



OPENGATE CAPITAL
REALIZING POTENTIAL

ACTIVITY REPORT

H2 2021

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LETTER FROM ANDREW NIKOU

TO OUR BUSINESS ASSOCIATES AND FRIENDS,

The second half of 2021 was an exciting time for OpenGate Capital with the rapid acceleration of the Firm's add-on strategy, with 11 completed across our Fund II portfolio to date, and three new dynamic platform investments acquired since March.

As we navigate uncertainty in the broader economy and financial markets, OpenGate continues to resolutely press on with the execution of our strategy to realize potential in lower-to-middle-market businesses across North America and Europe.

As we head into 2022, OpenGate is optimistic about continuing our accelerated pace of activity, in pursuit of both buy and sell-side opportunities. Our global sourcing engine continues to yield more than 1,000 opportunities a year, and our M&A and Operations teams continue to collaborate with our portfolio company management teams. Their mission is to find new ways to drive organic growth through operational improvements, enabling access to new technologies, inorganic growth via add-ons, increasing customer bases, and introducing new products and services. Through this collaboration, our goal is to enhance the scale and potential value of each platform.

On behalf of the entire team at OpenGate, I wish you much health, happiness, and prosperity in the year ahead.

As always, we thank you for your continued support and look forward to working together in the New Year!



Andrew Nikou,
OpenGate Capital Founder and CEO

OPENGATE CAPITAL COMPLETES ACQUISITION OF SCIOTEQ AND TREALITY FROM TRANSDIGM GROUP

CROSS-BORDER ACQUISITION OF ADVANCED VISUALIZATION SYSTEMS FOR AEROSPACE AND DEFENSE APPLICATIONS

ScioTeq and TREALITY develop and manufacture advanced visualization solutions primarily for the global defense, air traffic control, and security end markets.



Investment Date:	Acquired June 30, 2021	Workforce:	450 Employees
Transaction Type:	Corporate Carve-out from Public Seller	Headquarters:	Belgium & United States
Industry:	Aerospace & Defense	Acquired From:	TransDigm Group Incorporated (NYSE: TDG)

“OpenGate’s acquisition of ScioTeq and TREALITY is representative of the full suite of our cross-border investment capabilities in action. TransDigm required a buyer with the expertise to acquire a multi-jurisdictional business, which we met with speed and certainty. We intend to capitalize on the strengths of each business to enhance their market positions through organic growth and M&A while accelerating continuous improvement efforts and digital transformation.”

— Julien Lagrèze, Partner and Head of Europe
OpenGate Capital



VERDANT SPECIALTY SOLUTIONS ACQUIRES DEFOREST ENTERPRISES AND PARAFLOW ENERGY SOLUTIONS

THROUGH THESE ACQUISITIONS, VERDANT EXPANDS ITS PORTFOLIO OF SURFACTANTS AND SPECIALTY SOLUTIONS FOR INDUSTRIAL, INSTITUTIONAL AND CONSUMER MARKETS

Together, DeForest and ParaFlow serve more than 100 customers in markets including industrial and institutional cleaning, metalworking and metal finishing, oilfield, pigments and inks, construction and auto care.



KEY BUSINESS HIGHLIGHTS:

- Both companies are headquartered in Boca Raton, Florida and led by President Jeff Edwards.
- Jeff Edwards will be responsible for the integration of DeForest and ParaFlow.
- DeForest Enterprises is a specialty surfactants company with a range of chemistries including low foam wetting agents, alkaline and acid stable surfactants, chlorine and peroxide stable surfactants, high and low foam amphoteric surfactants, hydrotropes, water-soluble corrosion inhibitors and phosphate esters.
- ParaFlow Energy Solutions provides unique products applicable to paraffin mitigation in upstream crude oil production and technologies for use in demulsifier applications to assist in solids and iron drop-out, as well as for the separation and recovery of valuable hydrocarbons from refinery slop oil and crude oil storage tank bottoms.
- The acquisition of DeForest and ParaFlow marks an important first step of Verdant's strategy to accelerate growth through accretive acquisitions in existing and adjacent technologies and markets.

