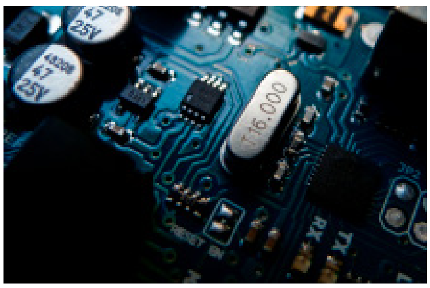
CLAIRFIELD INTERNATIONAL

CLAIRFIELD ANNUAL REVIEW 2018

A FRONT AND BACK LOOK AT M&A

CONTENTS



www.clairfield.com

LETTER FROM THE CHAIRMAN

WELCOME

Experienced business leaders know that precise information is a key to running a business efficiently.

We are living in an extraordinary time when data on any conceivable subject is at our fingertips. With ever more contents available, sifting through the noise to focus on what is relevant is a crucial discipline for any decision-maker. This is especially relevant when contemplating a strategic transaction. Are our sectors truly aligned? What can this investor bring to my company? Is now the right time for big strategic moves? What growth alternatives do I have and what do my shareholders say? How can a process be brought off with high transaction certainty and limited disruptions? Answering these questions requires real expertise.

Clairfield International has been accompanying businesses through transitions and strategic processes for almost 15 years. Our professionals are seasoned advisors. Every middle market deal is absolutely unique but all parties can benefit from advisors who know how to position and value a business, have access to strategic and financial players in an industry, and can identify and resolve issues before they derail any strategic process. Driven by a deep understanding of our strategic vertical industry sectors and outstanding local access to key corporate and financial contacts, we closed over 100 transactions in 2017. That means over 100 successes for the clients we represent. Our success is truly built on theirs.

This publication is intended to highlight what is happening in the world of mergers & acquisitions and where Clairfield International fits into that picture. We are pleased to have the contributions of some of our close associates – our clients, our senior advisors, and friends. Whether you are a longtime client or just embarking on a consideration of strategic alternatives, I am sure you find something here to interest you.

Alexander Klemm
Chairman

TOP 10

IN EUROPEAN MIDMARKET RANKINGS BY THOMSON REUTERS

TOP 20

IN WORLDWIDE MIDMARKET RANKINGS

80%

OF OUR MANDATES ARE INTERNATIONAL

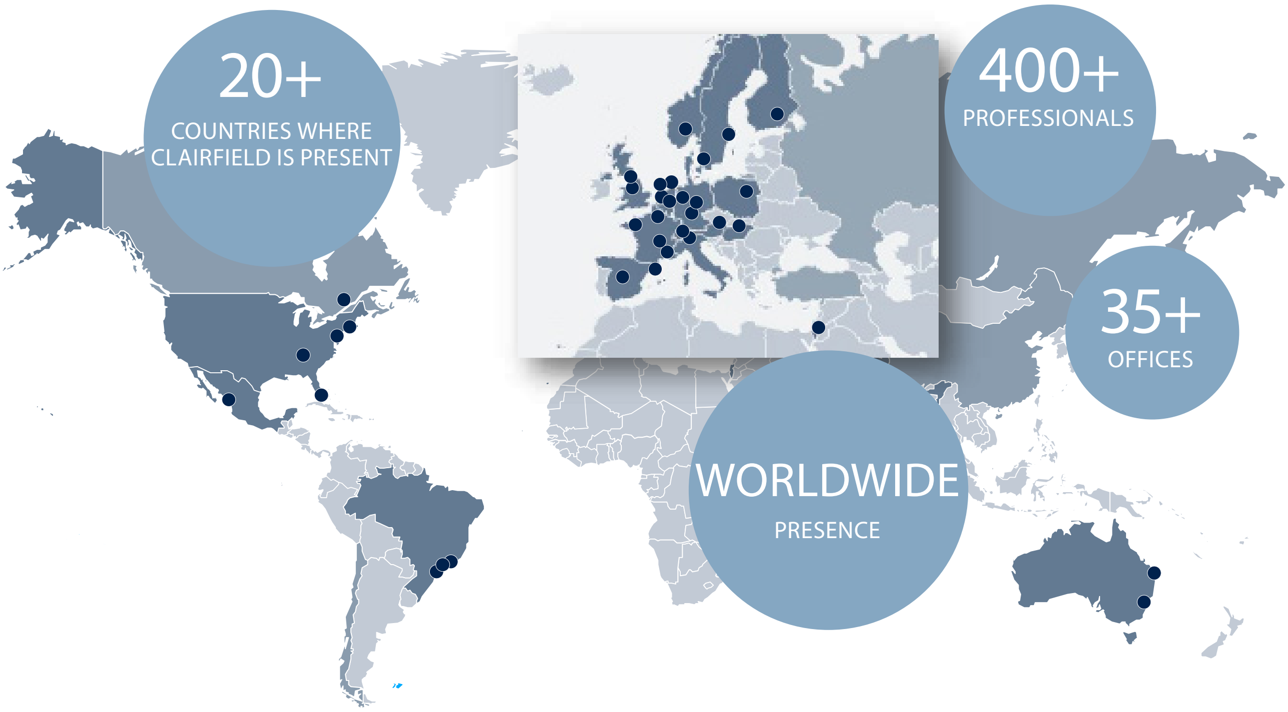
>1100

ANNUAL ASSIGNMENTS ON BEHALF OF CORPORATES, INVESTORS, AND FAMILY BUSINESSES

ABOUT CLAIRFIELD

Clairfield is a leading independent M&A advisor for midmarket deals

Clairfield was founded in 2004 by four European M&A boutiques and has since expanded to encompass all major economies worldwide. While Clairfield International continues to grow with the addition of knowledgeable partners in key markets, we are determined to preserve our strengths – entrepreneurial spirit, local expertise, industry know-how, and close bonds among all team members spanning the globe.



