MEDITERRANIA CAPITAL PARTNERS

SUSTAINABILITY REPORT 2019

ABIDJAN | ALGIERS | BARCELONA | CAIRO | CASABLANCA | VALLETTA

Foreword

SAÂD BENDIDI
CHAIRMAN AND PARTNER

At Mediterrania Capital Partners, environmental, social and governance (ESG) criteria are fully integrated into our investment processes. As social and environmental issues increasingly affect consumer behaviour and business conditions, there's growing evidence that ESG strategies can improve returns and limit risks. We view global challenges such as climate change, increased waste and pollution and social inequality as tangible threats and are convinced we can help build solutions through our portfolio companies to tackle them.

In this report, we explain our responsible investing approach and the measures we are putting in place at both fund and portfolio levels to help our investors achieve their financial and sustainable goals. We are proud of the progress made in 2019. We have engaged with our portfolio companies across different countries in Africa in a wide range of areas including the reduction of their environmental footprint, optimisation of the use of resources by applying changes to supply chains and operations, improvement of working conditions and benefits to employees, etc.

Making the transition to a more sustainable world is a complex task that we cannot tackle on our own. That's why we are partnering with clients, cooperating with fellow investors and joining forces with leading development financial institutions to define and implement the most relevant ESG practices in the most effective way, reaching a wider society. It is all about what we can achieve together.

Moving into 2020 there's a lot to look forward to. Through our funds Mediterrania Capital II and Mediterrania Capital III, we have invested in companies that engage with the UN's Sustainable Development Goals and produce both ESG impact and market-rate financial returns.

Our main objective moving forward is to continue to expand and accelerate investments that benefit African communities and economies while providing strong returns to our investors.

I encourage you to read this year's report and learn how Mediterrania Capital Partners is helping to make this world a better place.

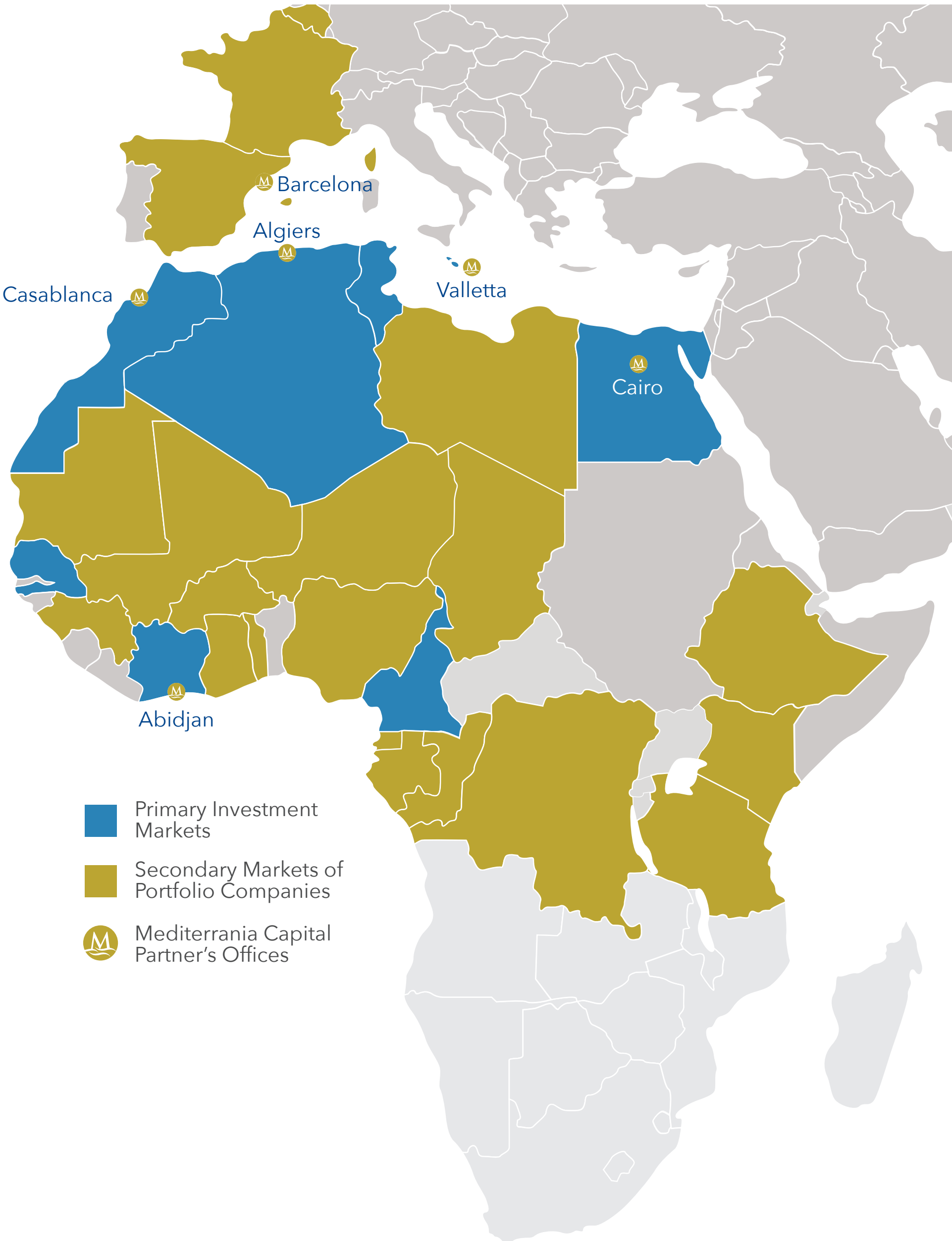
Table of contents


Social Impact
Low Loss Ratio
Focus on Returns
Depth of Pipeline
Deployment Velocity
Strong Sector Diversification
Repetitive Model of Value Creation
12
years
investing
in growth
capital
in Africa

About us

MEDITERRANIA CAPITAL PARTNERS is a private equity firm focusing on growth investments in consolidated and growing SMEs and mid-cap companies in Africa.

Since 2008 we have been partnering with leading entrepreneurs in full alignment with key shareholders to nurture lasting value creation and sustainable development.



Mediterrania Capital Partners At a Glance

€465 million
Assets Under Management

€212 million
invested since 2008

12+ years
investing in Africa

22
Investments

8
Full exits

3
Partial exits

32 LPs
invested in Mediterrania Capital Partners' funds

14
Portfolio companies

7
Countries invested in

27
Countries of operations

20,000
Employees
hired by Mediterrania Capital Partners' portfolio companies

€1.5 billion
delivered in annual revenues by portfolio companies in 2019

Note: Data includes all funds managed or supervised by Mediterrania Capital Partners

Sustainable Investing Global Leaders

Improving communities' living conditions

Through Mediterrania Capital Partners' funds we have invested in sectors that play a crucial role in delivering progress against the United Nations' Sustainable Development

SUSTAINABLE DEVELOPMENT GOALS

○ Number of portfolio companies implementing and integrating the SDG goal in their strategy.

5 — **1 NO POVERTY**

End poverty in all forms

4 — **2 ZERO HUNGER**

End hunger, achieve food security, improve nutrition and promote sustainable agriculture

3 — **3 GOOD HEALTH AND WELL-BEING**

Ensure healthy lives and promote well being for all at all ages

2 — **4 QUALITY EDUCATION**

Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

Goals (SDGs) including food manufacturing and distribution, health care, education and financial services for low-income population.

Our investments seek to maximise gains for investors and stakeholders while supporting the economic and social development of African communities through job creation and improvement of work conditions, advanced education programmes and women empowerment. Mediterrania Capital's investee companies currently support all the SDGs focused on improving the quality of life of the communities in the investee countries.

12

5 GENDER EQUALITY

Achieve gender equality and empower all women and girls

2

6 CLEAN WATER AND SANITATION

Ensure availability and sustainable management of water and sanitation for all

12

8 DECENT WORK AND ECONOMIC GROWTH

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work

7

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation

10

10 REDUCED INEQUALITIES

Reduce inequalities among and within countries

5

11 SUSTAINABLE CITIES AND COMMUNITIES

Make cities and human settlements inclusive, safe, resilient and sustainable

4

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Ensure sustainable consumption and production patterns

5

13 CLIMATE ACTION

Take urgent action to combat climate change and its impacts

3

17 PARTNERSHIPS FOR THE GOALS

Strengthen the means of implementation and revitalize the global partnership for sustainable development

Our ESG approach

ESG factors have an impact on whether we make an investment, how we manage that investment and when and how we exit it.

Responsible investing from the very start of the investment process

When sourcing for new investments, we target market leaders with growth potential operating in sectors that are critical for Africa's path to grow. Pursuing only the most attractive deals in terms of value creation and financial returns, we will favour those investment opportunities that have a clear and direct impact on the communities and economies in Africa.

During the screening process, a high-level initial assessment of ESG issues of the potential investee company is carried out. This assessment includes the granting of risk ratings for health & safety, environmental, social and governance issues, and an evaluation of the integrity of the company's management and its commitment to addressing environmental and social issues such as health, safety, bribery, corruption and climate change. Finally, we investigate whether the transaction provides ESG-related opportunities where we can add value.

Once the investment gets the approval of the Investment Committee, the due diligence process begins. Due diligence is implemented with the help of an external consultant and involves several steps of collection of ESG information along with a report detailing how ESG risks in the investee company will be addressed and how opportunities for value creation will be exploited.

Then, an Environmental and Social Action Plan (ESAP) is drawn up including costs and timings, and agreed with the investee company.

The ESAP will consist of a set of specific actions towards the following objectives:

- Protection of the environment and efficient use of natural resources
- Provision of safe and healthy working conditions for the employees
- Fair treatment of the employees allowing them to form consultative associations

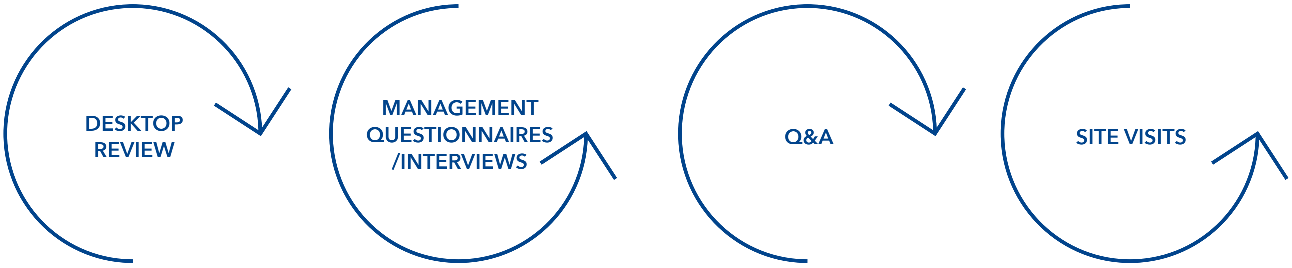
SOURCING
SCREENING
DUE DILIGENCE
MONITORING
EXIT

“

At Mediterrania Capital Partners, we have always considered ESG factors as part of our investment process. We view ESG as essential to long-term value creation and use it as a fundamental element of our investment and decision-making process. We strongly believe that companies working ethically, sustainably and responsibly tend to be attractive long-term investments.

Rajaa Berrkia, Sustainability Director

”



- Upholding of high standards of business integrity
- Consideration of the impact of operations on local communities
- Implementation of robust social and environmental management systems

Finally, if all the evaluations are positive, the shareholder agreement is signed. This agreement includes the undertaking by the investee company that the business will be performed in line with Mediterrania Capital Partners’ policies and ethical standards.

Responsible investing during the holding period

As a Private Equity firm, we support portfolio companies from a financial perspective and provide them with business know-how and recommendation on ESG practices.

Just after completion of the closing, we start working towards improving the environmental, social, and governance aspects on the new portfolio company.

Our ESG approach

We use our experience to advise and guide investee companies on how to build more successful and resilient companies, but also sustainable businesses. We help portfolio companies to reach the next level of growth building the right foundations for long-term development.

Mediterrania Capital Partners does not act as a reviewer of material produced by the investee company but, instead, we provide value-added guidance on each single aspect that will help the company become a more responsible business, protecting the environment by reducing CO^2 emissions and/or waste, enhancing employee working conditions, ensuring gender equality across all company levels and departments, and putting in place strong governance processes.

