<b>Total assets of FIZ</b>		<b>2,289,194</b>	<b>2,477,147</b>	<b>2,363,076</b>	<b>114,071</b>

  

Fund	(a) New issues	(b) Redemptions	(c) Income distribution	(d) Result of operations	Total (a+b+c+d)
MCI.TechVentures 1.0.	-	(7,946)	-	(55,491)	(63,437)
MCI.EuroVentures 1.0.	-	(54,480)	-	231,988	177,508
<b>Total assets of FIZ</b>	<b>-</b>	<b>(62,426)</b>	<b>-</b>	<b>176,497</b>	<b>114,071</b>

Investment certificates	2,289,194
Investment certificates of a fund in the course of liquidation, i.e. Internet Ventures FIZ w likwidacji [in liquidation]*	469
Shares in MCI Digital and Climatech Fund V S.C.A., SICAV-RAIF	32
<b>Investments in investment certificates presented in the statement of financial position of MCI</b>	<b>2,289,695</b>

\*The valuation of the investment certificates held by MCI Capital ASI S.A. in the fund Internet Ventures FIZ w likwidacji [in liquidation] reflects the value of projected future cash inflows from the fund to the Company until the completion of the liquidation of the fund in accordance with the principles of distribution of funds invested by MCI Capital ASI S.A. and the other participant in the fund, i.e. PFR Ventures Sp. z o.o., which are defined in the articles of association of the fund and the agreement with PFR Ventures Sp. z o.o. In accordance with these principles, the entire net asset value of the fund as at 31 December 2023 is payable to MCI Capital ASI S.A.

**Reconciliation of investment certificates held by MCI and assets value of subsidiaries and investment certificates presented in the statement of financial position of MCI as at 31 December 2022:**

Fund	% held	NAV attributable as at 31.12.2022 to MCI	NAV as at 31.12.2022	NAV as at 31.12.2021	Change in NAV
MCI.TechVentures 1.0.	48.45%	196,855	406,282	722,314	(316,032)
MCI.EuroVentures 1.0.	99.49%	1,946,867	1,956,794	1,675,800	280,994
<b>Total assets of FIZ</b>		<b>2,143,722</b>	<b>2,363,076</b>	<b>2,398,114</b>	<b>(35,038)</b>

Fund	(a) New issues	(b) Redemptions	(c) Income distribution	(d) Result of operations	Total (a+b+c+d)
MCI.TechVentures 1.0.	-	(24,654)	-	(291,378)	(316,032)
MCI.EuroVentures 1.0.	-	(479)	-	281,473	280,994
<b>Total assets of FIZ</b>	-	<b>(25,133)</b>	-	<b>(9,905)</b>	<b>(35,038)</b>

Investment certificates:	2,143,722
Investment certificates of a fund in the course of liquidation, i.e. Internet Ventures FIZ w likwidacji [in liquidation]*	4,955
<b>Investments in investment certificates presented in the statement of financial position of MCI</b>	<b>2,148,677</b>

\*The valuation of the investment certificates held by MCI Capital ASI S.A. in the fund Internet Ventures FIZ w likwidacji [in liquidation] reflects the value of projected future cash inflows from the fund to the Company until the completion of the liquidation of the fund in accordance with the principles of distribution of funds invested by MCI Capital ASI S.A. and the other participant in the fund, i.e. PFR Ventures Sp. z o.o., which are defined in the articles of association of the fund and the agreement with PFR Ventures Sp. z o.o.

**Condensed financial information on MCI investment funds**

Investment certificates are measured at fair value. Measurement is based on fair value measurement of the Funds' investments and other assets and liabilities. Any change in the measurement of the aforementioned assets and liabilities is reflected in the net asset value ("NAV") of each of the Funds, which translates directly to the revaluation of investment certificates.

Below is presented condensed financial information as at 31 December 2023 concerning Investment Funds whose investment certificates are held by MCI (based on reporting valuations of the funds):

Item	MCI.EuroVentures 1.0 subfund		MCI.TechVentures 1.0 subfund		Total	Total
	31.12.2023	MCI share	31.12.2023	MCI share	31.12.2023	MCI share
	100.00%	99.53%	100.00%	48.08%	100.00%	
	PLN '000	PLN '000	PLN '000	PLN '000	PLN '000	PLN '000
NAV structure:	2,134,302	2,124,366	342,845	164,828	<b>2,477,147</b>	<b>2,289,194</b>
- <i>Public companies</i>	116,814	116,270	109,258	52,527	226,072	168,797
- <i>Non-public companies</i>	2,152,874	2,142,852	183,225	88,088	2,336,099	2,230,940
- <i>Cash, including deposits</i>	52,509	52,265	1,414	680	53,923	52,945
- <i>Other assets</i>	238	237	56,302	27,068	56,540	27,305
- <i>Liabilities</i>	188,133	187,257	7,354	3,536	195,487	190,793
Net investment income	(47,931)	(47,708)	(2,836)	(1,363)	<b>(50,767)</b>	<b>(49,071)</b>
Realised and unrealised gains / losses	279,919	278,616	(52,655)	(25,315)	<b>227,264</b>	<b>253,301</b>
Results of operations for the period	231,988	230,908	(55,491)	(26,678)	<b>176,497</b>	<b>204,230</b>

In addition to the investment funds mentioned above, as at 31 December 2023 the Company held investment certificates of an investment fund that was in the process of liquidation, i.e. Internet Ventures FIZ w likwidacji [in liquidation] and shares in the newly established fund MCI Digital MCI Digital and Climatech Fund V S.C.A., SICAV-RAIF. Due to Internet Ventures FIZ w likwidacji [in liquidation] not preparing official and reporting valuations while it is in liquidation, the Company does not present the data of this investment fund in the above statement. Due to the immaterial value of the shares held in MCI Digital and Climatech Fund V S.C.A., SICAV-RAIF, the Company does not present the data of this fund in the above statement.

Below is presented condensed financial information as at 31 December 2022 concerning Investment Funds whose investment certificates are held by MCI (based on reporting valuations of the funds):

Item	MCI.EuroVentures 1.0 subfund		MCI.TechVentures 1.0 subfund		Total	Total
	31.12.2022	MCI share	31.12.2022	MCI share	31.12.2022	MCI share
	100.00%	99.49%	100.00%	48.45%	100.00%	
	PLN '000	PLN '000	PLN '000	PLN '000	PLN '000	PLN '000
NAV structure:	1,956,794	1,946,867	406,282	196,854	<b>2,363,076</b>	<b>2,143,721</b>
- <i>Public companies</i>	11,095	11,039	98,075	47,520	109,170	58,559
- <i>Non-public companies</i>	1,891,060	1,881,467	231,636	112,233	2,122,696	1,993,700
- <i>Cash, including deposits</i>	82,602	82,183	2,492	1,207	85,094	83,390
- <i>Other assets</i>	779	775	78,719	38,141	79,498	38,916
- <i>Liabilities</i>	28,742	28,596	4,640	2,248	33,382	30,844
Net investment income	9,583	9,534	(1,262)	(611)	<b>8,321</b>	<b>8,923</b>
Realised and unrealised gains / losses	271,890	270,511	(290,116)	(140,568)	<b>(18,226)</b>	<b>129,943</b>
Results of operations for the period	281,473	280,045	(291,378)	(141,180)	<b>(9,905)</b>	<b>138,865</b>

In addition to the investment funds mentioned above, as at 31 December 2022 the Company held investment certificates of an investment fund that was in the process of liquidation, i.e. Internet Ventures FIZ w likwidacji [in liquidation]. Due to the investment fund not preparing official and reporting valuations while it is in liquidation, the Company does not present the data of this investment fund in the above statement.

## 7. Investments in other entities

### 7a. Investments in equity-accounted entities

	As at 31.12.2023	As at 31.12.2022
	PLN '000	PLN '000
MCI Capital TFI S.A.*	42,242	43,410
MCI Digital and Climatech GP S.à r.l.**	38	-
	<b>42,280</b>	<b>43,410</b>

\*On 28 November 2019, PEM AM and TFI concluded annexes to the management agreements to confirm that, as of 10 December 2019, PEM AM loses its rights to perform the agreement, including in particular that it will not undertake any activities related to the management of the funds' portfolios, both with regard to existing and future funds. Therefore, also the results generated by PEM AM in the subsequent periods are allocated to the value of TFI shares, due to the decision taken to discontinue PEM AM's fund asset management activities and to transfer these activities to TFI. The change in valuation in 2023 results from the payment of dividends by TFI and PEM AM in the amounts of PLN 3.6 million and PLN 468 thousand, respectively, and the generation of a net profit by TFI and PEM AM in the total amount of PLN 2.9 million.

\*\*On 28 April 2023, MCI Digital and Climatech GP S.à r.l. was incorporated in Luxembourg with MCI's shareholding of 100%. The contribution to the company's initial capital was EUR 12,000.

### 7b. Investments in entities measured at fair value through profit or loss

	As at 31.12.2023	As at 31.12.2022
	PLN '000	PLN '000
MCI Management Sp. z o.o.*	-	7
MCI Investments Sp. z o.o.	855	871
Simbio Holdings Limited**	-	5,033
	<b>855</b>	<b>5,911</b>

\*17 July 2023, MCI Capital ASI S.A. sold 1 share in the share capital of MCI Management Sp. z o.o. to the MCI.EuroVentures 1.0. subfund for PLN 36 thousand.

\*\*On 29 September 2023, MCI Capital ASI S.A. sold all shares in Simbio Holdings Limited held by MCI Capital ASI S.A. to MCI.EuroVentures 1.0., a subfund separated within the MCI.PrivateVentures FIZ fund, i.e. 13,425,460 preference shares and 227,153 ordinary shares.

The shares sold have historically been subscribed for by MCI Capital ASI S.A. in the transactions described below:

- (1) 3,623,112 preference shares and 227,153 ordinary shares in Simbio Holdings Limited arising from the conversion of receivables from super senior and pre-IPO loans, shares, acquired by MCI Capital ASI S.A. in September 2022, as a result of their assignment by MCI.TechVentures 1.0., a subfund separated within the MCI.PrivateVentures FIZ fund,
- (2) 1,000,000 preference shares acquired by MCI Capital ASI S.A. in September 2022 for a total of USD 1 million in a new round of financing (PLN 5,033 thousand),
- (3) 8,802,348 preference shares acquired by MCI Capital ASI S.A. in May 2023 as part of the exercise of the call option for additional shares in Simbio Holdings Limited resulting from the historic agreement concluded as part of the Gett restructuring (these shares were issued on 17 July 2023 – the purchase price of the shares amounted to PLN 37.2 million).

The total consideration for the sale of the shares indicated in (1) above will be determined in the future and will be equal to the sum of the value of any economic benefits and benefits received by the MCI.EuroVentures 1.0 subfund from these shares and the proceeds from their sale or other termination of the investment in these shares. At the same time, MCI Capital ASI S.A. undertook to pay a consideration in the same amount to the subfund MCI.TechVentures 1.0. As a result, the Company has netted the assets against the corresponding liabilities – the

value of the assets less the corresponding liabilities amounted to PLN 0 and was therefore not reported in the balance sheet as at 31 December 2023.

The total sale price of the shares indicated in (2) above amounted to PLN 5.5 million and was paid by the subfund MCI.EuroVentures 1.0. in October 2023.

At the same time, the subfund MCI.EuroVentures 1.0. undertook that in the event of selling these shares to a third party, it would make an additional payment to MCI Capital ASI S.A. in an amount equal to the selling price of these shares to the third party less the cost of their acquisition by MCI Capital ASI S.A. determined in accordance with the agreement, i.e. PLN 5,033 thousand (USD 1 million converted at the exchange rate prevailing on the date of acquisition of shares by MCI Capital ASI S.A.) plus WIBOR 3M plus a margin per annum (calculated from the date of acquisition of shares by MCI Capital ASI S.A.). MCI Capital ASI S.A., on the other hand, undertook to pay a consideration in the same amount to the subfund MCI.TechVentures 1.0. As a result, the Company has netted the assets against the corresponding liabilities – the value of the assets less the corresponding liabilities amounted to PLN 0 and was therefore not reported in the balance sheet as at 31 December 2023.

The total sale price of the shares indicated in (3) above amounted to PLN 37.2 million and was paid by the subfund MCI.EuroVentures 1.0. in October 2023.

