

Financial results of Private Equity Managers S.A. for H1 2017

Warsaw, 29 August 2017

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**financial results
of GK PEM**

In H1 2017, GK PEM achieved a net result of PLN 7.6m (20% YoY increase), reporting a PLN 2.8m decrease in costs compared to the same period last year

- In H1 2017, GK PEM reported a **7% increase in revenues from fixed management fee**, with a kick-back for banks remaining unchanged (PLN 4.2m)

- A variable management fee is not paid due to funds not having exceeded the minimum rates of return

- A **11% decrease in operating expenses** compared to the same period last year, which is mainly due to lower costs of variable fee. The variable fee was at a high level in the first half of 2016 due to the payment of a fee for an exit from the investment in the Invia company (Carry Fee)

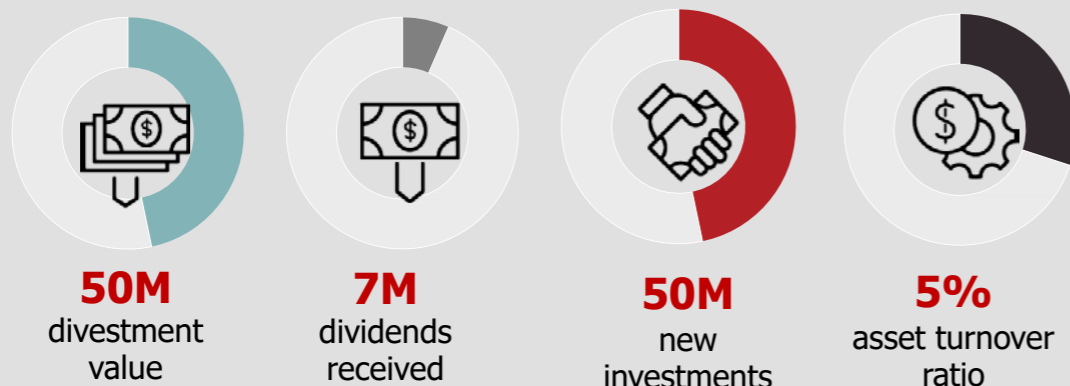
- **A slight decline in the value of assets under management** in H1 2017 (a decrease of PLN 50m, i.e. by 2.5% compared to the end of 2016):

- (1) a negative balance of funds inflows (PLN 137m); including in particular MCI.TV (PLN 103m)),
- (2) positive performance of the funds – PLN 110m; including in particular MCI.EV (PLN 52m) and MCI.TV (PLN 43m),
- (3) the management fee received (PLN 23m)