Often, some portfolio companies may face difficulties with its implementation since the plan may entail a change in the company's operations or even its work culture.

In that sense, each investment director will be responsible for working closely with our Sustainability Team and the management of the portfolio company to ensure that

[1] As a sub-committee to the Board of Directors if ESG is deemed of high risk. If applicable, it should be chaired by the senior management of investee companies.

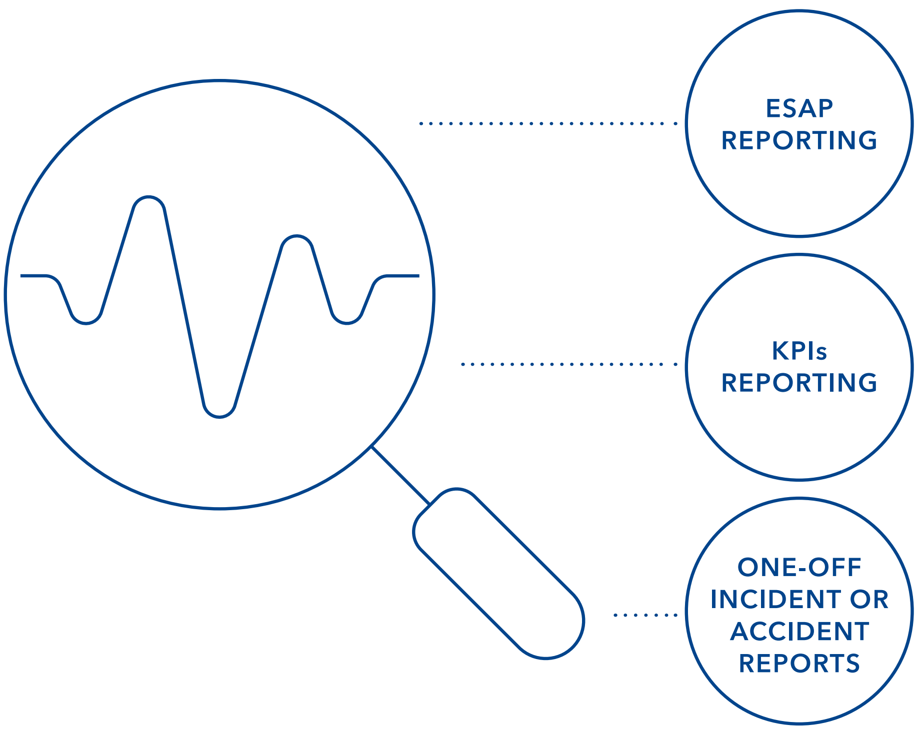
[2] Including unplanned events (serious accidents, adverse media, departure of key Environmental & Social resources, government inspection and any other any significant stakeholder-related issues).

identified ESG issues are minimised and opportunities for adding ESG value are fully implemented.

In parallel, both parties will agree on a reporting methodology through which the investee company reports all actions (both planned and executed) its results and progress against the set objectives. This report will be produced either on a quarterly, bi-annual or annual basis. The progress and follow-up steps will be presented to the portfolio company's Board and Mediterrania Capital Partners team.

Reporting on ESG actions

- The ESAP report provided by the portfolio company will provide at least one annual summary outlining the performance of the ESG actions and performance against the specific ESAP agreed by the company and Mediterrania Capital Partners
- The frequency of the reporting will be adjusted to the level of risks
- The Key Performance Indicators (KPIs) that will be used to monitor Environment and Social factors must be agreed with the investee company early in the investment phase
- Setting the right KPIs will allow the management and employees at the investee company to focus on material business issues and help build commitment as well as track performance
- A proper reporting process will allow portfolio companies to:
    - Notify Mediterrania Capital Partners and the company's board of any serious accidents including those that result in loss of life, serious injury, material adverse impacts on communities and/or the environment, material breach of law or legal agreement requirements.
    - Respond appropriately and swiftly to serious accidents, incidents or events, or other changes



2019 Key Impact Highlights

Mediterrania Capital II and Mediterrania Capital III Portfolio Companies

Revenues: €930.4 million
Revenue y-o-y growth: 23%

EBITDA: €132 million
EBITDA y-o-y growth: 1.17X

Employees: 18,469
Female employees: 22%
Female jobs y-o-y growth: 1.6X

€29.1 m invested in Education
€22.2 m invested in Health Care
€27.1 m invested in Financial Inclusion

Environmental

83%

OF PORTFOLIO COMPANIES HAVE AN OFFICIAL ENVIRONMENTAL POLICY

100%

OF PORTFOLIO COMPANIES PURSUE A SUSTAINABLE ENERGY POLICY

75%

OF PORTFOLIO COMPANIES HAVE POLLUTION PREVENTION AND WASTE MANAGEMENT POLICY

73%

OF PORTFOLIO COMPANIES HAVE POLICY STATEMENTS DOCUMENTING COMMITMENT TO ENVIRONMENT

Social

100%

OF PORTFOLIO COMPANIES PROVIDE HEALTH INSURANCE AND PENSION PLANS TO EMPLOYEES

100%

OF PORTFOLIO COMPANIES HAVE EMPLOYEE TRAINING AND DEVELOPMENT PROGRAMMES

100%

OF PORTFOLIO COMPANIES HAVE OSH[1] POLICIES

[1] Occupational Safety and Health

Governance

58%

OF PORTFOLIO COMPANIES HAVE AN INDEPENDENT BOARD MEMBER

100%

OF PORTFOLIO COMPANIES PRODUCE ANNUAL AUDITED FINANCIAL STATEMENTS

100%

OF PORTFOLIO COMPANIES HAVE AUDIT AND REMUNERATION COMMITTEES IN PLACE

100%

OF PORTFOLIO COMPANIES HAVE IMPLEMENTED BOARD-LEVEL METRICS THAT HELP BRIDGE THE GAP BETWEEN STRATEGIES AND RESULTANT OPERATIONAL ACHIEVEMENTS AND EFFICIENCIES

2019 Impact Update

Consumer Discretionary

Groupe Scolaire René Descartes

COUNTRY
Tunisia

SECTOR
Consumer Discretionary

INVESTMENT DATE
December 2017

INVESTMENT FUND
Mediterrania Capital II

Founded in 1993, Groupe Scolaire René Descartes is a Tunisian group headquartered in Tunis, offering French and Tunisian tuition programmes from pre-primary school to high school to Tunisian and international pupils. The Group operates two entities: GSRD and FHB.

GSRD operates two buildings in the suburban area of Tunis (Ennasr). It is one of only three schools in Tunisia in partnership with the AEFE[1]. In October 2019, a new building located in the area of Les Berges du LAC 2 was inaugurated, increasing the school's capacity.

FHB has been operating since 2016 and provides Tunisian programmes from pre-primary school to college. FHB's pupils get a DELF[2] certification and are offered the opportunity to integrate into GSRD's high school.

[1] Agence pour l'Enseignement Français à l'Etranger.

[2] DELF is a certification delivered by the French Ministry which proves the French-language skills of non-French candidates.

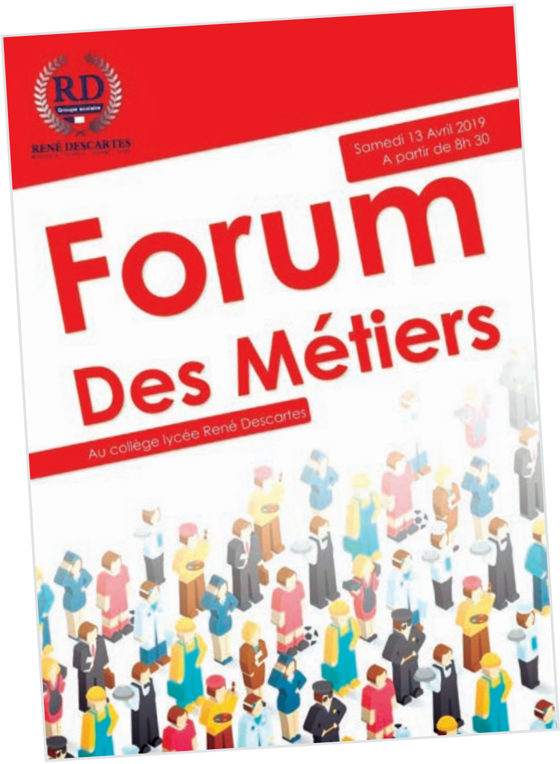
Our added value

Improving corporate governance

Following Mediterrania Capital Partners' investment, the board of directors was professionalised, and two board seats were filled with Mediterrania Capital's representatives. In addition, an independent director was appointed in order to help assess the value creation possibilities within GSRD and the overall industry landscape, and offer new strategic recommendations and guidance for growth.

Strengthening information systems

A new Enterprise Resource Planning (ERP) software was acquired to standardise, streamline and integrate business processes and improve the accuracy and the consistency of the school's reporting and budgeting. The implementation of the software began in 2019, with most of the modules fully operational (commercial, human resources, procurement and accounting) by the end of 2019.



Accelerating the development plan

Mediterrania Capital Partners helped the group to accelerate the development and implementation of its expansion plan. The land of the new school in LAC 2 was selected and secured post-closing and construction works ended in September 2019.

Both the acquisition and the construction were financed through a 30/70 equity/debt ratio. The team of Mediterrania Capital Partners, alongside GSRD's management, led the process of securing cost-efficient financing to build the new school and engaged with project managers to oversee the construction.

The new building was inaugurated in October 2019 and is fully operational for the 2019/2020 academic year with 260 enrolled pupils.

As part of the expansion plan, Ennasr school extension works were launched. The extension of the building will hold all Primary pupils while the existing building will hold all Secondary pupils (college and high school).

Groupe Scolaire René Descartes

ESG in action

Following Mediterrania Capital Partners' investment, Primary and Secondary schooling increased by 21% and 19%, respectively, over the last two academic years. In the academic year 2019/2020, 2,274 students were enrolled in GSRD and FHB including 1,055 female students (46% of the total).

Recognising the role of education in promoting economic growth and social justice, GSRD emphasises in its programmes the role of primary schooling which, besides the 3Rs[3], must lay foundations in other areas, such as spoken language, science, arts and the humanities, plus physical, emotional and moral development and lived experience.

A new principal with a successful track record within the AEFE was hired to strengthen supervision and instructional guidance and encourage innovative approaches. A teacher-oriented training programme has been implemented, as education professionals need to be updated continuously. The para-professional staff has been reinforced and a new, consistent salary grid has been put in place, reducing teacher turnover from 37% to 30%.

[3] Reading, Writing and Arithmetic

2019 IMPACT KPIs

5
SCHOOL CAMPUSES

2,274
PUPILS

1,055
FEMALE STUDENTS

18
STUDENTS NATIONALITIES

+27%
NEW TEACHERS (FROM 251 TO 318)

88%
AVERAGE SUCCESS RATE VS. 83% IN 2018

25%
GROWTH OF PERMANENT TEACHERS

56%
FEMALE TEACHERS

CONTRIBUTION TO THE SDGs

- 4 QUALITY EDUCATION
- 5 GENDER EQUALITY
- 8 DECENT WORK AND ECONOMIC GROWTH
- 10 REDUCED INEQUALITIES

Indigo Company

COMPANY

COUNTRIES
Tunisia, Morocco, Algeria

SECTOR
Consumer Discretionary

INVESTMENT DATE
November 2015

INVESTMENT FUND
Mediterrania Capital II

Indigo is a Tunisian retail apparel group founded in 1997 by the Ben Salem brothers. It commercialises 12 fashion and lifestyle brands from five major international groups, including Inditex, Waikiki, Celio, Mango and Etam. The group expanded its reach to Morocco and Algeria, in 2002 and 2012, respectively. Today, Indigo operates a network of 110 outlets in the three countries (54 in Tunisia, 31 in Morocco and 25 in Algeria).

The group distributes 12 brands including Zara, Zara Home, Bershka, Oysho, Pull & Bear, Stradivarius, Massimo Dutti, Lefties, Celio, Jennyfer Undiz and LC Waikiki, targeting different customer groups in low- to moderate-income segments.

In late November 2019, Indigo Group opened the largest shopping center in Tunisia, the Mall of Sousse, which covers an area of 9,000 sqm.

Our added value

Improving corporate governance

Solid corporate governance is critical to attracting investors and ensures that the Board of Directors fulfils its role objectively and holds the management accountable to the company.