At the same time, the MCI.EuroVentures 1.0., a subfund separated within the MCI.PrivateVentures FIZ fund, undertook that in the event of the sale of these shares to a third party, it would pay an additional consideration to MCI Capital ASI S.A. in an amount equal to the difference between the selling price and the purchase price of these shares, but not higher than PLN 8 million - according to the valuation of the shares indicated in (3), the value of the additional consideration was PLN 8 million as at 31 December 2023. MCI Capital ASI S.A., on the other hand, undertook to pay a consideration in the same amount to the subfund MCI.TechVentures 1.0. As a result, the Company has netted the assets against the corresponding liabilities – the value of the assets less the corresponding liabilities amounted to PLN 0 and was therefore not reported in the balance sheet as at 31 December 2023.

In July 2022, MCI Capital ASI S.A. acquired the benefits derived from 592,185 Papaya shares in connection with the agreement concluded in March 2022 by the MCI.TechVentures 1.0 subfund, as a result of which the subfund executed an exit from its investment in Azimo. At the same time, under the agreement concluded between the Company and the MCI.TechVentures 1.0. subfund, the Company undertook to return all benefits derived from the Papaya shares to the MCI.TechVentures 1.0. subfund. The total valuation of the benefits from the Papaya shares and the liability to return these benefits to the MCI.TechVentures 1.0 subfund as at 31 December 2023 amounted to PLN 21.1 million. Due to the agreement concluded between the Company and the MCI.TechVentures 1.0. subfund, which result in the return of benefits from the equity instruments to the subfund, the Company netted the assets against the corresponding liabilities - the value of the assets less the corresponding liabilities amounted to PLN 0 and was therefore not reported in the balance sheet as at 31 December 2023.

### **7c. Characteristics of subsidiaries:**

- **MCI Capital TFI S.A.**  
The Investment Fund Company managing investment funds, having its registered office in Poland and being a direct subsidiary of MCI (MCI holds 100% of shares in the company)
- **PEM Asset Management Sp. z o.o. w likwidacji [in liquidation]** (hereinafter: PEM AM)  
The Company having its registered office in Poland and being a subsidiary of MCI (MCI holds 100% of shares in PEM AM). Until 9 December 2019, the company managing the portfolios of MCI's investment funds (prior to the return of management operations to MCI Capital TFI S.A.). Dormant. On 1 August 2023, the liquidation of the company was opened.
- **MCI Investments Sp. z o.o.** (formerly operating under the business name EV Financing Sp. z o.o.)  
On 14 July 2021, MCI acquired 100% of the shares of MCI Investments Sp. z o.o. Company having its registered office in Poland and a direct subsidiary of MCI). Dormant.
- **MCI Digital and Climatech GP S.à r.l.**  
The company managing the fund MCI Digital and Climatech Fund V S.C.A., SICAV-RAIF, having its registered office in Luxemburg and being a direct subsidiary of MCI (MCI holds 100% of shares).

In all subsidiaries listed above, PEM holds 100% of the shares and 100% of the voting rights.

## 8. Receivables

	As at 31.12.2023 PLN '000	As at 31.12.2022 PLN '000
Trade receivables from related entities	537	488
Other trade receivables	11	18
Tax receivables/receivables from the state budget	677	721
Accruals and deferred income	142	134
Other receivables	-	13
	<b>1,367</b>	<b>1,374</b>
Including:		
Long-term portion:	11	11
Short-term portion:	1,356	1,363
	<b>1,367</b>	<b>1,374</b>

Due to the short-term nature of the above receivables, their carrying amount is the best approximation of their fair value.

### Receivables from related entities

	As at 31.12.2023 PLN '000	As at 31.12.2022 PLN '000
MCI.PrivateVentures FIZ	253	431
MCI Capital TFI S.A.	60	54
MCI Management Sp. z o. o.	223	-
Other	1	3
	<b>537</b>	<b>488</b>

## 9. Cash and cash equivalents

	As at 31.12.2023 PLN '000	As at 31.12.2022 PLN '000
Cash at banks	53	662
	<b>53</b>	<b>662</b>
<b>Cash and cash equivalents as reported in the statement of cash flows</b>	<b>53</b>	<b>662</b>

The balance of cash and cash equivalents of PLN 53 thousand as at the balance sheet date (PLN 662 thousand as at 31 December 2022) comprised funds held in bank accounts.

## 10. Equity

### Share capital

	As at 31.12.2023	As at 31.12.2022
Share capital issued and paid (PLN '000)	52,461	52,461
Number of shares	52,461,033	52,461,033
Nominal value per share (PLN)	1.00	1.00
<b>Nominal value of all shares (PLN '000)</b>	<b>52,461</b>	<b>52,461</b>

### Supplementary capital

PLN '000	Issue of shares as part of conversion of convertible bonds	Issue of shares – implementation of the management stock option plan	Issue of shares at a premium	Supplementary capital from retained earnings	Profit distribution/loss coverage	Total supplementary capital
As at 01.01.2023	28,175	2,792	139,330	381	1,638,200	1,808,878
Transfer of profit (loss)	-	-	-	-	143,263	143,263
As at 31.12.2023	28,175	2,792	139,330	381	1,781,463	1,952,141

As at 01.01.2022	28,175	2,792	139,330	381	1,209,110	1,379,788
Transfer of profit (loss)	-	-	-	-	429,090	429,090
As at 31.12.2022	28,175	2,792	139,330	381	1,638,200	1,808,878

### Other components of equity

PLN '000	Management stock option plan and other share-based payments	Measurement of the equity component of bonds	Accounting for the merger of MCI Capital ASI S.A. and PEM S.A.	Settlement of sale of treasury shares	Total other components of equity
As at 01.01.2023	74,393	5,395	(87,903)	(188)	(8,303)
Share-based incentive schemes	-	-	329	-	329
As at 31.12.2023	74,393	5,395	(87,574)	(188)	(7,974)

As at 01.01.2022	74,393	5,395	(88,316)	(188)	(8,716)
Share-based incentive schemes	-	-	413	-	413
As at 31.12.2022	74,393	5,395	(87,903)	(188)	(8,303)

## 11. Shareholding structure

### Major shareholders of the Company as at 31 December 2023

	Ownership interest		Share in total voting rights at GM	
	Number of shares	Ownership interest	Number of voting rights at GM	Share in total voting rights at GM
MCI Management Sp. z o.o.*	39,841,859	75.95%	39,841,859	75.95%
Other shareholders**	12,619,174	24.05%	12,619,174	24.05%
	<b>52,461,033</b>	<b>100.00%</b>	<b>52,461,033</b>	<b>100.00%</b>

\*Company controlled by Tomasz Czechowicz.

\*\*Including 2,464,201 shares held by the subfund MCI.EuroVentures 1.0. separated within the MCI.PrivateVentures FIZ fund (share in the share capital and number of votes at the GM: 4.70%).

### Major shareholders of the Company as at 31 December 2022

	Ownership interest		Share in total voting rights at GM	
	Number of shares	Ownership interest	Number of voting rights at GM	Share in total voting rights at GM
MCI Management Sp. z o.o.*	41,066,421	78.28%	41,066,421	78.28%
Other	11,394,612	21.72%	11,394,612	21.72%
	<b>52,461,033</b>	<b>100.00%</b>	<b>52,461,033</b>	<b>100.00%</b>

\*Company controlled by Tomasz Czechowicz.

## 12. Trade payables and other liabilities

	As at 31.12.2023	As at 31.12.2022
	PLN '000	PLN '000
Liabilities to related entities	25	20
Other trade payables	228	404
Tax liabilities	21	20
Social security and other charges payable	17	19
Accruals and deferred income*	348	304
Other liabilities	152	274
	<b>791</b>	<b>1,041</b>
Including:		
Long-term portion:	-	-
Short-term portion:	791	1,041
	<b>791</b>	<b>1,041</b>

\*The item mainly relates to prepayments for legal services.

## 13. Liabilities on account of bonds

	As at 31.12.2023	As at 31.12.2022
	PLN '000	PLN '000
Amount of liability as at the issue date, at nominal value	195,292	203,046
Costs related to issue of bonds	(5,214)	(5,539)
<b>Carrying amount of liability as at the issue date</b>	<b>190,078</b>	<b>197,507</b>
Accrued interest – costs YTD	46,557	30,750
Interests paid – costs YTD	(37,582)	(20,200)
Repayment**	(20,000)	(8,350)
<b>Carrying amount of liability as at the balance sheet date</b>	<b>179,053</b>	<b>199,707</b>
Long-term portion:	162,805	83,857
Short-term portion:	16,248	115,850
	<b>179,053</b>	<b>199,707</b>

\*The Company redeemed the series S bonds on maturity on 21 August 2023.

**Bonds issued by MCI Capital ASI S.A.**

The following table presents the value of bond liabilities, issue date, redemption date, balance of interest paid and interest rates of bonds.

Series of Bonds	Allotment date	Redemption date	Number of bonds	Interest rate	Nominal value of bonds	Interest paid for 2023	Interest paid by 31.12.2022
					PLN '000	PLN '000	PLN '000
Series T2	18.02.2022	18.02.2027	806,367	WIBOR.3M + 3.5%	80,637	8,443	5,483
series T1	15.11.2021	15.11.2026	150,591	WIBOR.3M + 3.5%	15,059	1,587	1,209
Series R	05.08.2020	29.07.2026***	79,000	WIBOR.6M + 4.0% (until 29.07.2023) WIBOR.6M + 3.5% (after 29.07.2023)	79,000	8,801	7,794
Series S*	21.08.2020	20.08.2023	20,000	WIBOR.6M + 4.0%	20,000	2,226	2,039
Series U1**	06.04.2023	31.12.2027	100	n/a	468	-	-
Series U2**	06.04.2023	31.12.2027	100	n/a	129	-	-
					<b>195,293</b>	<b>21,056</b>	<b>16,525</b>

\*The Company redeemed the series S bonds on maturity on 21 August 2023. Proceeds from the bond issue amounted to PLN 19,673 thousand.

\*\* On 31 March 2023, a resolution was passed to issue series U1 and U2 bonds. On 6 April 2023, the Company allotted 100 series U1 bonds for a total value of PLN 468 thousand and 100 series U2 bonds for a total value of PLN 129 thousand. The bonds mature on 31 December 2027.

\*\*\*On 28 July 2023, the Company concluded an agreement with the bondholder (the MCI.PrivateVentures FIZ fund, operating on the account of the MCI.EuroVentures 1.0. subfund) to amend the terms of issue of the series R bonds, based on which the maturity date was changed to 29 July 2026, while the margin in the period after 29 July 2023 was set at 3.5%. On 3 January 2024, a partial repayment of the bonds in the amount of PLN 35 million was made.

Series T1 bonds issued by the Company are secured. The subject of the security is 43,656 series C investment certificates related to the subfund MCI.EuroVentures 1.0. separated within the MCI.PrivateVentures FIZ fund. Proceeds from the bond issue amounted to PLN 14,559 thousand.

Series T2 bonds issued by the Company are secured. The subject of the security is 247,098 series C investment certificates related to the subfund MCI.EuroVentures 1.0. separated within the MCI.PrivateVentures FIZ fund. Proceeds from the bond issue amounted to PLN 75,935 thousand.

Bonds of other series – R, U1 and U2 – are not secured.

Liabilities on account of the bonds will be settled by the Company mainly from proceeds from the redemption of investment certificates and the Company's own funds or further bond issues.

#### 14. Liabilities on account of credits and loans

##### Bank credits – as at 31.12.2023

Lender	Type of financing	Repayment date	Interest rate	Nominal value	Interest accrued	Total
				%	PLN '000	PLN '000
ING Bank Śląski S.A.	overdraft facility*	31.05.2026	WIBOR 1M + 2.5%	74,540	-	74,540
				<b>74,540</b>	<b>-</b>	<b>74,540</b>
			<b>Including:</b>			
			Long-term portion:	74,540	-	74,540
			Short-term portion:	-	-	-
				<b>74,540</b>	<b>-</b>	<b>74,540</b>

\*As at the balance sheet date, the Company had an available overdraft facility of PLN 200 million. As at 31 December 2023, the balance of the facility drawn down was PLN 74.5 million.

On 13 July 2023, an annex to the facility agreement was concluded, as a result of which the repayment date was postponed to 31 May 2026, while the available limit was increased from PLN 173.25 million to PLN 200 million.

In 2023, the Company paid PLN 9,703 thousand in interest on the overdraft facility. In the same period, there was a repayment of the overdraft facility's principal amount of PLN 15.5 million.

The Company has established the following collateral for the overdraft facility:

- assignment of MCI Capital TFI S.A.'s receivables from management fees for the closed-end investment funds,
- a registered and financial pledge over the investment certificates of the MCI.EuroVentures 1.0. subfund separated within the MCI.PrivateVentures FIZ fund with a total value of the investment certificates not lower than the equivalent of 150% of the financing granted – pledge over 395,200 series A investment certificates and 107,600 series D investment certificates. The total value of the investment certificates pledged was PLN 346,089 thousand as at 31 December 2023.
- representation by the borrower on submission to enforcement in the form of a notarial deed pursuant to Article 777(1)(5) of the Code of Civil Procedure of 17 November 1964.

