



# QUARTERLY INVESTOR REPORT

January 1, 2021 – March 31, 2021

**MPD SME Capital One  
Class A and B Shareholders**

Published on April 1, 2021

# Management and Organisation

## Board of Directors

Francesco Rubinacci - President  
Head of Control Textile, Interiors & Supply Chain Luxury Goods at Loro Piana

Mirco Coccoli,  
CEO & Partner at MPD Partners

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

Alexandro Sances,  
Global Operations Director at Trak Global Group

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

Francesco Simonetti,  
Business Advisor at SAS Institute

Giulia Falcone,  
Manager at MPD Partners

## March Investment Committee

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

Daniela Terziotti  
Business Development and Marketing Manager at Orvem SpA

Francesco Rubinacci  
Head of Control Textile, Interiors & Supply Chain Luxury Goods at Loro Piana

Fabio Farella  
Co-founder & CEO at MIRAI

Vincenzo D'Ottavi  
Manager Data Management at Philip Morris International

## Banks

UBI Banca  
Fil. 5549 - Milano De Angeli

Banco BPM  
Ag. 00671 - Milano Piazza Napoli 16

## Treasury Controller

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

## 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

## 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  
Associate Strategic Operations at Kearney

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  
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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 R&D Controller at Ferrero

Lucio De Costanzo  
COO & CFO at Caeli Nova

Livio Vanghetti  
Vice President Global Partnership at Philip Morris

Marco Amendolagine  
Director Product Development at Octo Telematics SpA

Massimo Bordin  
Group Chief Procurement Officer at Ligabue Group

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

Fabio Farella  
Co-founder & CEO at MIRAI

Francesco Tomasoni  
Executive Partner at Notercom - Halless

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

Adriano Scardellato  
CEO at Elda Ingegneria

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## Executive Summary

During Q1 2021, MPD SME Capital One (MSCO) has achieved an overfunding of 220% above the minimum goal with its fundraising campaign. Given the result, MSCO is now able to handle companies with more stable cash flows than the ones previously targeted in the SMEs market. For this reason, the investment strategy is being reexamined, with a special focus on the MedTech industry. Currently, MSCO is near to sign a binding offer with a company specialized in the manufacturing of Physiotherapy Equipment, and it is evaluating the acquisition of a business unit focused on manufacturing Respiratory Therapy devices, from an international player.

Moreover, MSCO has been contacted by other funds in the Private Debt sector, with the intent of establishing a collaboration in the deal-making process: SMEs often avoid debt financing, but from MSCO's perspective a modest financial leverage would act as value driver for all the parties involved.

The thermoforming company Due Diligence was completed on February 15, 2021: it highlighted material write-downs in the company assets and MPD Partners expressed concerns regarding a potentially delayed economic recovery with respect to November 2020. Consequently, MSCO Shareholders, during last meeting held on March 13, 2021 didn't approve the proposed terms, thus, confirming the previous valuation approach including the due correction. As of March 31, MSCO LOI expired. MPD and the target company are deciding for a final date for finishing the negotiation period (for a deal or no deal decision).

Regarding the current portfolio, La Centrale de Prévoyance (LCP) has witnessed an average monthly cash flow equal to zero. However, the Company is implementing a hiring process which, as of today, brought in a new broker, with the goal of improving the leads conversion rate. A further lead investment will be done in the next quarter and a collaboration with an Accounting Services provider has been established to implement cross-selling activities, in order to set a new strategy and position the company as a B2C platform providing Insurance, Taxes and Real Estate financing services. The website has been subject to important improvements, such as a Chatbot and the Private Area, and the 2020 financials are being closed, with summer supposed to bring a downturn in demand, according to historical data.

To conclude the news from Q1, MSCO is back on the BacktoWork platform since March 24, reopening its fundraising campaign for one more month. This is the last chance to invest in the vehicle and it is planned to end very soon, by April 19, 2021. Several

commitments have been made and capital contributions from new and existing shareholders have been received.

## 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 increased track record in transactions and SMEs value improvement. The focus on such segment comes from passion and the understanding that many Private Equity competitors cannot focus on such segment because of their corpulent cost structures that forces 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 one 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 by 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 bigdata analytics, to enhance business development and lead generation of invested companies.

## 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 have a slow down due to distancing measures (e.g., COVID-19).

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

The R&D activity for the software is carried on by UIEx, 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 of three senior members which include a project manager with 16 years previous experience in managing digital innovation projects, a data scientist with 10 years R&D experience in experimental projects for enterprises and a tech consultant with 20 years' experience in the technology innovation.