Soon after Mediterrania Capital Partners invested in the group, the need to set up an independent Board of Directors came up. Indigo put forward the candidature of a consultant from Roland Berger, a strategy consulting firm that had advised Indigo during the investment process. The candidate had previously worked in the consumer goods and retail sectors and spent more than 15 years in management consulting, working with major retail players. The candidature was largely welcomed and accepted by Mediterrania Capital Partners and he was appointed an Independent Board Member.

A Strategic Committee was set up to support the group in achieving its development strategy in the three different countries with a strong focus on sales, margins and profitability.

Mediterrania Capital Partners also put in place an Audit Committee to supervise the financial reporting and audit processes, internal controls and legal and regulatory compliance. Lastly, a Remuneration Committee was set up to assist and advise the Board of Directors on matters related to the remuneration of the Board and senior management, in order to motivate and retain executives and ensure that the group attracts the best talent in the market.

Simplifying and leveraging KPIs

A strong focus was directed towards agreeing on common reporting models for financial and

operational performance. Mediterrania Capital Partners helped structure the financial reporting and KPIs using the data available in the company and when new measurements were created – without overwhelming the business – to clarify how they would help Mediterrania Capital Partners and Indigo Company to run the business.

Strengthening workforce management

Mediterrania Capital supported Indigo's investment in a workforce management platform. The 24/7 retail solution provides Indigo with a robust platform that improves and optimises its HR abilities and allows it to be proactive throughout all operational functions. The new platform delivers real-time communications and staff tracking to keep the teams accountable and running smoothly, as well as real-time management of issues and incidents. The software also automates and streamlines maintenance functions, increasing equipment uptime and lifetime.

ESG in action

In terms of recruitment, Indigo goes beyond traditional interview processes by conducting individual and group hiring interviews that test the candidates on their selling skills and their fashion and brand knowledge. As part of the interview process, the HR department has developed an internal matrix of criteria that includes personality traits such as patience, competitiveness, team spirit, empathy, emotional intelligence, willingness and eagerness to learn, passion for the brand and its products, etc.

Another pillar of Indigo's HR strategy lies in establishing work training programmes and assessment sessions to keep employees positively engaged. The retail sales training contains different elements for onboarding or new hire training, product knowledge training and behavioural retail sales training.

The retail sales training contains various elements for new hires such as product knowledge, and behavioural retail sales training which includes a set to learn soft skills such as communication and non-verbal communication, how to engage stranger customers at the stores and greet them with courtesy.

To minimise the risk exposure of Indigo employees, the group has developed a set of courses to improve security, health and safety within the stores and Indigo's premises on a variety of topics such as fire, slips, trips and falls, lifting and carrying, first aid for customers, etc.

Lastly, the performance of each store is regularly evaluated to identify what kind of staff is required to improve training based on the set of skills required.

In order to hire the right number of staff in each store, current legal permits and laws in development are regularly analysed to enable the group to permanently adapt the number of staff per store, as having too many employees adversely affects costs whereas having too few can reduce store performance.

Like all worldwide fashion and lifestyle retailers, the group faces the problem of unsold clothes that cannot be destroyed or returned to the manufacturers. In Tunisia, Indigo recently launched its first discount outlet for unsold clothes and accessories from all the brands it distributes. Similar outlets across the country are expected to open soon.

Charity donations and "Artisan"

Indigo donates around 5,000 garments annually to 15 NGOs including SOS Village d'Enfants, Universelle, Afreecan, Tunaide, AAINPE, 3OUYOUN ATTOUFOULA, Un Sourire Pour Tous, Croissant Rouge and Rotary Club.

The group has also developed a social solidarity programme called "Artisan". This eco-friendly programme recycles unsold garments and creating useful objects, carpets, pillows, etc. All clothes are donated to Tunisian in a double-win Corporate Social Responsibility strategy helping small businesses and creating new jobs. Through this initiative, Indigo targets more particularly women artisans such as el Mensej Women weavers of NAFTA in the South of Tunisia or in Kalâa Kebira in Sousse. The Artisan programme has driven the opening of a concept store in the Mall of Sousse to promote craft works from associations, young designers, independent artisans and eco-friendly brands.

indigo COMPANY

2019 IMPACT KPIs

110
OUTLETS

1st
FRANCHISEE PILOT IN NORTH AFRICA

12
BRANDS FROM 5 MAJOR FASHION AND LIFESTYLE GROUPS

2,232
EMPLOYEES

58%
MALE EMPLOYEES

42%
FEMALE EMPLOYEES

29%
INCREASE IN STAFF NUMBERS

200 k
TND OF DONATIONS IN 2019

100%
HEALTH INSURANCE COVERAGE[1]

[1] For employees who have worked with Indigo for more than 2 years

CONTRIBUTION TO THE SDGs

1 NO POVERTY

5 GENDER EQUALITY

8 DECENT WORK AND ECONOMIC GROWTH

10 REDUCED INEQUALITIES

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Université Privée de Marrakech

COUNTRIES
Morocco and Senegal

SECTOR
Consumer Discretionary

INVESTMENT DATE
August 2016

INVESTMENT FUND
Mediterrania Capital II

Founded in 2005, Université Privée de Marrakech (UPM) is the leading and largest state-recognised multidisciplinary provider of private higher education in Morocco. It offers more than 60 undergraduate, graduate and master's programmes in six major fields: management and governance, tourism and hospitality management, engineering and innovation, health sciences, sports management and arts.

UPM is located in Marrakech, on a 32-hectare flagship campus with a total capacity of 8,000 students and a residence of 600 students. The university infrastructure and facilities provide state-of-the-art digital educational equipment with a variety of new-age active learning classrooms, teaching laboratories, research centres, indoor and outdoor athletics training centres, conference rooms, etc.

It also has a campus in Agadir that provides executive education programmes such as MBAs in management and specialist master's degrees covering a variety of different areas.

UPM has operated in Casablanca since 2015 under an exclusive partnership with EMLYON, one of the top Business Schools in France. It has also recently acquired Université Internationale de Casablanca (UIC) and the ESG business school, to consolidate its position in Casablanca, outside its domestic market of Marrakech.

UPM is also present in Senegal through both the opening of UPM Senegal and the acquisition of SCIMD in 2015. The latter is a private medical school located in Dakar with a total capacity of 1,500 students. This acquisition was the first step in setting up UPM's Health Sciences platform.

UPM has developed a uniquely vibrant and caring learning community through all its locations, with outstanding students, facilities and staff.

It has more than 20 partnerships with international higher education universities and schools including Vatel, Euromed Management, Johnson & Wales University, Universitat de Barcelona, University of Virginia Darden School of Business and the ESC Clermont Business School.

Our added value

State accreditation

One of the pillars of UPM's strategy was obtaining the Moroccan state accreditation, not only to boost the career potential of students by offering them more hiring and career progression opportunities but also to improve its academic quality and public accountability.
Mediterrania Capital Partners supported UPM during the accreditation process, especially during the visits and examinations by the accreditation team from the department responsible for higher education and scientific research.

As a nationally accredited university since 2017, UPM continually undergoes inspections and reviews by the ANEAQ (the Moroccan National Agency for Evaluation and Quality Assurance of Higher Education and Scientific Research) to ensure it maintains the highest quality and meets a strict and recognised set of service and operational standards.

Université Privée de Marrakech

This accreditation involved several conditions that UPM continues to meet. These included setting up a scientific council, securing stringent staff ratios with at least 30% permanent teachers, one teacher per 40 students in the management, commerce and communication fields, one teacher per 25 students in the science and technology sector and one teacher per 10 students in the paramedical sector.

All these criteria enable UPM to provide the academic excellence sought by many employers.

Buy-and-build strategy

UPM's ambition is to build the biggest education platform in French-speaking Africa. Mediterrania Capital Partners supported the management team in the negotiations to complete three acquisitions in Morocco.

The first acquisition concerned UIC, a premium private higher education institution. This enabled UPM to extend its reach into Casablanca, the largest education market in Morocco, and benefit from strong cost and revenue synergies.

The second acquisition, of the ESG business school – also in Casablanca –, was intended to ultimately transfer all existing students to the UIC and use the existing infrastructure to launch new executive programmes. The ESG business school is one of the education pioneers in Morocco, operating since 1985 with campuses in Casablanca, Marrakech and

Agadir. It offers professional qualifications and degree programmes in business administration and information technology.

The third and last acquisition is Sup de Co Marrakech, a business school based in Marrakech and recognised by the Moroccan State with around 600 enrolled students.

Health Sciences platform

Another element of UPM's strategic plan consists in increasing its presence in the health sciences, including medicine, pharmacy and dental health.

UPM Santé, established in 2015, aims to improve the quality of medical education and the qualifications of the health workforce in Morocco. In late 2018, it obtained the state accreditation in medical education allowing it to operate a private medicine faculty.

In parallel, since it is mandatory to ensure a training hospital with adequate clinical facilities, UPM Santé acquired Hôpital Privée de Marrakech (HPM), a newly launched state-of-the-art hospital built in an area of 1 hectare (of which 26,000 sqm. are built) with a 134-bed capacity.

Mediterrania Capital Partners supported the management during the acquisition and post-acquisition phases with the help of a healthcare consulting firm, to reduce the cost structure of the hospital and integrate the new faculty of medicine with the rest of the entities.

Université Privée de Marrakech

ESG in action

UPM has several reasons for establishing a private medical school.

Firstly, it provides a response to the current workforce shortage in Morocco, where the demand for places at public medical schools is greater than the available supply. This shortage has even resulted in students going to other countries for their medical education.

Morocco also suffers from insufficient high-quality healthcare services due both to economic constraints and limited infrastructure, showing considerable growth potential.

In addition, globalisation has resulted in an increased demand for medical professionals from foreign countries coupled with increased wages. This combination has led to more health profession entrants from the expanding middle-class and the demand for medical education can only be satisfied by private medical schools.

UPM's objective is to meet the needs of Morocco's expanding population and improve health care access for all sections of society. Establishing a medical school in an area like Marrakech, where there is limited physician coverage, will reduce the region's dependency on expatriate doctors from the largest cities such as Casablanca or Rabat.

Doing so will also substantially reduce the monopoly of government-run schools by providing students with an alternative. Consequently, more attractive job opportunities will be created through healthy competition.

A further advantage is that, as a private medical school with sound financial backing, its students have greater access to up-to-date facilities and technology than in public schools.

UNIVERSITÉ PRIVÉE DE MARRAKECH | UPM | الجامعة الخاصة لمراكش

UNIVERSITÉ RECONNUE PAR L'ÉTAT

جامعة معترف بها من طرف الدولة

2019 IMPACT KPIs

- **One of Morocco's** ACCREDITED PRIVATE UNIVERSITIES, SINCE 2017
- **1st** ACCREDITED PRIVATE UNIVERSITY TO OPERATE A PRIVATE MEDICAL SCHOOL
- **7** STATE-OF-THE-ART CAMPUSES IN MOROCCO AND SENEGAL
- **8,000+** STUDENTS IN MOROCCO AND SENEGAL
- **7** FIELDS OF EXPERTISE
- **60+** EDUCATIONAL PROGRAMMES
- **538** EMPLOYEES
- **57%** FEMALE EMPLOYEES
- **73** WOMEN IN MANAGEMENT POSITIONS
- **200+** TEACHERS, OF WHOM 30% ARE PERMANENT
- **1st** PRIVATE HOSPITAL IN MARRAKECH (134-BED CAPACITY)
- **9** OPERATING ROOMS; ISO 9001:2005

CONTRIBUTION TO THE SDGs

- 3 GOOD HEALTH AND WELL-BEING
- 4 QUALITY EDUCATION
- 5 GENDER EQUALITY
- 8 DECENT WORK AND ECONOMIC GROWTH
- 10 REDUCED INEQUALITIES

2019 Impact Update

Consumer Staples

Aziza

COUNTRY
Tunisia

SECTOR
Consumer Staples

INVESTMENT DATE
July 2019

INVESTMENT FUND
Mediterrania Capital III

Founded in 2014, Aziza is one of the leading food retail operators in Tunisia with 280+ stores across the country covering 83,000 sqm of sales area. With over 2,500 employees, Aziza operates one of the largest store networks in Tunisia. Its success is based on capturing the middle-class customer market by offering quality products at low prices, next-door convenience, and stores where purchasing is easy.

