

This is just the beginning of our digital history

27.05.2019

MCI having operated for 20 years means that the best is still ahead of us. Our future is driven by a powerful, widespread, and dynamic trend - the digital transformation of economy.

At the onset of our fund's business activity, there were less than 200 million people using the Internet on the planet. The network back then had low traffic capacity and was expensive to use. It was a time when there was a note saying "beta version" on Google's homepage. Back when MCI was created, Amazon started purchasing its first companies in Europe and many considered Jeff Bezos a madman, a profiteer or, at best, an incorrigible optimist. Today, we know that he was actually a visionary who based his business decisions not so much on intuition as on a thorough understanding of and knowledge about the processes underlying the digital world which are sometimes difficult to grasp. Currently, there is no area in business and economy untouched by digitization. The potential, habits, and preferences of 4.3 billion Internet users cannot be ignored.

I am proud we have gathered a group of amazing digital enthusiasts, that agreed to share with us some of their unique knowledge and experience. In the next weeks to come, we will be publishing their stories, to help you find the way through digital investment maze. Later, we will also share with you a full publication including stories, observations, advice, predictions, and warnings from founders, managers, entrepreneurs, and leaders closely associated with the environment created by MCI over the course of two decades. Magnus Nilsson (the founder and president of iZettle), Mounir "Moose" Guen (the founder and president of MVision), Luis Amaral (the co-owner of Eurocash), Aleksander Kutela (Chairman of Digital Poland Foundation and Onet CEO), Ondrej Fryc (the founder of Mall.cz), and Franz Hörhager (CEO of Mezzanine Management) are only some of them.

Going back to the issue of digital economy... Does this boom mean that several huge companies will reap the lion's share of profits connected with the digitization of

economies? Will we – Europe and Poland – be overshadowed by American and Chinese ecosystems of digital innovation? Our answer to this is “no.” Over the course of several years, Europe has become a legitimate player on the digital field and the digital transformation on the entire Old Continent has been shifted to a higher gear. Last year, in 2018, exits connected with IPO for European companies supported by investment funds reached a record-breaking value of USD 107 billion. Of this, Spotify, Adyen, Farfetch, and Elasticsearch alone were appraised as part of the relevant transactions at a total exceeding USD 50 billion. Europe, MCI’s natural market, has demonstrated that it can come up with a series of unicorns, whetting the appetite and stirring the potential for much more. Europe has not yet reached the level at which the USA and China are – where the value of exits in 2018 was USD 136 billion and USD 113 billion respectively – but no one could rightly call Europe Cinderella any more.

Europe has become the third world power and, in this context, our prediction, grounded in our knowledge and experience, is simple: there is no going back and there will be a host of European champions. This time, they will be 100% digital, filling up the empty space remaining in sectors such as finances and commerce which have gone online in only 10 per cent. MCI, which has gone from venture capital to a private equity fund, would like to be at the very centre of this digital melting pot. We will support the best and most dynamic companies in their expansion onto new markets and into new services and business models. The capital, know-how, and courage of MCI are to become a flywheel for more and more leaders operating in the e-commerce, OTA, and fintech sectors. We believe that, operating according to the digital private equity formula, we have the competence and tools necessary to activate the turbo mode for future champions, also ones under the Polish flag. The recipe for being successful in that field is an intricate puzzle consisting of many pieces.

This is just the beginning of our digital history.