

QUARTERLY INVESTOR REPORT

July 1, 2022 – September 30, 2022

MPD SME Capital One Class A and B Shareholders

Published on October 4, 2022

Management and Organisation

Board of Directors

Francesco Rubinacci - President
Company Procurement Director at Loro Piana

Mirco Coccoli,
CEO & Partner at MPD Partners

Simone Bocchi,
Head of Strategic Planning & Business Intelligence at Bridgestone EMEA

Alexandro Sances,
Technical Assistant and Coordinator of activities at Dipartimento per la
Trasformazione Digitale

Vincenzo D'Ottavi,
Manager Data Management at Philip Morris International

Francesco Simonetti,
Business Advisor at SAS Institute

Giulia Falcone,
Manager at MPD Partners

Bank

Intesa Sanpaolo
Fil. 4230 - Milano Via Michelangelo Buonarroti 22

Banco BPM
Ag. 00671 – Milano Piazza Napoli 16

Treasury Controller

Vincenzo D'Ottavi,
Manager Data Management at Philip Morris International

Investment Committee

Francesco Tomasoni
Executive Partner at Notercom – Halless

Giorgio Saverio Casalino
General Manager at DEKRA

Francesco Simonetti
Business Advisor at SAS Institute

Andreas Varnholt
Senior Manager at Kerkhoff Consulting GmbH

Livio Vanghetti
Vice President Global Partnership at Philip Morris

Massimo Bordin
Procurement Director at Fileni S.p.A.

Class A Shareholders

Simone Bocchi
Head of Strategic Planning & Business Intelligence at Bridgestone EMEA

Mirco Coccoli
CEO at MPD Partners

Vincenzo D'Ottavi
Manager Data Management at Philip Morris International

Miguel Dupret
Principal Program Manager at Zalando

Andrea Marazzi
Management Consultant & M&A Advisor

Stephan Noppes
Director Global Audits PMI at Philip Morris International

Luca Rabbeni
Head of Operations Governance at Octo Telematics SpA

Francesco Rubinacci
Company Procurement Director at Loro Piana

Alexandro Sances
Technical Assistant and Coordinator of activities at Dipartimento per la
Trasformazione Digitale

Class A Shareholders

Andreas Varnholt
Senior Manager at Kerkhoff Consulting GmbH

Francesco Simonetti
Business Advisor at SAS Institute

Daniela Terziotti
Business Development and Marketing Manager at Orvem SpA

Roberto Terziotti
Managing Director at Orvem SpA

Federico Simonelli
Chief Stress Engineer at FACC AG

Michele Martino
Project Engineer – PhD at CERN

Martin Sengel
Head of IT Group at SOLEVO Group

Alexandra Karacsonyi
Managing Director at Elixir Consulting CH

Fabrizio Colzani
Group SBD, e-commerce, Travel mkt, Food Service controller at Ferrero

Lucio De Costanzo
VP Finance & Operations at Clarity AI

Livio Vanghetti
Vice President Global Partnership at Philip Morris

Marco Amendolagine
Global Director of Connected Claims, Director of Product Italy at IMS
(Insurance & Mobility Solutions)

Massimo Bordin
Procurement Director at Fileni S.p.A.

Antonio Andini
Owner & General manager at Centro Commerciale la Maschera Srl

Fabio Farella
Regional Cargo Manager EMEIA at ITA Airways

Francesco Tomasoni
Executive Partner at Notercom - Halless

Enrico Proietti
General Manager at QdV S.r.l.

Adriano Scardellato
CEO at Elda Ingegneria

Giorgio Saverio Casalino
General Manager at DEKRA

Marco Cordignano
Senior Manager Consultant & Trainer Freelance

Mauro Cantoni
CEO IMS Italia

Diego Tomassone
Commercial Director – International at Miller Chemical & Fertilizer

R&D Project Team

Federico Remiti
Industrial Doctorate in Space Transportation Systems

Corrado Facchini
Product Owner at UIEx

Maurizio Rossi
PhD in Physics, Astrophysics and Applied Physics

Company Management

MPD Partners Group Companies

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Executive Summary

In Q3 2022, our focus has primarily been on the portfolio company Sell-Plast.

On July 12, 2022, MSCO executed a significant acquisition increasing its stake in Sell-Plast stepping-up from 60% to 90% equity stake.

