

Appendix 4

Growthgate Capital Corporation

Investment Process

Glossary of Terms & Abbreviations

Growthgate Capital	Growthgate Capital Corporation BSC (c)
Growthgate Partners or General Manager	Growthgate Equity Partners WLL
Growthgate	Growthgate Capital and Growthgate Partners
PC	Growthgate Capital's portfolio of companies
IAT	Investment Advisory Team
Ex-Com	Executive Committee
BoD	Board of Directors of Growthgate Capital
NAV	Net Asset Value
KPI	Key Performance Indicator
MOU	Memorandum Of Understanding
NDA	Non-Disclosure Agreement
PIA	Preliminary Investment Analysis
IC	Investment Committee
VDR	Virtual Data Room
FDD	Financial Due Diligence
LDD	Legal Due Diligence
CDD	Commercial Due Diligence
IRR	Internal Rate of Return
SPA	Share Purchase Agreement
SHA	Shareholders Agreement

Background

As per the Investment Management Agreement entered into by and between Growthgate Capital and Growthgate Partners, the latter is entrusted with the day-to-day management of Growthgate.

Growthgate adopts a set of guidelines, policies and procedures, related to its investment activities, for (1) sourcing and closing new investment opportunities, to (2) managing, monitoring and exiting the investee companies. While the sourcing and closing of new investment opportunities, and the dealings with each PC may differ from one investment to another, depending on the nature of the business/sector, the geographical presence, the dynamics and composition of the management and the value drivers, this framework presents a standardized process that could be adopted across all investments, touching on those common areas in sourcing, closing, monitoring, value accretion/extraction and exiting.

The following framework developed in the form of policies and procedures reflect Growthgate’s disciplined approach in its sourcing and closing of new investment opportunities and monitoring of, and contribution to the value creation in PCs from acquisition to exit. The investment process framework - *from sourcing to exit* - is structured into six distinct phases. For each phase, the policies and procedures consider the following questions - ‘*what*’ does Growthgate Capital need to achieve in this phase, ‘*how*’ can Growthgate Capital best achieve this, and ‘*who*’ is responsible to achieve it?



The policies and procedures of each phase are standardized to cover for each new investment: the objectives, the key milestones, the general guidance, the interactions and the process. Whilst they are comprehensive and reflect the day-to-day business of Growthgate, the policies and procedures are reviewed, updated and approved periodically (on yearly or bi-yearly basis) to reflect the development of the investment process.

Investment Guidelines

Growthgate Capital invests in profitable and well-managed privately-held or thinly traded public companies, as well as, very selectively, in early stage ventures with strong management teams, solid products or valuable services that have been successfully launched and tested in key regional markets.

Prior to investing in a PC, Growthgate makes sure that the long-term interests of the PC are aligned with those of Growthgate Capital, including most importantly the sharing of the highest ethical values in conducting business. The typical investment period is between 5 to 7 years. However, Growthgate will not define, at the outset, a specific deadline for exits from PCs in order to reduce 'pressure' and to optimize results should more time need to be afforded to a particular investment until it reaches the appropriate financial performance/regional scale levels (within the timeframe mentioned above) prior to capitalizing said investments.

Growthgate works with each PC's executives to maximize shareholders' value and realize liquidity in the timeframe that works best for the underlying investment. Growthgate also assists the PCs in implementing any necessary financial engineering or reorganization of key operations, enhancement of value-drivers, cost containment measures, regional expansion, commercial and marketing issues, IT systems and HR matters.

The PCs are principally located and operating in the GCC and other select markets of the MENA region. A PC has to meet certain investment criteria, that are set by Growthgate. These criteria may be subject to change from time to time. They comprise the following:

- A strong management team with a proven track record and, in the case of an entrepreneurial venture, a strong product or service with proven success/profitability in other markets
- A strong domestic brand name/market recognition with potential for regional expansion
- Minimum average total revenues of \$50 million
- Minimum average profit margin (excluding non-recurring items) of 10%
- Minimum average return on utilized equity capital of 15%
- Minimum profitability history of 3 consecutive years
- Above average sector-growth prospects
- Promising market share or a sustainable market niche
- Well defined competitive and comparative advantages
- An investment not requiring a workout or turnaround (excluding certain early stage investments in promising businesses)

Growthgate Capital *does not invest* in any of the following industries: alcohol, processing or distribution of non-Halal food products, gambling, and environmentally unfriendly services.

Rather than approaching investments with 'one-size-fits all' criteria, and whilst being cognizant of the importance of discipline and business ethics in the investment process, Growthgate seeks the type of transactions that fit best with its investment objective, noting that the GCC and the MENA markets may not be well developed in terms of transparency, disclosure, securities regulation, corporate governance, and information reporting systems. Additional care and diligence are adopted in all such investment decisions and a close monitoring of certain investments in PCs is required to reach the level of information sharing or performance expected in more developed markets.

Phase 1: Deal sourcing → Deal approval

Objective

Phase 1 begins with the screening process which starts with internal reviews and deliberations and gradually progresses to communication with and approval by the IC and then to a due diligence (financial, legal and when needed, commercial) and valuation by independent third-party advisors. The vetting and screening process ends when the acquisition is inked. During due diligence, the objective is to verify financial data (quality of earnings analysis), understand the business model of the target including its drivers, strengths and weaknesses and analyze the target's outlook and exit prospects. The entire process is structured into 5 stages and can take anywhere between 6 months to one year.



Key milestones

- Appointment of an executive from Growthgate Partners whose role is the primary senior contact person with the target during phase 1, to allow the continuous interactions and communication channel between Growthgate Partners and the target's founders/managers
- Allocation of a dedicated investment team, from Growthgate Partners to review and assess the new investment opportunity. The assignment of the IAT members to a particular new investment opportunity does not prevent the involvement of other members of Growthgate Partners in light of the skill set required in a certain task
- Engaging independent third-party advisors to conduct a due diligence (financial, legal, commercial) and valuation of the target
- Review of the target's financial data and business model/ due diligence reports/ valuation report/ transactional documents
- Initial assessment of deal issues and post-completion initiatives
- Development of a transaction summary form and approval by the IC

General Guidance

The IAT follows a rigorous approach throughout the investment cycle, including initial due diligence, periodic reviews of holdings, investment valuation, and realization of returns. Any internal review of an opportunity should be risk-focused, considering risk management procedures, the ability to fully grasp the nature and business model of an investee company, and the value-accretive prospects of said business/opportunity (both in terms of growth over the holding period and in terms of exit routes).