In addition, the Company is obliged to make an early repayment of the outstanding facility in an amount equal to the surplus of free cash (understood as 25% of the value of the redeemed investment certificates of the MCI.TechVentures 1.0 subfund separated within the MCI.PrivateVentures FIZ fund held by the Company).

The financing provided is associated with the Company's obligation to meet the covenants set out in the facility agreement. As at 31 December 2023, as at 31 December 2022 and during 2023, all contractual covenants were met.

**Bank credits – as at 31.12.2022**

Lender	Type of financing	Repayment date	Interest rate %	Nominal value PLN '000	Interest accrued PLN '000	Total PLN '000
ING Bank Śląski S.A.	overdraft facility*	31.05.2025	WIBOR 1M + 2.5%	90,004	-	90,004
				<b>90,004</b>	<b>-</b>	<b>90,004</b>
			<b>Including:</b>			
			Long-term portion:	90,004	-	90,004
			Short-term portion:	-	-	-
				<b>90,004</b>	<b>-</b>	<b>90,004</b>

\*On 24 June 2022, the Company signed an overdraft facility agreement with ING Bank Śląski S.A. The Company used the facility to repay the existing term facility and overdraft facility (taken over from PEM S.A.) granted by ING Bank Śląski S.A. The total amount of available funds was PLN 173,250 thousand, including the outstanding balance of the overdraft as at 31 December 2022 of PLN 90,004 thousand.

In 2022, the Group paid PLN 2,492 thousand in interest on the overdraft facility.

In addition, in 2022 the Company paid PLN 578 thousand in interest on the term facility (credit facility originally granted to PEM). At the same time, the principal of the term facility in the amount of PLN 18,997 thousand was repaid.

The collateral for the overdraft facility is described in detail above (under "Bank credits - as at 31.12.2023").

**Loans – as at 31.12.2023**

As at 31 December 2023, the Company had no liabilities in respect of loans.

**Loans – as at 31.12.2022**

As at 31 December 2022, the Company had no liabilities in respect of loans.

**15. Leases**

On 26 July 2021, the Company signed a lease agreement with "Apollo Invest" sp. z o.o. The agreement relates to the lease of office space and storage space and is concluded for a fixed term, i.e. for a period of 108 months starting from 4 October 2021.

The carrying amounts of right-of-use asset and their changes in the reporting period are presented below:

<b>As at 1 January 2023</b>	<b>2,991</b>
Recognition of a new lease agreement -	-
Amortisation and depreciation	386
<b>as at 31 December 2023</b>	<b>2,605</b>

As at 31 December 2023, the Company had lease liabilities of PLN 2,952 thousand (PLN 3,582 thousand as at 31 December 2022). These liabilities result from the application of the IFRS 16 Leases, according to which the agreement for the lease of office space is classified as a lease.

## 16. Provisions

	As at 31.12.2023	As at 31.12.2022
	PLN '000	PLN '000
Long-term provisions:	6,824	-
<i>Provision for carry fees</i>	6,824	-
Short-term provisions:	1,253	579
<i>Provision for bonuses and holiday entitlements</i>	800	328
<i>Other provisions</i>	453	251
	<b>8,077</b>	<b>579</b>

Specification of provisions	Value as at 01.01.2023	Recognition of provisions	Reversal of provisions	Use of provisions	Value as at 31.12.2023
	PLN '000	PLN '000	PLN '000	PLN '000	PLN '000
Provision for bonuses and holiday entitlements	328	1,273	(298)	(504)	799
Provision for legal/tax (advisory) services	-	2,151	-	(2,151)	-
Provision for carry fees	-	6,824	-	-	6,824
Other provisions*	251	683	(1)	(479)	454
<b>Total provisions</b>	<b>579</b>	<b>10,931</b>	<b>(299)</b>	<b>(3,134)</b>	<b>8,077</b>

\*Other provisions comprise mainly provisions for audit and preparation of financial statements.

## 17. Employee benefits

**The statement of comprehensive income includes the following costs of employee benefits**

	For the period: from 01.01.2023 to 31.12.2023	For the period: from 01.01.2022 to 31.12.2022
	PLN '000	PLN '000
Current service cost	2,467	2,598
Social security costs	135	167
Share options granted to members of the Management Board, Supervisory Board and employees	329	413
Carry fee	6,824	-
Other employee benefits	29	44
	<b>9,784</b>	<b>3,222</b>

## Remuneration of key personnel

	For the period: from 01.01.2023 to 31.12.2023	For the period: from 01.01.2022 to 31.12.2022
	PLN '000	PLN '000
<b>Management Board</b>		
Fixed fee	209	209
Variable fee	975	1,014
Other benefits	24	24
	<b>1,208</b>	<b>1,247</b>
<b>Supervisory Board</b>		
Remuneration for meetings of the Supervisory Board	218	245
Costs of incentive scheme*	329	413
	<b>547</b>	<b>658</b>

\*The costs of the incentive scheme relate to the management option scheme which is described in **Note 20 "Share-based incentive schemes"**

## Employment / function

	As at 31.12.2023	As at 31.12.2022
	Number of employees	Number of employees
Management Board	2	2
Supervisory Board	6	6
Operational staff	9	9
	<b>17</b>	<b>17</b>

## Advances granted to the members of the Management Board

The Company did not grant advances to members of the Management Board in 2023 and 2022.

## Loans granted to members of the Management Board

The Company did not grant loans to members of the Management Board in 2023 and 2022.

## 18. Financial assets and liabilities measured at fair value

The following financial assets and liabilities are carried by the Company at fair value:

### Financial assets designated at fair value through profit or loss upon initial recognition

Investments in subsidiaries, as well as investment certificates of investment funds and other financial instruments are recognised at fair value upon initial recognition with changes in fair value taken to profit or loss.

The method of measurement depends on the type of available inputs used in the measurement. For financial instruments not listed on an active market, fair value is determined using valuation techniques commonly applied by market participants, not based on inputs from an active market, but providing the most accurate reflection of the fair value of these financial instruments.

The Company classifies the principles of fair value measurement using the hierarchy below which reflects the importance of inputs used in the measurement:

- **Level 1** – financial assets/liabilities measured directly based on prices quoted on an active market.
- **Level 2** – financial assets/liabilities measured using valuation techniques based on inputs from an active market or market observations.
- **Level 3** – financial assets/ liabilities measured using techniques commonly applied by market participants, not based on inputs from an active market.

The table below presents a classification to the relevant hierarchy level:

As at

As at

	31.12.2023		31.12.2022	
	Level	Measurement method	Level	Level
<b>Investment certificates</b>				
Investment certificates Internet Ventures FIZ w likwidacji [in liquidation]	3	Net Asset Value (NAV)	3	Net Asset Value (NAV)
Investment certificates of MCI.TechVentures 1.0.	3	Net Asset Value (NAV)	3	Net Asset Value (NAV)
Investment certificates of MCI.EuroVentures 1.0.	3	Net Asset Value (NAV)	3	Net Asset Value (NAV)
Value of preferred distribution of funds from Internet Ventures FIZ w likwidacji [in liquidation]	3	According to the contractual terms (valuation of the option giving MCI a guarantee to recover the funds invested)	3	According to the contractual terms (valuation of the option giving MCI a guarantee to recover the funds invested)
Shares in MCI Digital and Climatech Fund V S.C.A., SICAV-RAIF	3	Net Asset Value (NAV)	-	-
<b>Shares</b>				
Investments in entities measured at fair value through profit or loss	3	Net Asset Value (NAV)	3	Net Asset Value (NAV)

Investment certificates are valued based on the net asset value ("NAV") attributable to investment certificates held by the Company as at the balance sheet date. The funds' NAV per given series of investment certificates as at the balance sheet date is estimated by MCI Capital TFI S.A. – the investment fund company managing these funds – this estimate is based on valuations of the funds' investments in portfolio companies, valuations of other investments and liabilities of these funds. MCI Digital and Climatech Fund V S.C.A., SICAV-RAIF's NAV per given series of investment certificates as at the balance sheet date is estimated by MCI Digital and Climatech GP S.à r.l. – the entity that manages this fund in accordance with the principles set out in the fund's Product Placement Memorandum – this estimate is based on valuations of the fund's assets and liabilities.

Portfolio companies of investment funds are measured using different measurement methods, depending on the stage of development of the company, the nature of the business and the industry in which the company operates (comparative methods, invested funds, recent comparable transactions, market prices). The adopted measurement methods are the best reflection of the fair value of individual companies. Changes in the valuations of portfolio companies have a direct impact on changes in the valuations of NAV attributable to investment certificates held by the Group, which in turn affects the change in the value of the Group's assets. The valuations of the NAV of the funds per series of investment certificates are confirmed each time by the depositary, which is an entity independent from the investment fund company managing these funds, and upon preparation of the annual and semi-annual financial statements by the funds; they are verified by an independent auditor as part of the audit or review, respectively, of these financial statements of the funds.

The valuation of preferred distribution of funds from Internet Ventures FIZ w likwidacji [in liquidation] is based on contractual provisions and depends primarily on the NAV of this fund.

In the Company's opinion, measurement of investment certificates at the net asset value of the funds attributable to those investment certificates and valuation of other financial instruments in accordance with contractual provisions are the best reflection of the fair value of those investments.

The Company makes transfers between levels of the fair value hierarchy when the change of conditions results in fulfilment of non-fulfilment of the criteria for classification to a particular level. The Company makes transfers between levels of the fair value hierarchy in the interim period in which the event giving rise to the change of conditions occurred. The Company applies a consistent approach to transfers to and from different levels of the fair value hierarchy.

**Measurement of financial instruments measured at fair value in the statement of financial position**

<b>Type of financial instrument</b>	<b>Method of measurement of the financial instrument</b>	<b>As at</b>	<b>As at</b>
		<b>31.12.2023</b>	<b>31.12.2022</b>
		<b>PLN '000</b>	<b>PLN '000</b>
<b>Non-current assets</b>			
Investment certificates	Measured at fair value through profit or loss	2,289,695	2,148,677
Investments in other entities	Measured at fair value through profit or loss	855	5,911

**Measurement of financial instruments not measured at fair value in the statement of financial position**

<b>Type of financial instrument</b>	<b>Method of measurement of the financial instrument</b>	<b>As at</b>	<b>As at</b>
		<b>31.12.2023</b>	<b>31.12.2022</b>
		<b>PLN '000</b>	<b>PLN '000</b>
<b>Non-current assets</b>			
Trade and other receivables	Measured at amortised cost	11	11
<b>Current assets</b>			
Trade and other receivables	Measured at amortised cost	1,356	1,363
Other financial assets	Measured at amortised cost	369	372
Cash	Measured at amortised cost	53	662
<b>Long-term liabilities</b>			
Liabilities on account of bonds	Measured at amortised cost	162,805	83,857
Credits and loans	Measured at amortised cost	74,540	90,004
Lease liabilities	Measured at amortised cost	2,566	3,183
<b>Short-term liabilities</b>			
Liabilities on account of bonds	Measured at amortised cost	16,248	115,850
Trade and other payables	Measured at amortised cost	791	1,041
Lease liabilities	Measured at amortised cost	386	399

The Company holds instruments that are not measured at fair value in the statement of financial position. These instruments include trade and other receivables and payables, and financial liabilities, including in respect of bonds. The Company assumes that, due to the variable interest rate or short-term nature, for the above financial instruments not measured at fair value in the statement of financial position, the fair value of these instruments approximates their carrying amount.