Ghassen Slama, Aziza's founder, owner and current CEO, created an unprecedented business model in Tunisia, placing the customer at the centre of its activity and adapting its offering to the circumstances of each moment.

Our added value

Improving corporate governance

Since Mediterrania Capital Partners invested in the company, the composition of the Board of Directors was reshuffled with the appointment of new members bringing additional qualities to the working relationships at the boardroom table, between the Board of Directors and Management and between directors and key stakeholders.

An independent board member was appointed with 40 years' experience in procurement, management control and logistics in Europe. The board was also reshuffled to add new members with additional qualities such as "behavioural skills", to enhance the relationships around the boardroom table, between the board and management and between the directors and key stakeholders.

Private label expansion

For Aziza to become the Tunisian leader in the distribution segment, a strong emphasis was put on providing the highest-quality products at the lowest possible cost. One of the pillars of that strategy has been to expand Aziza's own-brand product offering to fulfil all its customers' needs, from food to cleaning and hygiene.

Today, Aziza's line of own-brand products accounts for 200 labels including Omnia, El Behi, Complice, Mozaic, Nassiba and IVI. These products are 40% cheaper on average than Aziza competitors' products while being consistently ranked #1 in terms of "value for money" by its customers. Aziza's own-brand products represented 12% of overall sales in 2019, up from 4% in 2015.

Aziza

Integrated supplier-manufacturer relationship

One of the key elements of Aziza's operating model is the company's close relationship with its suppliers. At the recommendation of Mediterrania Capital Partners, Aziza has worked to limit the number of integrated supplier-manufacturers, with which it has adopted a "virtual integration" model. Aziza is currently implementing long-term offtake agreements with local suppliers that establish long-term relationships, guarantee contracts at constant prices, ensure the highest level of quality and responsiveness, and shorten the logistics chain by using trucks at full capacity.

Innovation and R&D

One of Aziza's challenges was to ensure that enough resources were put on innovation in-house and also among its suppliers in order to develop new products, improve the current offering following customers' needs and recommendations, help reduce unnecessary costs in raw materials, transport and logistics, etc., directly resulting in lower prices for its customers without sacrificing product quality.

With this in mind, an external consultant introduced by Mediterrania Capital Partners worked with Aziza's management and brought many improvements including the compilation

of shopper insights, the development of new store portfolios and concepts. He has also critically analysed Aziza's branded and private label offering and helped define the right omni-channel strategies.

Information management systems

Aziza has a powerful IT system and in-frastructure covering accounting and cash management, both at headquarters and in stores, delivering planograms and automated replenishment of the warehouses and sales outlets, etc. At Mediterrania Capital Partners' recommendation, the system has been elevated to include a people and talent component.

In 2019, a new human resources management software (SWIB HR) was acquired and fully deployed. This software covers the HR processes of all staff (directors, managers and employees) from the recruitment phase to the management of employees at individual level, including working time and absences, evaluation of talent, performance of employee training, skills management, etc.

ESG in action

Aziza's management is fully engaged and committed to improving environmental and social issues and has appointed a team with clear roles and responsibilities. The ESG department is headed by a Quality, Health, Safety and Environment (QHSE) Director who leads a team of 10 people including a Quality Manager, a Health, Safety and Environmental (HSE) Manager and three internal QSHE auditors.

Aziza has recently appointed an Energy Efficiency Director to supervise the implementation of a new, highly efficient store model that has resulted in energy savings, thereby reducing the company's environmental footprint. Aziza is planning to roll out this technology to all stores by 2020 to further reduce its energy consumption by approximately 10%. In addition, it has also rolled out a pilot in 10 stores to test the chiller doors proven to be the best solution for achieving large energy savings on refrigerated multi-deck cabinets. Another energy-saving solution under trial in two stores is the shelf-edge technology designed to reduce energy consumption and improve product temperatures in open refrigerated display decks, thereby providing more efficient refrigeration and reducing energy consumption. The company also plans to evolve towards solar photovoltaic systems in selected stores.

Aziza

Aziza's continuous optimisation and strengthening of its organisational structure has reduced employee turnover (as employee satisfaction, motivation and commitment has risen) while also improving productivity. Under the supervision of the HR Director, several new positions called "HR Representatives" have been created to assist in the hiring, administration and training of new and existing employees.

Aziza has developed a very competitive remuneration scheme and invests more in staff training than its competitors. All of Aziza's employees have contracts that include a bonus-incentive system. Salaries are composed of a fixed part and a variable one based on the employee's experience, responsibility and performance. Employees are hired from neighbouring communities to ensure an easy commute and encourage a good work-life balance. In 2019, 237 employees (vs. 161 in 2018) were promoted. All regional managers and store managers are internal promotions.

Another particularity of Aziza's HR policies is that it focuses on the balance of professional and personal life. In this sense, all employees work near their homes and are hired from neighbouring communities.

Aziza has implemented a transparent employee communication policy regarding working conditions, health risks, compensation and pay practices, making it easier to understand and correct unjustifiable and unfair pay differences and respond to the growing concerns about societal income inequality and persistent pay gaps between men and women. The company's transparency on all these matters has had a positive impact on employee satisfaction and significantly reduced staff turnover.

Another example of Aziza's corporate social responsibility is the newly set up "Social Fund" dedicated to providing funding for social purposes. These funds are derived from monthly employer and employee contributions and stored in a separate bank account.

AZIZA عزيزة

2019 IMPACT KPIs

1st
DISCOUNT CHAIN IN TUNISIA

280+
STORE NETWORK

1,100
SKUs

2,552
DIRECT EMPLOYEES

65% MALE
35% FEMALE

200
PRIVATE LABELS

1,200
INDIRECT EMPLOYEES

356 k
TND SPENT ON TRAINING

15-20%
OF PAYROLL IS VARIABLE PAY

237
INTERNAL PROMOTIONS IN 2019

FACE TUNISIE
Les entreprises contre l'exclusion
ACTIVE MEMBER ACTING AGAINST FEMALE EXCLUSION

CONTRIBUTION TO THE SDGs

1 NO POVERTY

2 ZERO HUNGER

5 GENDER EQUALITY

8 DECENT WORK AND ECONOMIC GROWTH

10 REDUCED INEQUALITIES

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Randa

DEPUIS 1987
Randa

COUNTRY
Tunisia

SECTOR
Consumer Staples

INVESTMENT DATE
September 2015

INVESTMENT FUND
Mediterrania Capital II

Founded in 1987 by the Hachicha Group, Randa Group is a leading integrated player in Tunisia specialising in wheat collection, transformation and distribution in the local market and abroad, exporting to 20 countries.

Randa operates a main manufacturing plant in Tunis of over 40,000 sqm through which it controls the entirely lifecycle of the pasta: the silos, the mill and the pasta factory. A smaller facility, of 2,000 sqm and located in Sfax, is entirely dedicated to animal feeding.

Our added value

Strengthening corporate governance and HR

Since Mediterrania Capital Partners invested in the group, Randa has moved from a family-run business to an institutionally driven one by restructuring the composition of the Board of Directors and empowering the Deputy CEO.

After assessing the senior management team, Mediterrania Capital Partners worked alongside the group to reshuffle these positions with new HR, Supply Chain and Commercial Directors, as well as a new Plant Manager. Also a Logistics Director was appointed in charge of reducing and optimising the logistic costs and improving the asset turnover ratio.

Increasing production capacity

Following Mediterrania Capital Partners' investment, Randa expanded its production capacities by improving the efficiency of its existing equipment and acquiring new production lines.

The Capital Expenditure (CapEx) Plan included one additional line for short-cut pasta and couscous and increased storage capacity for wheat with an additional silo of 80 tons. A new trituration line was also installed, increasing its capacity from 500 to 800 tons per day.

Product diversification

To meet the demands and convenience of the diversified bakery professional and retailers in Tunisia, Randa made a significant investment to acquire a new cooked bakery product line, thus expanding its range of products from frozen and pre-cooked product to cooked ones. A new brand was created, Happy's, which quickly became a key player in the cooked bakery segment. In 2017, one year after its launch, Happy's was awarded the "Great Taste Award".

Reorienting the export strategy

Mediterrania Capital Partners, alongside Randa's management, hired the consulting firm Deloitte to define an export marketing plan and identify new exports markets to offset the effects of limited quotas in the local market.

Randa's development plan consisted in consolidating its market position in existing markets in West Africa while increasing exports to Libya and other markets in Sub-Saharan Africa (Ethiopia, Angola and Somalia), the European Union (France, Spain, Belgium, Germany, Switzerland and Ukraine), North America (Canada) and Asia (Japan). The plan also contemplated an improvement of the payment

Randa

terms and profitability. A new Export Director was appointed in charge of implementing the development plan.

Joint venture with Panzani pasta

During 2019 and with Mediterrania Capital's support, Randa started negotiations to create a joint venture with Ebro Foods, the owner of Panzani pasta. Ebro Foods is the leading company in the Spanish food processing sector and the world's largest trader/miller of rice and the second-biggest producer of pasta. The joint venture will partially outsource to Tunisia the production of Panzani pasta for the entire MENA region. Randa will produce Panzani pasta under licence and export it to certain African countries. The first products are expected to launch in late 2020.

ESG in action

In this industry, companies usually create waste ranging from 47 to 74 g/kg of the product depending on the type of pasta. Therefore, disposing of these by-products properly by recycling them as animal feed is not only economically favourable for Randa but also better for the environment.

As part of its diversification strategy, Randa has set up two animal feed production lines, Alfet El Machia and Sanders Tunisie. Alfet El Machia specialises in producing livestock feed, poultry and chicken feed while Sanders produces ruminant (cattle, buffaloes, sheep and goats), horses and rabbit feed as well as fattening feed. All the production is sold locally.

As an industrial food manufacturer, Randa needs heating and electrical power as well as refrigeration systems. This has a significant environmental impact, consisting of carbon dioxide emissions from the energy used in the manufacturing processes and the refrigeration equipment.

With this in mind, Randa has acquired a trigeneration system with a total capacity of 4,500 KW that provides electrical power, heating and cooling to the entire premises in Tunis simultaneously. The heat produced by the system is also used to produce steam and hot water for onsite use.

This technology has allowed Randa to reduce its fuel and energy costs and refrigerant leakage. In 2019, energy expenses went down by 55% and greenhouse gas emissions were reduced by 40%.

The same year, Randa became ISO 22000 certified which enabled to show its customers that the company has a food safety system in place. It also obtained the Halal Certificate which guarantees the production of high-quality products and has helped accelerate Randa's exports especially into Muslim countries.