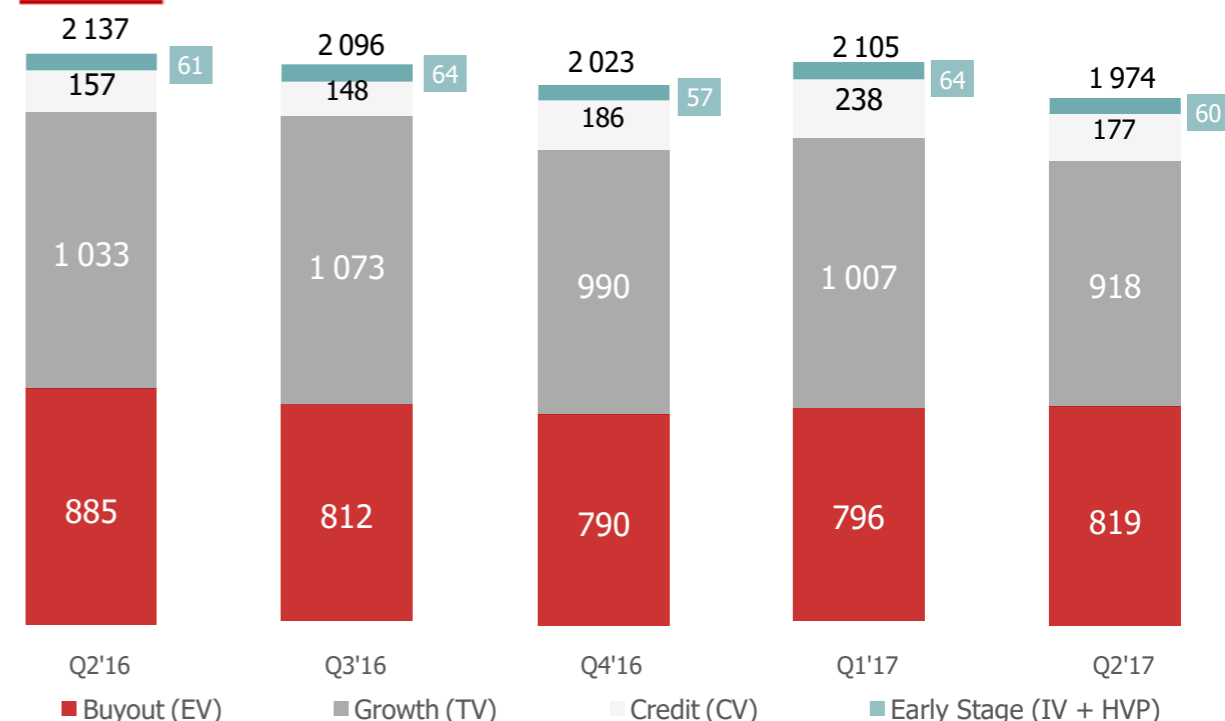
PLN'000	HY'17	HY'16	YE'16
Fixed management fee	22 135	20 778	41 877
Variable management fee	601	1 775	2 033
Other revenues	102	323	398
Total revenues	22 838	22 876	44 308
Costs of core activities	(4 823)	(4 889)	(10 285)
Operating costs	(9 432)	(10 573)	(16 323)
Net financial expenses	(906)	(2 464)	(4 482)
Total costs	(15 161)	(17 926)	(31 090)
Taxes	(102)	1 359	806
Net profit	7 575	6 309	14 024
Net profit per share	PLN 2.21	PLN 1.89	PLN 4.10
% Net profit / Management revenues	33.3%	28.0%	31.9%
% Cost of sales / Management revenues	21.2%	21.7%	23.4%
Total NAV	1 973 633	2 136 704	2 023 421
% Revenues / NAV gen. revenues	1.1%	1.0%	2.1%
% Costs / NAV gen. revenues	(0.8%)	(0.8%)	(1.5%)
% Net profit / NAV gen. revenues	0.4%	0.3%	0.7%

Gross value of the assets under management in HY'17 exceeded PLN 2,200m, with the AUM structure having changed only slightly

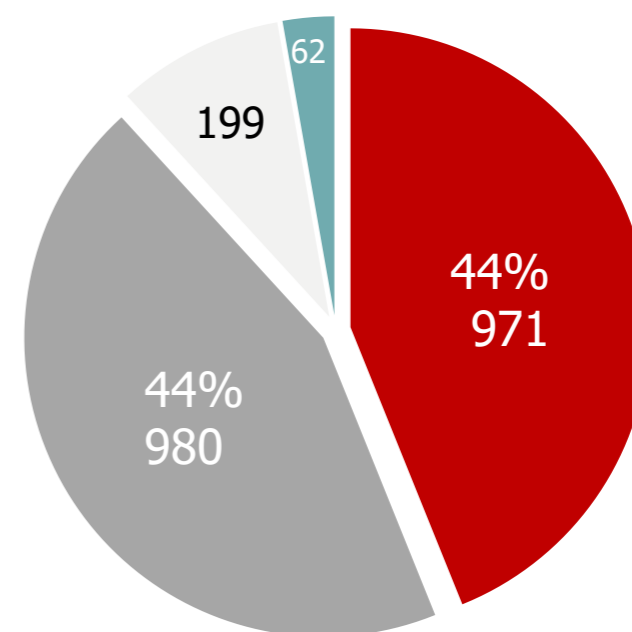
- Despite a good start, a 2.5% decrease in net value of assets under management was reported at the end of the first half of 2017, compared to the end of 2016
- In H1 2017, gross inflows to funds under our management amounted to PLN **30.2m** (-78% compared to the same period last year)
- The first half of 2017 saw an increase in the valuation of the MCI.EV portfolio companies, including in particular: **Indeks** (PLN +30.1m), **Lifebrain** (PLN +16.8m), **ATM** (PLN +8.3m) and the MCI.TV portfolio companies, in particular: **Naviexpert** (PLN +29.2m), **SHLD** (PLN +16.1m), **Morele.net** (PLN +15.5m), **Wearco** (PLN +8.8m), offset by decreases in the valuation of the **ABC Data** company (PLN -6.1m) in MCI.EV and the **Tatibudur** company (PLN -9.7m) in MCI.TV
- In H1 2017, we exited from the investment in **Spearhead** in MCI.CV (PLN 45m; a rate of return of 15%), MCI.EV received a dividend of PLN 7.2m from the **Indeks** company; we invested in **Allegro** (PLN 50m; junior debt/2nd Lien Term Loan financing), thus achieving a **5% asset turnover ratio**