**19. Items of income, expenses, gains and losses accounted for in the statement of comprehensive income, by categories of financial instruments:**

**Year ended 31 December 2023**

	Interest income measured using the effective interest rate method	Other operating income	Valuation and carried interest gains/(losses)	Gains/(losses) on sale/redemption of financial instruments
<i>Financial assets</i>				
Investment certificates	-	-	196,594	12,871
Investments in equity-accounted entities	-	-	2,894	-
Investments in entities measured at fair value through profit or loss	-	-	(16)	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>199,472</b>	<b>12,871</b>

	Interest expenses measured using the effective interest rate method	Commission costs for unused credit facility	Finance costs on credit security	Valuation gains/(losses)
<i>Financial liabilities</i>				
Liabilities on account of bonds	(19,810)	-	-	-
Lease liabilities	(140)	-	-	-
Promissory notes payable	(209)	-	-	-
Credits and loans	(9,703)	(719)	(95)	-
<b>TOTAL</b>	<b>(29,862)</b>	<b>(719)</b>	<b>(95)</b>	<b>-</b>

**Year ended 31 December 2022**

	Interest income measured using the effective interest rate method	Other operating income	Valuation and carried interest gains/(losses)	Gains/(losses) on sale/redemption of financial instruments
<i>Financial assets</i>				
Investment certificates	-	-	154,757	3,517
Investments in equity-accounted entities	-	-	3,995	-
Investments in entities measured at fair value through profit or loss	-	-	(134)	-
Loans	167	-	-	-
Bank deposits	7	-	-	-
<b>TOTAL</b>	<b>174</b>	<b>-</b>	<b>158,618</b>	<b>3,517</b>

	Interest expenses measured using the effective interest rate method	Commission costs for unused credit facility	Finance costs on credit security	Valuation gains/(losses)
<i>Financial liabilities</i>				
Liabilities on account of bonds	(21,312)	-	-	-
Lease liabilities	(149)	-	-	-
Promissory notes payable	(824)	-	-	-
Credits and loans	(3,070)	(305)	(159)	-
Other financial liabilities	(536)	-	-	-
Other financial instruments	-	-	-	(17,411)
<b>TOTAL</b>	<b>(25,891)</b>	<b>(305)</b>	<b>(159)</b>	<b>(17,411)</b>

## **20. Share-based incentive schemes**

### **Incentive schemes for the Chairman of the Supervisory Board – Mr Zbigniew Jagiełło**

In connection with Resolution No 23/ZWZ/2022 adopted by the Annual General Meeting of the Company on 27 June 2022 on the terms and conditions of the incentive scheme for a member of the Company's Supervisory Board, the Annual General Meeting of the Company adopted an incentive scheme for Mr Zbigniew Jagiełło (hereinafter referred to as the "Beneficiary") for the period 2022-2025 (the "Incentive Scheme").

The rules of the Incentive Scheme are described in detail in the aforementioned resolution of the Annual General Meeting of the Company.

The key principles of the Incentive Scheme are described below.

The Incentive Scheme consists of four entitlements to acquire shares in the Company: the entitlement for 2022, 2023, 2024 and 2025 (the "Entitlement") - the vesting of the Entitlement for each of the years is subject to the cumulative fulfilment of the following conditions for each Entitlement: (1) the Beneficiary's service as a member of the Company's Supervisory Board for the period from 27 June 2022 to the end of the calendar year to which the Entitlement relates; and (2) absence of a Bad Leaver event at any time until the vested entitlement is exercised or Good Leaver event in the period from 27 June 2022 to the end of the calendar year to which the Entitlement relates.

Under each Entitlement, the Company will enable the Beneficiary to acquire 131,152 shares in the Company at a specified purchase price per share (the purchase price will be calculated as the product of: (1) the average share price of the Company's shares on the regulated market for the selected period in 2026 and (2) a 1-discount value, where the discount will be calculated as the average annual increase in the net asset value of the Company's Group per share in the period from 31 March 2022 to 31 December 2025 less 5% (if the discount value calculated in the above manner is a negative value, this amount is assumed to be zero)).

Good Leaver means an event as a result of which the Beneficiary ceases to be a member of the Supervisory Board of the Company for a reason other than in connection with a Bad Leaver event, including as a result of dismissal in connection with the occurrence of a Bad Leaver event. The Beneficiary will not be deemed to have ceased to be a member of the Supervisory Board of the Company if, after the expiry of the term of office of a member of the Supervisory Board of the Company, the Beneficiary is immediately (and in any event no later than within 14 days of the expiry of the term of office) reappointed as a member of the Supervisory Board of the Company.

A Bad Leaver event means the occurrence of at least one of the following events:

- the Beneficiary is sentenced by a final judgment for offences specified in the provisions of Chapters XXXIII-XXXVII of the Penal Code or in Articles 587, 590 and 591 of the Commercial Companies Code, or admits to having committed such an offence, or
- the Beneficiary will have been convicted of an intentional offence by a final judgment or will have pleaded guilty to an intentional offence or will have been sentenced to imprisonment or restriction of liberty.

The Beneficiary has the right to exercise the Entitlements for each of the years in the period from 1 January 2026 until one month after the Company publishes its consolidated financial statements for the financial year ending 31 December 2025. The Company will enable the Beneficiary to acquire the shares until 30 September 2026.

The Company uses the Black-Scholes equation to value the entitlements. MCI's share price on the valuation date was PLN 16.35/share. Risk-free interest rate: 8.1%. The assumed volatility of MCI shares: 30%. The Company has assumed dividend payments, in accordance with the Company's dividend policy for 2021-2023 adopted by the Company's Management Board on 26 October 2020, over the life of the entitlements granted in the form of MCI shares. It is assumed that MCI shares will vest. In estimating the fair value, vesting conditions other than market conditions were not taken into account.

The Company recognised an expense of PLN 329 thousand in 2023 for this incentive scheme. In 2022, the cost of this incentive scheme amounted to PLN 413 thousand.

## 21. Remuneration of the entity authorised to audit financial statements (gross)

	For the period: from 01.01.2023 to 31.12.2023	For the period: from 01.01.2022 to 31.12.2022
	PLN '000	PLN '000
Audit of annual financial statements	212	204
Review of semi-annual financial statements	110	105
	<b>322</b>	<b>309</b>

## 22. Dividend

### Distribution of profit for 2022

On 30 March 2023, the Management Board of MCI Capital ASI S.A. resolved to amend the dividend policy of the Company for 2021-2023 (as announced by MCI Capital ASI S.A. in current report No 50/2020 of 26 October 2020) so that the Management Board of MCI Capital ASI S.A. will not recommend a dividend for 2022 to the general meeting of MCI Capital ASI S.A.

At the same time, the Management Board of MCI Capital ASI S.A. recommended changing the model of fund distribution to investors of MCI Capital ASI S.A. and introducing the possibility for the shareholders of MCI Capital ASI S.A. to sell their shares in MCI Capital ASI S.A. to an entity from the broad MCI Group in 2023 and 2024 at a premium to the market price.

Accordingly, in May 2023, MCI.PrivateVentures Closed-End Investment Fund operating for the subfund MCI.EuroVentures 1.0. published an invitation to tender the shares in MCI Capital ASI S.A.

MCI.PrivateVentures Closed-end Investment Fund operating for the subfund MCI.EuroVentures 1.0. received jointly tenders for the sale of 1,123,780 shares in MCI Capital ASI S.A. by external investors (equivalent to 25.3 million PLN; 2.14% in the share capital of MCI Capital ASI S.A.) and for the sale of 1,340,421 shares in MCI Capital ASI S.A. by MCI Management Sp. z o.o. (equivalent to PLN 30.1 million; 2.56% in the share capital of MCI Capital ASI S.A.). Accordingly, MCI.PrivateVentures FIZ acting for the subfund MCI.EuroVentures 1.0. acquired a total of 2,464,201 shares in MCI Capital ASI S.A., representing 4.70% of the total number of shares in the Company at a unit price of PLN 22.50, i.e. for a total price of PLN 55.4 million.

Due to the high interest of investors in the purchase of shares in MCI Capital ASI S.A., MCI.PrivateVentures Fundusz Inwestycyjny Zamknięty operating for the subfund MCI.EuroVentures 1.0. decided to fulfill all received tenders (no reduction of subscriptions).

The tender offer for the shares in MCI Capital ASI S.A. was settled on 7 June 2023.

### Distribution of profit for 2023

The Company's Management Board plans to recommend the application in 2024 of the model for the distribution of funds to MCI investors that was applied last year, which involves enabling shareholders to sell shares in the Company with an aggregate value of up to 2% of MCI's equity to an MCI Group entity.

Should there be no interest in acquiring shares by an MCI Group entity or should a market situation arise that is not conducive to the implementation of this distribution model, the Management Board will recommend the payment of a dividend of up to 2% of MCI's equity.

The Management Board of MCI Capital ASI will notify Shareholders of further steps in the form of appropriate reports.

## 23. Contingent liabilities and assets

### Corporate income tax – JTT compensation

On 2 October 2006, the Company brought action in the Regional Court in Wrocław against the State Treasury for the payment of PLN 38.5 million on account of losses incurred and profit lost by the Company as shareholder of JTT Computer S.A. as a result of unlawful practices of tax authorities.

Following a final judgement of the Court of Appeals in Wrocław dated 12 April 2011, the Company received compensation for damages caused by the State Treasury's tort in the amount of PLN 42,763,690.78 (principal amount plus interest).

On 30 March 2012, the Company filed its CIT-8 return for 2011, in which it disclosed a taxable amount of PLN 29,165,638. The tax due, according to this return, amounted to PLN 5,541,471 and was paid in full by 27 June 2011.

In the above return, the Company also included the compensation awarded to it by the State Treasury as described above.

A number of events, significant in terms of the amount of the tax liability, took place subsequently:

- on 22 June 2012, the abovementioned judgment of the Court of Appeal (in the part concerning the amount of compensation) was annulled by the Supreme Court after the cassation appeals of both parties had been examined,
- on 13 January 2013, a further Court of Appeal judgment was issued which awarded the Company PLN 28,821,828 + interest, as compensation,
- on 22 January 2013, the Company reimbursed the difference between the amounts awarded, together with interest,
- on 26 March 2014, the Supreme Court annulled the judgment of the Court of Appeal of 13 January 2013 (in the part concerning compensation), after hearing the complaint of the State Treasury represented by the Director of the Treasury Control Office,
- on 30 December 2016, the Company filed its 'first' motion for refund of the overpayment of corporate income tax for 2011,
- on 8 June 2017, the Company received a decision refusing to declare the overpayment,
- on 22 June 2017, the Company filed an appeal against the decision of 8 June 2017 with the second instance authority,
- on 13 September 2017, the Company received the decision of the second instance authority, which upheld the decision of the first instance authority,
- on 13 October 2017, the Company challenged the second instance decision on the 'first' motion for a refund of the overpayment of corporate income tax for 2011 - thus, according to the Company, the statute of limitations was suspended,
- on 18 September 2018, the Court of Appeal in Wrocław issued a judgment, which this time awarded the Company compensation of PLN 2,190,000 plus interest (in the amount of PLN 1,326,660),
- on 16 November 2018, the Company refunded the difference between the amounts awarded on 13 January 2013 and 18 September 2018,
- on 18 February 2019, following the above judgment of 18 September 2018, the Company filed a 'second' motion to declare an overpayment of corporate income tax for 2011 in view of the fact that the income tax previously paid on the original amount of compensation (PLN 42,763,690.78, including interest), together with its revision (to the amount of PLN 2,190,000 + interest), had become an overpaid tax as a result of subsequent civil court decisions,
- on 25 November 2021, the Supreme Court issued a judgment dismissing the cassation appeals of both the Company and the State Treasury against the judgment of the Court of Appeal in Wrocław of 18 September 2018, as a consequence of which the amount of compensation of PLN 2,190,000 plus interest (PLN 1,326,660) became a definite amount,
- on 13 April 2022, the Company filed a 'third' motion to declare and refund the overpayment (in the amount corresponding to the 'second' application). This action was prompted by procedural prudence, related to the final formation of the Company's income (as a result of the Supreme Court judgment) and its potential consequences related to the obligation to file a correction.
- On 8 June 2017, the Company received a decision refusing to declare the overpayment from the Second Mazovian Tax Office in Warsaw. On 22 June 2017, the Company appealed against the decision to the appeal body, the Director of the Tax Administration Chamber in Warsaw. On 13 September 2017, the Company received a decision from the appeal body, which upheld the decision of the body of first instance, i.e. the Head of the Second Mazovian Tax Office in Warsaw. On 13 October 2017, the Company filed a complaint against the decision of the Director of the Tax Administration Chamber in Warsaw dated 13 September 2017 with the Provincial Administrative Court in Warsaw.
- On 28 October 2022, the Company received a decision from the Head of the Second Mazovian Tax Office in Warsaw confirming an overpayment of corporate income tax for the tax year 2011 in the amount of PLN 25,341 and declining to confirm the remainder of the overpayment (i.e. PLN 5,323,551).
- Not agreeing with the grounds for the decision of the Head of the Second Mazovian Tax Office in Warsaw indicated in the decision, the Company filed an appeal against the aforementioned decision on 14 November 2022. The case was referred to the Director of the Tax Administration Chamber in Warsaw (the second instance authority) for consideration.
- On 8 February 2023, the Director of the Tax Administration Chamber in Warsaw upheld the decision of the Head of the Second Mazovian Tax Office in Warsaw.
- On 23 March 2023, the Company filed a complaint with the Provincial Administrative Court in Warsaw against the decision of the Director of the Tax Administration Chamber in Warsaw of 8 February 2023.