As a result of the above mentioned 30% stake step-up, as of today portfolio company Sell-Plast shareholding is composed as follows: (i) 90% stake are owned by MSCO; and (ii) the remaining 10% stake is owned by LF Consulting S.r.l. – which is owned by Mr. Franco Lillaz, Sell-Plast's Head of Sales.

A new board of directors has been appointed in August to lead Sell-Plast overall strategy and implement the commercial expansion plan in line with MSCO business plan. The New board of directors is composed by 5 members: Mr. Mirco Coccoli, Mr. Franco Lillaz, Mr. Massimo Bordin and the new joiners Mr. Francesco Simonetti and Mr. Stephan Noppes (MSCO Class A Shareholders), appointed with a view to further strength the board with industrial professionals eager to lead the company out of the industry crisis it faced in the last months.

Even if the HR substitutions happened in Sell-Plast over the last 2 months brought considerable permanent savings in monthly burn rate, the macroeconomic crisis in H1 and the cashout requirements from former shareholders anticipated exit led to delays in payments for suppliers, creating some liquidity constraints. Furthermore, the company has signed new orders both with new and old clients and the increase of production for H2 vs H1 has created a relevant working capital requirement.

Regarding La Centrale de Prévoyance, during Q3 2022 the Company started to obtain revenues thanks to the collaboration with the new broker. Furthermore, the reduction in fixed costs performed in the past months will allow LCP to reach break-even sooner.

Lastly, a new Class A Shareholder joined in August 2022.

1. Introduction

MPD Partners is a financial boutique specialized in PE for SMEs, registered and incorporated in Geneva. It offers shareholders long-term capital appreciation by making commitments and investments into SMEs on behalf of MPD SME Capital One and authorized representatives like family offices that are, with other financial operators, providing its stakeholders with direct and indirect exposure to a diversified portfolio of unlisted private equity-type investments (“Portfolio Companies”). The “Group” refers to the consolidated results of the asset under management.

MPD Partners has come from an important track record in transactions and SMEs value improvement. The focus on such segment comes from passion and the understanding that many competitor PE funds cannot focus on such segment because of their corpulent cost structures that force them to look at higher bids.

At MPD Partners we foresee to create an SME focused PE Fund in the medium/long run. The best way to reach our goal is to increase our track record with MPD SME Capital One, an investment vehicle created to invest in two SMEs, (one subscale acquisition and a main acquisition), which aims to involve investors in the investment and value creation process by entrusting decisional power.

MPD Partners has structured for MPD SME Capital One a solid and innovative governance and decisional process that involves three boards in consequential steps. Such Boards are composed of the Class A Shareholders who are professionals with extensive executive experience, and external competent individuals such as lawyers, auditors and managers.

In addition to its innovative governance structure, as an innovative company, MSCO submits traditional SMEs innovation plans to shareholders. The latter will then provide their green light on SME investment and value creation plan through technology development and big data analytics, to enhance business development and lead generation of invested companies.

2. Research & Development Plan

MSCO value creation is also implemented through a software developed to enhance the results of marketing, pre-sales, and sales in invested companies (Big Data Analytics project). The objective is to generate and manage sales leads via digital channels, which is very useful in times when business meetings suffer a slow down due to distancing measures (e.g., COVID-19).

Currently, the software has been developed and the portfolio company LCP is used to test the progress. The initial model built for LCP will be used to build a custom optimization algorithm to be implemented into other MSCO invested companies.

The R&D activity for the software is carried out by a company with a proprietary technology based on machine learning algorithms to target and boost leads generation from the digital assets of the target company.

The team is composed by three senior members who include a project manager with 16 years of previous experience in managing digital innovation projects, a data scientist with 10 years of R&D experience in experimental projects for enterprises and a tech consultant with 20-year experience in technology innovation.

2.1 Q3 2022 R&D Activity

Our Shareholder, Mr. Francesco Simonetti, who is a professional with a relevant knowledge of the matter has been in the evaluation of the R&D activity carried out so far by MSCO. Moreover, we are evaluating the possibility of registering part of the developed software in SIAE.

3. Origination & Investment Committee

3.1 Cases in pipeline

Currently, the origination activity is focused on companies within the plastic industry that might be integrated with Sell-Plast.