Net value of assets under management (PLN m)



Gross value of assets under management (PLN m)



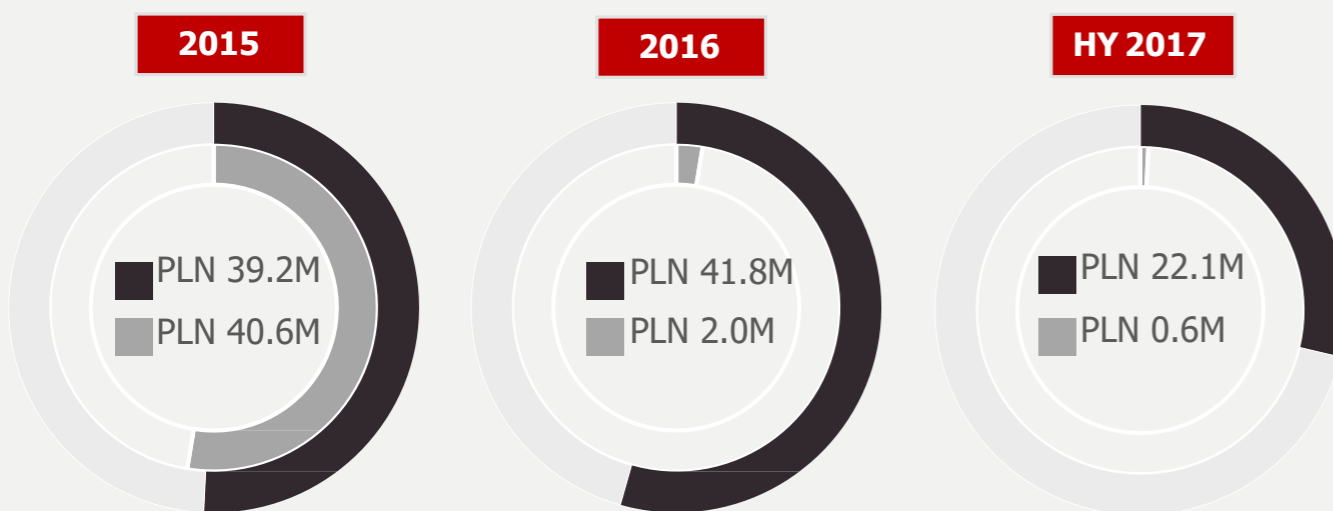
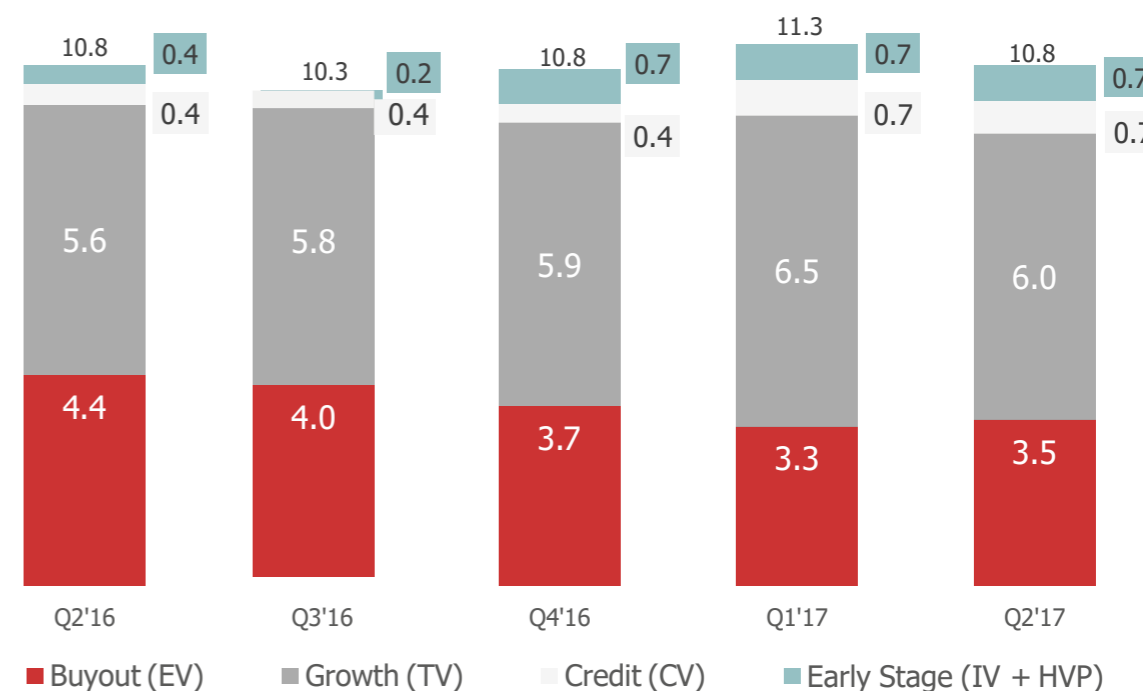
01 financial results of GK PEM