- On 12 May 2023, the Company received a copy of the response of the Director of the Tax Administration Chamber in Warsaw to the aforesaid complaint filed by the Company with the Provincial Administrative Court. In his response, the Director of the Tax Administration Chamber in Warsaw upheld the position contained in the decision of 8 February 2023 and requested the Provincial Administrative Court to dismiss the complaint. The Provincial Administrative Court held a hearing on the subject on 7 September 2023, at which the Court set a further hearing date for 21 September 2023.
- On 21 September 2023, a hearing on the matter was held before the Provincial Administrative Court, at which the Provincial Administrative Court overturned the appealed decision of the Director of the Tax Administration Chamber in Warsaw and the preceding decision of the Head of the Second Mazovian Tax Office in Warsaw of October 2022. The Director of the Tax Administration Chamber in Warsaw did not lodge a cassation appeal against the judgment of the Provincial Administrative Court. On 30 November 2023, the judgment was referred to the judge for an enforceability clause. The case was referred to the Head of the Second Mazovian Tax Office in Warsaw.
- The Company has received correspondence from the Second Mazovian Tax Office in Warsaw, i.e. a decision setting a deadline of 15 April 2024 for the completion of the case concerning the determination of an overpayment of CIT for 2011. The Company is currently waiting for the tax authority to complete the proceedings.

As at the balance sheet date, no receivables or provisions were recognised on this account. The Company believes that this is not necessary.

#### **Administrative proceedings – Inspection of the Social Insurance Institution at MCI Capital TFI S.A. and PEM Asset Management Sp. z o.o.**

In the period of the first three quarters of 2022, the Social Insurance Institution carried out inspections at PEM Asset Management Sp. z o.o. and MCI Capital TFI S.A.

The inspection covered:

- Correctness and reliability of the calculation of social security contributions and other contributions that the Company is obliged to collect, as well as reporting for social security and health insurance,
- Determining entitlement to and payment of social security benefits and making settlements in respect thereof,
- Correctness and timeliness of the processing of pension claims,
- Issuing certificates or reporting data for social security purposes,
- Correctness and accuracy of the data provided to the Social Insurance Institution in the application for standstill benefit under the Act of 2 March 2020 on special arrangements for the prevention, counteraction and combating of COVID-19, other infectious diseases and emergencies caused by them,
- Correctness and accuracy of the data provided to the Social Insurance Institution in the application for exemption from the obligation to pay contributions submitted on the basis of the Act of 2 March 2020 on special arrangements for the prevention, counteraction and combating of COVID-19, other infectious diseases and emergencies caused by them.

The inspection covered the period 2017-2020.

As part of the inspection, the Social Insurance Institution identified irregularities related to the simultaneous employment of employees at MCI Capital TFI S.A. and PEM Asset Management Sp. z o.o. In the opinion of the management boards of MCI Capital TFI S.A. and PEM Asset Management Sp. z o.o., the manner of employing personnel by both companies was justified by the scope of their activities based on the agreements to which both companies were parties and thus complied with the provisions of the applicable law. Accordingly, the management board of MCI Capital TFI S.A. filed objections to the inspection report, which, however, were not considered by the Social Insurance Institution. On 19 October 2022, MCI Capital TFI S.A. received the official decision of the Social Insurance Institution regarding the inspection. On 21 November 2022, MCI Capital TFI S.A. filed an appeal with the court against the received decision of the Social Insurance Institution. On 16 January 2023, the Regional Court in Warsaw decided to suspend the main proceedings involving MCI Capital TFI S.A., indicating that the outcome of the case will depend on the cases of the individual insured persons – the first hearings for individual insured were held in September 2023. Further hearings are being successively scheduled. In the opinion of the legal advisor of MCI Capital TFI S.A., there are strong arguments in favour of the position of MCI Capital TFI S.A., however, at the

moment of drawing up these financial statements, due to the advanced stage of the proceedings, it is impossible to determine the probability of MCI Capital TFI S.A. winning the dispute.

### **Customs and tax inspection in respect of flat-rate corporate income tax**

On 2 March 2023, MCI Capital ASI S.A., as the legal successor of MCI Fund Management Sp. z o.o., received an authorisation from the Head of the Podlaskie Customs and Tax Office in Białystok for the designated persons to carry out a customs and tax inspection regarding the lump-sum corporate income tax on the payment of amounts listed in Article 22(1) of the Corporate Income Tax Act by MCI Fund Management Sp. z o.o. for 2018 (tax on dividends).

As a result of the inspection, on 25 July 2023 the Office issued a decision stating the Company's tax liability in the amount of PLN 3,691 thousand. On 27 July 2023, the Company paid the tax liability plus default interest in the amount of PLN 1,731 thousand.

## **24. Warranties and guarantees**

### **Warranties granted to MCI.PrivateVentures FIZ**

#### **Collateral for the credit facility of the MCI.EuroVentures 1.0. subfund**

On 29 January 2021, the parent company concluded a financial and registered pledge agreement with Raiffeisen Bank International AG on 511,044 investment certificates issued by MCI.PrivateVentures Closed-End Investment Fund with separated subfund MCI.EuroVentures 1.0.

The pledge agreement secures repayment of the obligation of MCI.PrivateVentures Closed-end Investment Fund acting for the subfund MCI.EuroVentures 1.0. resulting from the term credit and revolving credit facility agreement in the total amount of EUR 29 million concluded on 4 January 2021 with Raiffeisen Bank International AG. On 7 April 2023, an annex was signed under which the availability of the revolving credit facility was extended until 1 March 2024. As at 31 December 2023, the value of the pledged series C investment certificates amounted to PLN 344,836 thousand.

The Company has prepared an estimate of the amount of the allowance for expected credit losses related to the pledge over investment certificates. It has not indicated the need for recognition of an allowance for expected credit losses as at 31 December 2023.

#### **Collateral for a credit facility taken out by MCI Management Sp. z o.o.**

On 26 July 2023, MCI Capital ASI S.A. concluded a financial and registered pledge agreement with Raiffeisen Bank International AG on 382,000 investment certificates issued by MCI.PrivateVentures Closed-End Investment Fund with separated subfund MCI.EuroVentures 1.0. up to the highest amount of the registered pledge collateral equal to EUR 48 million.

The Pledge Agreement secures the repayment of the liability of MCI Management Sp. z o.o. under the revolving credit facility agreement in the total amount of EUR 32 million concluded on 26 July 2023 with Raiffeisen Bank International AG. As at 31 December 2023, the value of the pledged series K investment certificates (200,000 certificates) and series M investment certificates (182,000 certificates) amounted to PLN 256,431 thousand.

The Company has prepared an estimate of the amount of the allowance for expected credit losses related to the pledge over investment certificates. It has not indicated the need for recognition of an allowance for expected credit losses as at 31 December 2023.

### **Assignment of claims**

On 24 June 2022 an agreement on transfer of receivables was concluded between MCI Capital TFI S.A. and ING Bank Śląski S.A pursuant to which MCI Capital TFI S.A., as assignor, secures the repayment of claims of ING Bank Śląski S.A. under the credit facility agreement dated 24 June 2022 in the form of an assignment to the bank of its claims resulting from the fund management fees due to be collected, up to the amount of the debt under the credit facility agreement, including interest, commissions and other costs, related to the credit facility agreement.

## **25. Lease agreements**

As at the balance sheet date, the Company is a party to the office space lease agreement with "Apollo Invest" sp. Z o.o., classified as a lease agreement under IFRS 16. At the same time, the Company is a party to sublease agreements for office space with related entities.

## **26. Operating segments**

No separate operating or geographical segments are separated within the Company.



## 27. Information on related-party transactions

Information on related-party transactions as at 31 December 2023 and for the period from 1 January to 31 December 2023

	Ultimate controlling entity*	Subsidiaries*	Other related parties***	Managem nt Board of the Company	Total
<b>Investments:</b>					
Shares	-	42,280	855	-	43,135
Investment certificates	-	-	2,289,695	-	2,289,695
<b>Receivables:</b>					
Short-term receivables	223	60	254	-	537
<b>Liabilities:</b>					
Trade payables	-	(25)	-	-	(25)
Liabilities on account of bonds	-	-	(85,654)	-	(85,654)
<b>Income and expenses:</b>					
Revaluation of shares	-	2,893	(16)	-	2,877
Revaluation of investment certificates	-	-	196,594	-	196,594
Net gain or loss on redemption of investment certificates	-	-	12,871	-	12,871
Operating expenses	(1)	-	-	-	(1)
Lease income – sublease of office space	2	635	13	-	650
Other operating income	9	99	0	-	108
Finance income	379	-	916	-	1,295
Finance costs	-	(95)	(9,998)	-	(10,093)

\*The ultimate controlling entity is MCI Management Sp. z o.o.

\*\*The following are treated as subsidiaries: MCI Capital TFI S.A., PEM AM Sp. z o.o. and MCI Digital and Climatech GP S.à r.l.

\*\*\*Other related parties comprise all investment funds, funds' portfolio companies, MCI Investments Sp. z o.o. as well as MCI Digital and Climatech Fund V S.C.A., SICAV-RAIF.

In addition to related-party transactions listed above, the Company also has off-balance sheet liabilities in the form of guarantees and warranties issued, described in detail in **Note 24 "Warranties and guarantees"**.

The balances of receivables and payables outstanding as at the balance sheet date are not secured (except for the bond security described in **Note 13 "Liabilities on account of bonds"**). The Company plans to account for settlements through cash flow realisation.

Related-party transactions were made on terms equivalent to those that prevail in arm's length transactions.

Information on related-party transactions as at 31 December 2022 and for the period from 1 January to 31 December 2022

	Ultimate controlling entity*	Subsidiaries*	Other related parties***	Managem nt Board of the Company	Total
<b>Investments:</b>					
Shares	7	43,410	871	-	44,288
Investment certificates	-	-	2,148,677	-	2,148,677
<b>Receivables:</b>					
Short-term receivables	-	54	434	-	488
<b>Liabilities:</b>					
Trade payables	-	(20)	-	-	(20)
Liabilities on account of bonds	-	-	(84,668)	-	(84,668)
<b>Income and expenses:</b>					
Revaluation of shares	-	3,886	-	-	3,886

Revaluation of investment certificates	-	-	158,275	-	<b>158,275</b>
Net gain or loss on redemption of investment certificates	-	-	(1)	-	<b>(1)</b>
Valuation of other financial instruments	-	-	(17,411)	-	<b>(17,411)</b>
Operating income	-	87	-	-	<b>87</b>
Income from sublease of office space	2	534	23	-	<b>559</b>
Finance income	-	-	1,128	107	<b>1,235</b>
Finance costs	(2)	(694)	(9,942)	-	<b>(10,638)</b>

\*The ultimate controlling entity is MCI Management Sp. z o.o.

\*\*The following are treated as subsidiaries: MCI Capital TFI S.A. and PEM AM Sp. z o.o.

\*\*\*Other related parties comprise all investment funds, funds' portfolio companies and MCI Investment Sp. z o.o.

In addition to related-party transactions listed above, the Company also has off-balance sheet liabilities in the form of guarantees and warranties issued, described in detail in **Note 24 "Warranties and guarantees"**.

The balances of receivables and payables outstanding as at the balance sheet date are not secured (except for the bond security described in **Note 13 "Liabilities on account of bonds"**). The Company plans to account for settlements through cash flow realisation.

Related-party transactions were made on terms equivalent to those that prevail in arm's length transactions.

**Information on transactions between non-consolidated entities (controlled by MCI Capital ASI S.A.) and the main shareholder and MCI Capital ASI S.A.**

The following are transactions between MCI Capital ASI S.A. and the main shareholder of MCI Capital ASI S.A., i.e. MCI Management Sp. z o.o. and the investment funds managed by MCI Capital TFI S.A. as well as the portfolio companies of these funds, all of which are controlled by MCI Capital ASI S.A. (as at 31 December 2023 and 31 December 2022).

These transactions relate to intercompany financing as part of the intercompany liquidity placement policy.

The financing is granted on arm's length terms in accordance with the investment restrictions of the investment funds managed by MCI Capital TFI S.A., including the 20% limit on exposure to the assets of a single entity and in the interest of the participants of these funds.

