

Results of the Capital Group in 2013

18.03.2014

In 2013 MCI generated a consolidated net profit of PLN 186 million and Cezary Smorszczewski became its new President of the Board. Mr Smorszczewski will beef up MCI's competences in the area of buyout investments and strengthen its position in foreign markets. He also became a significant shareholder of Private Equity Managers SA.

- The forecasted annual net result (PLN 170 million) is exceeded as the company generates a consolidated net profit of PLN 186 million in 2013.
- As of the end of 2013, the value of the company's assets under management amounted to PLN 1.1 billion, as compared to PLN 830 million at the end of 2012. Net assets increased to PLN 763 million, resulting in a record return on equity (ROE) rate of 33%. Net assets per one share increased to PLN 12.2.
- Implementation of six new investment projects in 2013, including the investment in Wirtualna Polska, Indeks Bilgisayar (the first investment in Turkey) and Answear.com (the largest Polish multi-brand clothing web shop)
- Advanced work on turning Private Equity Managers SA into a public company

*"In many respects, 2013 has been the best year in the history of MCI's operations so far. A record net income, dynamic growth of the net asset value per share or the implementation of a geographical expansion strategy are only some of our numerous achievements in 2013", said **Tomasz Czechowicz, Managing Partner at MCI Management SA.** "Our plans for the upcoming years are equally ambitious. I am confident that MCI, drawing on the vast experience and competences of Cezary Smorszczewski, will successfully strengthen its position on the international investment market", he added.*

"MCI is a leading technological Private Equity Fund investing in Europe, which has the potential to successfully compete with major funds operating in the world.

Using my competences and ample experience in the financial markets, I intend to support Tomasz Czechowicz in building MCI's leading position in foreign markets", said
Cezary Smorszczewski, the new President of the Board of MCI Management SA.

On 17 March 2014, the Supervisory Board of MCI Management decided to appoint Cezary Smorszczewski as President of the Board, at the same time entrusting him with the position of MCI Managing Partner alongside Tomasz Czechowicz. Cezary Smorszczewski, one of the people behind the success of Alior Bank and its long-standing Vice-President, who had previously also held that position at Pekao SA and PKN Orlen, will cement the fund's competences in the area of buyout investments on the global investment market. With more than 20 years of experience acquired in major financial institutions, he is bound to bolster MCI's potential in the area of acquiring capital for new investments and will allow the Polish fund to effectively compete for the most attractive internet companies in Poland and abroad.

Tomasz Czechowicz will stay with the company as its Managing Partner and Vice President of the Board. The former President of the Board, now as the company's Chief Investment Officer, will focus on portfolio management and new investments. Together with Cezary Smorszczewski, he will also continue to build a team made up of the best talent, whose competences will help shape MCI's position as an Eastern-European leader of the Private Equity market.

Financial results

In 2013 MCI Group boasted a net profit of PLN 186 million, as compared to PLN 41.6 million in the preceding year. The net asset value (NAV) reached PLN 763 million, which translated into the increase of ROE to 33%. The company's NAV per one share amounted to PLN 12.2. As of the end of 2013, the assets under management amounted to PLN 1.1 billion, which allowed the fund to join the limited group of the largest asset management entities.

The fund's financial results were determined by a significant growth of the net asset value of MCI.EuroVentures due to an increase in the value of ABC Data SA and receipt of its dividend, as well as by the maintained stable increment of the value of the portfolio companies of the MCI.TechVentures sub-fund. Revenue from funds management received from PEM S.A. had a significant contribution to the results.

New investments

In line with its strategy, in the 2013 business year ending this March, MCI Group implemented 6 new investments and participated in subsequent rounds of financing of portfolio companies with a total value of almost PLN 200 million. The fund's new entities include:

- **Grupa Wirtualna Polska** (20% stake) - a new leader of the Polish internet
- **Indeks Bilgisayar** (20% stake) - the largest Turkish IT hardware distributor with annual revenues exceeding USD 850 million
- **Answear.com** (27% stake) - the largest Polish multi-brand clothing web shop
- **mGenerator** - a B2B platform enabling the automatic and semi-automatic development of mobile company websites, e-commerce platforms (web shops) and applications (in particular sales apps)
- **Feedo** - a baby care marketplace platform
- **Hojo.pl** - an online marketplace for professional cleaning services

Plans for 2014

In 2014 MCI intends to continue its dynamic investment activity, spending at least PLN 305 million. It is assumed that the value of the fund's net assets per one share should increase to PLN 16.5, which would represent a return on equity exceeding 30%. By the end of 2014, MCI also intends to have conducted an IPO of Private Equity Managers SA, thus completing the process of separating its asset management from its investment business. Consequently, it will be able to take full advantage of the new opportunities offered by the market of new technologies, which, as analysts believe, will emerge in the upcoming decades.