An investment opportunity could be disregarded at any stage whenever the projections or the business model or the financial conditions are too unreliable, unpredictable, vulnerable and thus too risky for its investment appetite.

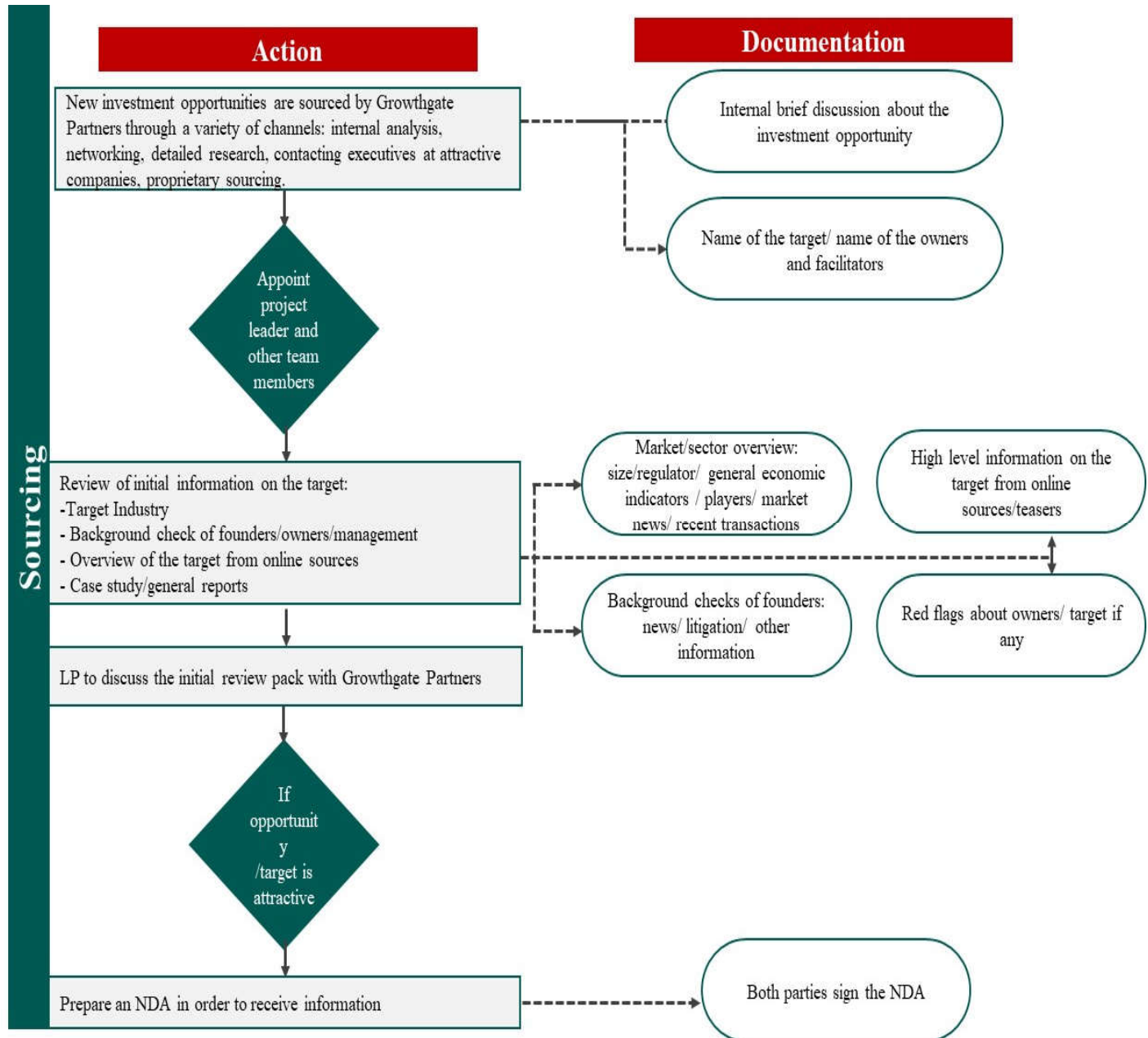
Stage 1: Deal Sourcing

After identifying the target but before engaging in further reviews, this stage must gather any and all information on the target and owners including from banks, auditors, lawyers, acquaintances, market sources; in addition to material gathered about the industry/country or market/service offered or the product sold, by asking all those with relevant knowledge. The internal review should look out for 'early warning signals' surrounding the "3M" model as depicted below:

- **People** – reputable/experienced/showing leadership features. An in-depth Internet search including Facebook, Twitter, LinkedIn and other social media outlets will be probed for statements, views or clues about the target's owners/ management team.
- **Size** –size is an indicator of 'maturity' of the corporate model. Areas of interest are: revenue levels, market position and market share, management depth and composition, assets-appropriate base, profitability track record, reputation and brand name recognition.
- **Activities** – areas of interests are: services/ products offered, unique or innovative, competitive price or quality, in demand or decline, cycle of the industry at its peak or low point, competition, testimonials, scalable activities domestically/ regionally, organic/ non-organic expansions.
- **Risks** – areas of interests: risks specifically associated with the sector or segment in which the target operates: energy prices, raw materials, financing costs, human talent, State monopoly, corruption practices, unfair competition, and others, the particular risks of this target – concentration, lack of capitalization, shallow management, poor quality, overpricing etc...
- **Markets** – areas of interests: the revenues or at minimum the size of the market(s) in which the target operates, what do the public markets tell –in probing comparable companies - in terms of revenue growth, EBITDA and profit margins, and how did other investment firms exit such industry.

