

In agreement with MCI Capital S.A. and after consultation with representatives of the Private Banking network, MCI Capital TFI S.A. developed proposals for amendments to the Articles of Association of the MCI.PrivateVentures FIZ Investment Fund in relation to the MCI.TechVentures 1.0 Subfund.

09.08.2019

At 25 September this year, after discussions with partners in the Private Banking sector whose clients are investors in the MCI.TechVentures 1.0 Subfund, and with the main investor in the Fund, a company from the MCI Capital S.A. Group, MCI Capital TFI S.A. set the date for an investors' meeting during which a vote will be taken on the amendments to the Articles of Association of MCI.PrivateVentures FIZ ("the Fund"), in relation to the MCI.TechVentures 1.0. Subfund ("the Subfund").

Thanks to the approval of the proposed amendments, it will be possible to equalise the rights conferred by the investment certificates of the Subfund in respect of redemption and number of votes at the Investors' Meeting, to create optimal conditions for the conclusion of the ongoing investments of the Subfund, at the same time taking care of the asset value, and to make disbursements from the Subfund, as liquidity increases, on equal rights, to all investors in the Subfund. The amendment of the Articles of Association of the Fund is dependent on the approval of the Meeting of Investors.

- We believe that this is a compromise for individual investors. It should be borne in mind that it is a great change for the main investor, MCI Capital S.A., who quits a significant part of its rights -

says **Ewa Ogryczak, Member of the Management Board of MCI Capital S.A.** – *MCI Capital S.A. is the first investor in the Fund and in the Subfund, with the longest investment period. The company has borne the highest cost and risk associated with the establishment of the Fund; in addition, so far, it has withdrawn less capital than the other investors. However, with reasonable terms, it wants to achieve a consistent structure of rights and find a consensus* – adds **Ewa Ogryczak.**

As a reminder, on 19 June 2019 a meeting was held by MCI Capital TFI S.A. with the main investor of the Fund – a company from the MCI Capital S.A. Group, and representatives of the banks and brokerage houses through which the Subfund certificates were distributed (such as: Alior Bank, Bank BNP Paribas, mBank, DI Xelion, Michael / Ström, ING Bank Śląski). – *Since the meeting in June, we have had a very constructive dialogue resulting in the proposed amendment to the Articles of Association of MCI.PrivateVentures FIZ in the part relating to the MCI.TechVentures 1.0. subfund. At the Meeting of Investors planned for the end of September, the participants will vote on the proposed amendments to the Articles of Association* – remarks **Krzysztof Konopiński, Member of the Management Board of MCI Capital TFI S.A.**

Objectives of proposed amendments:

- Ensuring equal rights of all participants in the Subfund in terms of redemption of the investment certificates of the Subfund,
- Limiting the duration of the Subfund,
- Creating optimal conditions which allow to ensure the liquidity expected by the investors, with account taken of actions to protect the value of assets.

Proposed amendments which will be subject to the vote:

- No 10% limit for the redemption of series O investment certificates, automatic redemption from liquid surpluses in the Subfund for each investor,
- The Subfund will exist for 5 years (with the possibility of extension by 1+1 year),

- If the investors do not agree to renew the Subfund, the Subfund liquidation shall commence after 5 years,
- During the term of the Subfund, if liquid funds after a provision for the financial liabilities of the Subfund, investments continued in the current company portfolio, the operating costs of the Subfund, and the management fee exceed PLN 1 million, the investors will receive the surplus funds automatically, in proportion to their shares in the Subfund (the investment certificates will be redeemed without the participants' request),
- Each certificate carries 1 vote at the Meeting of Investors.

Among the investment objectives proposed at the meeting with the distributors, the following was defined: the Subfund will not be able to make new investments unless a new investment is accepted by the investors by a majority of 2/3 votes of the Fund investors and 2/3 votes of the Subfund investors; The Subfund will be able to complete the investment processes in the current portfolio companies, the so-called follow-ons, to build their value or protect the Subfund rights arising from the existing investment agreements.

The proposed amendments also apply to the remuneration for the management of the Subfund. MCI Capital TFI S.A. would receive fixed remuneration for the management only when the rate of return of the Subfund, reduced by the potential remuneration for the management, remains positive. The remuneration for management and the frequency of its calculation should remain unchanged (it would still be calculated on a quarterly basis); the same applies to the so-called success fee (variable remuneration). The new proposal on how to calculate and collect the fixed fee will reduce the Subfund burden, which should have a positive impact on the potential surpluses to be paid in subsequent years and should help to improve the Subfund return rate.

Assumptions related to the Subfund liquidation:

- On 16 September 2024, the Subfund liquidation will start,

- With the consent of 2/3 of the Fund participants and 2/3 of the Subfund participants, the duration of the Subfund may be extended twice by 1 year,
- The possibility of extending the duration of the Subfund is dictated by the intention to avoid an accelerated sale of assets if, due to market conditions, this could not be done by September 2024.

- We want a compromise with individual investors, and we believe that together with TFI and our Private Banking partners, the solution will end the contentious issues around the Fund and allow it to operate normally. It is in the interest of all its participants, including, of course, the MCI Capital Group which remains the biggest investor in MCI.TechVentures. - says **Tomasz Czechowicz, President of the Management Board of MCI Capital S.A.**

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MCI.TechVentures 1.0 (“the Subfund”) is a Subfund separated within the MCI.PrivateVentures FIZ investment fund (“the Fund”) managed by MCI Capital TFI S.A. with the registered office in Warsaw at ul. Plac Europejski 1; 00-844 Warsaw (“the Investment Fund Company”). The supervisory authority competent for the Investment Fund Company is the Polish Financial Supervision Authority (Komisja Nadzoru Finansowego). The Investment Fund Company operates under the decision of the Polish Financial Supervision Authority of 3 July 2007 (Decision No DFL/4030/29/12/07/V/KNF/44-1/AG). Neither the Fund nor the Subfund guarantee the fulfilment of the planned investment objective of the Subfund or the achievement of a specific investment result by the Subfund. **Due to the current investment policy, the value of the Subfund net assets, as well as the value of the investment certificate of the Subfund, may be highly variable.** Each participant should take into account the possibility of loss of at least some or all of the funds paid in. Information on the investment policy principles, a detailed description of the risk associated with investing in the Subfund investment certificates, and information on the amount of fees charged is included in the Articles of Association of the Fund and in the conditions of issue of the Subfund investment certificates made available to the persons to whom the proposal to acquire investment certificates was addressed. Unless stated otherwise, the sources of data and information contained in this presentation are own resources of the Investment Fund Company and the data are valid at the date of this material. This material is provided for information purposes.