MPD is looking for companies following these search criteria:

- a) location: 300 km range from Sell-Plast;
- b) revenues: €1 - €4 million;
- c) business: plastic industry;
- d) production processes: thermoforming, injection molding or other plastic processing technologies;
- e) end markets: automotive or others to enrich Sell-Plast's client portfolio.

3.2 Cases in advanced negotiation

During Q3 2022 we have been focusing on Sell-Plast former shareholders buy-out and shareholders financing injection to sustain liquidity constraints.

4. Portfolio Company

La Centrale de Prévoyance

Company Description

La Centrale de Prévoyance (LCP) is a Swiss broker insurance regulated agency, working in the social security and healthcare insurance business.

LCP is a spinoff of the homonymous French debt brokerage firm specialized in real estate. The latter recently saw Kering, a key asset of Groupe Artémis, passing over control to April, French leader in Insurance brokerage. The Company LCP holds partnerships with some of the major insurance company including Groupe Mutuel, Generali, Allianz, Axa, Re-traites Populaires du Vaud etc.



Advancements during the quarter

Finance & Accounting

- The Company reduced fixed costs during past quarters (i.e. rent, brokers' salary, etc...), consequently it is becoming more financially stable.

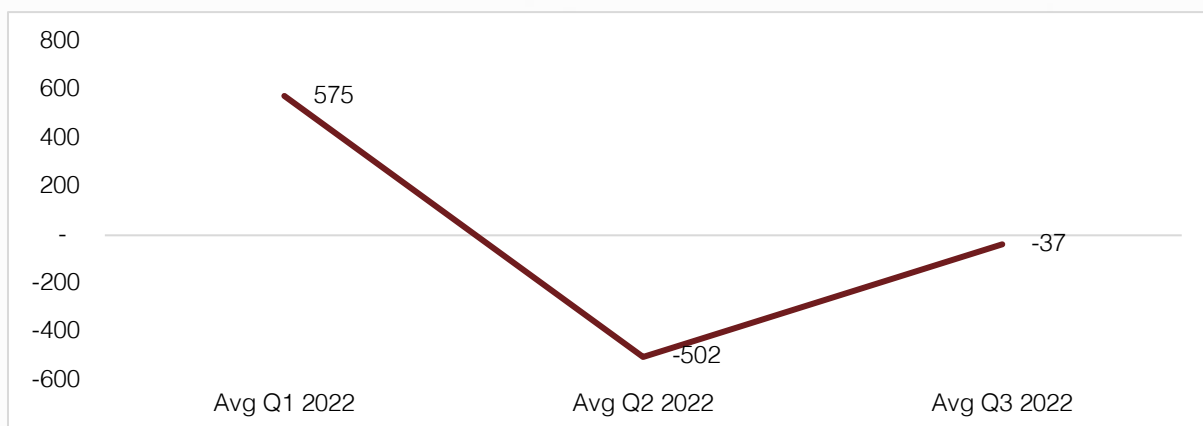


Figure 1: free cash flow. Values in CHF

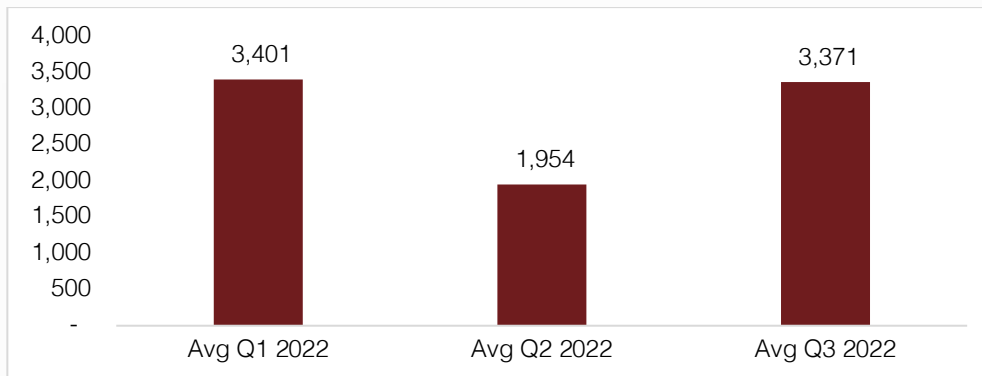


Figure 2: commissions cashed-in. Values in CHF

Admin & HR

- The collaboration with the external broker started in June 2022 is on track.
- The MPD Team is currently discussing with another broker, that already has its own portfolio, to be enrolled as director.