“ This is an exciting new chapter that will deliver real value to our customers through an expanded portfolio of surfactants and specialty solutions, and through Verdant's robust global technology and manufacturing platforms.

— Jeff Edwards, President of DeForest Enterprises and ParaFlow Energy Solutions

“ At Verdant, our vision is to be the go-to partner for surfactant chemistry. That is why I'm delighted to welcome DeForest Enterprises and ParaFlow Energy Solutions to our team. These two acquisitions expand our portfolio of surfactants so that we can help customers across a broader range of markets find creative solutions and capitalize on new opportunities. This announcement today is another step toward our vision, and we look forward to coming back with more exciting news in the coming months.

— John Foley, CEO, Verdant Specialty Solutions

VERDANT SPECIALTY SOLUTIONS ACQUIRES BAZE CHEMICAL

VERDANT EXPANDS SURFACTANTS PORTFOLIO AND U.S. MANUFACTURING WITH SECOND ADD-ON ACQUISITION IN SIX MONTHS

Baze Chemical ("Baze") is an ethoxylate specialty chemical company serving customers in the oil and gas production, water treatment, and mining industries.



KEY BUSINESS HIGHLIGHTS:

- Headquartered in Odessa, Texas.
- Founded in 1993, Baze has 82 employees across four facilities.
- Recognized as a customer-focused partner for chemistry formulations in the highly competitive and evolving energy sector.
- The acquisition of Baze Chemical is Verdant's second add-on investment in six months since the business was acquired by OpenGate in April 2021.
- Through this acquisition, Verdant continues to expand its manufacturing footprint in the US while positioning itself as a long-term partner for specialty ethoxylation on the Gulf Coast. The company also broadens its portfolio of surfactants and other specialty chemistries for the energy and industrial segments. Verdant will be able to utilize Baze's key technology across other areas of the portfolio including in home and personal care.

“ I have long admired the business that Curtis Baze built. The Verdant team is honored and excited that he has chosen us to take it to the next level. Baze Chemical has a great reputation in the oilfield business, and we have surfactant products that they will now be able to offer these customers. Also, acquiring specialty ethoxylation capacity on the Gulf Coast has been Verdant's number one priority, and the Palestine plant in Texas is an ideal solution. We will build our brand on safe, efficient, flexible operations while offering long term supply reliability with competitive economics.

— John Foley, CEO, Verdant Specialty Solutions

“ We are thrilled to join Verdant and look forward to leveraging our complementary portfolios in a way that benefits our customers. I'm pleased to play a role in fueling Verdant's overall growth and further expansion into industrial sectors such as energy, water treatment, and natural resources.

— Curtis Baze, Founder, Baze Chemical

INRULE TECHNOLOGY ACQUIRES SIMMACHINES TO ENHANCE ITS DECISION AUTOMATION CAPABILITIES

THE ADD-ON ACQUISITION OF SIMMACHINES BRINGS AN IMMEDIATE EXPANSION TO INRULE'S STRATEGIC AND TECHNOLOGY CAPABILITIES

simMachines is a leader in explainable AI and ML technology.

The InRule logo is displayed in a white, lowercase, sans-serif font against a dark blue background with a subtle circuit board pattern.The simMachines logo features a white geometric icon resembling a camera aperture or a stylized 'S' on the left, followed by the text 'simMachines' in a white, lowercase, sans-serif font. The background is a dark blue server room with glowing lights.

KEY BUSINESS HIGHLIGHTS:

- Headquartered in Chicago, Illinois.
- Founded in 2013.
- simMachines offers a comprehensive explainable AI/machine learning software platform that enables data scientists, marketers, analysts, and business leaders to gain efficiency, performance, and innovation while providing actionable insights delivered with transparency and trust behind every prediction.

- The add-on acquisition of simMachines brings an immediate expansion to InRule's strategic and technology capabilities. Combined, the businesses will provide enterprises with human-driven and machine-driven AI within a single platform. InRule's co-founder and CEO, Mr. Rik Chomko will lead the integration of simMachines, which will continue to operate under the same name.