<b>Issuer</b>	<b>Creditor / Bondholder</b>	<b>Type of instrument</b>	<b>Maturity date</b>	<b>Cost (nominal amount) PLN '000</b>	<b>As at 31.12.2023 PLN '000</b>	<b>As at 31.12.2022 PLN '000</b>
MCI Management Sp. z o.o.	MCI.EuroVentures 1.0 subfund (MCI.EV)	bonds – series H	23.06.2023	38,000	-	45,537
MCI Management Sp. z o.o.	MCI.EuroVentures 1.0 subfund (MCI.EV)	promissory note	24.02.2023	17,843	-	18,891
MCI Management Sp. z o.o.	MCI.EV subfund indirectly through a portfolio company	bonds – series E	21.06.2023	60,000	-	78,166
MCI Management Sp. z o.o.	MCI.EV subfund indirectly through a portfolio company	promissory note	21.06.2023	21,000	-	21,508
MCI Management Sp. z o.o.	MCI.EV subfund indirectly through a portfolio company	promissory note	23.06.2023	32,000	-	32,758
MCI Management Sp. z o.o.	MCI.EV subfund indirectly through a portfolio company	promissory note	30.06.2023	41,741	-	41,750
MCI Management Sp. z o.o.	MCI.EV subfund indirectly through a portfolio company	loan	25.07.2023	1,000	-	1,038
MCI Management Sp. z o.o.	MCI.EV subfund indirectly through a portfolio company	loan	30.06.2023	24,300	-	24,361
MCI Management Sp. z o.o.	MCI.EuroVentures 1.0 subfund (MCI.EV)	bonds – series K	23.06.2026	258,000	270,448	-
MCI Management Sp. z o.o.	MCI.EV subfund indirectly through a portfolio company	promissory note	23.06.2026	21,000	21,079	-
<b>Total</b>				<b>514,884</b>	<b>291,527</b>	<b>264,009</b>

  

<b>Issuer</b>	<b>Creditor / Bondholder</b>	<b>Type of instrument</b>	<b>Maturity date</b>	<b>Cost (nominal amount) PLN '000</b>	<b>As at 31.12.2023 PLN '000</b>	<b>As at 31.12.2022 PLN '000</b>
MCI Capital ASI S.A.	MCI.EuroVentures 1.0 subfund (MCI.EV)	bonds – series R	29.07.2026	79,000	81,117	84,668
<b>Total</b>				<b>79,000</b>	<b>81,117</b>	<b>84,668</b>
<b>Total</b>				<b>593,884</b>	<b>372,644</b>	<b>348,677</b>

## **28. Capital management**

The Company manages capital in order to ensure that it continues as a going concern and generates the expected returns for its shareholders and other entities interested in the Company's financial standing.

The Company monitors the level of capital on an ongoing basis, based on the carrying amount of equity. The Company calculates the ratio of equity to total financing sources. The Company's target for the ratio is not less than 0.5. As at 31 December 2023, the ratio stood at 0.89 (0.87 as at 31 December 2022).

In addition, the Company monitors the ability to service its debt and calculates the debt ratio, calculated as the ratio of net debt to total assets. Net debt comprises liabilities on account of bonds, credits and loan, and other financial instruments less cash and cash equivalents.

Moreover, in order to maintain or adjust the capital structure, the Company may distribute dividends to shareholders, return capital to shareholders or issue new shares. On 30 March 2023, the Management Board of MCI Capital ASI S.A. adopted a resolution on changing the Company's dividend policy for the years 2021-2023 recommending a change in the model of distribution of funds to investors of MCI Capital ASI S.A. and introducing, in lieu of dividend payments, the possibility for the shareholders of MCI Capital ASI S.A. to sell their shares in MCI Capital ASI S.A. to an entity from the broad MCI Group in 2023 and 2024 at a premium to the market price. Accordingly, in 2023 MCI.PrivateVentures FIZ acting for the subfund MCI.EuroVentures 1.0. acquired a total of 2,464,201 shares in MCI Capital ASI S.A., representing 4.70% of the total number of shares in the Company at a unit price of PLN 22.50, i.e. for a total price of PLN 55.4 million.

The Company aims to continuously improve the ROE and NAV/S ratios. The expected level of return on equity of the Company is approximately 15%. The Company expects to improve returns by investing its funds in assets delivering higher yields - in particular by investing in the MCI.EuroVentures 1.0. subfund, which is a buyout-type subfund (the average annual return of the subfund's series A investment certificates over the past three years is 17.2%); at the same time, it is the largest subfund managed by MCI Capital TFI S.A. with net asset value of PLN 2.1 billion, i.e. 86% of NAV of the funds it manages) and an appropriate level of indebtedness of the Company. The improvement of the NAV/S ratio has been also achieved through a share buy-back program, implemented gradually by the Company using its surplus funds, which to date has provided an alternative source of distributing funds to shareholders.

## **29. Risk management**

Risks to which the Company is exposed:

- liquidity risk,
- investment risk,
- concentration risk,
- market risk,
- credit risk,
- risk related to the environment in which the Company operates.

### **LIQUIDITY RISK**

The Company identifies the following sources of funds necessary to carry out its day-to-day operations and ensure an appropriate level of liquidity:

- issue of debt securities
- banking risk,
- redemption of investment certificates of funds in which MCI Capital ASI S.A. is a participant,
- intercompany financing (under the intra-group liquidity policy – through issuing promissory notes, bonds and lending).

The primary method of raising capital by the Company are bond issues, historically addressed primarily to institutional customers. Since the beginning of its operations until the end of 2023, MCI has issued bonds with a total nominal value of PLN 777 million, of which a total of PLN 602 million was redeemed by the end of 2023.

In November 2021, the Company issued bonds (series T1) addressed to retail customers with a total value of PLN 15 million (nominal value) under a public bond issue programme of up to PLN 100 million, on the basis of a prospectus approved by the PFSA on 11 March 2021. In continuation of the issue programme, the Company issued bonds (series T2) worth PLN 81 million (nominal value) in February 2022 under the aforementioned programme.

The Company also has an exposure of approximately PLN 2,289,194 thousand (as at 31 December 2023) in investment certificates of MCI.PrivateVentures FIZ (“Fund”) with separated subfunds MCI.EuroVentures 1.0. (“EV”)

and MCI.TechVentures 1.0. (“TV”). The Fund's Articles of Association set out the precise rules for redeeming investment certificates related to EV and TV. **As a result, MCI Capital ASI S.A. has the power to withdraw liquid funds from EV and TV, as defined in the Fund's Articles of Association, owing to which it can predict its ability to generate liquidity at the Group companies' level, limited only by the liquidity of the EV and TV subfunds, determined by the current market situation and the quality of management of the Fund by MCI Capital TFI S.A.** The powers resulting from the Fund's Articles of Association to redeem EV and TV investment certificates vested in MCI Capital ASI S.A. as a participant of the Fund are presented below. These powers determine, to a significant extent, the Company's liquidity capabilities, apart from those resulting from raising external financing.

– **EV:** In accordance with the provisions of the Fund's Articles of Association, the Fund's investment certificates related to EV of the series held by MCI Capital ASI S.A. may be redeemed at the Company's request on each last calendar day of a given calendar quarter. The only statutory limitation that affects the value of the redemption is that the redemption must not result in EV assets falling below PLN 150,000. Therefore, the Group has the statutory possibility to withdraw from the investment in the EV subfund at a specified point in time in a manner limited only by the liquidity of this subfund. MCI Capital ASI S.A.'s direct exposure in EV certificates as at 31 December 2023 was 99.53% (share in the subfund's net asset value). As at 31 December 2023, the net asset value of the EV subfund was PLN 2,134 million, the value of cash/units/liquid assets was PLN 53 million and the value of bank deposits with a maturity of more than three months from the balance sheet date was PLN 53 million.

– **TV:** Each time a Surplus (as defined in the Fund's Articles of Association) is generated by TV, investment certificates are automatically redeemed and proceeds from this redemption are distributed to the Group and other participants in proportion to their share in TV. MCI Capital ASI S.A.'s direct exposure in TV certificates as at 31 December 2023 was 48.08% (share in the subfund's net asset value). In simpler terms, once TV has generated a liquidity surplus which allows it to fully repay the subfund's debts and cover its operating costs over a period of 18 months, TV will automatically redeem investment certificates and distribute the surplus calculated as indicated above to its participants, including 48.08% to MCI Capital ASI S.A. The TV subfund is in the process leading to the opening of liquidation, which means that for the remaining life of the subfund (set at 5 years after the amendment to the Fund's articles of association introducing a limited life for the subfund, i.e. until 16 September 2024 with the possibility of extension by 1+1 year), TV is not making any new investments – apart from follow-up investments – and its managers focus on the most advantageous options to exit from the existing assets. The surplus liquidity obtained in this manner will be automatically distributed to the subfund's participants by means of periodic automatic redemptions of investment certificates. As at 31 December 2023, the net assets value of the TV subfund was PLN 343 million. The Surplus value published as at 31 December 2023 was PLN 0.3 million. However, according to the most up-to-date calculation made as at 29 February 2024, the Surplus amounted to PLN 0.2 million.

The Company manages liquidity risk by continuous monitoring of maturities of liabilities and the amount of cash held, as well as by monitoring liquidity ratios based on balance sheet items and analysis of liquid assets in relation to cash flows – by means of regular, weekly liquidity reporting (liquidity is analysed on an ongoing basis over a 2-year horizon in relation to the current pipeline of fundraising and exit projects).

The table below presents the Company's financial liabilities by maturity as at 31 December 2023 and 31 December 2022, based on undiscounted contractual payments.

<b>31 December 2023</b>	On demand	Up to 3 months	From 3 to 12 months	From 1 year to 5 years	More than 5 years	Total
Lease liabilities	-	95	291	1,718	848	<b>2,952</b>
Liabilities on account of bonds	-	-	16,248	162,805	-	<b>179,053</b>
Credits and loans	-	-	-	74,540	-	<b>74,540</b>
Trade and other payables	-	198	-	-	-	<b>198</b>
Tax liabilities	-	38	-	-	-	<b>38</b>
Off-balance-sheet liabilities (guarantees issued)	397,842	-	-	-	-	<b>397,842</b>
	<b>397,842</b>	<b>331</b>	<b>16,539</b>	<b>239,063</b>	<b>848</b>	<b>654,623</b>

As at 31 December 2023, the most significant components of the Company's liabilities comprised liabilities on account of bonds and liabilities on account of credits and loans.

As at 31 December 2023, total liabilities of the Company recognised in the balance sheet amounted to PLN 257 million (excluding deferred tax liabilities, provisions and off-balance sheet liabilities) and represented 12% of the Company's equity.

The Company does not expect any threat to its liquidity situation in the foreseeable future, i.e. at least within the next 12 months.

<b>31 December 2022</b>	On demand	Up to 3 months	From 3 to 12 months	From 1 year to 5 years	More than 5 years	Total
Lease liabilities	-	99	300	1,776	1,407	<b>3,582</b>
Liabilities on account of bonds	-	-	115,850	83,857	-	<b>199,707</b>
Credits and loans	-	-	-	90,004	-	<b>90,004</b>
Trade and other payables	-	311	-	-	-	<b>311</b>
Tax liabilities	-	39	-	-	-	<b>39</b>
Off-balance-sheet liabilities (guarantees issued)	204,011	-	-	-	-	<b>204,011</b>
	<b>204,011</b>	<b>449</b>	<b>116,150</b>	<b>175,637</b>	<b>1,407</b>	<b>497,654</b>

As at 31 December 2022, the most significant components of the Company's liabilities comprised liabilities on account of bonds and liabilities on account of credits and loans.

As at 31 December 2022, total liabilities of the Company recognised in the balance sheet amounted to PLN 295 million (excluding deferred tax liabilities, provisions and off-balance sheet liabilities) and represented 15% of the Company's equity.

## **INVESTMENT RISK**

The essence of private equity investments is the possibility of obtaining higher rates of return through investments in projects characterised by higher risk level. Prior to making an investment, investment teams perform an in-depth analysis of the company's business plan; however, this does not necessarily ensure that the undertaking's development will meet the assumptions. If the business model of a given enterprise is not successful, it can have negative impact on the value of the investment, including loss. As a result, it may translate negatively into the Company's financial results through decrease in the valuation of investment certificates held in a given fund as a result of a decrease in the value of a given portfolio investment in which the Fund has invested.

### **Risk associated with valuation of managed companies with impact on the value of managed assets**

The investments of MCI Capital ASI S.A. are made mainly by investing its assets in investment certificates of investment funds managed by MCI Capital TFI S.A. (the "Investment Fund Company"), whose value is determined by the Company based on the recently announced net asset value per investment certificate, taking into account events, if any, which occurred after the date of the announcement of the net asset value per investment certificate and affected the fair value. As a consequence, a change in the valuation of other commercial companies may affect the value of MCI Capital ASI S.A.'s assets indirectly by affecting the valuation of net assets per investment certificate of investment funds managed by the Investment Fund Company.