Sales & Marketing

- The collaboration with the external broker is growing. LCP has received the first commissions coming from the new collaboration.

Sell-Plast S.r.l.



Company Description

Founded in the 50s, it specializes in vacuum thermoforming. The Automotive sector is one of the main sectors in which the company operates, being it a leader in the construction of installations for niche and series production. They supply small to medium quantities and the market is not crowded. Over the years, the company has diversified its production into other sectors such as earth moving machines, lighting, food, biomedical, transport and aerospace.

Advancements during the quarter

Finance & Accounting

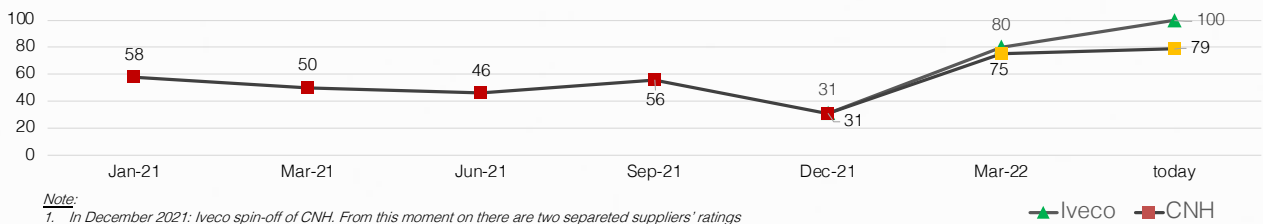
- 2022 business plan is constantly updated to keep up with the evolving general crisis.
- During H1 2022 Sell-Plast suffered a cumulative loss of almost EUR 300'000,00. The cause of this downturn are due to its dependency to the automotive sector, which has been subject to a semiconductor shortage crisis, leading to the stop of production for the main Sell-Plast customers.
- In H2 orders are back to 2021 levels, with 75% from pre-2022 business and 25% from new 2022 business - August being cyclically low due to public holidays in Italy. The actual market comeback started in September 2022, and we expect it to keep growing, as shown by the current booked orders for the next quarter.
- To cope with the losses due to the macroeconomic crisis, after a request from Sell-Plast Board of Directors, MSCO Shareholders approved to inject liquidity as shareholders financing in July 2022.
- Due to the unexpected liquidity need required from former shareholder anticipated exit from the company, an Investment Committee has been called on August 23, 2022 to validate an additional cash injection proposal.
- Lastly, Sell-Plast has structured a private bond issue to be proposed to MPD shareholders and other investors within MPD network.

Admin & HR

- During July 2022, after the exit of the former shareholder, a new BoD has been nominated. The current members are the following: Mr. Mirco Coccoli – President, Mr. Franco Lillaz, Mr. Massimo Bordin, Mr. Francesco Simonetti and Mr. Stephan Noppes
- The Head of AFC left Sell-Plast in August. His role is now being covered by a new, and more junior administrative assistant, the MPD Team and other Sell-Plast employees in the Supply Chain team.
- The overall impact of the HR substitutions translates to a reduction of the monthly burn rate for the company.

Operations

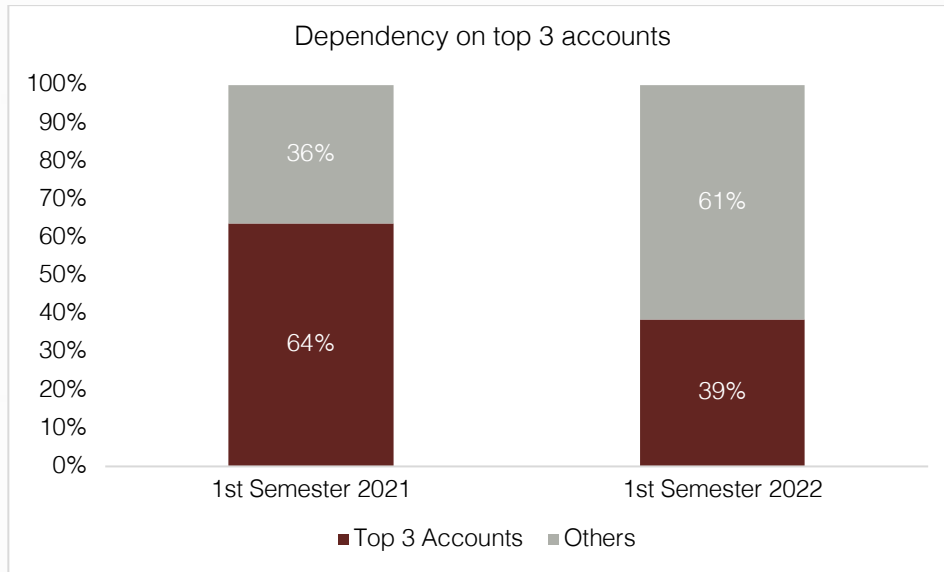
- The IVECO quality rating is stable at 100 and CNH supplier rating improved from 74 to 79



