

Financial performance of MCI Capital S.A. (MCI, Company) in H1 2019: in H1 2019 NAV per share as of the end of June reached PLN 22.74 * thanks to a net profit of PLN 15.2 million.

06.09.2019

- In H1 2019 the Company made a net profit of PLN 15.2 million,
- The result caused NAV per share to go up from PLN 22.46 to PLN 22.74, representing an increase of PLN 0.28,
- In addition, taking advantage of a significant discount, the company bought out shares, earmarking PLN 30 million for that purpose and buying out shares representing 5.67% of the Company's shares and votes,
- In this period the Company repaid bonds worth PLN 54.5 million.

In the first half of 2019, the Group recorded a net profit of PLN 15.2 million. Earnings from operating and investment activity stood at PLN 22.4 million and PLN 24.8 million respectively.

Performance

The Company's net income is derived, above all, from a very good result of PLN 62.3 million achieved by MCI.EuroVentures (MCI.EV) Fund. The subfund had a rate of return of 6.13% in the first half year. Here, due to the structure of certificates held (98.7%), the result of MCI.EV virtually translates in full into the result of MCI. Performance of MCI.TechVentures (MCI.TV) was poorer in the first half year, with the subfund realising a loss of PLN 58.6 million, which, pro rata to the MCI.TV certificates held (43.7%), affected MCI's performance accordingly.

Buyback

In the buyback held in July and August this year, MCI bought back shares representing 5.67% of its share capital and votes at the General Shareholders' Meeting. The Company spent on it PLN 30 million out of the PLN 50 million authorised to the Company by the Extraordinary Shareholders Meeting. The redemption of the shares bought back has not yet been completed hence it had no impact on the NAV/s value. The redemption of shares purchased will cause NAV per share to go up by PLN 0.76.

Debt

In H1 2019, the Company repaid bonds worth PLN 54.5 million. The Company has been systematically reducing its debt, which as of 30 June 2019 totalled only PLN 191 million.

****Adjustment to the deferred tax provision***

It should be noted that in the current period the Company recognised in its accounts an adjustment to the deferred income tax provision in the total amount of nearly PLN 75 million (of which PLN 3 million reduced the Company's result and PLN 72 million the Company's equity). This means that the overall tax effect the sale of investment certificates held by MCI Group would have is recognised in the Company's financial statements. This adjustment decreased NAV per share by PLN 1.60, meaning that without this adjustment NAV per share as of 30 June 2019 would stand at PLN 23.34. The adjustment does not affect the Group's cash flow.