“ We are thrilled to augment our decision platform with simMachines' technology to create the most comprehensive AI solution in the market, while advancing our mission of making automation accessible across the enterprise. Together, InRule and simMachines will provide extraordinary decision automation capabilities to data scientists, developers, and citizen developers alike, while delivering actionable insights that foster transparency and trust.

— Rik Chomko, Co-founder and CEO, InRule® Technology

INRULE TECHNOLOGY® CONTINUES RAPID GROWTH WITH ACQUISITION OF DIGITAL PROCESS AUTOMATION SOFTWARE PROVIDER BARIUM AB

COMBINED SOLUTION WILL PROVIDE AI-ENABLED, END-TO-END AUTOMATION FOR A WIDE RANGE OF INDUSTRIES

Barium AB is a provider of digital process automation (DPA) SaaS solutions.



KEY BUSINESS HIGHLIGHTS:

- Headquartered in Gothenburg, Sweden.
- The Barium Live DPA platform automates a wide variety of enterprise processes, from case management and loan origination to order fulfillment, inventory management, customer and employee onboarding, and more.
- By augmenting the InRule® Decision Platform with Barium's low-code DPA platform, enterprises can utilize a single platform that pairs the power of AI, including automated decisions and explainable machine learning, with digital process automation.
- Barium represents InRule's second add-on acquisition in 2021 since acquiring simMachines in June of 2021.

“ Demand for enterprise automation technology is rapidly accelerating, and InRule is at the forefront of this transformation. We are excited to continue building on the company's strategic vision and cementing its digital decisioning leadership through this highly strategic acquisition.

— Andrew Nikou, CEO and Founder, OpenGate Capital

“ InRule Technology's vision has always been to make automation accessible across the enterprise and the acquisition of Barium is another significant milestone on our journey to bring that vision to life[...] Together, InRule and Barium are paving the way toward a new, modern technology ecosystem that unites human-centric and machine-centric processes with robust, AI-driven digital decisioning.

— Rik Chomko, Co-founder and CEO, InRule® Technology

“ From Electrolux, Maersk, and Essity, to Apoteket and Selecta, Barium has proudly served customers across the public and private sectors since 1995[...] We are thrilled to join the InRule Technology family and play a role in empowering enterprises with the ability to build and deploy the most extensive, accurate and transparent decision, prediction, and process automation strategies for developers and citizen developers, alike.

— Mattias Arnelund, CEO, Barium AB

KONGSBERG PRECISION CUTTING SYSTEMS ACQUIRES MULTICAM

ACQUISITION CREATES WORLD'S FIRST DIVERSIFIED PROVIDER OF COMPUTER NUMERICAL CODE CUTTING MACHINES, POSITIONING KONGSBERG AS A LEADER IN DIGITAL FINISHING

MultiCam is a manufacturer and distributor of Computer Numerical Code ("CNC") cutting machines, and a leader in digital finishing processes.



KEY BUSINESS HIGHLIGHTS:

- Founded in 1989, MultiCam has a global installed base of over 14,000 tables and is uniquely positioned through its three primary cutting technologies of routers, digital finishing, and waterjet, plasma, and laser fabrications.
- Approximately 130 employees serve customers across a large range of verticals including industrials, manufacturing, packaging, and signage and display.
- The acquisition of MultiCam, including its operations in the U.S. and sales offices in Canada and Germany, expands Kongsberg PCS' market reach and customer base across North America and Europe, and creates the world's first, diversified provider of CNC cutting machines.
- Seventh add-on investment completed for platform companies within OpenGate's Fund II portfolio.

“ Prior to our acquisition of Kongsberg PCS, which was completed just five months ago, we recognized the importance of digitization for this business and developed a thesis that includes the growth of Kongsberg PCS through innovation and add-on investments. With this strategic combination, Kongsberg PCS gains greater scale, and expands its reach to a broader, global customer base with new products and services.