The result of this stage is a preliminary report that covers at minimum the areas highlighted above. This report is updated regularly by any information that Growthgate can muster from the founders-owners or the market.

Process



Stage 2: Preliminary Review

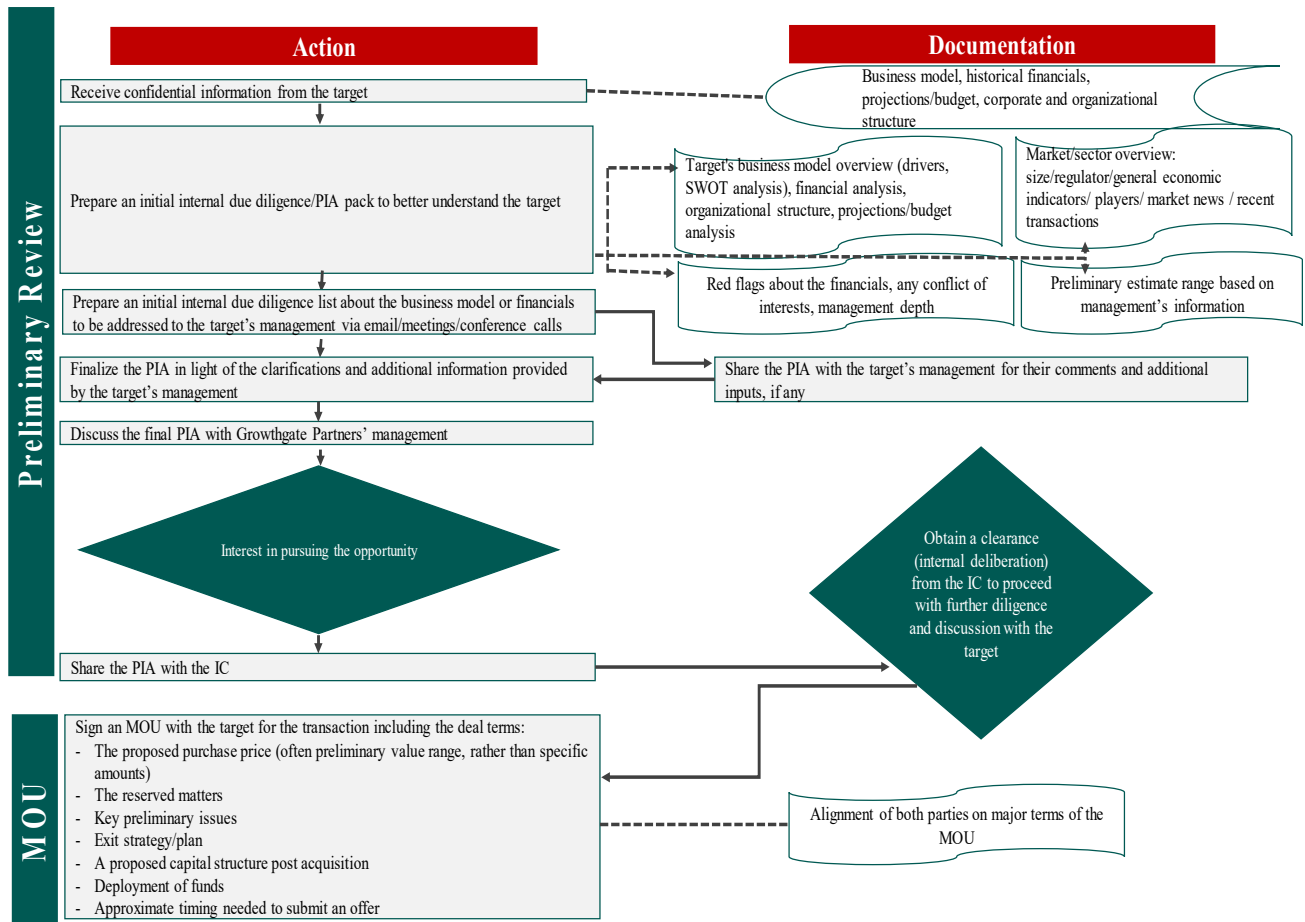
As soon as an NDA is executed with the target, the IAT must review each critical area to identify any deficiencies or any activities that may pose potential risks to the financial condition of the target (red flags) including, inter alia, the following:

- Quality of the audited financial statements
- Levels of indebtedness as compared to the total paid up capital of the target or its volume of revenues/nature of operations, and misallocated indebtedness
- Lack of assets base
- Severe discrepancy in the cash cycle
- Absence of legal documentation
- Concentration risk on one client/market
- Below average margins
- Previous default on banking loans or breach of covenants
- Litigation and dispute history with employees as well as external parties
- Adequate capitalization

This stage includes multiple formal and informal interviews with the founders-owners and the key operational, financial and administrative officers of the target. Meetings with their lawyers, bankers and auditors must also be held to form an-all comprehensive view about the target, its current status and future prospects.

The result of this stage shall be a Preliminary Investment Analysis (PIA) that covers at minimum the areas highlighted above All red flags are rated and a target that does not score a median average (3.5) are revisited and if proven unworthy, discarded. All elements of the analytical and approval processes from initial review through formal investment decision will be documented and clearly understood by the IAT.

Process



Stage 3: IC ‘in principle’ Approval and MoU

Following the preliminary review, the PIA is shared with the IC members and discussed to vote on a go or no go regarding the subject matter investment. Upon a positive vote by the IC, an MoU is drafted and executed with the management/principals of the target, and including the key terms of the investment, such as the proposed purchase price, minority interest protection measures, deployment of proceeds post-investment, alignment of interest with respect to exit plans.

Stage 4: Due Diligence/ Valuation

At this stage, Growthgate Capital seeks the assistance of external, independent advisors to conduct a thorough due diligence (typically financial and legal) on the target. The advisors are usually appointed through a competitive bidding process, where proposals are assessed based on the fee structure and the depth of knowledge such advisors have about the industry/sector, the structure of the transaction and the markets where the target operates. The advisory team is typically comprised of financial advisors (typically a Big 4 Audit Firm) and legal counsel, and in certain instances (when not covered by the financial advisors), industry experts to assist in the commercial review of the target. The review of the target by the advisors and their findings will be encapsulated into due diligence reports which are reviewed by Growthgate Capital and shared with the target for review and comments.

