

MCI Management after the third quarter of 2015: Net profit of PLN 106 million

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- **Net asset value (NAV) per share stood at PLN 18.15, as compared to PLN 16.07 a year ago (13% increase year-on-year). The plan for the year envisages a NAV/share of PLN 19.75 as of 31 December 2015.**
- **A net profit of PLN 106 million and an investment return of PLN 118 million was generated over the first nine months of 2015.**
- **Equity amounted to PLN 1.139 billion.**
- **The value of the investment certificates of the funds owned by MCI as of 30 September 2015 amounted to PLN 1.490 billion, as compared to 1.321 billion one year before (12.8% increase year-on-year).**

Over the first nine months of 2015, MCI Management S.A. generated a return on investment of PLN 118 million and a net profit of PLN 106 million. The net assets per share index, which is the best indicator of the condition of private equity funds, amounted to PLN 18.15 at the end of September 2015, which represents a 13% growth with respect to the same period in the previous year. The company's forecast envisages an increase to PLN 19.75 by the end of this year.

The value of the investment certificates of the funds owned by MCI Management amounted to PLN 1.470 billion as of the end of the third quarter of 2015, i.e. 12.8% more as compared to the value at the end of the 3rd quarter of 2014, when it amounted to PLN 1.321 billion. The largest contributors to the result generated in the nine month-period included an increase in the value of investment certificates of MCI.TechVentures (by PLN 56.4 million) and MCI.EuroVentures (by PLN 33.2 million), as well as an

increase in the value of MCI.CreditVentures 2.0 investment certificates (by PLN 7.2 million).

From the beginning of 2015 to the date of publication of the financial statement for the 3rd quarter of the year, the investment funds whose certificates are held by MCI **exited 6 investments, with the overall exit value of PLN 486 million**, while three exits (Private Equity Managers, windeln.de and Wirtualna Polska) were completed through IPOs. MCI received more than PLN 4.1 million as dividend paid by Private Equity Managers.

The third quarter of the year was essential for the company's results for the whole nine months. The insecurity of investors at European stock markets, including the Polish Warsaw Stock Exchange, also affected the valuation of the assets of MCI's public funds. Limping stock ratings as compared to the end of the first half of the year, especially clear in the case of companies such as the Turkish Indeks or ABC DATA, windeln.de and Private Equity Managers, resulted in a return of investment not exceeding PLN 5.5 in the third quarter only, as opposed to PLN 118 million generated since the beginning of the year.

"The volatility of the European markets did not help to generate value of the publicly traded companies in our portfolio. Wirtualna Polska is the proud outlier in this respect, as its value skyrocketed by 17% only in the third quarter of the year," said **Tomasz Czechowicz, President of the Management Board of MCI Management S.A.** *"However, the most important element from our perspective is the further growth potential of these companies and new investments, which joined our funds' portfolios over the last several months",* he added.

The latest major investments made with the participation of MCI.TechVentures - in Auctionata, a German online auction house, Gett, a global leader in on-demand transportation services, or Azimo, a company specialising in international money transfers, provide suitable groundwork for future development. In the assets of the company's funds, the ones acquired at the end of the third quarter of 2015 are valued at acquisition price.

Plans for 2016

The Management Board of MCI expects the development dynamics of the investment portfolio of MCI.TechVentures to continue at the pace recorded this year. The

anticipated net IRR for the fund is expected to reach 15-20% at the end of 2016. The MCI.EuroVentures buy-out fund should achieve a net IRR of 10-15% in the same period.

Due to the persistent discount in stock market valuation as opposed to the book value, MCI Management Board has initiated the process of redemption of MCI's 952.8 thousand own shares. It also intends to buy back its own shares in order to redeem up to 5% of its working capital - a relevant resolution will be put to the vote at the EMS on 17 November 2015. The Management Board of MCI expects that this will translate into an increase of NAV per share to PLN 19.40 (even if no other positive factors come into play).