### Q1 2021 R&D Activity

During the quarter, the R&D team has worked closely with the operator to review the work done in 2020 and to finalize the 2020 R&D Technical Report. Furthermore, it has been received the service offer with a new planning of activities until the end of 2021.

## Origination & Investment Committee

### Cases in pipeline

During Q1, the MPD Partners team performed intensive screening activities among the more-than-30 cases in pipeline. The goal is to identify the most interesting opportunities and present them to the Investment Committee, in order to have alternatives and a potential third target ready, to feed the investment process.

MPD creates value through active ownership and professional expertise, providing worldwide knowledge for companies operating in standard businesses in need of technological development and growth. MPD aims to have investments to be significantly exposed to SMEs on its “core” and “extended” reach list, regardless of the sector, because it believes in its ability to drive management and efficiency through its network of experienced investors.

The current situation of the cases in pipeline is the following:

- 1 company being prepared for the Advisory Board. It is specialized in manufacturing Physiotherapy Equipment; a binding offer is close to be signed among the parties
- 1 company being presented to the next investment committee. The company manufactures medical devices supporting the Aerosol Therapy
- 1 company being analyzed from the Team, to prepare it for future investment committees. The company operates in a very niche market, with a patented threadlocks technology
- 2 companies under preliminary analysis, one operating in the Textile Industry and the other in the Metal Carpentry industry.

## Case in advanced negotiation

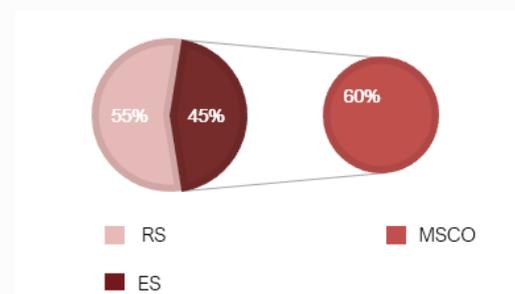
### Thermoforming

#### Company Description

Founded in the 50s, it specializes in vacuum thermoforming. Over the years, the company has diversified its production into other sectors such as earth moving machines, lighting, food, biomedical, transport and aerospace.

The ES (Exiting Shareholder) intends to sell his stake of 45% in the company while The RS (Remaining Shareholder) will sell 15% of his stake in the company. MPD SME Capital One will be a majority shareholder in the company, holding 60% of the shares.

Thermoforming	2019	2020
Revenue (Mln)	€ 2.8	€ 1.8
Ebitda %	9.1 %	2.4%
Net Debt	- € 1.45	- € 1.27



The Automotive sector is one of the main sectors in which the company operates and is a leader in the construction of installations for niche and series production. They supply small to medium quantities and the market is not crowded. For the automotive sector, the company has a quality certification “A.T.S.” that is very difficult to obtain and quite reputed in the sector.

#### Development Opportunities

The Business Plan<sup>1</sup> we have structured for Thermoforming together with the remaining shareholder is developed around four main business development pillars:

- Map the sectors in which Thermoforming is currently active, namely the ones in which the company has open orders with projected revenues from 2021 – 2024.
- Map the new sectors that have been already identified from the company management as new markets for business development, for which the company

<sup>1</sup> Available upon request  
Investor Report Q1, 2021 – MPD Partners

has already identified a minimum go-to market strategy and additional investments to be done.

- Plan a minimum yearly investment for market research in order to carefully analyze new sectors to be identified with the help of the MPD Team and the company's technical office.
- Plan a minimum yearly investment for market research in order to carefully analyze new innovative and sustainable materials and technologies with the help of the MPD Team and the company's technical office.

## Portfolio Company

### La Centrale de Prévoyance

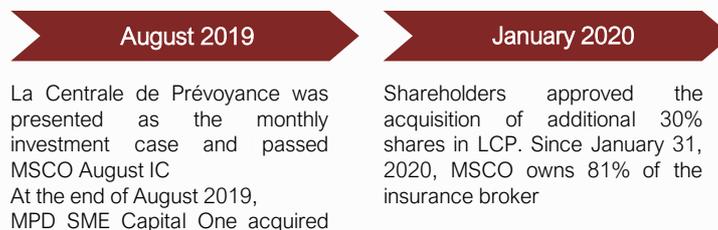
#### Company Description

La Centrale de Prévoyance (LCP) is a Swiss broker insurance regulated agency, working in the previdential 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 as-set 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-traits Populaires du Vaud etc.

