

New Internet Ventures fund to allocate PLN 100 million to investments. The MCI Group and IIF Group signed agreement with the National Capital Fund

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On 30 June 2010, an agreement was signed between the MCI group, IIF Group and the NCF, on the basis of which the Internet ventures fund will be created. The new fund will be the largest technology VC fund in Poland, boasting investment assets in the amount 100 million PLN. Internet Ventures will be co-managed by MCI and IIF teams, uniquely combining the best experience and competence in Poland in the scope of investments in technology companies.

The shareholders and the new fund are: MCI (25 million PLN), IIF (25 million PLN) and NCF (50 million PLN). The strategy of the fund assumes investments in early stage and growth projects – companies with a potential for success on the Polish, CEE, European and global market. The fund's scope of interest will include project from the areas: e-commerce and m-commerce (B2C), web portals and Web 2.0 services (social networking), mobile/wireless and online applications and technologies, solutions for telecommunications and electronic media, digital content, online gaming and entertainment, e-payment and m-payment, e-advertising and m-advertising as well as cloud computing. The fund plans to invest in around 18-20 projects diversifying its portfolio by sector.

“Internet Ventures is the fund with the largest capitalization (100 million PLN), within the NCF portfolio. I am happy that it will be managed by experienced managers who have already succeeded in managing private equity funds as well as entrepreneurs. I wish them many successful investments and I expect above-average returns on investments.” said Piotr Gąbala, president of the National Capital Fund.

“We enjoy the perspective of close cooperation with IIF. The two most experienced, most recognized and most senior groups managing venture capital funds join forces to create, with the assistance of NCF, the largest VC technology fund in Poland. It is a crucial strategic advantage on the market, where competence and credibility have to be built up for many years. I am certain that previous experience of MCI and IIF, as well as their networks, will help to acquire and develop the best technology projects in the scope of interest of Internet Ventures, as well as enable the fund and the businesses it invests in to achieve high rates of return on their activities.” said Sylwester Janik, Venture Partner of MCI Management SA.

“I am certain that previous achievements of MCI and IIF teams in developing and building value of portfolio companies will enable a successful cooperation with the present and future entrepreneurs, who have interesting ideas; developing them together with our fund into thriving endeavors. Internet Ventures will pursue the strategy seeking out leaders of the given sectors that have a chance at being successful both on the regional and global market, while maintaining proper portfolio risk diversification.” added Sylwester Janik.

“The decision to establish the fund together with MCI was taken over a year ago. Both teams and the representatives of the NCF worked hard on this issue for a long time. I congratulate them on their success. The fund then decided to establish a joint fund with the strategy stemming from our as well as global experiences, saying that in the VC industry a fund must be able to execute a large number of investments. This is the only way it is able to ensure high rates of return, through a well diversified portfolio and structural risk management. I believe this is exactly what we have been able to achieve here. Two most successful companies on the market and a large fund guarantees execution of a large number of investments, while our combined experiences and portfolio companies representing the success of our projects allow for high-quality investments.” said Rafał Styczeń, President of the IIF Group.

The Internet Ventures fund will operate ultimately as a closed-end investment fund within MCI Capital TFI. It will be a successive Venture Capital fund. According to the agreement concluded between the investors, the fund will be established for a period of 10 years.

“Personally I have great respect for the achievements of Rafał Styczeń and his team. I am glad we are joining forces on a highly attractive, yet very challenging market of venture capital investments. It should give us an opportunity to build better technology companies and higher IRR for investors. The launch of this endeavor is an element of

the strategy we set forth in 2006 and which we have been consequently pursuing until today.â â says Tomasz Czechowicz, President of MCI Management SA.