

QUARTERLY INVESTOR REPORT

October 1, 2022 – December 31, 2022

MPD SME Capital One Class A and B Shareholders

Published on January 2, 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

Roberto Terziotti
Managing Director at Orvem SpA

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 Q4 2022, our focus has been on the portfolio companies as well as the fundraising activity for the investment vehicle MSCO.

During the autumn, Sell-Plast underwent a major transformation in terms of its organizational chart. In fact, the administrative staff has undergone a total turnover since the end of the summer. As a result, there is a far more motivated and cost-effective organizational structure: this has been a major quarterly result, damaged during last weeks of the year because of liquidity constraints that exposed the company to an overall stress. Sell-Plast board of directors joined forces to help improving operational efforts, both by giving support to management and by providing guidance on practical actions to improve the situation. On the commercial side, the Head of Sales, assisted by the MPD Team, worked hard so that the company both secured new orders, and advanced on additional new business for 2023. On another front, Sell-Plast' IT systems efficiency and overhaul are progressing, thanks to the precious work of MSCO Shareholders who serve as Sell-Plast BoD members.

As for LCP, the fourth quarter of 2022 has not been characterized by any major event outside of the hiring of two new brokers. After the cost-cutting activity performed in the first part of the year, the top line is currently having a boost, thanks to the portfolio migration to LCP performed by the last broker added to the team. We expect large cash inflows during Q1 2023 as the new portfolio is focused on mandates that generate commissions once a year, mostly during the first months every year.

The other block of effort in which the MPD Team focused was funding activities, as resolved at the MSCO meeting on October 1st, 2022. The MPD Team commenced immediately the fundraising process and as of December 31st, 2022 the total raised for the year is EUR 99.880: the year finishes with a total MSCO valuation of EUR 1.524.930. Following the current macroeconomic conditions and development needs, both our portfolio companies are calling for a well-funded capital partner, leading to a likely need to proceed with a capital increase of MSCO in 2023.

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 Q4 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 have registered part of the developed software in SIAE.

BIG DATA ANALYTICS PROJECT TIMELINE	
Phase	Status
1. Optimization of tag and website structure to comply with international standards of Data Analysis	Completed
2. Increasing the website influx to achieve the minimum amount of data required to perform analysis	Completed
3. Definition of Requirement and Final Result	Completed
4. Prototyping	Completed
5. Further development and adjustments of the algorithms and technologies, based on new findings	To be completed in 2023
6. Algorithm Validation	To be completed in 2023

3. Origination & Investment Committee

3.1 Cases in pipeline

The inorganic growth activity for Sell-Plast will be resumed as soon as the Company will overcome the current liquidity constraints – expected from Mar-23 onwards.

Nevertheless, any indication of a potential target to the MPD Team is welcome.

Anyway, in the meantime the MPD team convened two Investment Committees to monitor investment progress. Specifically, the items touched upon are inherent to the state of the art of MSCO's capital increase and a deep dive related to portfolio companies, with specific focus on Sell-Plast.

Obviously, committee members were not required to vote on any investment choices.

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

As of today, there are no cases in advanced negotiation.

4. Portfolio Company

4.1 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.