- **Financial Due Diligence** – to undertake pattern spotting about growth, costs, one-time and non-recurring events, and unusual movements in cash or in short term assets and other such critically selective issues in the past financials. Past records (as far as three years) could be sufficient to spot such trends. Strong attention has to be put on cash flows and stress testing analysis. Growthgate Capital needs to move to other areas such as the budgeting capacity of the finance team, the quality of the management accounts, the status of reporting system that underlies the decision-making process, the basic operating parameters of the company and industry. With such informed appreciation of target’s financial trends and a clear assessment of the ability of its finance team to gauge the needs of the business can the external auditors –and the IAT- properly review the financial model and projections and judge their reasonableness to be used in computing the range of values.
- **Legal Due Diligence** – is the target in or was ever in disputes, litigations, claims, or the subject of legal notices or warnings? What is the status with the tax authorities if applicable? Growthgate Capital must look closely into any defaults on loans, breach of covenants, labor issues. Probing the titles to assets is important including intangible assets such as trademarks, patents, and intellectual properties. Each business or industry have specificities, which need to be further probed and investigated.

Based on the due diligence reports, a meeting is arranged by IAT and attended by the members of the Senior Management to discuss the findings of the due diligence and the comments of the target.

In addition to the financial due diligence, the financial advisors will prepare the valuation of the target.

Stage 5: Final IC Approval

The due diligence reports produced by the advisors, together with a note from management including the recommendations on the way forward, are shared with the IC, for the latter to formulate a final and definitive

decision on the investment opportunity. A meeting or conference call is arranged to deliberate on the way forward and investment decision.

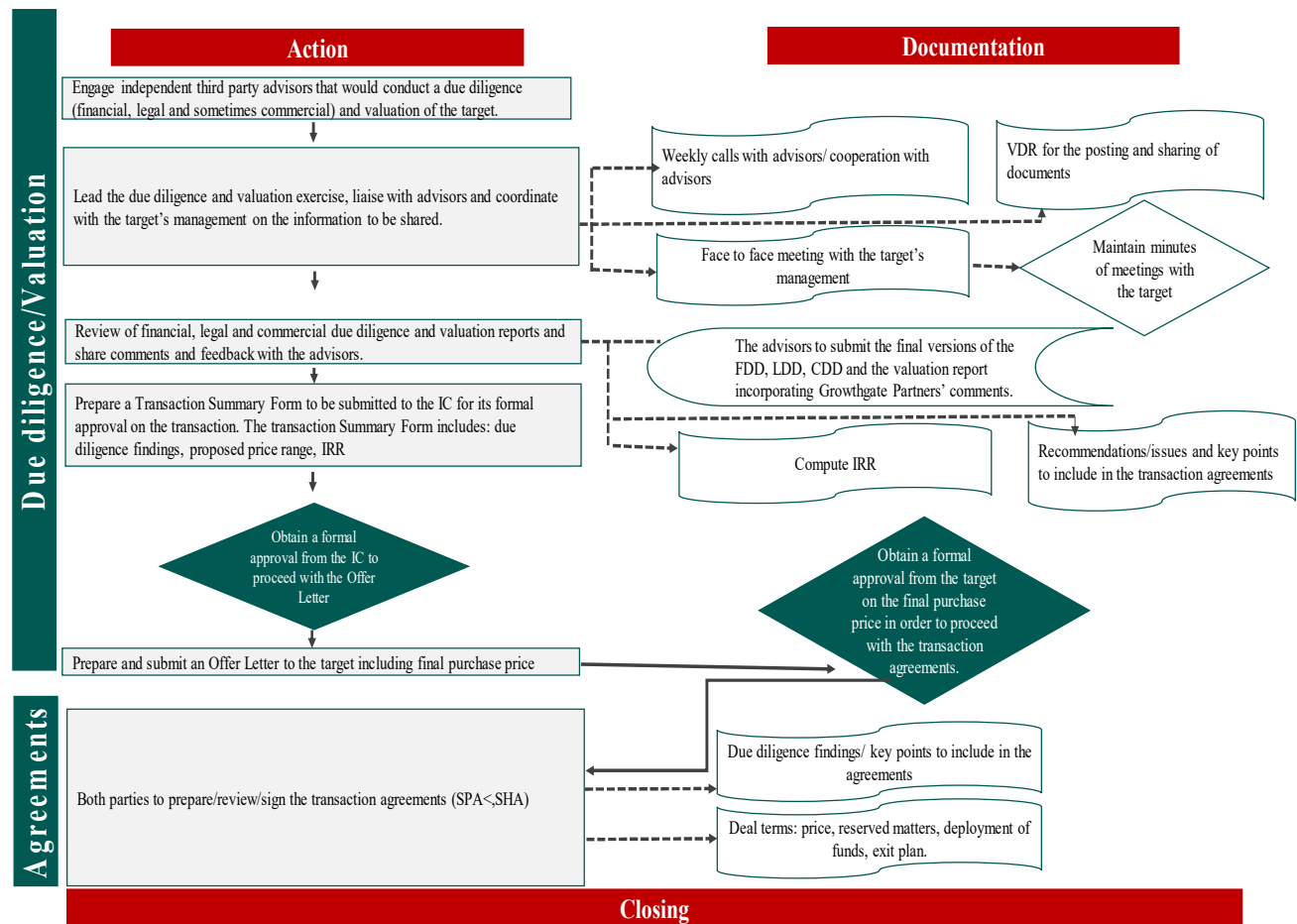
Stage 6: Agreements & Closing

Transaction agreements (the nature of which might vary depending on the deal structure, e.g., shareholders' agreement, subscription, sale & purchase agreement) are drafted with the assistance of advisors, mainly the legal counsel. The agreements reflect the terms of the MoU and include typical clauses on reps and warranties, post-closing conditions, deployment of funds and others.

Once the valuation and consideration are agreed with the target, Growthgate proceeds to the closing of the transaction.