— Julien Lagrèze, Partner and Head of Europe, OpenGate Capital

“ This is a monumental day for Kongsberg and MultiCam as it represents a tremendous advantage for our businesses coming together to drive best-in-class cutting and finishing processes for our global customer base. I am excited to begin our work, integrate our businesses, and explore new markets.

— Stuart Fox, President, Kongsberg

DURACO SPECIALTY TAPES ACQUIRES 3 SIGMA AND RAYVEN INC.

FOUR ADD-ONS IN 24 MONTHS SOLIDIFIES DURACO'S POSITION AS A LEADING PROVIDER OF SPECIALTY COATINGS AND CONVERTED MATERIALS IN NORTH AMERICA

The addition of 3 Sigma and Rayven enhances Duraco's ability to deliver custom products for high-growth sectors with heightened capabilities that now span across the value chain.



KEY BUSINESS HIGHLIGHTS:

- Headquartered in Troy, Ohio, 3 Sigma has a wide range of coating technologies and powerful in-house adhesive formulation capabilities. 3 Sigma has an established track record of providing unique, high-quality custom solutions to customers in high-growth health and beauty, flexible packaging, food and beverage, and medical end markets.
- Rayven, headquartered in St. Paul, Minnesota, offers custom developed, niche release liners, coated functional films, and pressure-sensitive adhesive tapes to a diverse portfolio of high-value end markets including flexible packaging, medical device, specialty building, and graphics.
- The add-on acquisition of Rayven expands Duraco's developmental capabilities and adds coating capacity to support the ongoing growth of the collective businesses.
- The add-on acquisition of 3 Sigma significantly broadens Duraco's technical toolbox and manufacturing capabilities to better serve customers with a more expansive and diverse set of custom formulated products and high value manufactured solutions.

“Duraco's established commercial capabilities, paired with 3 Sigma's unique technology and offerings solidify the Company as a market leader and trusted partner.”


— Tony Rowley, President, 3 Sigma

“We are excited to partner with the strong operational teams at Duraco and OpenGate, who share our culture and entrepreneurial values, as well as our drive to create and deliver innovative products for our customers.”

— Joe Heinemann, President, Rayven Inc.

SEEKING ADD-ON INVESTMENT OPPORTUNITIES

OpenGate is actively seeking add-on investments relating to the following portfolio companies and platform acquisition targets:




HQ: Hamburg, Germany

[Visit Website](#)

CoreMedia is a Web Content Management and Digital Experience Platform that offers a blend of real-time product information with multimedia marketing content to deliver personalized product messaging across a variety of digital channels. Its solutions are used by companies to increase their digital presence, manage digital asset libraries and enhance their eCommerce platform.

ACTIVELY SEEKING ADD-ON ACQUISITIONS WITH THE FOLLOWING CRITERIA:

- Content Management System (CMS).
- Digital Experience Platform (DXP).
- Personalization.
- Customer Data Platform (CDP).
- Digital Asset Management (DAM) software solutions focused on the European enterprise market.



HQ: Chicago, IL

[Visit Website](#)

InRule is a decision management platform that allows enterprises to automate decisions and business rules in applications, without the need of modifying code.

ACTIVELY SEEKING ADD-ON ACQUISITIONS WITH THE FOLLOWING CRITERIA:

- DataOps platforms focused on the enterprise market with exposure to regulated markets such as financials services, insurance and/or government.



HQ: Denver, CO

[Visit Website](#)

Mersive Technologies is a leading provider of wireless display and analytics software focused on conference and huddle room meeting spaces in the education and Fortune 500 markets.

ACTIVELY SEEKING ADD-ON ACQUISITIONS WITH THE FOLLOWING CRITERIA:

- Digital signage and space management software focused on enterprise meeting rooms.

PLATFORM ACQUISITION TARGETS

Chemicals

- Coatings, Adhesives, Sealants, Elastomers (CASE).
- Chemical Distribution.

Specialty Materials

- Durable Labels.

Diversified Industrials

- Equipment / Machinery with an aftermarket services component.

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