DEPUIS 1987

Randa

2019 IMPACT KPIs

33 YEARS OF OPERATIONS	1,046 EMPLOYEES	80% MALE 20% FEMALE
4 SHORT-CUT PASTA LINES	2 LONG-CUT PASTA LINES	100% INTEGRATED MANUFACTURER
1st ENERGY-EFFICIENT PASTA MANUFACTURER IN TUNISIA	Zero Waste MANAGEMENT STRATEGY	ISO 9001 AND ISO 22000 CERTIFIED

CONTRIBUTION TO THE SDGs

1 NO POVERTY

2 ZERO HUNGER

5 GENDER EQUALITY

6 CLEAN WATER AND SANITATION

8 DECENT WORK AND ECONOMIC GROWTH

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

10 REDUCED INEQUALITIES

11 SUSTAINABLE CITIES AND COMMUNITIES

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

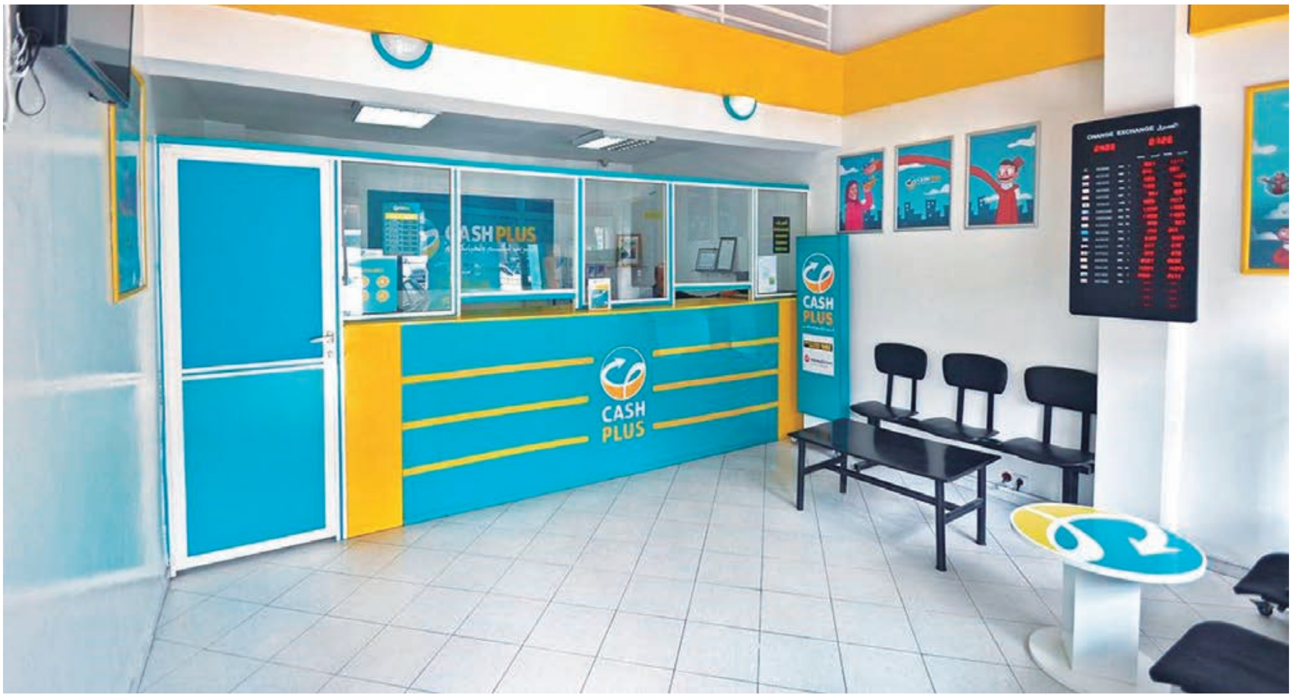
13 CLIMATE ACTION


cofina

2019 Impact Update

Financials

Cash Plus



COUNTRY
Morocco

SECTOR
Financials

INVESTMENT DATE
July 2014

INVESTMENT FUND
Mediterrania Capital II

Founded in 2004 Cash Plus is a family-owned business specialised in domestic and international money transfers. The company also offers services such as currency exchange, online payment of purchases and taxes, and a comprehensive portfolio of inclusive financial products marketed through its network and via its mobile application.

Since it began operations, Cash Plus has formed more than 15 partnerships with major international money transfer players including Western Union, MoneyGram, Money Trans, Money Exchange and RIA, and developed its own national money transfer service under the Cash Plus brand.

In October 2015 Cash Plus completed the acquisition of Eurosol and became the second-largest money transfer company in Morocco and the largest independent one. Today Cash Plus' network accounts for more than 1,800 agencies.

Our added value

Improving corporate governance and HR

After Mediterrania Capital Partners invested in Cash Plus, the composition of the Board of Directors was improved to ensure diversity, independence and succession planning. With that in mind, a Board with a broader mix of competencies was put in place.

The restructured Board of Directors supervised and guided the management team in light of the long-term strategy of the company and created a vibrant culture of constructive support and engaged challenge. It has proved to be a valuable asset to the management and Mediterrania Capital Partners and is vital to the creation and protection of long-term value and a source of competitive advantage.

An Independent Member of the Board with over 40 years of experience in the banking and financial services in Morocco (Credit du Maroc, CIH, BMCE Bank, Attijariwafa bank) and abroad at CBAO in Senegal was appointed.

At the same time, Mediterrania Capital Partners got strongly involved in the HR restructuring process that looked to reinforce the management team and helped with the recruitment of a new CEO, Audit Manager, HR Manager, Business Development Manager and Sales Manager.

Network development: Horizontal integration

According to plan, Mediterrania Capital Partners supported Cash Plus during the negotiation, acquisition and integration of Eurosol, the 4th largest money transfer player in Morocco with a network of 300 agencies, helping to unify and streamline business processes across both entities and maximising economies of scale and revenue synergies.

Restructuring and rebranding

In parallel, a major restructuring plan was initiated at the group level. This plan included a rebranding strategy to change the corporate image and create a new greater sense of brand unity across the Cash Plus network, from its competitors, and in the market.

The Group also acquired a new IT system offering the functional and technical features needed for its growing network and portfolio product range (mainly new low-income banking products and mobile banking).

To improve the geolocation quality of the network and provide high-quality map graphics, Cash Plus acquired "CartoService", a web-based service that helps identify optimal location scenarios for its outlets and enables appropriate decision making from different perspectives, including financial, qualitative and risk assessment.

In order to manage FX gains and losses, Cash Plus implemented a hedging policy to hedge forex risk.

Payment licence

Mediterrania Capital Partners got deeply involved with the Moroccan Central Bank's licensing process. Cash Plus is the fifth financial services company to be authorised to receive deposits and other repayable funds, and offer low-income banking services (IBAN issuance, own cards issuance, etc.) to customers in Morocco.

Cash Plus

Expanding product portfolio

Thanks to its licence from the Moroccan's Central Bank, Cash Plus began to diversify its portfolio of products and developed a multi-support solution of payment accounts and prepaid debit cards granting access to electronic payments, wire and funds withdrawal as well as payment terminals and mobile accounts.

To continue creating more value to customers, the group partnered with three local banks in Morocco to distribute their products through the Cash Plus network.

It also partnered with the three telecom operators in Morocco for mobile recharges, with e-commerce players to create a multi-collect network (Jumia) or sell bus tickets (Mabrouk.com), and with utility providers and the Moroccan tax authorities to allow customers to pay utility bills and taxes either physically at outlets or through its mobile application.

ESG in action

Digitalisation affects everything and, especially regarding financial services, its impact can be transformative by taking control of the whole customer experience ecosystem and managing the entire business from the customer's perspective, rethinking the legacy infrastructure, culture and established business model.

Cash Plus Mobile, the group's transactional mobile application, enables customers to use their smartphone to conduct financial transactions remotely such as transfer their funds, top-up their phone, pay bills, consult their recent transaction history, etc.

Another layer of the Cash Plus strategy consists in improving the customer experience by engaging with its customers through social media channels such as Facebook and LinkedIn, often through humorous posts.

As a result of its dynamic digitalisation process and social media initiatives, Cash Plus was awarded the "Most Digitalised Brand" for two consecutive years, in 2018 and 2019, and the "Best Social Media Engagement Campaign" in 2019.

Within the framework of the UN's 2030 Agenda, Cash Plus has adopted a strategy of "South-South Cooperation" through partnerships in Mali and Tunisia that could become accelerators of sustainable development. Such partnerships drive the exchange of experiences and strengthen capacities thanks to the transfer of technologies and knowledge, and also stimulate new exchange networks. To date, an agreement has been signed with Orabank Mali and Cash Plus Mali has already been set up.

Driven by shareholder activism and a greater awareness of ESG risks and opportunities, as well as rising expectations from society and a younger generation of customers, Cash Plus is taking greater action on ESG factors. Topics such as gender diversity, violence and climate change are nowadays aspects that Cash Plus has begun to tackle by encouraging better practices amongst its employees at headquarters and across all its network.

2019 IMPACT KPIs

1,837 AGENCIES	500 EMPLOYEES	57% MALE 43% FEMALE
6 million NATIONAL TRANSFERS PROCESSED	4.4 million INTERNATIONAL TRANSFERS PROCESSED	12 million BILL PAYMENTS PROCESSED
180 EMPLOYEES TRAINED	360 k MAD SPENT ON TRAINING	ISO 9001 CERTIFIED

CONTRIBUTION TO THE SDGs

Groupe Cofina

Groupe cofina
Compagnie Financière Africaine

COUNTRIES
West and Central Africa

SECTOR
Financials

INVESTMENT DATE
March 2018

INVESTMENT FUND
Mediterrania Capital III

Based in Abidjan, Groupe Cofina was created by Jean-Luc Konan in 2014 and is the leading mesofinance and transactional financial services institution in West and Central Africa. Operating through two divisions, Cofina and CPS (Cash Point Services), the group is addressing the "missing middle" in the financial industry, helping entrepreneurs and small and medium enterprises to obtain medium- or long-term financing.

The group provides a large range of banking products including national and international cash transfers as well as financing solutions and related advisory services such as money collection, settlement and cash management to its more than 180,000 customers.

With more than 1,300 employees, Cofina and CPS operate in seven countries across Africa: Côte d'Ivoire, Senegal, Guinea Conakry, Gabon, Mali, Congo Brazzaville and Burkina Faso through a network of 90 agencies.

Our added value

Business expansion

Thanks to Mediterrania Capital's support and expertise in the financial sector, Groupe Cofina delivered outstanding results at the end of 2019. The group's total assets reached FCFA 212 billion by the end of the year. Total deposits amounted to FCFA 143 billion, up 29% year-on-year, and the total value of loans outstanding increased by 30% to FCFA 146 billion in the same period.

Mediterrania Capital Partners also assisted the group in setting up a disciplined process to evaluate the potential growth in potential markets: Burkina Faso, Togo, Benin and Nigeria. Following a thorough analysis, in October 2019 Groupe Cofina launched its subsidiary in Burkina Faso. Elsewhere, the group obtained the regulatory approvals needed to launch Cofina Togo and its opening is expected for mid-2020.

Facilitating access to finance

Mediterrania Capital Partners introduced Groupe Cofina to key Development Financial Institutions such as AfDB (African Development Bank), FMO (The Netherlands Development Finance Company), and BIO (the Belgian Investment Company for Developing countries), all of which are keen to support the ambitious expansion of Groupe Cofina across Africa.

The group's level of indebtedness is closely monitored to preserve its Capital Adequacy Ratio and so ensure its solvency and protection from any unfortunate events that might arise from the liquidity and credit risks that Groupe Cofina is exposed to in the usual course of business.

Banking licensing

As per the business plan, Groupe Cofina and Mediterrania Capital Partners began negotiations with the Central Bank of West African countries to obtain the full banking licence required to launch the first Financial Inclusion Bank in the country. This licence will allow Groupe Cofina to have direct access to the interbank market (and thereby, to competitive facility lines related to its mesofinance activities), eliminate the cost of transactions to other banks and increase incidental revenues from the deposit drive. It will also enable the group to offer custody and settlement services to microfinance institutions.

Financial services digitalisation

The industry is become increasingly digitalised, opening up a world of possibilities both for the banking institutions themselves and for customers. With the emergence of Fintech, Groupe Cofina's management realised that the group needed to modernise its business methods in order to offer the best customer service and keep growing its client base. Another significant advantage of Fintech is the cost reduction inherent in online payment methods and cashless transactions.

Cofina Groupe has embraced this trend and launched "COFINA Mobile", a mobile application that allows customers to manage all their banking operations 24 hours a day. This new online customer platform is extremely convenient, saves time and minimises human error, thereby building customer loyalty. Through "COFINA Mobile", the group aims to adopt an omnichannel approach to banking in its evolution towards a customer-centric model.

Groupe Cofina

ESG in action

Since it began operations, Groupe Cofina has paid particular attention to female entrepreneurs. In Africa, 24% of entrepreneurs are women, and their contribution to the continent's GDP ranges from 7% to 9%, representing a total of USD 150–200 billion.

50% of Groupe Cofina's customers are women, confirming the prevalence of female entrepreneurs in Africa. To recognise the significant role women entrepreneurs play in Africa's economy and provide them with additional resources, Groupe Cofina acquired MiMOYE Finances, an Ivory Coast-based microfinance company dedicated to women entrepreneurs and companies at least 50%-owned by women, that was facing some difficulties. Immediately after the acquisition, a restructuring plan was put in place that included the rebranding of the company to "Finance pour Elle." The group, through Fin'elle, is planning to allocate FCFA 15 billion of funding to women entrepreneurship.

Groupe Cofina is supporting new entrepreneurs by running the programme "Cofina Startup House", a start-up incubator that aids companies in their creation and gestation phases by providing co-working spaces, coaching and mentoring, networking and fundraising during the startup phase. The first edition of "Cofina Startup House" was launched in 2017 in Abidjan and Dakar. The second edition, launched in 2019, targets projects in the growth phase and provides businesses with value-added services such as management training and office space.