Growthgate does not cease its efforts to update its knowledge base on the target till the closing, and beyond. Prior to any closing date Growthgate needs to receive an update on the financial performance of the company relating to the current year/quarter/month: whether target figures are achieved, milestones are met, any adverse financial event has occurred that might affect the closing. Growthgate probes, assesses and verifies all pre-closing information.

Process



Phase 2: Deal approval → Closing

Objective

This phase marks the start of the involvement of the PT with the Target and its business. The objective in this phase is to capture and build on the knowledge developed about the new investment in Phase 1 in order to quickly pivot into engagement mode once the deal is closed. The activities comprised in Phase 2 are thus focused on detailing a structured approach for the terms of engagement with the PC.

Key milestones

- Appointment of the PC leader whose role as primary contact person between the PC and Growthgate to allow the continuous formal/informal interactions and communication channels between Growthgate and the PC's founders/managers to flourish within a clearly established context focused on delivering the priority value-creating initiatives
- Allocation of a dedicated project team that would implement and monitor the identified initiatives throughout the investment period. The assignment of a dedicated team to a particular PC does not

prevent the involvement of other members of Growthgate in light of the skill set required in certain tasks / initiatives

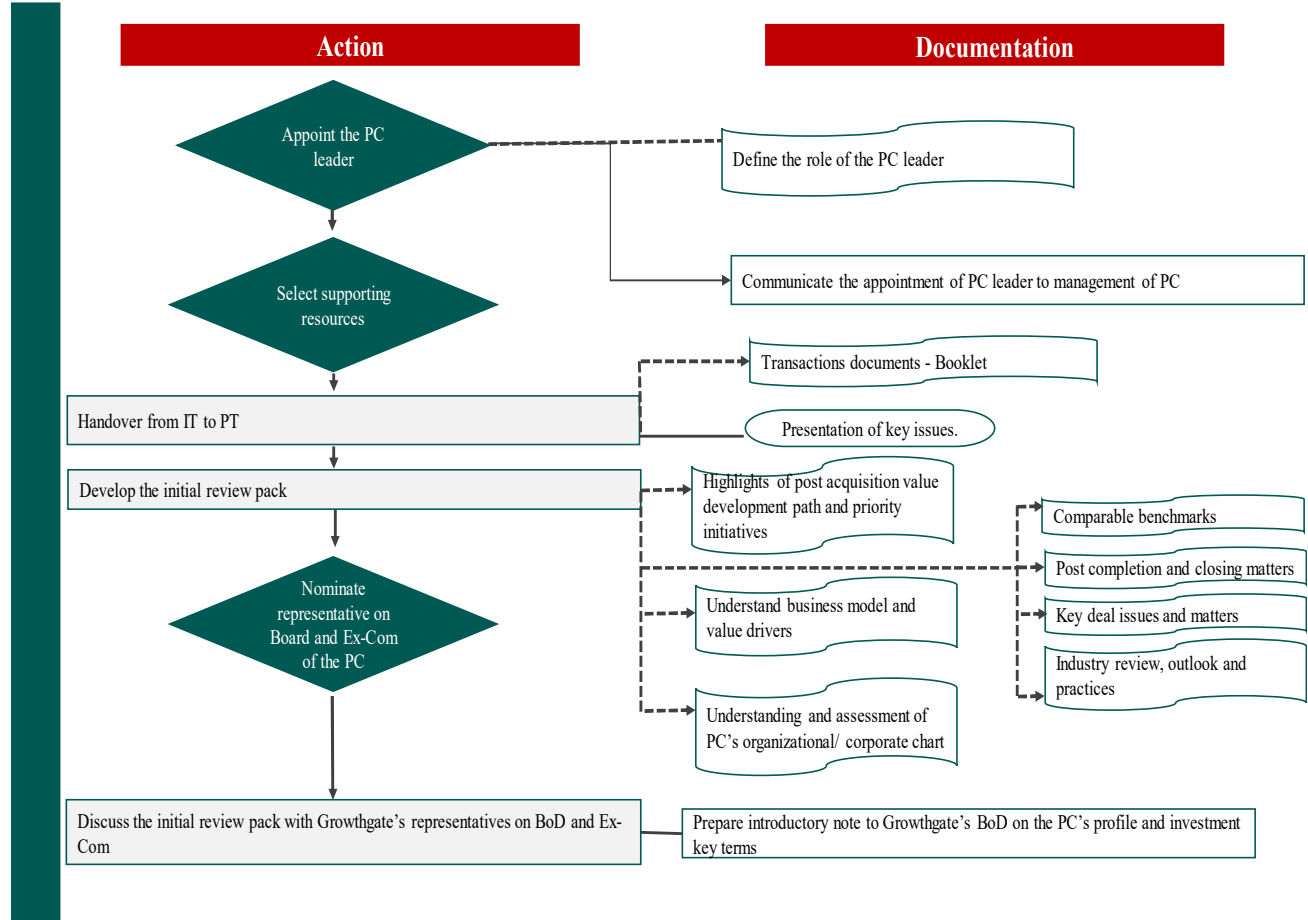
- Review of transactional documents and development of initial assessment of deal issues and post completion initiatives as well as an understanding of the industry, business model, and benchmarks.
- Nomination of Growthgate Capital’s representatives on the Board of Directors and Executive Committee of the PC
- Discussion of the initial assessment with Growthgate Capital’s representatives
- Introduction of the PC to Growthgate Capital's Board of Directors

Interactions

During Phase 2, the interactions of the PT are as follows:

Addressee	Subject	Addressor
Portfolio Company	Appointment of PC leader and Growthgate Capital's representatives	Partners & Principals of Growthgate Capital
Growthgate Capital's representatives	Discussion of initial assessment of deal issues, potential and strategic initiatives	PC leader
Growthgate Capital's BoD	Introduction of PC	PC leader

Process



Phase 3: Deal closing → 1st six months

Objective

At the start of Phase 3, the PC leader and PC's CEO meet to discuss objectives of the PC for the first six months and beyond addressing particularly: post-closing conditions and deal issues, infrastructure (human and systems) requirements, strategic initiatives, and relationship with and reporting to, Growthgate. Said meeting is followed by a broader workshop between PT and PC's management team to produce the blueprint of activities and business plan post-acquisition which shall be discussed and approved by the PC's first Ex-Com/ BoD meeting. The workshop shall result in a list of financial and operational KPIs used as a basis for monitoring PC's performance as well as a treasury document indicating measures to optimize the use of injected capital.