- New BoD member, Mr. Francesco Simonetti is helping the Sell-Plast team to review and streamline its IT processes

Sales & Marketing

- The commercial department is always looking for new clients in new sectors in order to diversify even more the customer portfolio and reduce the dependency on major clients clustered in the automotive industry. In fact, if compared with last year, Sell-Plast dependency on its top three clients dropped significantly.



- The CEO and the Head of Sales are completely redesigning the pricing quotation process.

5. MPD SME Capital One Valuation

MSCO's value mainly depends on the assets side, which is composed of the following components:

- a) Cash on hand
- b) LCP Investment (81% shares + Shareholders Financing)
- c) Sell-Plast Investment (90% shares + Shareholders Financing)
- d) MSCO Intangible Assets
- e) Other

The value corresponding to each part is highly confidential and is available on request.

MSCO Valuation

The valuation currently registered in chamber of commerce as of September 30, 2022 is of € **1'560'000.00**

6. Shareholders' Meeting

A Shareholders' meeting was held on July 9, 2022 with the following agenda:

1. Proposal to validate terms for cash injection into Sell-Plast S.r.l.;
2. Completion of the purchase of additional 30% shares in Sell-Plast;
3. Other items.

The shareholders' meeting approved all the items on the agenda.

7. Shareholders

Class A Shareholders

Class A Shareholders are a group of international top managers and entrepreneurs passionate about investing, networking and willing to join forces to invest in SMEs to bring innovation and new technology. They will make the investment decision and put their expertise, competencies, and network at the service of the value creation process once gained control of the target company. MSCO can leverage the experience of 31 Class A Shareholders with various backgrounds and a European reach.

One new Class A Shareholder joined MSCO in August 2022.

Shareholder	Current Role	Location	Exp. Years
Andreas Varnholt	Director Procurement at Aumann AG	Berlin	15
Simone Bocchi	Head of Strategic Planning and Business Intelligence at Bridgestone EMEA	Brussels	16
Mirco Coccoli	CEO at MPD Partners	Geneva	18
Vincenzo D'Ottavi	Manager Data Management at Philip Morris International	Lausanne	27
Miguel Dupret	Associate Strategic Operations at Kearney	Vienna	17
Andrea Marazzi	Management Consultant and M&A Advisor Freelance	Bologna	29
Stephan Noppes	Director Global Audit PMI at Philip Morris International	Lausanne	29
Luca Rabbeni	Head of Operations Governance at Octo Telematics SpA	Rome	27
Francesco Rubinacci	Company Procurement Director at Loro Piana	Milan	24
Alexandro Sances ¹	Technical Assistant and Coordinator of activities at Dipartimento per la Trasformazione Digitale	London	27
Francesco Simonetti	Business Advisor at SAS Institute	Milan	16
Daniela Terziotti	Business Development and Marketing Manager at Orvem SpA	Milan	10
Roberto Terziotti	Managing Director at Orvem SpA	Milan	23
Federico Simonelli	Chief Stress Engineer at FACC AG	Austria	24
Michele Martino ²	Project Engineer – PhD at CERN	Geneva	17
Martin Sengel	Head of IT Group at SOLEVO Group	Geneva	18
Alexandra Karacsonyi	Managing Director at Elixir Consulting CH	Geneva	24
Fabrizio Colzani	Group SBD, e-commerce, Travel mkt, Food Service controller at Ferrero	Luxembourg	22
Lucio De Costanzo	VP Finance & Operations at Clarity AI	London	14
Livio Vanghetti	Vice President Global Partnership at Philip Morris International	Lausanne	15
Marco Amendolagine	Global Director of Connected Claims, Director of Product Italy at IMS (Insurance & Mobility Solutions)	Rome	18
Massimo Bordin	Procurement Director at Fileni S.p.A.	Vicenza	19
Fabio Farella	Co-founder & CEO at MIRAI	Rome	21
Antonio Andlini	Owner & General Manager at Centro Commerciale La Maschera	Naples	30
Francesco Tomasoni ³	Executive Partner at Notercom - Halless	Turin	32
Enrico Proietti	General Manager at QdV S.r.l.	Cuneo	32
Adriano Scardellato	CEO at Elda Ingegneria	Treviso	24
Giorgio Saverio Casalino	General Manager at DEKRA	Rome	20
Marco Cordignano	Senior Manager Consultant & Trainer Freelance	Milan	29
Mauro Cantoni	CEO IMS Italia	Rome	32
Diego Tomassone	Commercial Director – International Miller Chemical & Fertilizer	Geneva	18

