

2021 Q1

ACTIVITY REPORT



OPENGATE CAPITAL
REALIZING POTENTIAL

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LETTER FROM ANDREW NIKOU

TO OUR BUSINESS ASSOCIATES AND FRIENDS

As we embark on a new year, I am optimistic that 2021 holds much promise and increased opportunity in the M&A market across North America and Europe. We are seeing positive indicators that the global pandemic is abating due to the rapid distribution of three remarkable vaccines, and like you, we cautiously await the days of once again hosting family gatherings and in-person meetings with our business associates.

At OpenGate Capital, our M&A activity has reached an all-time record volume with exit processes and new investment opportunities. We continue to focus on add-on investments as a strategic priority for driving growth, and product and market expansion across our portfolio companies in Europe and North America.

Our operations efforts continue to yield positive results across our global portfolio of companies, as we all collectively rise out of the deepest impacts of the pandemic felt nearly a year ago. Most importantly, we maintained our unwavering commitment to our people, a team of 45 professionals in the U.S. and Europe, and a portfolio of companies with 10,000 employees across the globe ensuring the safety and well-being of all.

As the pandemic took hold, we quickly developed a Covid-19 operational playbook, implementing our crisis plans to first ensure the health and safety of all our employees, and manage the stability of all of our investments. Through our continued collaboration with our management teams around the world, we took actions quickly and decisively, minimizing infection rates, avoiding heavy layoffs, and remaining hyper-focused on driving operational growth amidst a difficult environment. During this period, we also expanded our OGx® technology-focused platform, enabling our portfolio companies to enhance their operations and enabling OpenGate to view key performance indicators in real time.

OpenGate's continued strategy to collaborate with portfolio company management teams at all portfolio companies reflects our "main street versus wall street" approach. We believe that by working together to drive growth and innovation, we demonstrate our firm's strengths as a management-friendly investor that brings customized solutions, processes, and results to drive performance.

I am continually proud of our team's efforts to work collaboratively across our three core pillars: sourcing, execution, and operations. I firmly believe that our team is the heart and soul of our success and am humbled to lead them in further delivering value.

As always, we thank you for your continued support and look forward to working together in the year ahead.

Onward and Upward!



Andrew
Nikou,
OpenGate Capital
Founder and CEO

Andrew Nikou



OPENGATE PORTFOLIO COMPANY SMAC DIVESTS TWO DIVISIONS IN THE FIRST QUARTER OF 2021

SMAC COMPLETES SALE OF AXTER TO IKO

AXTER specializes in the design, specification, and implementation of multidisciplinary waterproofing systems.

SMAC COMPLETES SALE OF SKYLIGHTS DIVISION TO KINGSPAN LIGHT+AIR

Skylights Division includes: Skydôme, focused on the production of daylighting, ventilation, smoke evacuation, and roofing access systems, and Essemes Services, specializing in the installation of skylights and the maintenance of fire safety equipment

TRANSACTION SUMMARY

AXTER

- Completed March 1st, 2021
- The buyer, IKO, is a leader in global roofing and related products based in Canada

SKYLIGHTS

- Completed March 31st, 2021
- The buyer, Kingspan Light + Air, is a division of Kingspan Group Plc (ISEQ: KRX and LSE: KGP)

“

An integral aspect of our investment in SMAC was to complete the sale of certain, non-core businesses including AXTER and the skylights division. With this work complete, SMAC can sharpen its focus on its core business and customers.

**Fabien
Marcantetti,**

Managing
Director (M&A)

”



OPENGATE SIGNS AGREEMENT TO SELL BOIS & MATÉRIAUX (“B&M”) TO CHAUSSON MATÉRIAUX S.A.S



B&M IS ONE OF THE LEADING BUILDING MATERIALS DISTRIBUTORS IN FRANCE.

KEY BUSINESS HIGHLIGHTS:

- Headquarters in Pacé, France
- More than 2,100 employees and operations across the northern region of France with 135 branches and two main networks: Réseau Pro and PanoFrance

TRANSACTION SUMMARY:

- The buyer, Chausson Matériaux is a major French building materials distribution company including heavy-side, roofing, wood, insulation, tiling, tools, and hardware
- Chausson Matériaux is acquiring B&M as part of its strategy to enhance their building materials product offerings in France.
- OpenGate Capital acquired B&M in March of 2016 from Wolseley Plc (now Ferguson, Plc), representing the firm's second investment within Fund I
- Realized April 30, 2021

“

Our investment in B&M has been a journey of many successes, overcoming challenging market conditions, and prevailing during the year of the pandemic. I am grateful for the leadership of Yves Martin, and the dedicated team of people inside B&M.

Julien Lagrèze,
Partner & Head
of Europe

”





OPENGATE ACQUIRES SOLVAY'S AMPHOTERIC SURFACTANT MANUFACTURING BUSINESS, TO BE RENAMED VERDANT SPECIALTY SOLUTIONS

The Business is a key player in surfactants, with a focus on the production of amphoterics primarily utilized in body care, hair care, and home care products.