Key milestones

- Meeting between PC leader and CEO
- Coordination of closing and post-completion matters with advisors
- Initial workshop between PT and PC's management team
- Development and approval of blueprint and business plan
- Setting-up KPIs

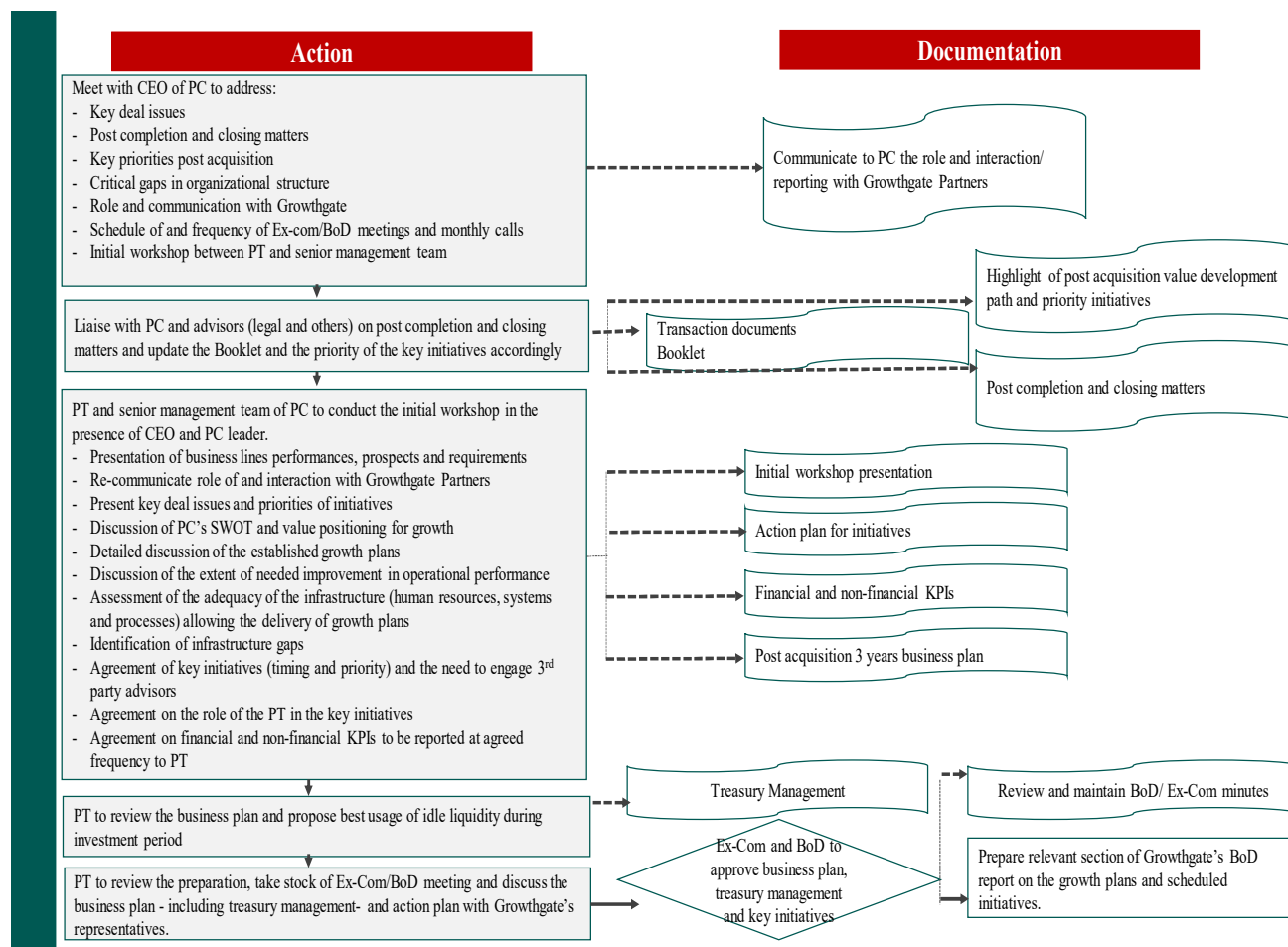
- Recommendation and approval of treasury management measures
- Convention of first Ex-Com and BoD meeting of PC post-acquisition

Interactions

During Phase 3, the interactions of the PT are as follows:

Addressee	Subject	Addressor
CEO	Meeting to agree investment matters	PC leader
Advisors / PC's management	Follow up on closing and completion matters	PT
PC's management team	Initial workshop	PT
PC's Ex-Com / BoD	Initial meeting and approval of blueprint, business plan and treasury management	PC leader / Growthgate Capital's representatives
Growthgate Capital's BoD	Update on growth plan and scheduled initiatives	PC leader

Process



Phase 4: 1st six months → End of year 1

Objective

The objective in Phase 4 is to continue to drive momentum and ensure all elements of the infrastructure required to successfully grow the business and exit are in place – including people, systems and procedures. During this period, other strategic initiatives (e.g. expanding the geographic footprint and/or service offering) should also be launched. Having developed a clearly articulated action plan in Phase 3, it is important to continue to drive actionable points from the plan whilst periodically re-assessing it in light of developments.

