

JOINT PRESS RELEASE of MCI Capital ASI S.A. and Private Equity Managers S.A.

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Preparatory activities leading to a merger of MCI Capital ASI S.A. and Private Equity Managers S.A. have been initiated.

- Private Equity Managers S.A. (PEM) was separated from the structures of MCI Capital ASI S.A. (MCI) in 2014 as the parent company in the Group dedicated to asset management of private equity investment funds.
- In the same year, PEM entered into a trilateral agreement with MCI Capital ASI S.A. under which PEM, through its subsidiary MCI Capital TFI S.A., undertook to manage the assets of the MCI Group. Thanks to this agreement, PEM obtained a guarantee of minimum revenue for the period of 10 years from MCI (Trilateral Agreement).
- The main strategic objectives of the PEM Group were: to increase the assets under management through active fundraising in private banking channels, to build asset performance, to develop commitment funds, as well as mergers and acquisitions. In the medium and long term, these activities were to enable PEM to become independent from the MCI Group.
- After 6 years of the PEM Group's operation, the main strategic objectives described above were not achieved to the extent consistent with the original assumptions. Fund Certificates are not offered in private banking networks, and MCI remains the only significant investor of the Funds managed by PEM. Therefore, PEM and MCI have jointly decided to start activities leading to a merger of the companies, consisting in the takeover of PEM by MCI.
- As part of the merger-related activities, an offer will be prepared for the shareholders of PEM to participate in the call for the sale of PEM shares (to enable the existing shareholders of PEM, who do not want to become MCI investors as a result of the

merger of the companies, to sell PEM shares) or the conversion of PEM shares to MCI shares as part of the settlement of the companies' merger.

*- Recent months have been the time of very intensive work, not only on the investment portfolio, which is evidenced by more than PLN 1 billion of revenue from the assets sold, but also a discussion on the organisational structure and optimal preparation of the Group for further efficient operation with respect to the management of digital private equity assets - said **Tomasz Czechowicz, President of the Management Board of MCI Capital ASI S.A. and Private Equity Managers S.A.** - As a result of the analyses conducted and summarising the recent years, we decided that the functioning of the PEM Group in its current form is no longer economically justified - added **Tomasz Czechowicz.***

In 2014, the MCI Group entrusted the PEM Group which was only starting its operations with **the entire portfolio of its assets in the amount of approx. PLN 1.3 billion for active management for the period of 10 years.** Under the Trilateral Agreement, PEM had the minimum level of remuneration for management guaranteed based on MCI's assets. The total remuneration paid by the MCI Group during the period until now amounted to nearly **PLN 300 million.**

However, PEM's objective was not to manage only MCI's assets, but to increase the assets through external fundraising so as to generate higher revenues over time and become an entity independent of the main investor.

*- These are not easy decisions, but after a long analysis - because we arrived at the decision with time - we decided that the Group's continued operation in this form is no longer economically justified. From the PEM Group's perspective, the most important pillars alternative to the management of the Group's assets, on which we could build its value in the future, have disappeared. This is how we decided to merge - says **Ewa Ogryczak, Vice-President of the Management Board of MCI Capital ASI S.A. and Private Equity Managers S.A.***

As regards the planned merger, the Company is working on two alternative proposals for the PEM Shareholders:

- Sale of PEM shares in the call: The Shareholders wishing to settle their investment in

PEM in cash will be able to participate in the call for PEM shares to be carried out by the entities from the MCI Group in November 2020.

- Conversion to the shares of MCI Capital ASI: The Shareholders wishing to remain involved in the merged entities will have the option to convert PEM shares to MCI shares and maintain further exposure to the development of the organisation focused on digital private equity in the future.

*- The price we would like to offer in the call will include a bonus in relation to the average market price from recent months and corresponds, in our opinion, to the Company's fair value in its current form. We also confirmed this with an internal valuation of the Company which is currently verified by an independent auditor. In addition, this is the price resulting from our discussions with PEM shareholders who declare their initial readiness to sell their shares. Allowing the conversion of shares held by the current PEM shareholders to MCI shares is an opportunity to participate in the results of a stable entity with an established business of 20 years with direct (99.3%) exposure to the performance of the Group's main Fund - MCI.EuroVentures (on which the future development strategy of the Group is based and which has generated above-standard returns in recent years), which has recently officially declared the payment of a dividend. We were trying to create optimal options for solving this situation, which are going to satisfy various shareholders - says **Tomasz Czechowicz**.*