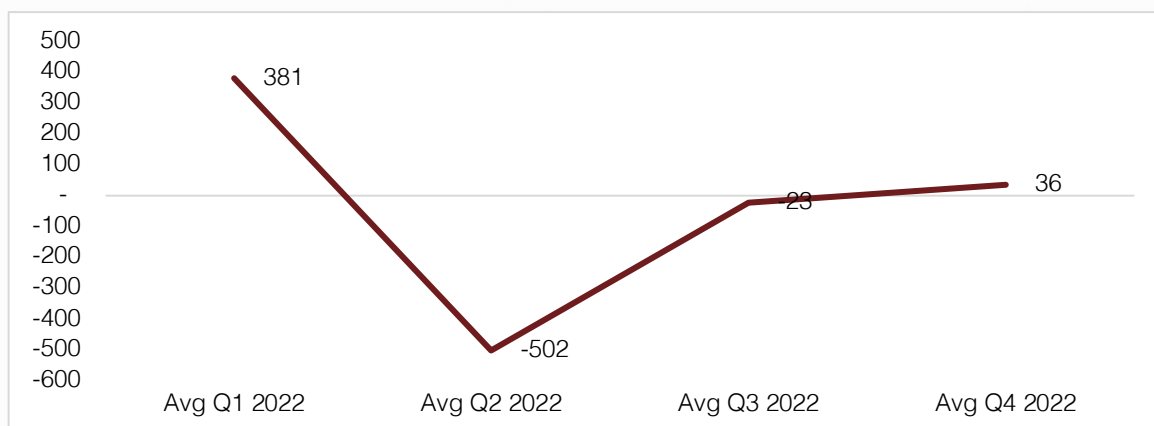


Figure 1: free cash flow. Values in CHF

Admin & HR

- The collaboration with the external broker started in June 2022 is on track.
- The MPD Team concluded a subsequent deal with another senior broker – already owning a relevant portfolio of clients in the B2B segment – who became the sole LCP Director.
- Starting from December 2022, LCP started paying back the COVID-19 loan contracted in 2022.

Sales & Marketing

- In December we signed a large number of mandates which will see commission being cashed in Jan-Feb 2023.
- Revenues for 2023 will depend on the new broker's capability to onboard new business. Commercial discussions outlook is currently positive, and we'll be able to quantify it precisely in the following month.

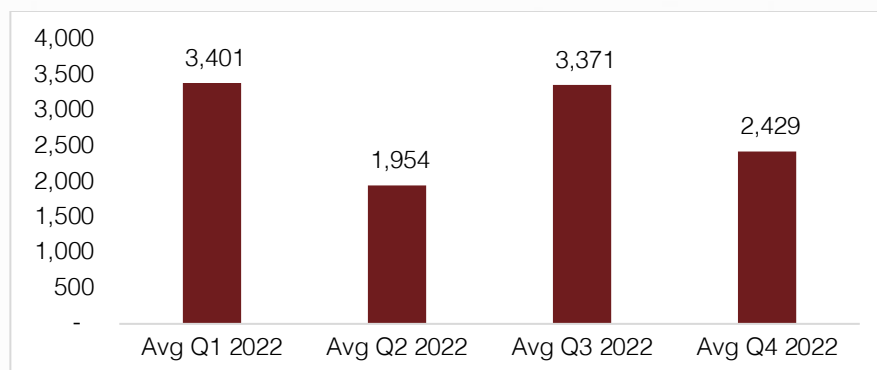


Figure 2: commissions cashed-in. Values in CHF

4.2 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

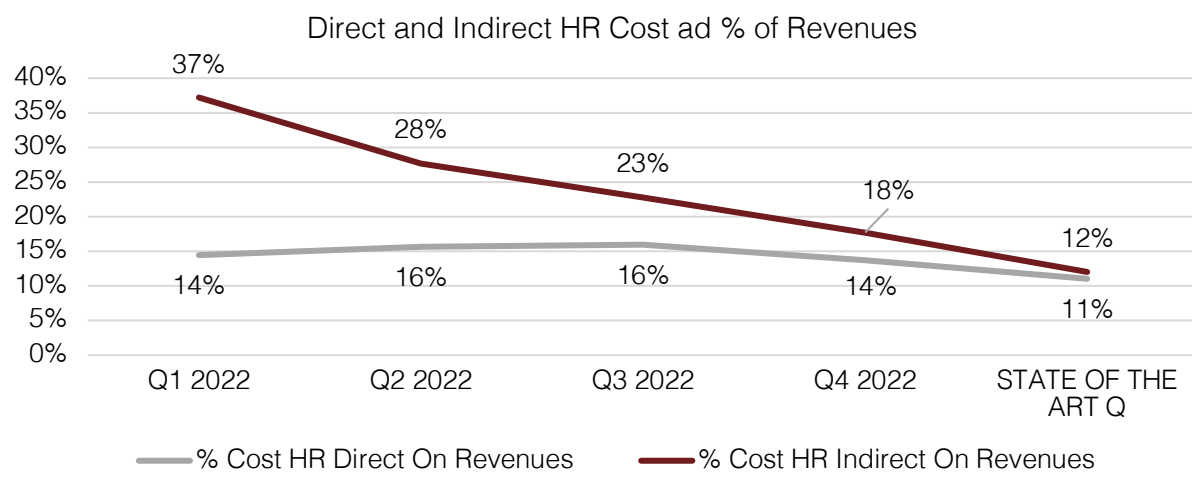
- During H1 2022 Sell-Plast suffered a cumulative loss of almost EUR 300'000,00. September and October are in breakeven considering current cost structure. Hereby the P&L updated to October 2022:

P&L - Oct 2022	
Revenues	€ 1.234.056,96
Purchases of raw materials	€ 595.947,13
Costs for services	€ 181.476,68
Lease and rental expenses	€ 229.797,86
Personnel costs	€ 378.850,99
EBITDA	-€ 199.394,64
D&A	€ 83.908,97
Other operating expenses	€ 47.378,94
EBIT	-€ 283.303,60
Interests	€ 12.214,15
EBT	-€ 295.517,75

- Liquidity constraints due to significant late clients' payments have kept the company in a distressed situation during Q4 2022.
- A BoD meeting has been held to discuss 2022 financials and to validate that the loss will be covered with MSCO Shareholders Financing which will be converted into reserve for the scope (as per MSCO Shareholders Meeting Resolution of October 1st, 2022).

Admin & HR

During Q4 2022, the Company underwent a major HR reorganization. Two administrative employees left Sell-Plast as well as the Head of Production. The administrative staff has been replaced by hiring two more junior figures, supervised by an external consultant. Two employees have been promoted respectively to Head of Production and to Plant Manager. In Q1 2023, Sell-Plast will onboard a new Head of Logistic and will hire a new Quality Manager, to cover for the roles which have been object of promotion. Consequently, Sell-Plast has now a new, more efficient organizational chart.



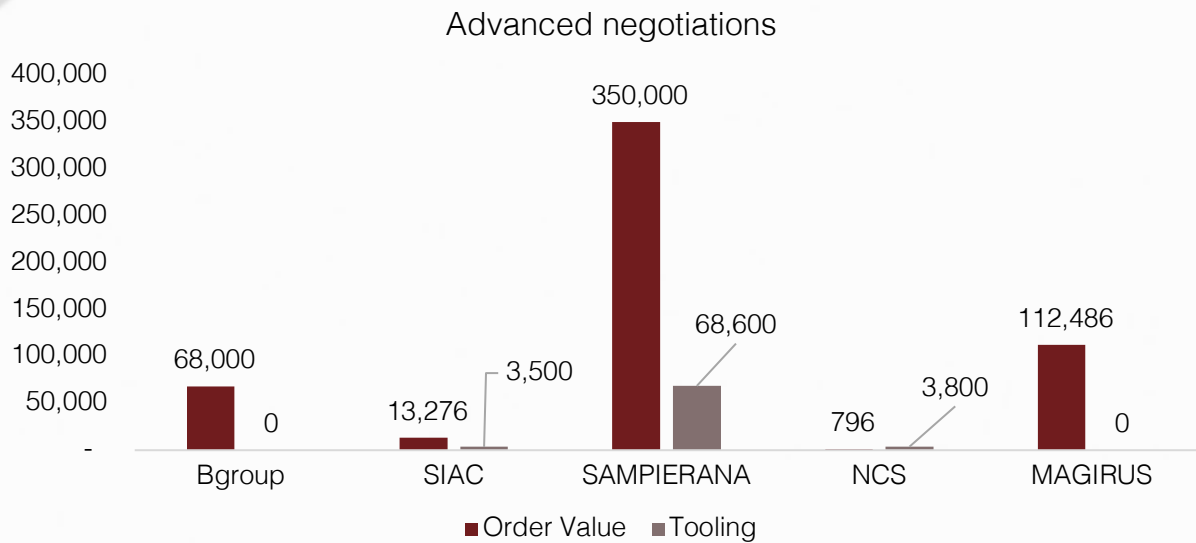
	Q1 2022	Q2 2022	Q3 2022	Q4 2022	STATE OF THE ART Q
Direct / Indirect Ratio	0.39	0.57	0.70	0.77	0.92

Quality

The IVECO quality rating is stable at 100 and CNH supplier rating improved from 74 to 85.