Lastly, in August 2019, Groupe Cofina launched the "Young Professional Program (YPP)" in Ivory Coast and Senegal. The programme recruits young graduates for the banking and finance sectors in these two countries and actively seeks candidates who demonstrate leadership and entrepreneurship skills and are looking for their first experience in a company operating in the financial services. It is a very rigorous and selective 12-month programme aimed at identifying new talent.

Groupe cofina
Compagnie Financière Africaine

2019 IMPACT KPIs

7
COUNTRIES

90
AGENCIES

175 k
CUSTOMERS, OF WHOM 45% ARE WOMEN

1,337
EMPLOYEES

53% MALE
47% FEMALE

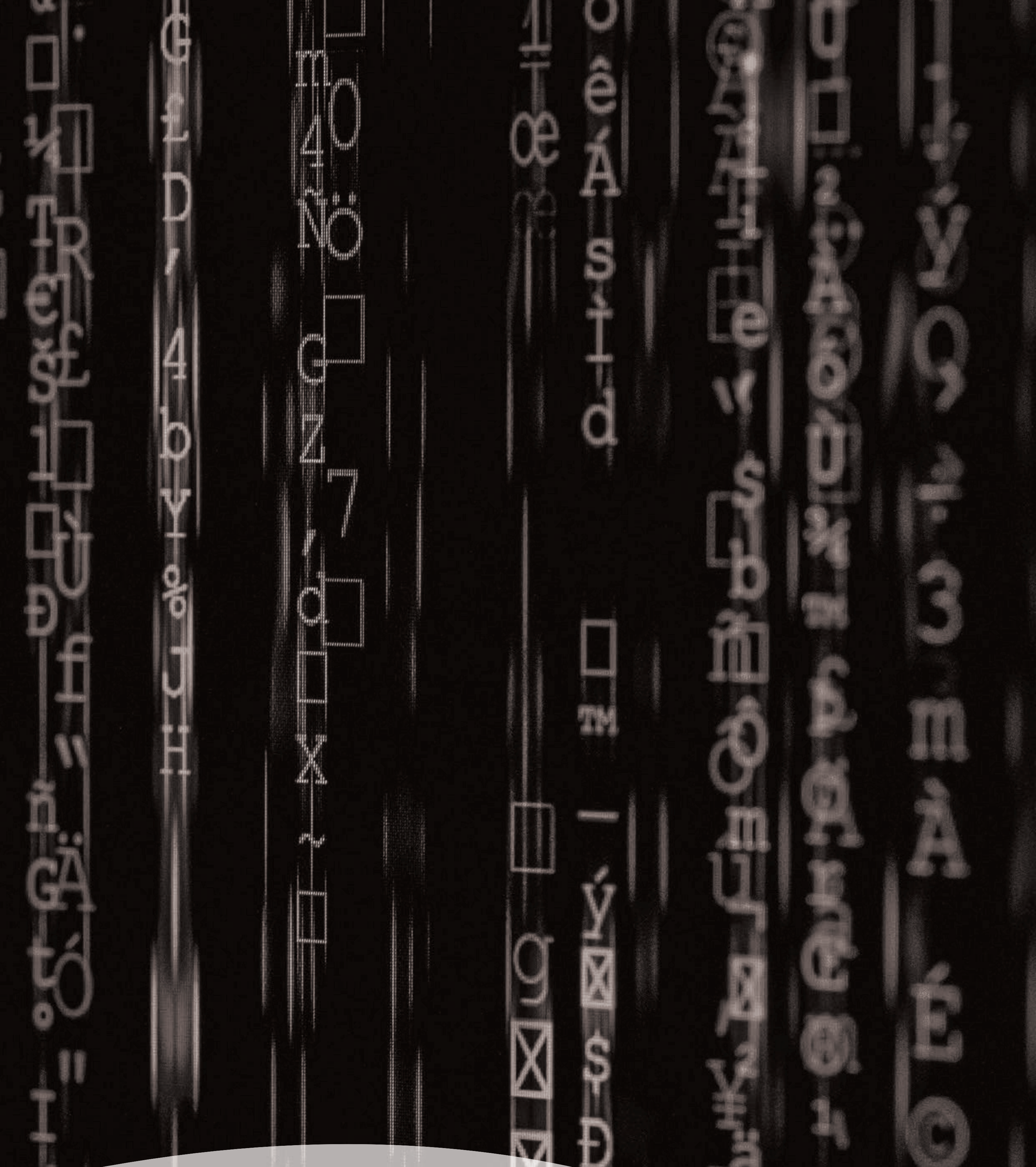
20
NATIONALITIES

1,164
EMPLOYEES TRAINED

112 billion
FCFA SPENT ON TRAINING

93,788
PROJECTS FINANCED SINCE INCEPTION

CONTRIBUTION TO THE SDGs



2019 Impact Update

Information Technology

MedTech Group

Founded in 1989, MedTech Group offers comprehensive IT and telecom services through partnerships with leading international service providers and software editors such as Oracle, IBM, Cisco, and Alcatel-Lucent.

Through its twelve subsidiaries, MedTech delivers a wide range of products and services: Business Intelligence, ERP Business Solutions, Banking and Financial Solutions and Services, Systems Engineering, Consulting, Telecommunication Solutions Integration, Systems Architecture Integration, Payment Systems Integration, IT Training Services, Digital Transformation, Security and Mobile Solutions.

Over the last 20 years, the group has implemented a successful acquisition strategy demonstrating its ability to integrate new companies and businesses. Six acquisitions were completed between 2000 and 2015 and four other acquisitions during 2016 and 2017, in Europe and Morocco. These acquisitions enabled the group to expand its reach to cover the entire spectrum of the IT value chain.

COUNTRIES
Morocco, France and Belgium

SECTOR
Information Technology

INVESTMENT DATE
May 2016

INVESTMENT FUND
Mediterrania Capital II

Our added value

Redesigning the Finance and Commercial departments

As MedTech's business grew and its clients and operations spread out geographically and began to be served by more complex business structures, Mediterrania Capital Partners and the group's management team turned their attention to structuring the finance department to support growth. MedTech chose to divide responsibilities between a new, holding-level corporate finance centre and embedded finance teams within each subsidiary. This approach has enabled the group to ensure good governance and oversight of all subsidiaries, support the group's strategic initiatives, foster information sharing and coordinate business activities, optimise processes, consolidate assets and reduce costs via labour arbitrage.

The newly-appointed CFO was mandated with consolidating, analysing and packaging information across businesses to meet regulatory requirements as well as to enable faster and better business decisions at the Board level.

A new group Sales department was also set up to develop a cross-selling strategy across all subsidiaries, consisting in offering complementary products and/or services that optimise or improve the original product or service provided by adding new functionalities.

The group also recruited a new Commercial Director from Dell. He has helped improve coordination and communication between Sales teams, address their training needs – mainly in terms of pricing skills – and ultimately enabled faster and better business decisions to be reached at the Board level with consolidated information across subsidiaries.

Supporting the M&A strategy

Conscious that the local Moroccan market is not offering further growth prospects, Mediterrania Capital Partners and MedTech decided to focus on new cross-border mergers and acquisitions in the Middle East and North Africa (MENA) region.

A few opportunities were jointly analysed, including a leading Egyptian group specialising in systems integration and the design and deployment of customised IT solutions for asset-intensive industries such as telecoms, utilities, oil & gas and transportation. However, MedTech faced multiple challenges of evaluating the target, cultural and institutional differences and the liabilities of foreignness among others, leading it to turn the opportunity down.

MedTech is since actively looking at new opportunities.

Employee stock options

Mediterrania Capital Partners has worked on setting up incentive stock plans to grant equity compensation to MedTech executives and key employees. These plans were set out in writing in the form of regular call options that give the employees the right to buy MedTech stock at a discount price for a finite period in the future. This helped the group encourage employee loyalty and support for corporate growth as well as aligning its interests with those of these employees through a shared- ownership model.

ESG in action

One of the missions of MedTech is to establish a foundation that reduces the gap between those with access to Information and Communications Technologies (ICT) and those without.

MedTech Group

This gap, called the digital divide, is not only a social issue that divides society into two groups: it can take other forms such as lower performance hardware, slower or expensive internet connections, difficulty in obtaining technical assistance, limited access to subscription-based contents or banking services, etc.

Accordingly, MedTech's strategy focuses on providing access to highly proven technology solutions across several African countries, although it is aware that, as IT is an energy hog, this has an indisputable impact on the environment. Consequently, the group has adopted a sustainable IT policy that tackles IT management and disposal and encourages and helps its clients to do likewise.

This IT policy includes the purchase of energy-efficient desktop computers, laptops, servers and other IT equipment, as well as managing the power consumption of this equipment. It also provides for the environmentally-safe disposal of this equipment (otherwise known as "e-waste") through recycling or donation at the end of the device's lifecycle. This green policy forbids IT equipment disposal that ends up in landfill, where the toxic substances it contains can leak into groundwater, cause water and air pollution and eventually affect humans and wildlife.

MedTech works with many of the major hardware manufacturers who offer free take-back programmes. The group applies the same policy with its clients.

MedTech has also invested in environmentally-friendly solutions such as virtualisation technologies, server consolidation, PC power management and deployment of more efficient equipment.

The group has also implemented campaigns to encourage its employees to save energy by taking simple steps such as turning off their computer or switching the lights off before going home.

In addition to the tangible benefits of these actions, MedTech has also experienced intangible benefits such as improving employee retention and recruitment among its generally young engineers, who tend to be environmentally-conscious and consider it a differentiator to work for a green group.

MEDTECH GROUP

2019 IMPACT KPIs

12
SUBSIDIARIES

990
EMPLOYEES

118%
WORKFORCE GROWTH COMPARED TO 2015

316
OF EMPLOYEES ARE FEMALE (32%)

15
WOMEN IN MANAGEMENT POSITIONS

ISO 9001:2005
CERTIFIED

201
EMPLOYEES TRAINED IN 2019

1 million
MAD SPENT ON TRAINING IN 2019

400+ clients
IN SERVICES, RETAIL, TELECOM, E-GOVERNMENT, BANKS AND INDUSTRY

CONTRIBUTION TO THE SDGs

2019 Impact Update

Industrials

C.E.C.I. Group

COUNTRIES
Morocco and Algeria

SECTOR
Industrials

INVESTMENT DATE
November 2014

INVESTMENT FUND
Mediterrania Capital II

Founded in 2004, C.E.C.I. Group is active in the truck and bus assembly, truck and car body manufacturing and automotive spare parts business in Morocco and Algeria.

In 2010, the group bought a 27,000 sqm. former Renault factory in Casablanca and transformed it into one of the leading industrial assemblers in Morocco, with a unique set of know-how and technical expertise. The factory can produce 2,800 truck chassis per year and is complemented by an integration facility, also in Casablanca. C.E.C.I. also owns three after-sales service centres in Casablanca, Agadir and Tangiers.

C.E.C.I. works with major groups such as Krone, Dhollandia, Renault and Renault Trucks, AB Volvo, Ford, KIA, Webasto, Thermo King and Mitsubishi. It delivers a full range of products and services complying with European standards.

In 2013, C.E.C.I. established a local production plant in Algeria, expanding its operations outside Morocco.

Our added value

Corporate reorganisation and restructuring

Shortly after investment, Mediterrania Capital Partners and C.E.C.I.'s management team led a plan to reorganise and restructure all group subsidiaries (CMVI, AMB and CECI Algeria) under the umbrella of the holding company. The holding was also transformed from a limited liability company to a public limited one to reinforce the group's credibility and confidence by operating under a stricter legal regime and strengthening its corporate governance through improved disclosures and transparency. A Board of Directors was elected, with two (out of five) seats for Mediterrania Capital Partners.

Mediterrania Capital Partners also recommended that the fiscal year of C.E.C.I.'s subsidiaries be aligned with the calendar year.

A new deputy general director was appointed in charge of day-to-day operations, planning and quality control.

Expansion in Algeria

Conscious that the trailer market is much larger in Algeria than in Morocco and there is almost no competition there, Mediterrania Capital Partners and the group worked on different collaboration options with large international trucks and car manufacturers. In 2015, the group extended its distribution agreement with Krone to Algeria, where it currently operates trailer and industrial bodywork plants.