In accordance with the articles of association of investment funds whose investment certificates are held by the Company ("Funds"), the Investment Fund Company at least once a quarter performs a fair value measurement of the companies included in the Funds' investment portfolios, and the value of this measurement translates into the

value of assets under management and the level of fees charged by the Investment Fund Company. Funds commit capital for a period 5 and 10 years. The investment portfolios of the Funds include, to a significant extent, entities whose securities are not listed on the stock exchange. Thus, the liquidity of such investments is limited and profit realised through sale — typically to industry or financial investors — of the company's shares. However, there is no certainty that the Funds will find potential buyers for their investments in the future and will be able to withdraw from them while achieving the assumed rates of return. The risk of negative economic and stock exchange situation can additionally impede the possibility of performing the withdrawal or considerably limit the achievable rate of return. At the same time, not all investment projects have to be successful. There is a risk of impairment losses on companies that perform below expectations or whose financial condition suggests that this may be the case, which in turn will lead to a decrease in the value of assets under management. As a result, these events may indirectly affect the financial performance of MCI Capital ASI S.A.

### **Risk associated with the structure of fund investment portfolio**

Appropriate diversification, aimed at reduction of the investment risk, is crucial for portfolio creation. Investment funds whose certificates are held by MCI Capital ASI S.A. endeavour to reduce the indicated risk by lowering the level of capital exposure in one undertaking.

At the same time, according to the information provided by the Investment Fund Company, funds are consistently pursuing geographic and sectoral diversification policies. Funds acquire shares in companies operating in Poland, but also in Central and Eastern Europe (CEE), German-speaking countries (DACH), former USSR (CIS) and Israel. Geographic diversification allows for spreading the investment risk of Funds (the decrease in profitability through the deterioration of the economic situation in one market may be minimized due to the good situation on another market) and to benefit from the increase in value of investments in emerging markets. In addition, the Funds diversify their investments by segments of the companies whose shares are acquired by the Funds. Funds invest the investors' (including the Company's) funds primarily in growth and large buyout/expansion companies, focusing on the latter strategy.

### **CONCENTRATION RISK**

Concentrations of risk arise from financial instruments that have similar characteristics and are affected similarly by changes in economic or other conditions. The Company is exposed to concentration risk due to the fact that investment certificates of closed-end investment funds accounted for 97.1% of total assets as at 31 December 2023. For the value of investment certificates of individual closed-end investment funds held by the Company, see **Note 6 "Investment certificates"**.

The Company invests its assets through investment funds with diversified investment strategies. As at the date hereof, the Company's investments are mainly focused on the MCI.PrivateVentures FIZ fund with the separated subfunds: MCI.EuroVentures 1.0. and MCI.TechVentures 1.0. The other funds in the Group's structures are Internet Ventures FIZ w likwidacji [in liquidation] (the fund is in the process of liquidating its assets and winding up; the liquidation of Internet Ventures FIZ commenced on 1 July 2021) and MCI Digital and Climatech Fund V S.C.A. SICAV-RAIF (fund established in 2023; the fund did not make investments in 2023). The funds invest the funds entrusted in investment assets in accordance with their investment strategies in buyout and growth investments (MCI.EuroVentures 1.0. and MCI.TechVentures 1.0. sub-funds). Since 2015, the Company has focused on the buyout strategy pursued by the MCI.EuroVentures 1.0. subfund, which is reflected in the structure of investment certificates held by MCI – the MCI.EuroVentures 1.0. subfund accounted for 93%, while the MCI.TechVentures 1.0. subfund accounted for 7% of the value of investment certificates held as at 31 December 2023.

Both main subfunds focus on Poland as a geographical area, which accounted for 78% of the MCI.EuroVentures 1.0. subfund's portfolio and 59% of the MCI.TechVentures 1.0. subfund's portfolio, respectively, as at 31 December 2023. For the MCI.TechVentures 1.0 subfund, the Russian market accounted for 9% of the portfolio as at 31 December 2023. As at 31 December 2023, the Internet Ventures FIZ fund w likwidacji [in liquidation] focused entirely on Poland.

The aforementioned geographical concentration has a direct impact on currency and market concentration – the Polish zloty and the Polish market are dominant.

The methods of minimising concentration risk by closed-end investment funds whose investment certificates are held by MCI Capital ASI S.A. are outlined in the description of investment risk in the section "Risk associated with the structure of fund investment portfolio".

### **MARKET RISK**

The Company is exposed to market risk, which includes interest rate risk and currency risk.

### Interest rate risk

The Company's exposure to market risk for changes in interest rates relates primarily to issued own securities (bonds) and bank credit facility contracted.

The Group does not hedge the interest rate risk using derivative financial instruments. The Company uses sensitivity analysis to measure the interest rate risk.

Management of interest rate risk focuses on minimising the impact of fluctuations in interest cash flows on financial assets and liabilities bearing variable rate interest.

The table below presents the carrying amounts of the Company's financial instruments exposed to the interest rate risk, by maturity.

#### 31 December 2023

<i>Fixed interest rate</i>	< 1 year	1–2 years	2-3 years	3-4 years	4-5 years	>5 years	Total
Loans advanced	358	-	-	-	-	-	358
Lease liabilities	-	(788)	(420)	(438)	(457)	(849)	(2,952)
	<b>358</b>	<b>(788)</b>	<b>(420)</b>	<b>(438)</b>	<b>(457)</b>	<b>(848)</b>	<b>(2,594)</b>

<i>Variable interest rate</i>	< 1 year	1–2 years	2-3 years	3-4 years	4-5 years	>5 years	Total
Liabilities on account of bonds	(16,248)	(14,718)	(88,719)	(59,368)	-	-	(179,053)
Credits and loans	-	-	-	(74,540)	-	-	(74,540)
	<b>(16,248)</b>	<b>(14,718)</b>	<b>(88,719)</b>	<b>(133,908)</b>	-	-	<b>(253,593)</b>

#### 31 December 2022

<i>Fixed interest rate</i>	< 1 year	1–2 years	2-3 years	3-4 years	4-5 years	>5 years	Total
Loans advanced	358	-	-	-	-	-	358
Lease liabilities	-	(815)	(434)	(453)	(473)	(1,407)	(3,582)
	<b>358</b>	<b>(815)</b>	<b>(434)</b>	<b>(453)</b>	<b>(473)</b>	<b>(1,407)</b>	<b>(3,224)</b>

<i>Variable interest rate</i>	< 1 year	1–2 years	2-3 years	3-4 years	4-5 years	>5 years	Total
Liabilities on account of bonds	(115,850)	(8,849)	(7,834)	(16,768)	(50,406)	-	(199,707)
Credits and loans	-	-	(90,004)	-	-	-	(90,004)
	<b>(115,850)</b>	<b>(8,849)</b>	<b>(97,838)</b>	<b>(16,768)</b>	<b>(50,406)</b>	-	<b>(289,711)</b>

Interest on variable-rate financial instruments is updated in periods of less than one year. Interest on fixed-rate financial instruments remains unchanged until maturity.

Variable-rate financial instruments to which the Company is a party include cash assets, credits and loans as well as liabilities on account of bonds. Fixed-interest financial instruments to which the Company is a party include lease liabilities and receivables. The other financial instruments of the Company that are not included in the tables above are non-interest bearing and are therefore not subject to interest rate risk.

Sensitivity to interest rate risk

The table below presents sensitivity of the Company's profit (loss) before tax (in connection with floating-rate liabilities) to reasonably possible movements in interest rates, all other factors being equal. The effect on the Company's equity or total comprehensive income is not presented.

	Increase/ decrease (percentage points)	Effect on profit or loss before tax
Year ended 31 December 2023		
PLN '000	+ 1%	PLN 1,530 thousand
PLN '000 thousand	- 1%	PLN (1,530)
Year ended 31 December 2022		
PLN '000	+ 1%	PLN 938 thousand
PLN '000	- 1%	PLN (939) thousand

Interest rate index reform

On 1 January 2018 the Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts (the "IBOR Reform"). The amendment of the regulation was issued in February 2021. The regulation established a new standard for the determination and application of reference rates used in the financial market. The National Working Group on Benchmark Reform (NGR) was set up in connection with the planned reform of benchmarks in Poland, involving, among other things, the introduction of a new interest rate benchmark, the input of which is information representing ON (overnight) transactions. The NGR's work aims to ensure that the development and application of the new benchmark interest rate is credible, transparent and reliable.

The Company has reviewed the impact of IBOR Reform on its various lines of business in terms of: risk management, including operational and liquidity risk.

The Company has reviewed its existing commercial and financial agreements and has not identified a risk of termination of agreements that are material to the continuation of Company's business, based on benchmarks subject to the WIBOR Reform. The Company has neither identified a risk of incurring additional costs or incurring losses or lost benefits due to the lack of adequate provisions in existing commercial and financial agreements specifying the rules for the continuation of these agreements in the event that the benchmark is not published ("fallback clauses").

The current IBOR rates and the alternative benchmarks to be adopted by the Company are significantly different. IBOR rates are forward-looking rates set for a specific period (e.g. three months) at the beginning of such period and take into account the credit spread in the interbank market. Alternative benchmarks are typically risk-free overnight rates published at the end of the day that do not include a credit spread. These differences will create additional uncertainty regarding interest payments at variable rates, however in Company's opinion will not have a material impact on liquidity management. As at 31 December 2023, the exposure to risk related to WIBOR is PLN 253,594 thousand (as at 31 December 2022 it was PLN 289,711 thousand).

**Currency risk**

In 2023, the Company did not conclude any material transactions which would expose it directly to currency risk. However, the Funds invest in currencies other than PLN. In view of the above, fluctuations of foreign exchange rates will have impact on the reported value of investments, which will decrease in the case of appreciation of PLN compared to foreign currencies in which individual investments are measured during the investment period. Changes in exchange rates, through decreases in valuation or value of income obtained in the case of sale of the investments, can decrease the value of the funds' assets and thus the value of investment certificates held by the Company. The Investment Fund Company, as far as possible, maintains the policy of securing foreign exchange risk through foreign currency adjustment of sources of funding in relation to the original investment currency

**CREDIT RISK**

Credit risk arises from default of the counter party, with a maximum exposure equal to the carrying amount of financial assets with which the Company's credit risk is associated. These are the following assets: long-term receivables, short-term receivables, loans granted, cash, other financial instruments and investments in shares and investment certificates and off-balance sheet commitments, i.e. guarantees and warranties granted. A significant part of the Company's financial assets is made up of receivables and investments in related entities. The Company optimises the liquidity management process through short-term receivables from related parties. The Company monitors the balance of receivables on an ongoing basis. Credit risk associated with investments in subsidiaries and affiliates, investment certificates and other financial instruments is based on the results of companies and funds and is reflected in the valuation of these investments at fair value. At the same time, the financial performance of the companies and funds is monitored by the Company on an ongoing basis. With respect to cash, in order to improve current liquidity, the Company concludes bank deposit agreements with entities with high creditworthiness and deposits the funds for short periods of time. There is no material concentration of credit risk at the Company.

The Company applies the simplified model to calculate the allowance for trade receivables. The expected credit loss on receivables from customers is calculated on recognition of receivables in the statement of financial position and is updated as at each subsequent reporting date, depending on the number of days past due for a given amount receivable.

The Company's exposure to credit risk with respect to long-term and short-term receivables is presented in the table below:

31 December 2023	<u>Long-term and short-term receivables</u>					
	<b>Total</b>	<i>Not past due</i>	<i>&lt;30 days</i>	<i>30-60 days</i>	<i>61-90 days</i>	<i>&gt; 91 days</i>
Gross value at risk	<b>1,594</b>	1,591	3	-	-	-
Loss allowance for expected credit losses	-	-	-	-	-	-

31 December 2022	<u>Long-term and short-term receivables</u>					
	<b>Total</b>	<i>Not past due</i>	<i>&lt;30 days</i>	<i>30-60 days</i>	<i>61-90 days</i>	<i>&gt; 91 days</i>
Gross value at risk	<b>3,538</b>	3,537	1	-	-	-
Loss allowance for expected credit losses	-	-	-	-	-	-

## **RISK RELATED TO THE ENVIRONMENT IN WHICH THE COMPANY OPERATES**

### **Risk of changes in the legal, tax, regulatory and economic system**

There may be changes in the legal, tax, regulatory and economic system in the environment of the Company and funds whose investment certificates are held by the Company and the funds' portfolio companies. These developments may adversely affect the Company's ability to operate.