#### Acquisition Roadmap



#### Advancements during the quarter

##### Sales

- Investment in leads
- Finalized hiring process of a new broker
- Established a collaboration with FCFI accountant office

##### Human Resources

- Communication to all employees of the new strategy
- Reinforcements of the team with new hires

##### Strategy

- Values, Vision, Mission redefinition
- Definition of a new strategy positioning
- The target positioning is to deliver private customers administrative support at 360 degrees, with particular focus to insurance, taxes and real estate financing

#### Financials & Operations

- Rolled up strategy and market positioning review
- 2020 Financials closure
- Finalized a log-in through which clients have access to personal information
- Enhanced ChatBot functionalities

## MPD SME Capital One Valuation

Company valuation is based on MSCO assets and liabilities. Owing to the small amount of MSCO liabilities (around €1,000 in tax), MSCO's value mainly depends on the assets side, which is composed by the following components:

- Cash in Hand
- LCP Shareholders Financing
- 81% Shares of LCP
- MSCO Intangible Assets
- Others

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

### MSCO Pre-Money Valuation

The Pre-Money Valuation, approved by the Shareholders meeting held on April 17, 2020, is of € 636'000.

As of March 31, 2021, considering the current capital increase valuation, the maximum annualized return for a Class A investor is 159% and for a Class B investor is 100%. While the minimum annualized return for a Class A investor is 44% and that for a Class B investor is 45%<sup>2</sup>.

### MSCO Post-Money Valuation

The subscribed post-money valuation currently registered in chamber of commerce as of March 31, 2021 is of € **1'084'000**. The total post money valuation considering the whole new capital increase is of € 1'656'000. The table below summarizes the subscription status as of March 31, 2021 of the valid capital increase.

Capital increase	Nominal Value	Value with premium	Total Subscribed from inception
<b>Pre-money Valuation</b>	€ 31'800	€ 636'000	€ 636'000
<b>Capital Increase (Open)</b>	€ 51'000	€ 1'020'000	€ 448'000
Subscribed Capital Increase (Registered in Chamber of Commerce) as of 31/03/2021	€ 22'400	€ 448'000	
Available subscriptions until 19/04/2021	€ 28'600	€ 572'000	
<b>Total Post-money Valuation</b>	€ 82'800	€ 1'656'000	€ 1'084'000

<sup>2</sup> Considering shareholders registered in Chamber of Commerce as of April 17, 2020  
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## Fundraising

### Advancements during the quarter

The execution of the fundraising took place through a crowdfunding campaign and this choice is mainly driven by the fact that it is a CONSOB regulated activity. MPD selected BacktoWork24 as the counterpart for the crowdfunding campaign.

The first round of the campaign took place from November 20, 2020 until January 31, 2021, collecting a total amount of EUR 448'000, corresponding to a +220% overfunding to the minimum goal of the campaign that was EUR 204'000. Furthermore, MSCO has secured the investment of an institutional investor, which invested EUR 51'000 validating the campaign (covering the 5% of EUR 1'020'000), – as required by CONSOB Regulation.

From March 24, 2021 the crowdfunding campaign has been reopened until its final closing on April 19, 2021. The final goal of this last funding round is to finalize the SMEs acquisitions planned for 2021, that will be 1-2 according to the result of the ongoing analysis and negotiations.

Capital increase still available to be subscribed via crowdfunding platform has the following structure:

Total	Nominal	Premium
€ 572'000	€ 28'600	€ 543'400

## Shareholders' Meeting

During Q1 2021 one ordinary shareholder meeting was held on March 13, 2021 for the discussion and approval of two main topics:

- a. Final approval of Thermoforming investment proposal and authorization for the Sale and Purchasing Agreement signature. The new economic terms including the earn out for the Exiting Shareholders have not been approved.
- b. Approval of the increase of the monthly consulting fees paid to MPD from EUR 5'000 to EUR 7'500 per month.

## Shareholders

### Class A Shareholders

Class A Shareholders are a group international top managers and entrepreneurs passionate about investing, networking and willing to join forces to invest in SME and bring innovation and new technology. They make the investment decision and put their expertise, competences and network at the service of the value creation process once gained control of the target company. MSCO can leverage on the experience of 27<sup>3</sup> Class A Shareholders with a various background and a European reach.