Own-brand products

The group's in-house engineering, architecture and design services brought incomparable expertise that pushed it to develop its own body moulds for manufacturing truck body parts used in the production of almost all brands of utility vehicles. It offers a wide range for dry, refrigerated and flatbed trucks, which are also marketed in Algeria.

C.E.C.I. also launched a new business segment consisting of tailor-made trucks, trailers or semi-trailers for specific uses such as mobile banking or health units.

The group has also developed a proprietary range of flatbed trailers manufactured in Turkey.

Passenger cars and LCVs

Morocco seeks to position itself as an international automotive hub and the first car manufacturer on the continent. Consequently, C.E.C.I. has been able to develop a new transformation offering for Renault and PSA passenger cars and light commercial vehicles (LCVs), the two car manufacturers established there. This segment is one of the fastest-growing segments currently making up a considerable proportion of fleet vehicles in Morocco, which pushed the group to expand its transformation services to include Ford and Volkswagen vehicles.

ESG in action

C.E.C.I. is engaged in a process to continually improve its facilities. For example, in 2019 it implemented a major programme to modernise and upgrade its main plant, redefining the layout between the different activities and improving the ergonomics of the workstations.

C.E.C.I. Group

It designed a more favourable and efficient working environment that encourages good posture, less effort and fewer movements. It has helped increase job security amongst employees and improved their level of satisfaction as they are clear about what to do and how it must be done, boosting their morale and increasing their motivation through improved training capabilities.

One of the main risk areas was the painting section with its potentially high exposure to toxic fumes from paints, varnishes and solvents, all of which have high levels of VOCs.

The Group has built three dedicated paint booths with an exhaust ventilation system capturing overspray and solvent vapour. It has helped to control and contain hazardous materials, prevent debris and dust from compromising the quality of the airflow and prevent contamination.

The Group is ISO 9001:2005 certified since 2019.

In order to support health care providers in Morocco and scale up mobile clinic outreach to populations and communities where health facilities do not exist, are not functional or are inaccessible, C.E.C.I. has improved the cost-effectiveness and layout of its health units. The units are fully optimised and offer a wide range of layout options including waiting areas, examination rooms, staff bathrooms, disabled access and accessible bathrooms, telemedicine facilities, audio-video centre and multimedia packages.

Finally, understanding the continent's challenging health care climate, the group has partnered with Les Dauphins, a leading European ambulance manufacturer, to produce emergency mobile health vehicles for Morocco and other countries in West and Central Africa.

C.E.C.I

2019 IMPACT KPIs

15
YEARS
OF OPERATIONS

Moroccan leader
IN TRUCK AND
CAR BODY MANUFACTURING

ISO 9001:2005
CERTIFIED

400+
TRUCKS AND BUSES
PRODUCED ANNUALLY

Volvo
QUALITY EXCELLENCE AWARD
(THE FIRST INDEPENDENT
ASSEMBLY COMPANY)

125
EMPLOYEES

14
FEMALE
EMPLOYEES

3
WOMEN IN
MANAGEMENT POSITIONS

CONTRIBUTION TO THE SDGs

5 GENDER EQUALITY

8 DECENT WORK AND ECONOMIC GROWTH

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

11 SUSTAINABLE CITIES AND COMMUNITIES

13 CLIMATE ACTION

Cieptal Cars

COUNTRY
Algeria

SECTOR
Industrials

INVESTMENT DATE
March 2016

INVESTMENT FUND
Mediterrania Capital II

Founded in 2006, Cieptal Cars is a leading player in long-term car rentals in Algeria. It is a service-oriented company focused on blue-chip corporate customers, mainly from the oil and gas industry, also providing car maintenance and driver services on demand.

Cieptal Cars operates from two sites: Algiers and Hassi Messaoud, an oil refinery town, considered as the first energy town in Algeria, where all large oil and gas companies have offices and bases. That location gives Cieptal Cars a competitive positioning versus other players in the car rental segment.

The Algerian market is highly fragmented and made of several small unstructured players with 10 to 20 vehicles. Additionally, large multinationals such as Hertz, Budget, etc., have very little presence in the market and are mainly focused in B to C short-term rentals.

Operating a fleet of around 1,000 vehicles at the end of 2019, Cieptal Cars is the number one player in the South of Algeria in the B to B segment.

Our added value

Expansion strategy

The key growth driver for Cieptal Cars is increasing the fleet size. Mediterrania Capital Partners' investment enabled the company to continue increasing its capacity, renew existing contracts and conclude new contracts with more efficient and environmentally friendly cars. The size of the fleet increased to 1,000 vehicles by the end of 2019, from 761 vehicles in 2015. It boosted the company's capacity to address larger tenders of long-term car rentals in a context of increasing import restrictions and quotas of cars in Algeria.

In fact, the automotive sector in Algeria has undergone significant regulatory changes aimed at increasing local manufacturing with a view to increasing exports. The requirement for licences was introduced in late 2015, and imports came to a standstill in early 2016 until the Ministry of Commerce granted licences in May of that year, but no cars were allowed into the country during 2017 and 2018. However, Cieptal Cars was able to import 320 new vehicles through its local bank through rental agreements. It has enabled the company to strongly differentiate from competition, which was suffering from shortage of cars, and obtain new major contracts with global bluechip Oil & Gas companies operating in Algeria.

Furthermore, the government required vehicle importers to invest in an industrial or semi-industrial project in the sector. In late 2018, a handful of car manufacturers obtained approvals from local authorities and were expected to begin importing and assembling vehicles by end of 2019. However, Algeria's political uncertainty since early 2019 impacted the sector again.

Customer base diversification

As the outcome of strategic brainstorming sessions, Cieptal Cars alongside Mediterrania Capital Partners, decided to stop the activity of car transportation services which witnessed a sharp drop and diversify into the used car market. It allowed the company to sell a stock of used trucks and trailers at attractive prices in the second-hand market and recycle the extra cash flow into new and more environmentally friendly vehicles for the long-term rental business.

Employee incentives programmes

Mediterrania Capital Partners worked on setting incentive plans to encourage, recognise, and reward employees' performance and align their interests with those of the shareholders. They were clearly set out, so that all eligible employees were aware of their goals and rewards and how performance measures were set.

By having these incentives in place, employees felt encouraged to strive harder to meet the company's objectives and enable a reduction of employee turnover rate to 16% in 2018 and 2019

Cieptal Cars

(from 23% in 2016), as it decreased the feeling of being undervalued or under-compensated.

As a result of these programmes, Cieptal Cars has shown greater employee engagement, retention, and overall job satisfaction. Its customers have also reported a higher level of client satisfaction.

ESG in action

Cieptal Cars has low to moderate environmental risk as it purchases vehicles from original manufacturers that meet more stringent environmental and emissions requirements and pass on the incremental costs to customers. It typically owns vehicles for less than four years. It can therefore adjust its vehicle fleet for stricter environmental regulations. However, the company expects any such changes would be phased in over a long period of time.

Nevertheless, managing environmental impact, maintaining safe and reliable fleet of cars are

key at Cieptal Cars to drive customer satisfaction and manage regulatory risks. The company has developed a robust corporate responsibility framework which is aligned to address levels of greenhouse gases and air pollutants and ensure efficient fleet utilisation.

Cieptal Cars has also taken several steps to reduce its carbon footprint, including replacing in permanence its older fleet with lower-emission alternatives (i.e. more fuel-efficient models), reducing its usage of older vehicles and continuing to invest into the latest Euro VI diesel technology.

The location-based approach adopted by Cieptal Cars allows it to reduce the environmental impact of its business as well.

Also, because the car industry rental is a consumer related business, service quality and employee satisfaction are very important factors at Cieptal Cars. The company runs yearly satisfaction surveys with its main clients such as Toyota, Schlumberger, Saipem, BJSP, ConocoPhillips, and Ava that show they are highly satisfied with the overall quality of products and services and ranked the company amongst the best in the Algerian market in terms of commitment, maintenance services, timely response and compliance with schedules and regulatory requirements.

Cieptal Cars has improved its work culture and is today considered as more favourable, according to a recent employee survey. It is one of the largest employers of drivers in Hassi Messaoud, offering opportunities for promotion and options of on-site living camps. Consequently, the absenteeism level strongly decreased over the last 3 years to 0,8%, from 1,28% in 2015.

CIEPTAL CARS

2019 IMPACT KPIs

2
LOCATION-BASED SITES (ALGIERS AND HASSI MESSAOUD)

318
EMPLOYEES

10
FEMALE EMPLOYEES

74.5%
OF THE WORKFORCE IS MADE OF DRIVERS

1,000+
VEHICLES

4.5 years
AVERAGE FLEET AGE

ISO 9001:2005
CERTIFIED

6.7 million
DZD OF SOCIAL LOANS GRANTED DURING 2019

33%
REDUCTION OF EMPLOYEE TURNOVER IN 2019 COMPARED TO 2016

CONTRIBUTION TO THE SDGs

5 GENDER EQUALITY

8 DECENT WORK AND ECONOMIC GROWTH

13 CLIMATE ACTION

TGCC

COUNTRIES

Morocco, Gabon, Ivory Coast and some countries in Sub-Saharan Africa

SECTOR

Industrials

INVESTMENT DATE

January 2018

INVESTMENT FUND

Mediterrania Capital III

Founded in 1991, TGCC has grown to become the national leader in the Moroccan construction industry, accounting for large projects that span several activity sectors such as residential, hospitality, commercial, industrial, administrative and infrastructure.

TGCC is one of the fastest-growing groups in Morocco. It has expertise in executing large and complex projects providing integrated design, engineering, procurement, construction and project management to more than 1,000 projects.

TGCC has made sizeable investments in innovation to ensure the most efficient sources of materials and state-of-the-art construction processes and methods while maintaining uncompromising standards of safety and sustainability.

The group expanded to Gabon in 2013, reached Ivory Coast in 2014 and launched operations in Senegal in 2018. TGCC manages works in other countries in Sub-Saharan Africa from Casablanca. In total the group employs almost 7,700 employees.

Our added value

Strengthening corporate governance

Since the early days of the investment, Mediterrania Capital Partners put considerable emphasis on building strong governance processes within TGCC and setting up a Board of Directors with the robust expertise needed to ensure value is returned to all investors. A strong sense of corporate governance with clearly defined responsibilities was implemented, providing tight control of the business, improved risk management and reduced potential liabilities throughout the life of the investment, right through to exit.

Two non-executive directors bringing different industry experiences (in construction and large-scale entrepreneurship) were also appointed to add an independent viewpoint to the formerly family-run Board.

Technical resources to keep business on track

To steer the group in the right direction, Mediterrania Capital Partners enhanced the management information and reporting systems to align them with the performance and sustainability objectives of the business.

A new SAP Financial Consolidation application was implemented to empower the finance team. It ensures that all consolidation work is executed in a single system to avoid unnecessary work and comply with predefined automatic rules. The application also unifies legal and management report generation, accelerates the entire financial close-to-disclose process and complies with the newly applied international accounting standards (IFRS).

A new internal audit function was set up to aid Board and management oversight by performing internal controls to ensure operating effectiveness, risk mitigation and compliance with any relevant laws or regulations.

Project control mechanisms were also strengthened to achieve better-informed decisions.

Employee incentive programmes

Mediterrania Capital Partners worked on setting up incentive plans to drive the group's success, reward senior management for their achievement and create a sense of accomplishment. These plans were clearly stated in writing so that all eligible employees know their goals and their rewards and how the performance measures are set.

Mediterrania Capital Partners stressed that these incentives should always be substantial enough to motivate employees and that, in turn, TGCC must deliver on employee successes.

Mediterrania Capital Partners also introduced employee performance appraisal mechanisms in which career development planning is also addressed. It also strengthened the criticality of self-assessments to provide an accurate performance rating.

ESG in action

Quality, health, safety and the environment (QHSE) are a key part of the construction, commissioning and start-up phases of any project at TGCC. They are carefully managed in close collaboration with clients, contractors, suppliers and any other partners.

TGCC has implemented an integrated management system that provides a comprehensive set of tools for steering all QHSE activities, establishing measurable objectives and achieving continuous improvements in HSE performance.

TGCC

Accordingly, TGCC has strengthened its QHSE resources to build an integrated team so that on-site QHSE is hardwired into each project, from day one onwards, and continuously monitored throughout the entire life of the project.