Sales & Marketing

- The commercial department is always looking for new clients in new sectors 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.
- We are conducting advanced negotiation with five new clients for a total of more than EUR 540'000, plus EUR 75'000 worth of tooling.



- These revenues are to be considered on top of business already confirmed from current clients, which amount to roughly 1.9M.
- Magirus business (advanced negotiation) has obtained a price increase leading to improved profitability.
- During Q4 the client Hexagon has been secured, resulting in EUR 100.000 of additional business for 2023 in a non-automotive sector.

5. MPD SME Capital One Valuation

1. Current Assets

- **Cash on hand:** as of December 31st, 2022, MSCO has EUR 1.364 cash in bank account.

2. Fixed Assets

- Financial Fixed Assets

With the increase in number of portfolio companies, the valuation exercise became less reliable, especially concerning equity investments. In addition, the development of sales pipelines, that currently are highly concentrated, create dichotomies in valuations, resulting in high level estimates, more than reliable valuations. Only assets liquidations would provide a reliable input. Our best benchmarking values MSCO assets as:

- **LCP Shareholders Financing:** As of September 30th, 2022, MSCO has provided La Centrale de Prévoyance (LCP) with EUR 141.637,53 shareholder financing in total.
- **81% Shares of LCP:** purchase value of EUR 15.075,00 considering share nominal acquisition price. As an insurance brokerage company, LCP's value depends on its ability to generate future cash flows. As of now, the revenues volatility brought by COVID-19 makes it difficult to outline a valuation for the company.
- **90% Shares of Sell-Plast:** purchase value EUR 237.500,00 (considering share acquisition price of EUR 170.000,00 for 60% in 2021 and EUR 67.500,00 for additional 30% in 2022). Additionally, a total shareholders' financing of EUR 184.100,00 has been injected in Sell-Plast. Considering its current debt reimbursement schedule, Sell-Plast will see its debt exposure reduced by roughly EUR 400'000,00 in two years. The table below shows MPD goal in terms of IRR and exit timing for Sell-Plast.

IRR Sell-Plast 2025	2021	2022	2023	2024	2025
53% -	170,000 -	67,500	-	-	1,161,000

IRR Sell-Plast 2024	2021	2022	2023	2024
45% -	170,000 -	67,500	-	665,550

- Intangible Assets

The intangible component of MSCO has been evaluated in the range of € 260'000 ~ €280'000. The valuation reflects all the steps MSCO has taken since the first partners invested (in a project that was not yet incorporated as a company at that time) until today:

- A highly qualified pipeline of more than 30 investment cases
- 89 investors of which 31 international managers as shareholders with voting rights

- Implementation of a set of rules and processes that have been designed and fine-tuned by MPD Partners team and approved by MSCO shareholders

MSCO Valuation

The valuation as of December 31st, 2022 is of EUR **1.524.930,00**.

6. Shareholders' Meeting

A Shareholders' meeting was held on October 1st, 2022 with the following agenda:

1. Proposal to validate terms for cash injection into Sell-Plast S.r.l.;
2. Other items.

The Shareholders' meeting approved all the items on the agenda, and in particular the cash injection in Sell-Plast has been validated under the form of Shareholders financing, and with a cap of EUR 150.000,00 (previous collection from MSCO of such funds). Furthermore, it has been given freedom to the BoD to transform such shareholders financing into share capital, in case Sell-Plast end of 2022 financial result would require covering for losses.

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.

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 Q4, 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.

As a result of the fundraising activities started in October, two new investor subscribed Class B MSCO Shares.

8. Other Activities

Shareholders' Events

The MPD Team is organizing a Shareholders Weekend in Milan on the first weekend of Spring. Further details will be shared with Shareholders in due course.

9. MPD Partners Team

Name & Designation

Experience



**Mirco Coccoli,
CEO & Partner**

- 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



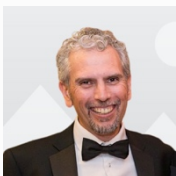
**Luis
Brunschweiler,
Partner**

- 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



**Miguel Dupret,
Director**

- 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)



**Alexandro
Sances,
Manager**

- +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



**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