Investment Date:

Acquired April 30, 2021

Headquarters:

Three main production sites located in University Park, Illinois USA; Halifax, UK; Genthin, Germany; and Turkey

Transaction Type:

Carve-out from Public Seller

Acquired From:

Solvay S.A. (Euronext: SOLB)

Industry:

Chemicals

Workforce:

175 Employees

“

I am looking forward to working alongside the existing team and continuing their great work, as well as with the OpenGate team, which is an operationally focused, collaborative investor. There is a bright future ahead for the Business and I am excited to begin the work.

John Foley,

Appointed CEO;
Former Chief Executive Officer at ORG Chemical Holdings and Vice President & General Manager of Novacare

”



OPENGATE SIGNS AGREEMENT TO ACQUIRE SCIOTEQ AND TREALITY

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

Investment Date:

March 2021 (Announced)
Anticipated Close in Q2 2021

Headquarters:

Belgium & United States

Transaction Type:

Corporate Carve-out
from Public Seller

Acquired From:

TransDigm Group Incorporated
(NYSE: TDG)

Industry:

Aerospace & Defense

Workforce:

450 employees

ScioTeq



TREALITY
Simulation Visual Systems

“

One of OpenGate's key differentiators is our transatlantic investment strategy and operations capabilities. Even through the challenges presented by the pandemic, we were able to sign the ScioTeq and TREALITY investment opportunity. And, once we complete the acquisition, we have an opportunity to fully utilize our global operations team and build on the success of these businesses.

”

Joshua Adams,
Managing
Director (Business
Development)



OPENGATE ACQUIRES KONGSBERG PRECISION CUTTING SYSTEMS

Established in 1965, Kongsberg is a state-of-the-art, digital cutting business including high-speed cutting tables and related consumables and services. Kongsberg has a well-established heritage and expertise in providing continuously optimized clean, precision cuts at high speeds for packaging, signage, and display purposes.

Investment Date:

Acquired April 1, 2021

Headquarters:

Belgium, with locations in Norway and Czech Republic

Transaction Type:

Corporate Carve-out

Acquired From:

Esko (A division of US-based Danaher Corporation)

Industry:

Industrials: Capital Goods / Packaging

Workforce:

400 employees

KONGSBERG
Precision Cutting Systems

“

The acquisition of Kongsberg is an opportunity for OpenGate to bring innovative, digital solutions to improve operational efficiencies and drive organic growth.

Marc Veillas,
Managing Director
(Operations)

”



DURACO SPECIALTY TAPES ACQUIRES FILMQUEST GROUP

Second Add-on Expands Product Offering into Specialty Films Within the Flexible Packaging Market



FILMQUEST GROUP IS A PREMIER CONVERTER AND SUPPLIER OF POLYESTER (“PET”) AND SPECIALTY FILMS.

KEY BUSINESS HIGHLIGHTS:

- Headquartered in Bolingbrook, IL
- Specializing in coating, converting and metallizing all grades of PET film for use in the high-growth flexible packaging market under the trademarked Questar™ and Soft Touch product lines
- Workforce of more than 50 employees and will continue to be led by current President, John Felinski, as part of Duraco
- The add-on acquisition of Filmquest expands Duraco's product offering into specialty films within the \$18 billion, high-growth, flexible packaging market in the U.S.
- Filmquest will also benefit from Duraco's substantial investment in the company's commercial and operational capabilities to better serve its customers
- Second add-on investment completed for Duraco following the acquisition of Infinity Tapes in 2020
- Acquired February 26, 2021

“
The acquisition of Filmquest by Duraco is an incredible opportunity for our team. We look forward to expanding our business alongside Duraco and this partnership will allow us to better service our growing customer base.

John Felinski,
President of
Filmquest



SEEKING ADD-ON INVESTMENT OPPORTUNITIES

OpenGate is actively seeking add-on investments relating to the following portfolio companies:



Fiven (formerly SIKA) is a global leader in Silicon Carbide ("SiC") grains and powders, serving customers with industrial applications such as metallurgical feedstock, refractory materials, abrasive grains, filtration & environment, and technical ceramics. The business is headquartered in Norway and has additional facilities in Belgium and the Americas.

ACTIVELY SEEKING ADD-ON ACQUISITIONS WITH THE FOLLOWING CRITERIA:

- Manufacturers of consumable abrasive products
- Products may come in different forms, such as powders, grains, raw materials, or surface treatments
- Products may be those outside of just silicon carbide, including alumina, zirconia, boron carbide, and others
- Businesses preferably based in North America, Europe, South America, or Asia
- Businesses preferably have end market exposure to / applications in refractory, filtration & environmental, technical ceramics, armor & defense, aerospace & defense, energy generation & storage, and semiconductors



Aurotech is a provider of mission critical IT services and solutions to commercial and federal government customers.