### **Risk of downturn in the area of innovative technologies**

A significant part of the funds' current investment portfolio, as well as their planned investments, is implemented in the area of innovative technologies. The economic downturn in this sector may affect the number and size of investment projects implemented by the funds, as well as their profitability, which may result in a deterioration of the Company's financial performance.

## **30. Significant events in 2023**

### **Judgment of the Provincial Administrative Court (Corporate income tax – JTT compensation)**

On 8 February 2023, the Director of the Tax Administration Chamber in Warsaw upheld the decision of the Head of the Second Mazovian Tax Office in Warsaw.

On 23 March 2023, the Company filed a complaint with the Provincial Administrative Court in Warsaw against the decision of the Director of the Tax Administration Chamber in Warsaw of 8 February 2023.

On 12 May 2023, the Company received a copy of the response of the Director of the Tax Administration Chamber in Warsaw to the aforesaid complaint filed by the Company with the Provincial Administrative Court. In his response, the Director of the Tax Administration Chamber in Warsaw upheld the position contained in the decision of 8 February 2023 and requested the Provincial Administrative Court to dismiss the complaint.

On 21 September 2023, a hearing on the matter was held before the Provincial Administrative Court, at which the Provincial Administrative Court overturned the appealed decision of the Director of the Tax Administration Chamber in Warsaw and the preceding decision of the Head of the Second Mazovian Tax Office in Warsaw of October 2022. The Director of the Tax Administration Chamber in Warsaw did not lodge a cassation appeal against the judgment of the Provincial Administrative Court. On 30 November 2023, the judgment was referred to the judge for an enforceability clause. The case was referred to the Head of the Second Mazovian Tax Office in Warsaw.

The Company has received correspondence from the Second Mazovian Tax Office in Warsaw, i.e. a decision setting a deadline of 15 April 2024 for the completion of the case concerning the determination of an overpayment of CIT for 2011. The Company is currently waiting for the tax authority to complete the proceedings.

#### **Complaint to the European Court of Human Rights (JTT compensation – lead case)**

On 9 February 2023, the European Court of Human Rights, ruling unanimously, decided to declare the complaint filed by the Company on 24 June 2022 unfounded and thus dismissed the complaint. The decision of the European Court of Human Rights is final. Thus, the Company used all possible civil means to obtain compensation from the State Treasury.

#### **Amendment to the dividend policy of MCI Capital ASI S.A.**

On 30 March 2023, the Management Board of MCI Capital ASI S.A. resolved to amend the dividend policy of the Company for 2021-2023 (as announced by MCI Capital ASI S.A. in current report No 50/2020 of 26 October 2020) so that the Management Board of MCI Capital ASI S.A. will not recommend a dividend for 2022 to the general meeting of MCI Capital ASI S.A.

At the same time, MCI Capital ASI S.A. announced that the Management Board of MCI Capital ASI S.A. plans to recommend changing the model of fund distribution to investors of MCI Capital ASI S.A. and introducing the possibility for the shareholders of MCI Capital ASI S.A. to sell their shares in MCI Capital ASI S.A. to an entity from the broad MCI Group in 2023 and 2024 at a premium to the market price.

The total value of MCI Capital ASI S.A. shares covered by the option, as described above, to sell to an entity from the broad MCI Group in a given year will not be higher than 2% of the equity of MCI Capital ASI S.A. as at the end of the previous calendar year (based on data disclosed in the financial statements of MCI Capital ASI S.A.).

#### **Acquisition of shares in MCI Capital ASI S.A. by MCI.PrivateVentures Closed-end Investment Fund operating for the subfund MCI.EuroVentures 1.0.**

In June 2023, MCI.PrivateVentures Closed-end Investment Fund operating for the subfund MCI.EuroVentures 1.0., in connection with the amended dividend policy of MCI Capital ASI S.A., acquired 2,464,201 shares in MCI Capital ASI S.A., representing 4.70% of the total number of shares in the Company at a unit price of PLN 22.50, including 1,340,421 shares from MCI Management Sp. z o.o.

#### **Appointment of a member of the Supervisory Board of MCI Capital ASI S.A.**

On 28 June 2023, the Annual General Meeting resolved to appoint Mr Jerzy Rozłucki as a member of the Company's Supervisory Board.

#### **Authorisation of the financial statements and distribution of the Company's profit for 2022**

On 28 June 2022, the Annual Shareholders' Meeting authorised the Company's financial statements for 2022 and the Directors' Report on the Company's activities in 2022. At the same time, the Annual Shareholders' Meeting resolved that the net profit for 2022 in the amount of PLN 143,262,690.67 be allocated in full to the Company's supplementary capital.

#### **Increase of the available credit limit and postponement of the repayment deadline for financing granted by ING Bank Śląski S.A.**

On 13 July 2023, MCI Capital ASI S.A. concluded an annex to the credit facility agreement with ING Bank, as a result of which the repayment date of the credit facility was postponed to 31 May 2026, while the available credit limit was increased to PLN 200 million.

**Redemption of investment certificates of the MCI.TechVentures 1.0. and MCI.EuroVentures 1.0., subfunds separated within the MCI.PrivateVentures FIZ fund**

On 14 July 2023, a proportional redemption of investment certificates of the MCI.TechVentures 1.0. subfund separated within the MCI.PrivateVentures FIZ fund took place, whereby 27,229 investment certificates of various series held by the Group were redeemed for a total of PLN 3.9 million.

On 31 July 2023, 82,330 series B investment certificates held by MCI Capital ASI S.A. in the subfund MCI.EuroVentures 1.0. separated within the fund MCI.PrivateVentures FIZ were redeemed for the total amount of PLN 53.3 million. The cash was used for partial repayment of an overdraft facility.

**Completion of customs and tax inspection in respect of flat-rate corporate income tax**

On 25 July 2023, as a result of an inspection regarding the lump-sum corporate income tax on the payment of amounts listed in Article 22(1) of the Corporate Income Tax Act by MCI Fund Management Sp. z o.o. for 2018 (tax on dividends), the Head of the Podlaskie Customs and Tax Office in Białystok issued a decision stating the Company's tax liability in the amount of PLN 3,691 thousand. On 27 July 2023, the Company paid the tax liability plus default interest in the amount of PLN 1,731 thousand.

**Conclusion of a financial and registered pledge agreement by MCI Capital ASI S.A. with Raiffeisen Bank International AG on the investment certificates**

On 26 July 2023, MCI Capital ASI S.A. concluded a financial and registered pledge agreement with Raiffeisen Bank International AG on the investment certificates issued by the subfund MCI.EuroVentures 1.0. separated within the fund MCI.PrivateVentures FIZ ("Certificates") ("Pledge Agreement").

The object of the Pledge Agreement is a financial and registered pledge on 382,000 Certificates held by MCI Capital ASI S.A. with a value of PLN 231.5 million as determined on the basis of the valuation of the Fund's assets as at 31 March 2023, up to the highest amount of the registered pledge collateral equal to EUR 48 million.

The Pledge Agreement secures the repayment of the liability of MCI Management Sp. z o.o. under the term credit facility and revolving credit facility agreement in the total amount of EUR 32 million concluded on 14 July 2023 with Raiffeisen Bank International AG (the "Credit Facility Agreement"), together with interest, commissions, fees and other claims related to the Credit Facility Agreement, including a claim for reimbursement of the costs of claim satisfaction under the Credit Facility Agreement.

**Redemption of series S bonds issued by MCI Capital ASI S.A.**

On 21 August 2023, series S bonds issued by the Company with a nominal value of PLN 20 million were redeemed at maturity.

**Audit of the Polish Financial Supervision Authority in MCI Capital TFI S.A.**

In the period from 5 September to 30 November 2023, MCI Capital TFI S.A. was audited by the Polish Financial Supervision Authority - the audit covered the management of investment funds, their representation towards third parties and the technical and organisational conditions of their operations. On 3 January 2024, MCI Capital TFI S.A. received an audit report from the Polish Financial Supervision Authority (the "Audit Report"). On 17 January 2024, the Company filed objections to the Audit Report with the Authority. In response to the objections to the Audit Report, the Company received an annex to the Audit Report and the audit recommendations on 21 February 2024. The Company is currently in the process of implementing the audit recommendations (the Company has 90 days to implement the recommendations).

**Resolution of the Management Board of the Warsaw Stock Exchange to suspend trading in shares of MCI Capital ASI S.A.**

On 26 September 2023, the Management Board of the Warsaw Stock Exchange ("WSE") adopted a resolution to suspend trading in the shares of MCI Capital ASI S.A. as of 29 September 2023.

According to the position of the WSE, the decision of the WSE Management Board results from the amendment to the law provided for in the Act of 16 August 2023 on amending certain acts in connection with ensuring the development of the financial market and investor protection on this market, coming into force on 29 September 2023.

The decision of the WSE Management Board was surprising for the MCI Group and the entire market, in particular in the context of the public announcement of the Ministry of Finance ("MF") and the Office of the Polish Financial Supervision Authority of 1 September 2023, where both institutions clearly confirmed that the provisions of law coming into force on 29 September 2023, did not apply to Alternative Investment Companies whose shares are already admitted to trading on a regulated market on the date of entry into force of the amended legal provisions.

In connection with the agreement reached by the Company (together with its majority shareholder, MCI Management Sp. z o.o.) with the WSE on the reinstatement of trading in the Company's shares, as of 6 December 2023, the WSE Management Board repealed the resolution of 26 September 2023. As a result, trading in the Company's shares was resumed as of 6 December 2023.

The agreement assumed a blockade of at least 50%. MCI shares until the date of entry into force of the amendment to the Act regulating secondary trading, participation rights of alternative investment companies (in a way that removes doubts as to the existence of restrictions on trading in MCI shares), but no longer than for a period of 12 months.

#### **Sale of shares in Simbio Holdings Limited held by MCI Capital ASI S.A.**

On 29 September 2023, MCI Capital ASI S.A. sold all shares in Simbio Holdings Limited held by MCI Capital ASI S.A. to MCI.EuroVentures 1.0., a subfund separated within the MCI.PrivateVentures FIZ fund. For details, see **Note 7 "Investments in other entities"**.

#### **Audit of the Polish Financial Supervision Authority in MCI Capital ASI S.A.**

In the period from 12 October to 20 December 2023, an audit of MCI Capital ASI S.A. was carried out by the Polish Financial Supervision Authority - the audit covers the activities of the alternative investment company and the management of the alternative investment company. On 31 January 2024, MCI Capital ASI S.A. received an audit report from the Polish Financial Supervision Authority (the "Audit Report"). On 14 February 2024, the Company filed objections to the Audit Report - the Company is currently awaiting the Polish Financial Supervision Authority's response to the objections filed.

#### **Redemption of investment certificates of the Internet Ventures FIZ fund**

On 20 December 2023, a redemption of investment certificates of the Internet Ventures FIZ fund took place, whereby 70,451,387 investment certificates of various series held by the Group were redeemed for a total amount of PLN 14.1 million.

#### **Significant events related to the investments of funds whose investment certificates are held by the Company**

##### **Acquisition of shares in Webcon by MCI.PrivateVentures Closed-end Investment Fund operating for the subfund MCI.EuroVentures 1.0.**

In November 2023, MCI.PrivateVentures Closed-End Investment Fund operating for the subfund MCI.EuroVentures 1.0., acquired a majority stake in the company for a total of PLN 163 million. Webcon is a leading Polish manufacturer of 'low code Business Process Automation' software, a solution that digitises internal processes in organisations. The company is the clear market leader in Poland, but has been significantly increasing its share of sales in foreign markets - in particular the German-speaking markets and North America - for several years.

##### **Acquisition of shares in Focus Telecom by MCI.PrivateVentures Closed-end Investment Fund operating for the subfund MCI.EuroVentures 1.0.**

In December 2023, MCI.PrivateVentures Closed-End Investment Fund operating for the subfund MCI.EuroVentures 1.0., acquired 80% of the shares in the company for a total of PLN 80 million. Focus Telecom is the largest provider of cloud-based contact centre solutions, customer experience and business communication services in Poland.

### **31. Material events subsequent to the balance sheet date**

#### **Partial redemption of series R bonds**

On 3 January 2024, a partial redemption of the series R bonds from the bondholder (the MCI.PrivateVentures FIZ fund, operating for the subfund MCI.EuroVentures 1.0.) in the amount of PLN 35 million was made.

#### **Completion of the audit of the Polish Financial Supervision Authority in MCI Capital ASI S.A.**

On 31 January 2024, MCI Capital ASI S.A. received an audit report from the Polish Financial Supervision Authority (the "Audit Report"). On 14 February 2024, the Company filed objections to the Audit Report - the Company is currently awaiting the Polish Financial Supervision Authority's response to the objections filed.