

Financial results of MCI Capital S.A. (MCI, Company) in 2018: net profit: PLN 175 million, return on investment: PLN 219 million, NAV per share: PLN 23.90 PLN, a record high number of investment exits.

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- **In 2018, MCI generated a net profit of PLN 175 million (an increase of 67%) compared to PLN 105 million the year before. Return on investment was reported at PLN 219 million (an increase of 76%), mainly due to contributions from MCI.EuroVentures Subfund (PLN 212 million) and MCI.TechVentures Subfund (PLN 24 million);**
- **Net assets (NAV) of MCI as at 31 Dec 2018 amounted to PLN 1 billion 265 million, translating into a NAV per share of PLN 23.90 (156% above the MCI stock exchange price rate as at 31 December 2018);**
- **In 2018, the funds in which MCI has invested reached a record high number of investment exits - the exits announced in that period amounted to above PLN 690 million (including dividends). The Funds spent PLN 337 million on new investments and subsequent financing rounds for their current portfolio companies;**
- **Net debt ratio (net debt to assets ratio) stood at 12% - the lowest in 5 years.**

2018 was another year in which MCI recorded a significant increase in its net result figures (PLN 175 million vs PLN 105 million last year). This rapid profit increase was largely driven by dynamically increasing return on investment (up to PLN 219 million), which in turn had been triggered by an increase in the value of the funds' investment

certificates held by MCI Group.

Net asset value for MCI Group at the end of 2018 amounted to PLN 1 billion and 265 million, with a NAV per share of PLN 23.90 – an increase of 16% compared to the previous year.

‘Despite difficult market conditions, we’ve generated a net profit of PLN 175 million, which is a very good result. We’ve also managed to score the lowest net debt to assets ratio in 5 years. The strategy is to continue our current efforts to achieve greater liquidity and profitability in the digital buyout sector. Hence, the performance of the MCI.EuroVentures fund is – already at this stage – a major contributing factor to our overall financial performance’, said **Tomasz Czechowicz, President of the Management Board for MCI Capital S.A.**

In 2018, the Funds whose investment certificates are held by MCI carried out three significant exits.

The MCI.EuroVentures buy-out fund sold its shares in lifebrain (Italy) and Dotcard (Poland). Additionally, at the end of 2018, the Fund entered into a framework agreement for the sale of ABC Data. The shares and stocks held by ABC Data’s subsidiaries are also being sold. The contract of sale will be executed subject to a number of conditions precedent as described by the Company in more detail in the current report.

MCI.TechVentures – a growth fund – has reported an exit from iZettle, the Swedish company recently acquired by PayPal.

High-priced exits have translated into improved rates of return for funds from the MCI Group: the average rates of returns for MCI.EuroVentures, MCI.TechVentures and MCI.CreditVentures amounted to: 26.9%, 5.9% and 7.4%, respectively.

‘Over the next quarters, the Company will continue its efforts to provide liquidity coverage for the Group. This is particularly important given the current decline in demand for corporate bonds and various difficulties and challenges facing the Polish financial and capital market, including the TFI sector’, said **Ewa Ogryczak, Vice President of the Management Board for MCI Capital S.A.**

In 2018, the Group repaid PLN 116 million worth of bonds. In 2019, a further PLN 75 million is to be repaid as per the repayment schedule. MCI is financing these

repayments from (among others) the cash flows from redemptions of its certificates to keep debt at a conservative level. As a result, net debt for assets has been the lowest in 5 years.