

Private Equity Managers S.A. pre-IPO Success

02.04.2014

As previously announced, Private Equity Managers S.A (PEM), an MCI Group portfolio company specialising in managing private equity assets, closed the sale of the first part of its shares as part of a pre-IPO transaction in 2014 Q1. In the first tranche the company's investors, including its managers and partners, acquired more than 30% of PEM's shares. MCI still intends to list PEM's shares on the Warsaw Stock Exchange (WSE) in the second half of 2014.

"This transaction comes as a great success for us, as it confirms the earlier announcements that PEM's IPO would be carried out in the second half of the year. The sale of the first batch of the company's shares in 2014 Q1 makes taking PEM public by the end of the year look realistic. What's even more important is that the people participating in this stage of the pre-IPO have been working with PEM for many years, and thus are familiar with its capabilities and growth potential. Their commitment to the project confirms our confidence about the company's further development," commented Cezary Smorszczewski, President of the Management Board of MCI Management S.A. responsible for the PEM IPO project. "To sum up, the success of this part of the pre-IPO sheds some light on how the IPO might fare in the second half of the year," he adds.

MCI announced that it would be selling the first tranche of PEM's shares between 31 March and 1 April 2014 as part of a PEM pre-IPO transaction, conducted within the framework of spinning the company off from MCI Group and commencing its public trading on WSE's main market. Transaction participants included MCI managers and partners, who took up a total share amount representing 30% of the capital of the asset management company. Demand for PEM shares in this part of the transaction significantly exceeded the supply. Following the settlement of the sale of the first batch of the shares, MCI now directly and indirectly holds less than 20% of PEM's shares. Ca. 49% of the company's shares is now managed by the MCI.EuroVentures 1.0 subfund, spun off from the MCI.Private Ventures Fundusz Inwestycyjny Zamknięty investment

fund, 100% of whose investment certificates are held by MCI directly or indirectly, through its subsidiaries.

As stated in the MCI's current report PEM's shares were acquired by investors in the private placement after 100% of the enterprise value has been valued at PLN 270 million.

"In line with our strategy, the proceeds from the sale of PEM's shares in the pre-IPO will be allocated for an investment action which only this year envisages investments worth at least PLN 305 million," said Cezary Smorszczewski. "It is also worth mentioning that before the transaction was conducted, PEM had already paid out a dividend to MCI in the total amount exceeding PLN 70 million," he adds.

Pursuant to the resolution on the distribution and allocation of profits adopted by the PEM's Ordinary General Meeting of Shareholders, before the first pre-IPO tranche was closed, the company paid out a dividend of PLN 72.5 million to its shareholders. The Management Board of PEM intends to share its profits with the shareholders on a regular basis. The Company intends to pay out at least 50% of its net profit as dividend payments.

About Private Equity Managers S.A:

Private Equity Managers S.A. is a specialised company engaged in asset management in funds with the participation of MCI Management S.A.

The funds managed by Private Equity Managers S.A mainly invest in fast-growing companies operating in the technology sector in the CEE region. They are characterised by a very low risk of the outflow of the managed capital, due to the long-term nature of private equity fund operations.