* One shareholder decided not to appear in MSCO reporting

¹ Represents Giovanni Pietro Sances

² Represents Maria Smaldone

³ Represents Francesca Sorze

Investor Report Q3, 2022 – MPD Partners

Class B Shareholders

Class B Shareholders receive updated reports on the invested companies and are involved in several events hosted by MPD. Furthermore, they can become investors of the next MPD initiative with the same first investment conditions of MSCO.

No new investors subscribed as Class B MPD SME Capital One shareholders during the month.

8. Other Activities

Shareholders' Events

The MPD Team is organizing a Shareholders Weekend for MSCO Shareholders in order to provide other Shareholders with the opportunity to visit Sell-Plast. The selected dates and agenda for the weekend will be shared with Shareholders in due course.

9. MPD Partners Team

Name & Designation	Experience
 <p>Mirco Coccoli, CEO & Partner</p>	<ul style="list-style-type: none"> • Investment Manager experienced in developed and emerging countries • In 2007, he left a very successful career in High Energy Physics at CERN, to join Reyl & Cie to help manage an equity hedge fund with €200M invested; in 2 years his help facilitated increasing to €500M • In 2009 he joined BCV to help manage CHF 500M quant equity funds where he was able to increase 4% per year relative return, by mastering risk and with over 50'000 trades • Studied Physics in Milan and Berkeley, Quant Portfolio Management in Geneva and holds the Diploma in Financial Strategy at the Said Business School of the University of Oxford
 <p>Luis Brunschweiler, Partner</p>	<ul style="list-style-type: none"> • Serial entrepreneur with 30 years' experience • Owns an audit firm in Geneva with clients in many industries and in a variety of sizes • Director of a Geneva based accounting firm operating internationally • His experience in audit, accounting, M&A, spinoffs, company valuation and with SMEs is impressive
 <p>Miguel Dupret, Director</p>	<ul style="list-style-type: none"> • An Aerospace Engineer with +15 years' experience in consulting and industry environments in Europe, USA and Australia • Founded successful start-ups in the drone industry and PE industries, attracting millions in investments from USA government and private investors • Currently he is Principal Program Manager at Zalando • Executive Education: Harvard Business School (Leading Professional Service Firms), Oxford University (Strategic Finance Diploma, Negotiation Program)
 <p>Alexandro Sances, Manager</p>	<ul style="list-style-type: none"> • +25 years' experience in management and consulting within the Telecommunications, Insurtech, Mobility, Telematics, Satellite industries, IoT and Big Data • Active Mentor and Innovation Advisor for Techitalia, Lloyd's Lab and several start-ups • Currently he is Technical Assistant and Coordinator of activities at Dipartimento per la Trasformazione Digitale



**Giulia Falcone,
Manager**

- Board Member - MPD SME Capital One
- Certificate in CEO and Board Member for SMEs and Startups
- Audit Intern - KPMG
- Graduated from Bocconi University, MSc in Management



**Nicola Dolci,
Manager**

- Board Member – SPH
- Academic Fellow – Bocconi University
- Associate M&A / PE – Withers LLP
- MBA – University of Edinburgh Business School
- International Law – Catholic University of Milan



**Arnaldo
Jasson,
Associate**

- Global Consolidated Financial Statements Intern – Versace
- Dual Degree Master In Management & Computer Science – IE Business School
- Graduated from Bocconi University, Economics & Management