ACTIVELY SEEKING ADD-ON ACQUISITIONS WITH THE FOLLOWING CRITERIA:

- Federal healthcare or civilian agency focus
- Capabilities in cybersecurity, operations/maintenance infrastructure and/or clinical trial support
- Exposure to Oasis and Alliant contract vehicles
- Strong business development, processes and past performance



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:

- North America or Europe HQ
- Solutions sold to enterprises, with emphasis on Business Analysts
- Exposure to Financial Services, Insurance, Healthcare and/or Government end markets
- Products of interest include BPM, Workflow Automation, ML, Low-code / No-code App Dev, RPA

OPENGATE ESG SPOTLIGHT: EVERZINC DRIVING NEW SUSTAINABILITY INITIATIVES

As a major leader in the production of zinc materials, EverZinc is aware of its responsibility to work in a way that is sustainable and ethical, with a positive economic, social and environmental impact on our society.



EVERZINC IS A LEADING RECYCLER

As a producer of zinc materials, the team at EverZinc acutely appreciates the importance of the global issue of climate change and actively seeks to reduce its environmental impact at every stage.

In 2020, 44% of the raw zinc material the company purchased was secondary zinc. This means that instead of being trashed, zinc is recycled and transformed for various applications ranging from feed grade, paints, ceramics, and rubbers.

While proud of its efforts in 2020, EverZinc continues its daily efforts in seeking new and innovative ways to minimize its environmental impact.



EVERGO CHALLENGE TO PLANT 12,000 TREES

In March 2020, EverZinc launched the EverGo! Challenge with the ultimate goal of planting 6,000 trees across Uganda, Chile, Denmark, Quebec, India, and Australia in partnership with One Tree Planted. EverZinc employees across the globe are raising money and participating in fitness challenges tracked by atlasGO ranging from running, biking, yoga, and even cooking.

In just a few weeks since launching the initiative, EverZinc employees exceeded the initial target, prompting another challenge to double the amount to 12,000 trees. The global workforce has all responded positively, ready to sweat even more for a great cause!

LOLABAT INITIATIVE

In January 2021, EverZinc participated in the launch of the LOLABAT (Long Lasting Battery) project to Paris, France.

The European LOLABAT project was awarded a Horizon 2020 program grant of more than €7 million by the European Commission to develop the next-generation batteries for stationary energy storage. Out of 44 proposals submitted to this work program (LC-BAT-8-2020), only three were shortlisted and chosen, indicating a success rate of 6.8%.

The objective of the LOLABAT project is to develop Ni-Zn battery chemistry that has the energy and power densities both highest after LiB batteries with a cost just above lead-acid batteries. All this while profiting from abundant and available raw materials, non-toxic elements, along with high safety, low risk of thermal runaway, limited environmental impact, and high recycling potential. LOLABAT will properly address the requirements of stationary energy storage developing NiZn with an impressive lifespan of 4000 cycles for 6 use cases in utility grid and industrial sites.

OPENGATE CONTACT

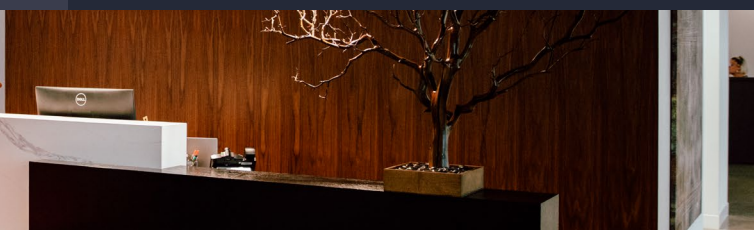
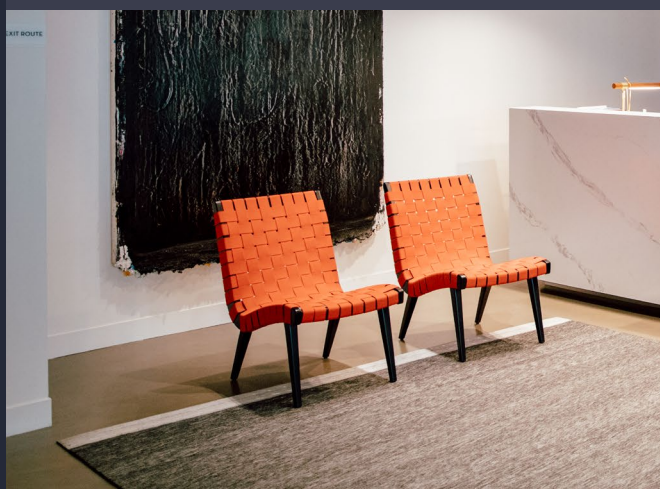
BUSINESS DEVELOPMENT INQUIRIES

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