

# **MCI.TechVentures carries out the recapitalization of NaviExpert with a fund co-managed by Credit Value Investments**

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**The fund MCI.TechVentures (MCI.TV, Fund), seeing enormous growth potential in the insurtech solutions offered by NaviExpert, has decided to remain invested in the company. At the same time, taking advantage of NaviExpert's very positive financial results, MCI.TechVentures carried out the company's recapitalization with a fund co-managed by Credit Value Investments (CVI).**

MCI.TV will remain the key shareholder in NaviExpert. This decision was influenced by the company's dynamic growth over the last year and the increasing popularity of its usage-based insurance (UBI) products.

The company's recapitalization project, carried out by MCI.TV, enabled it to raise more than PLN 40 million, which the Fund will earmark for new investments.

NaviExpert was one of the earliest companies to join the MCI.TV fund portfolio (which specializes in investments in growth companies) – the initial investment took place in 2007. In recent months, the MCI.TechVentures has conducted talks with potential financial and strategic investors who are interested in the company.

“The large potential of the developed products, which combine localization solutions with the insurance sector, as well as the effectiveness of the current NaviExpert Board, resulted in great interest from potential investors. In light of accelerating growth in the insurtech sector and the key role NaviExpert plays in this area on the Polish market, we decided to keep the company in our portfolio and carry out a recapitalization of our position with the involvement of a private debt fund co-managed by CVI,” said Maciej Bogaczyk, Senior Investment Director at MCI Capital/Private Equity Managers. “As a result, the Fund retains a growing company in its portfolio and, at the same time, gains funds that it intends to earmark for other investments that are experiencing growth,”

Bogaczyk added.

The recapitalization of the company can be seen as a form of partial exit. The value of the implemented recapitalization transaction and valuation of the company determined by earlier offers from interested investors suggest that during the final sale of the company, MCI.TechVentures Fund will achieve an annual rate of return of +50%, which significantly exceeds the average rates of return obtained by technological funds that invest in growing companies. The Fund already has experience in carrying out similar transactions. Earlier it carried out a successful recapitalization of another portfolio company, Invia, from which it fully exited in 2016, achieving an annual rate of return of approx. 50% as well as PLN 298 million from the sale of the investment due to the valuation of the entire company at PLN 326 million.

NaviExpert is the leader in UBI solutions in Poland. In 2015, the company began cooperating with Link4, which belongs to the PZU Group, making it possible to offer drivers motor liability insurance that was connected to their driving style. Thanks to the latest UBI technology, drivers who acquire a motor liability “Kasa Wraca” (Money Back) policy from Link4 can receive a return of over 30% of the price of the policy.

“NaviExpert is an example of a company that has effectively taken advantage of technological changes appearing on the localization services market. As a company operating on a very competitive market for premium mobile navigation applications, it made the strategic decision, along with the fund team, to develop products designed for the insurance sector a few years ago. Today, that decision allows the company to cooperate with mature enterprises in the insurance sector that are introducing innovative products based on telematics, as well as new companies in the insurtech segment and develop a selection of products for the entire insurance market,” commented Sylwester Janik, Chairman of the Supervisory Board of NaviExpert.

“The Polish fintech market has gained momentum, while the insurtech sector is still in an early phase. NaviExpert, as one of the precursors in this segment, will naturally benefit from its dynamic growth by offering services connected to telematics. Notably, thanks to cooperation with Link4, in the first quarter of 2017, the commercial implementation of an insurance product that takes into account the individual characteristics of the driver took place. “Our plans for the further development of UBI products are very ambitious,” said Adam Bąkowski, President of the Board of NaviExpert. “I have a very positive opinion of the cooperation undertaken with the fund from the moment I joined the company in 2012.”