Key milestones

- Update performance tool to help monitor performance, initiatives and value creation of PC
- Assessment of corporate governance housekeeping measures
- Implementation and monitoring of set milestones in the blueprint
- Design, execution and follow up on set initiatives
- Holding monthly calls with PC's management team and respective responsible of the various initiatives
- Preparation for and taking stock of PC's Ex-Com / BoD meetings
- Analysis and reporting on performance updates

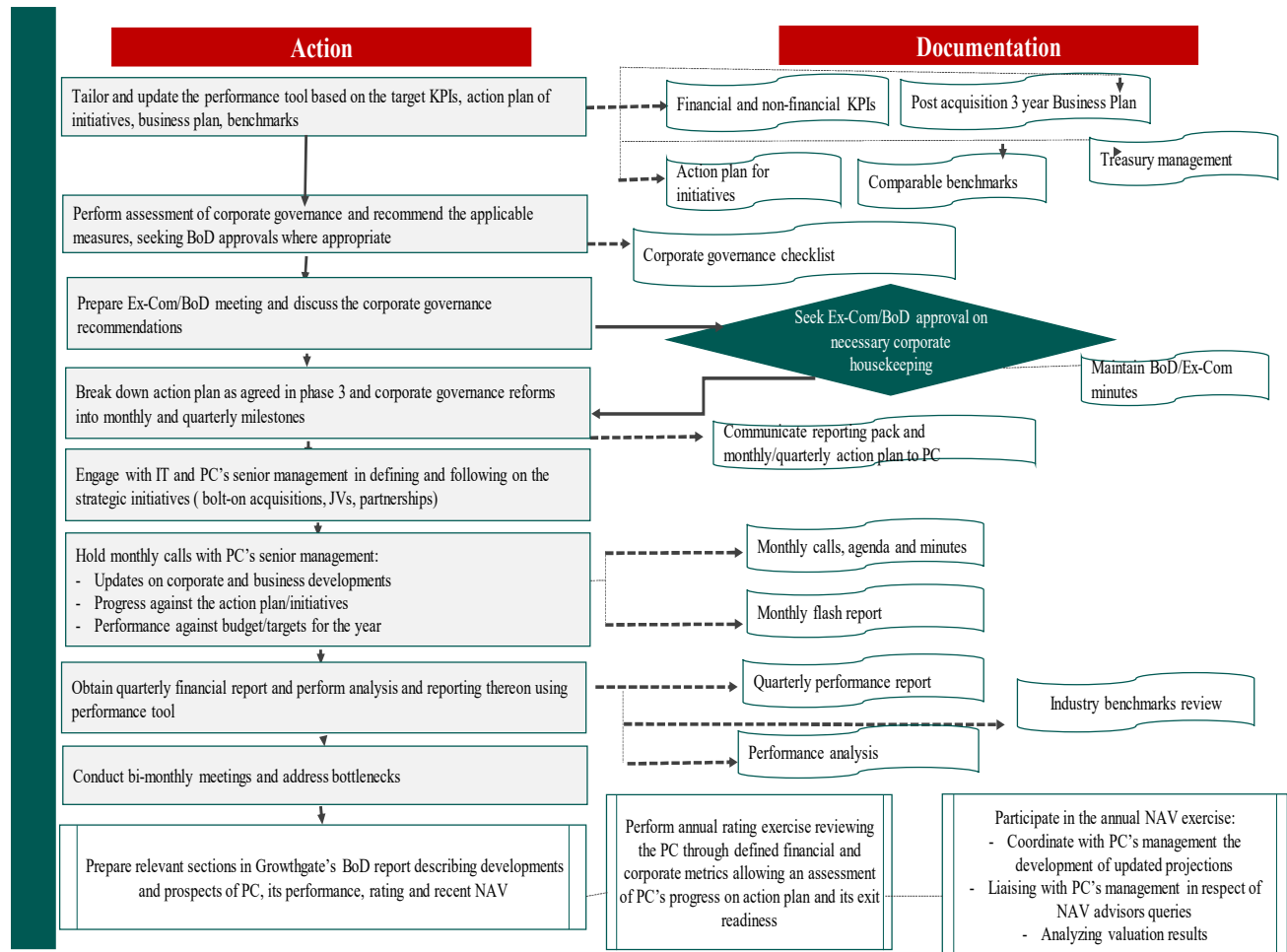
- Holding regular internal assessment of progress
- Conducting annual rating assessment of exit readiness
- Assistance in the yearly annual NAV exercise
- Reporting to Growthgate's BoD on developments, rating, performance and value creation
- Discussion of progress against blueprint, rating results, performance and value creation with PC's CEO and Growthgate's representatives

Interactions

During Phase 4, the interactions of the PT are as follows:

Addressee	Subject	Addressor
PC's Ex-Com and BoD	Corporate governance recommendations and PT's views on matters set in the agenda	PC leader and Growthgate's representatives
Growthgate Capital's representatives	Update of BoD/ Ex-Com agenda	PT
PC's management	Monthly calls	PT
Growthgate's Partners	Performance reports	PT
Growthgate, advisors	NAV exercise	PT
Growthgate's BoD	Developments, rating, performance and value creation	PT
PC's CEO and Growthgate's representatives	Progress against blueprint, rating results, performance and value creation	PC leader

Process



Phase 5: End of year 1 → Years 2, 3,...

Objective

In Phase 5, i.e. from year two of the investment in a PC onwards, it is increasingly important to continually assess exit opportunities while addressing any outstanding issues regarding the infrastructure of the PC (people, systems and business procedures) and conducting the planned initiatives needed to sustain growth.

Key milestones

- Holding annual roundtables with CEO to discuss progress, initiatives, issues and exit readiness
- Holding annual workshops with PC's senior management discussing progress on initial blueprint, making updates and revisions as appropriate, assessing need to develop or replace infrastructure (human, systems,..)
- Engaging advisors, IAT and the PC's Ex-Com / BoD to participate in initiatives, acquisition or approve on the updated blueprint and initiatives
- Preparation for PC's Ex-Com / BoD meetings
- Analysis and reporting on performance updates
- Regular internal assessment of progress
- Annual rating assessment of exit readiness