In H1 2017, a fixed management fee increased by 7% compared to the same period last year; the funds did not exceed the hurdle rate, therefore no variable fee was paid

— A fixed management fee in specific quarters stood at PLN 10+ m

— A steady year-on-year increase in fixed management fee has been reported: **10% CAGR** over the last 2 years

— A variable fee is at nominal value. The last time a higher amount of variable fee was paid was 27 May 2015. As at 30 June 2017, the hurdle rate to be exceeded was set at 22%



■ Fixed management fee
■ Variable management fee

	LSM'17	LSM'16
MCI.TV	2.9%	4.8%
MCI.EV	5.7%	4.5%
MCI.CV	4.3%	2.8%

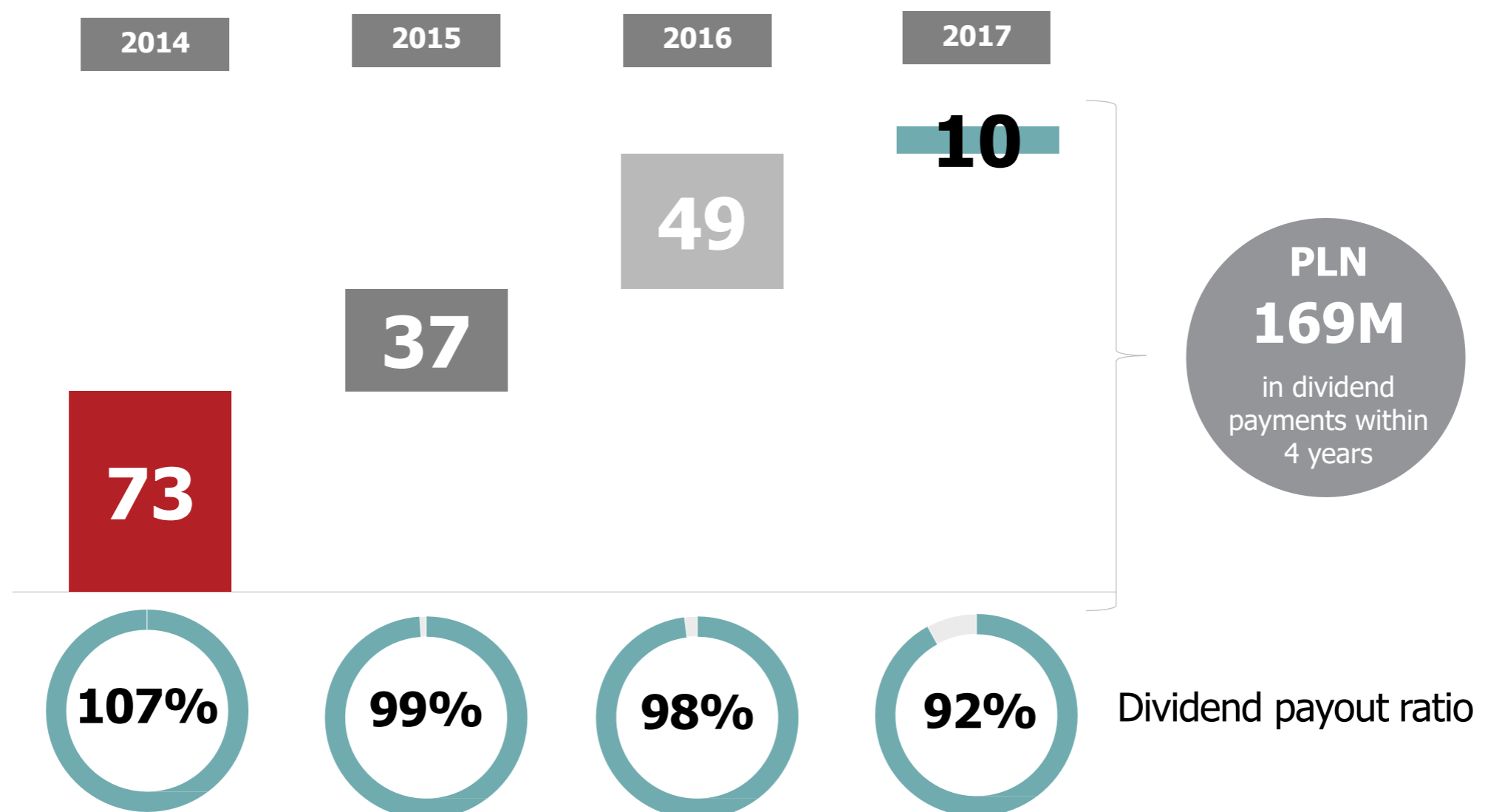
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**major events
in 2017**

Dividend payment

On 29 June 2017, the General Meeting of Shareholders passed a resolution to pay dividend from the 2016 profit in the amount of PLN 10m, with a dividend yield of 5% for our investors

- _ Dividend record day: **8 September 2017**
- _ Dividend payment date: **16 November 2017**



Other major events in 2017 (after 30 June 2017)

Entering into a loan agreement with ING Bank Śląski

On 26 July 2017, PEM concluded a loan agreement with ING Bank Śląski S.A., under which the Bank granted the Company a loan of PLN 30m. PEM was granted a loan of PLN 5m to finance its current operations and PLN 25m to finance the redemption of C series registered bonds from AMC III MOON B.V.

A deadline for repayment of the loan granted to finance current operations is set for 26 July 2018.

A deadline for repayment of the loan granted to redeem bonds is set for 30 December 2022.

A loan Guarantor is PEM Asset Management Sp. z o.o. The loan repayment guarantee is given up to PLN 36m and will be valid until 31 December 2025. PEM owns the whole of the Guarantor's share capital.

Redemption of C series bonds

On 4 August 2017, PEM redeemed a total of 5 580 of C series bonds convertible into H series ordinary shares of the Company, with a nominal value of EUR 1 000 each and a total nominal value of EUR 5 850 000. The bonds were acquired by the AMC MOON III B.V. company.

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**legal
disclaimer**

03 legal disclaimer

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