A Deputy Manager was appointed to support the current QHSE Director and four HSE Supervisors were promoted to Area Managers. Each Area Manager is responsible for a team consisting of an HSE Supervisor and several HSE Team Leads as well as Assistant Leads.

TGCC focuses on a wide range of QHSE issues from the planning stage to delivery of every project, to ensure that the right organisation, planning, procedures and systems are in place at all construction sites.

Project-specific risks, relevant legal requirements, planning site management organisation and other specific QHSE aspects are identified at the beginning of each project. Once construction begins, clear lines of leadership and accountability are established to monitor performance. The group also benchmarks its QHSE performance at all construction sites through KPIs, routine reviews and audits.

The same system is also implemented in Ivory Coast, where a new QHSE Director was appointed in 2019.

TGCC additionally took steps to enhance its environmental performance and improve employee safety, reducing workplace risks and creating better, safer working conditions for all. It is the first construction company in Morocco to be certified ISO 14001 and ISO 45.001.

The group also invests in industry-specific HSE training courses provided either in-house or by external consultants, covering diverse topics such as Personal Protective Equipment (PPE) essentials, working at height, health risks, electrical safety, portable work equipment, etc.

To further prevent workplace injuries, increase safety awareness and reduce workers' compensations costs, the group implemented a behaviour-based programme called "Safety Awards" to recognise and reward safe behaviour by the teams with the greatest reduction in employee injuries, illness and fatalities and the cleanest working environment.

TGCC is also a pioneer in the shift towards alternative building materials for green construction in some projects, using innovations such as Low-E glass, Isophone paint, hydro-ceramics, green asphalt solutions, etc.

An analysis of the wastewater produced by the machinery washing station produced negative results. Accordingly, the group decided to invest in a wastewater treatment system equipped with an oil-water separator to remove oils, grease and hydrocarbons.

As part of its Corporate social responsibility (CSR) strategy in 2019, TGCC partnered with Attijariwafa Bank for the "Dar Al Moukawil" programme, the first entrepreneurship ecosystem in Morocco composed of various and interdependent actors promoting the creation of new businesses.

Since TGCC's strenght lies in the qualified, specialised architects of tomorrow, the group has launched a training programme for young architects to expand their knowledge of structural systems and architectural design.

2019 IMPACT KPIs

25 YEARS OF OPERATIONS	7,685 EMPLOYEES	87 FEMALE EMPLOYEES
20 WOMEN IN MANAGEMENT POSITIONS	52.3 million MAD SPENT ON EMPLOYEE BENEFITS IN 2019	573 EMPLOYEES TRAINED
53 EXTERNAL TRAINING SESSIONS (796 HOURS)	1,778 IN-HOUSE TRAINING SESSIONS (31,149 HOURS)	70 HEALTH & SAFETY SUPERVISORS AND TEAM LEADS
ISO 9001:2015 CERTIFIED	ISO 14001:2015 CERTIFIED	ISO 45001:2018 CERTIFIED

CONTRIBUTION TO THE SDGs

- 5 GENDER EQUALITY
- 6 CLEAN WATER AND SANITATION
- 8 DECENT WORK AND ECONOMIC GROWTH
- 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
- 10 REDUCED INEQUALITIES
- 11 SUSTAINABLE CITIES AND COMMUNITIES
- 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
- 13 CLIMATE ACTION

2019 Impact Update

Health Care

Cairo Scan

COUNTRY
Morocco

SECTOR
Healthcare

INVESTMENT DATE
March 2018

INVESTMENT FUND
Mediterrania Capital III

Founded in 1983, Cairo Scan is the leading private provider of radiological and clinical laboratory services in Egypt. It initially specialised in diagnostic and interventional imaging procedures before expanding into laboratory testing in 2012.

Cairo Scan has the largest branch network in Giza and Cairo, the major cities, with 19 centres covering them both. It employs a team of highly skilled professionals, including more than 300 doctors and nurses equipped with sophisticated state-of-the-art medical equipment consisting of over 120 high-tech machines sourced from world-class medical device manufacturers (Philips, Siemens, GE, Toshiba, etc.).

Cairo Scan targets customers from middle- and upper-income segments who are either fully or partially covered by private medical care programmes or professional syndicates. It also receives walk-in patients, who represented 29% of revenues in 2019.

Our added value

Network expansion

Two new high-grade branches were opened in 2019 according to plan. The new A-grade Othman Ibn Affan branch covers 500 sqm, and the A+-grade Nasr City branch covers 2,000 sqm. The latter is a flagship branch providing both radiology and lab services to Dar Al Fouad Hospital & Clinics Tower, one of the largest hospitals in Egypt and the Middle East.

Cairo Scan is also introducing the latest radiotherapy technology to help locate, stage and diagnose cancer, catering for the increasing demand and pursuing its transformation into a one-stop-shop diagnostic imaging centre.

Negotiations for purchasing the medical equipment to be used in this new venture are in progress with one of the global brand names, Varian. Cairo Scan is also negotiating with Clinique Hartmann in France for it to provide world-class medical training teaching the group's doctors and employees the latest technologies and techniques to improve its patient care.

Strengthening HR

Mediterrania Capital Partners supported Cairo Scan in reshaping its human resources. A new financial controller was appointed to implement its financial reporting requirements, manage all finance and accounting operations and coordinate the preparation of its budget and monitor variances across branches.

A new Chief Financial Officer was also appointed. His broad experience across finance functions and in corporate development will be invaluable in supporting Cairo Scan's growth.

The group's operational and support teams were also reinforced to cope with its business growth requirements.

IT system

A new financial information system was acquired to support the automation and integration of all financial processes into a unified platform across the many departments, including budget management, execution (cash/debt management, treasury, etc.), accounting and reporting. It has significantly improved Cairo Scan's operational efficiency and enabled it to increase transparency and accountability. The system has also helped it to make informed decisions at the Board level.

ESG in action

Women are severely underrepresented in radiology in general, and their presence decreases even further in radiology leadership, all over the world.

Cairo Scan

Like other Arab countries, Egypt has a conservative community culture; many female patients prefer to consult physicians of the same gender and the demand for female IR doctors to treat female patients has tremendously increased as a result. Consequently, there has been a growing interest in joining the IR specialty in Egypt in recent years.

This new trend has enabled Cairo Scan to address gender disparity in radiology.

Conscious that women bring a different perspective to the workplace, their collaborative, empathetic and compassionate approach to patient care is an asset that Cairo Scan embraces and leverages. The group has removed all barriers to the recruitment of female physicians and made it a priority to recruit more women in the field. Currently, they represent 67% of the population of physicians.

As well as providing women with flexible work schedules and relocation options, Cairo Scan is attracting them by providing a supportive culture and suitable work environment, thus improving their work-life balance and career advancement (relative to pregnancy, postpartum recovery and lactation, for example).

Cairo Scan has also established a zero-tolerance policy towards intolerance, discrimination, and bullying, as women are particularly vulnerable to sexual harassment in the sector. The group has delivered an anti-harassment training programme and also implemented a formal grievance system.

Human resource management continues to be one of the more challenging aspects at Cairo Scan. Radiologists and nurses face increasing challenges when delivering the best patient care despite increasing volumes, responding to demands for a faster report turnaround time and spending more face time with patients. The group introduced several solutions for matching the desired workload and work schedule of its employees with its needs such as alternative hours, compressed schedules, part-time employment and job sharing. However, the lack of predictability in patient volume and case mix continues to present one of the main scheduling challenges.

The group has placed a strong emphasis on convenience, with the rollout of its website booking system and patient portal. They have also put in place a premium panel of services including in-home services for radiology examinations and laboratory tests, and the delivery of results on CD-ROM, via email or directly on the person’s mobile device.

Cairo Scan also uses a tele-radiology reporting service enabling it to perform image transmissions between different locations, thereby eliminating the need to be in the same location as the patient. The service has improved the group’s patient care and allowed it to expand Cairo Scan’s reach even into remote locations.

As part of its policy of increasing employee benefits, the number of group employees with health insurance increased by 25% to 636 employees compared with 511 in 2018. Cairo Scan also decided to apply a global 50% discount off all lab and/or radiology tests for direct relatives of employees.

كايرو سكان
للأشعة و التحاليل
CAIRO SCAN
Radiology & LABS

2019 IMPACT KPIs

37
YEARS OF OPERATIONS

19
BRANCHES

120+
DIAGNOSTIC IMAGING MACHINES

168
PHYSICIANS (67% ARE FEMALE)

831
EMPLOYEES

35%
FEMALE EMPLOYEES

428 k
IMAGING DIAGNOSTIC CASES IN 2019

62%
OF SCANS ARE X-RAYS, MRI OR ULTRASOUND

575 k
LABORATORY TESTS CONDUCTED IN 2019

60 k
SCANS OF SYNDICATE PATIENTS

40-50%
DISCOUNTED RATE FOR SYNDICATE PATIENTS

CONTRIBUTION TO THE SDGs

3 GOOD HEALTH AND WELL-BEING

5 GENDER EQUALITY

8 DECENT WORK AND ECONOMIC GROWTH

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

10 REDUCED INEQUALITIES

Disclaimer

The sole purpose of the Mediterrania Capital Partners' Annual Sustainability Report ("Report") is to present, on a non-reliance basis, to the recipient relevant information pertaining to our business.

No representation or warranty, express or implied, is made or given by Mediterrania Capital Partners as to the accuracy, completeness or correctness of the data, information or views contained in this Report, nor to any projection, forecast, calculation, forward-looking statement, assumption or estimate contained herein. Data in this Report have not been independently verified nor audited. Mediterrania Capital Partners will assume no liability whatsoever in respect of any data or information contained in the Report.

This Report is not intended to form the basis of a decision to invest, purchase any securities or any other investment decision, and does not constitute an offer, invitation or recommendation of the sale or purchase of securities, nor does it form the basis of any contract, nor any pre-contractual relationship.

The information is inherently subject to change without notice and may become outdated.

This Report includes descriptions of selected Mediterrania Capital Partners investments, including details on the transaction, investment thesis and events post-acquisition. The selected investments are intended only to be illustrative of the types of investments made by Mediterrania Capital Partners, hence there can be no assurance that any future investment made by Mediterrania Capital Partners will achieve comparable results.

Recipients of this Report should conduct their own due diligence and other enquiries in relation to such information and consult with their own professional advisors as to the accuracy and implications of the data, and information contained in this Report.

This Report does not constitute or form part of, and should not be construed as, or relied upon in respect of, any offer for sale or subscription of, or solicitation of any offer to purchase or subscribe for any interests in any of the funds managed by Mediterrania Capital Partners.

This Report is intended for discussion purposes only and is solely for your information and may not be reproduced or further distributed to any other person or published, in whole or in part, for any other purpose.

Mediterrania Capital Partners is a financial investment manager regulated by the Malta Financial Services Authority (MFSA), the Financial Services Commission (FSC) in Mauritius and the Comisión Nacional del Mercado de Valores (CNMV) in Spain.

Photographs

All illustrations and photographs originate from Mediterrania Capital Partners' image library, or have been supplied by investment partners, or have been taken by Mediterrania Capital Partners employees on site visits.

Awards

2016

Small Cap Award – EMEA
Awarded by PE International

Portfolio Company of the Year (Cash Plus)
Awarded by PE Africa

2017

PE House of the Year – Regional investor: North Africa
Awarded by PE Africa

2018

PE House of the year – Regional investor: North Africa
Awarded by PE Africa

2019

PE House of the year – Regional investor: North Africa
Awarded by PE Africa

MEDITERRANIA
CAPITAL PARTNERS

ABIDJAN

Immueble ATTA
Rue Lecoeur
Le Plateau
17 BP487 Abidjan
Côte d'Ivoire

ALGIERS

Ilot 304, Section n° 2
El Moustakbel
Ain Allah, Dely Ibrahim
CP 16047 Algiers
Algeria

BARCELONA

Diputación, 246 - 1°
08007 Barcelona
Spain

CAIRO

1 Ahmed Ragheb
Garden City
11519 Cairo
Egypt

CASABLANCA

157, Boulevard d'Anfa –
2ème étage
20100 Casablanca
Morocco

VALLETTA (Headquarters)

B2, Industry Street
Zone 5, Central Business District
Qormi CBD 5030
Malta