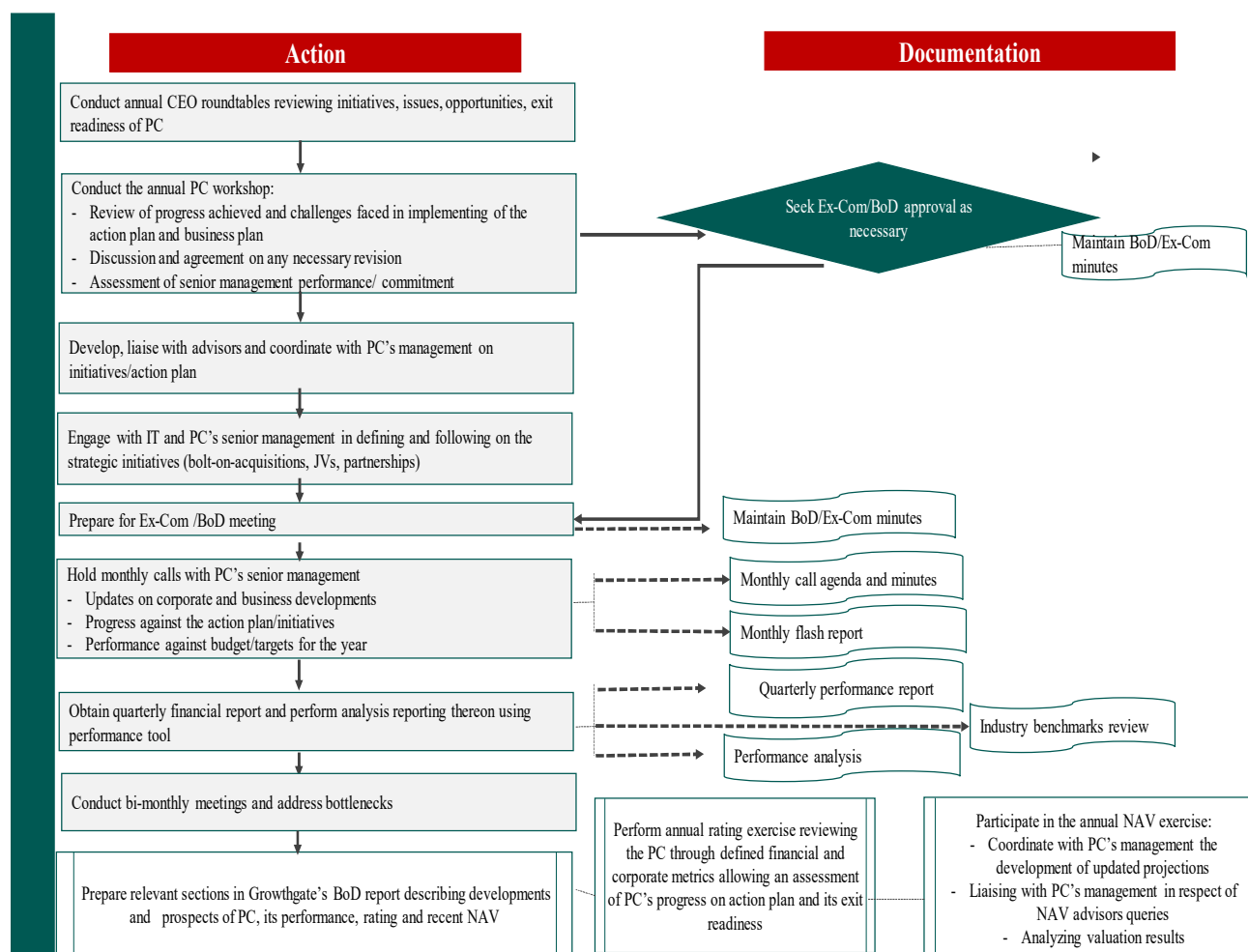
- Assistance in the yearly annual NAV exercise
- Reporting to Growthgate Capital's BoD on developments, rating, performance and value creation
- Discussion of progress against blueprint, rating results, performance and value creation with PC's CEO and Growthgate's representatives

Interactions

During Phase 5, the interactions of the PT are as follows:

Addressee	Subject	Addressor
PC's CEO	Annual roundtable	PC leader
PC's senior management	Annual workshop	PT
Advisors	Execution of initiatives	PT
IAT	Bolt on acquisitions, partnerships	PT
PC's Ex-Com and BoD	Corporate governance recommendations and PT's views on matters set in the agenda	PC leader and Growthgate's representatives
Growthgate Capital's representatives	Update of BoD/ Ex-Com agenda	PT
PC's management	Monthly calls	PT
Growthgate Capital's Partners	Performance reports	PT
IAT	NAV	PT
Growthgate Capital's BoD	Developments, rating, performance and value creation	PT
PC's CEO and Growthgate's representatives	Progress against blueprint, rating results, performance and value creation	PC leader

Process



Phase 6: Pre-Exit Year → Exit

Objective

Once a decision has been taken to exit an investment, the PT needs to prepare a detailed information pack ahead of handing the transaction back to the IAT. Regardless of whether the exit route chosen is an IPO or sale (trade or secondary) the PT needs to coordinate with management to produce a detailed report highlighting the PC's equity story. Moreover, the PT needs to coordinate with management to undertake a fresh, detailed strategic review of the company, to identify, quantify and prioritize growth opportunities for the next 3-5 years. The output from this exercise needs to be a comprehensive business plan and a forward looking financial model. Until exit takes place, PT continues regular monitoring of PC's performance.

Key milestones

- Preparation of the PC's equity story document
- Consideration for the appropriate exit route and decision thereon by the PC's EX-Com / BoD
- Undertaking of required internal housekeeping and exit readiness measures
- Development of forward looking business plan

- Preparation for PC's Ex-Com / BoD meetings
- Analysis and reporting on performance updates
- Reporting to Growthgate Capital's BoD on developments, performance and exit progress

Interactions

During Phase 6, the interactions of the PT are as follows:

Addressee	Subject	Addressor
IAT	Equity story and hand back	PT
Growthgate Capital's Partners, Growthgate Capital's representatives, PC's Ex-Com / BoD, IAT	Exit plan	PC leader
PC's management team	Forward looking business model	PT
PC's management	Monthly calls	PT
Growthgate Capital's Partners	Performance reports	PT
Growthgate Capital's BoD	Developments, performance and exit readiness	PT

Process