Shareholder	Current Role	Location	Exp. Years
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	Head of Control Textile, Interiors and Supply Chain Luxury Goods at Loro Piana	Milan	24
Alexandro Sances <sup>1</sup>	Global Operations Director at Trak Global Group	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 <sup>2</sup>	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 R&D Controller at Ferrero	Luxembourg	24
Lucio De Costanzo	COO & CFO at Caeli Nova	London	14
Livio Vanghetti	Vice President Global Partnership at Philip Morris International	Lausanne	15
Marco Amendolagine	Director Product Development at Octo Telematics SpA	Rome	18
Massimo Bordin	Group Chief Procurement Officer at Ligabue Group	Vicenza	19
Fabio Farella	Co-founder & CEO at MIRAI	Rome	21
Antonio Andini	Owner & General Manager at Centro Commerciale La Maschera	Naples	30
Francesco Tomasoni <sup>3</sup>	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

<sup>1</sup> Represents Giovanni Pietro Sances

<sup>2</sup> Represents Maria Smaldone

<sup>3</sup> Represents Francesca Sorze

<sup>3</sup> The name of one of them is not disclosed

### **Class B Shareholders**

Class B Shareholders receive updated reports on the invested companies and can become MPD next initiative investors with the same first investment conditions of MSCO as well as benefit from MSCO capital increase.

During Q4, 2020 (Jan'21 – Mar'21) 19 new investors has been officially registered as Class B MPD SME Capital One shareholders.

## Other Activities

### Shareholders' Events

The MPD Partners team is planning the MSCO Shareholders' events, offered as rewards of being an MSCO investor:

- The MSCO Virtual Investors weekend will take place online via Zoom, (due to current Covid-19 restrictions) on May 7 – 9, 2021, with the following agenda:
  - o May 7, 2021: networking online aperitif with keynote speech “Access to capital from SMEs and the role in economic development” from Linda Dickerson Hartsock, Executive Director at Blackstone Launchpad & Techstars, SU
  - o May 8, 2021: MSCO technical presentations topics and discussion panel “Access to capital from SMEs and the role in economic development” from of international hosts:
    - Melanie Brooks, Head of sustainability at CARN
    - Andrew Zagorodnyuk, Former Minister of Defense of Ukraine - Tech Entrepreneur, DII
    - Lisa Ashford, CEO & Director at Ethex and Energise Africa
  - o May 9, interactive Workshop “The MSCO Business Game”.

Shareholders entitled to take part will receive the invitation and the agenda of the days. In addition, the next monthly networking event will be held in an online modality on April 9, 2021.

### #Givebacktothecommunity initiative

Through the #givebacktothecommunity initiative, MPD Partners is sharing its network and offers the possibility to channel a strategic discussion and exchange ideas between international managers and SMEs. Indeed, MSCO's Shareholders have been donating EUR 5'250 of free consulting hours. The initiative has been officially concluded on March 31, 2021 with a wrap up meeting among mentors and mentored startups from Blackstone LaunchPad at Syracuse University.

### MPD SME Capital Swiss

MPD offer to MSCO shareholders to have the possibility to join its future initiative with favorable conditions: MPD is structuring the new investment vehicle focused on SMEs. MPD SME Capital Swiss is an SME-focused investment vehicle based in Switzerland and

focused on the Swiss market. The fund is currently under structuring and has received the support from Crédit Suisse to evaluate the financing of 50% of acquisitions' value. MPD SME Capital One has gained the right to be the first investors in MPD SME Capital Swiss as a Limited Partner or to invest in the General Partner.

MPD currently looking for the structure that best fills to its needs in terms of convenience and flexibility. EY is the company preselected for the fund structuring and for the legal advisory.

In the meantime, preliminary connections with Swiss sell-side advisors for future collaboration are ongoing. A first pipeline of cases is currently under development and review in preparation for potential acquisitions.

MPD SME Capital Swiss intends to focus on ESG embracement within the portfolio companies in order to achieve long term returns for the portfolio SMEs.

## 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 covering Associate role at Kearney
- 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 covering the role of Global Operations Director at Trak Global Group



**Giulia Falcone,  
Manager**

- Manager - MPD Partners
- Board Member - MPD SME Capital One
- Audit Intern - KPMG
- Graduated from Bocconi University, MSc in Management



**Margherita Sarli,  
Associate**

- Audit Staff – EY
- Junior Assistant Auditor – Mazars
- Customer Support Finance - CRIF
- Graduated from University of Ferrara in Economics, Markets and Management - Small and Medium Enterprises in International Markets



**Matteo Riccioni,  
Analyst**

- Currently enrolled in MSc in Accounting, Financial Management & Control, Bocconi University
- Graduated from Bocconi University, BSc in International Economics and Finance
- Years of international experience matured during High School and University.

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Prepared by:  **MPD PARTNERS**

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