WE PROVIDE

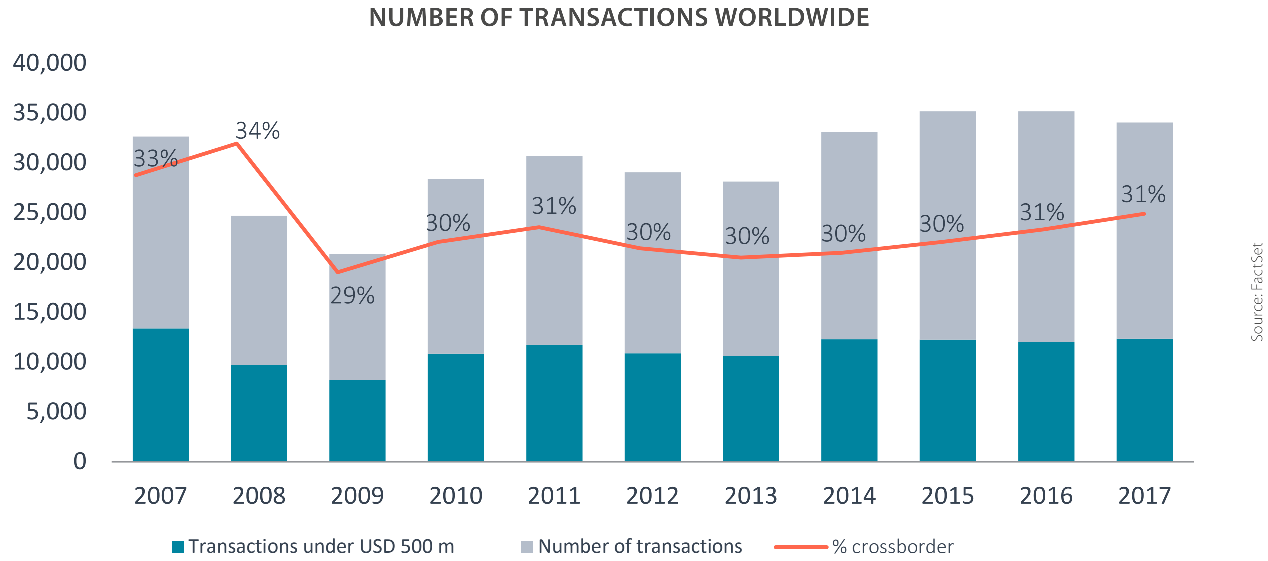
- Expert corporate finance and capital market advisory services for creative solutions that build long-term value
- Sector expertise, local knowledge, global coverage
- Understanding of the complexities of the middle market

WE SERVE

- Multinational companies
- Family businesses
- Financial investors

CLAIRFIELD INTERNATIONAL

THE YEAR BEHIND



Robust economic indicators coupled with strategic imperatives has led to blockbuster M&A activity in 2017 with all indications of continuing for the year to come.

Worldwide deal values in 2017 continued to break records with totals well over USD 3 trillion for the fourth consecutive year. The volume of transactions also reached a record of approximately 50,000 deals worldwide, an increase of 3% over 2016 and the strongest year ever tracked. Crossborder deal volumes remain steady at just under a third of the total number of deals, and slightly greater in the middle market.

In Europe, the M&A year started cautiously due to various populist threats in politics and uncertainty of several important elections, notably in France and Germany. Confidence in the market grew after the elections mostly returned stable candidates. Supported by healthy fundamentals, deal activity increased and by the end of 2017 Europe showed the highest cumulative deal value since 2012.

In the United States, deal volume remained steady with a small dip in deal value. Although slightly down from 2016 activity, the M&A markets remained active in 2017, led by the middle market, with the trend likely to continue in 2018 due to some key catalysts for transactions including levels of cash on corporate balance sheets and private equity dry powder.

Dealmaking in Asia is reaching record highs, reflecting the region's positive industrial, political, infrastructural, and urban development. However, the mix has vastly changed: while outbound deal values dropped by more than half in 2017 – mainly because of the Chinese government's regulation of foreign investments – inbound activity was lifted by almost 25%. This trend will remain unchanged as long as China restricts outbound M&A to "business-critical" investments and insists on stressing the returns these investments will bring to the country. Meanwhile, the stable political and economic environment in Australia made it the most targeted country across Asia Pacific.

> "SOLID MIDMARKET BUSINESSES WILL ALWAYS FIND A BUYER IF BOTH PARTIES HAVE REASONABLE EXPECTATIONS ON VALUE."
>
> Giuseppe R. Grasso
> Partner (Milan)

AND THE YEAR AHEAD

Private equity investment remained flat in 2017 and the value of such investment also declined slightly even as dry powder is reaching record levels. We expect that to play out in 2018 with a very active private equity market, joined by an increasing number of family offices that are seeking direct investments. The higher levels of competition will lead to premium prices being paid by private equity.

In the middle market where Clairfield operates, after a steady recovery, deal volumes leapt by 20% in 2010 and have remained high ever since. In 2017 over 12,000 midmarket deals were announced worldwide, with Asia Pacific as the most popular region representing 35% of the total, North America at 34%, and Europe at 25%.

So what is in store for 2018? Can the momentum be sustained? The strong economic environment, the strategic necessity of acquisitions, and the availability of attractive targets would all point to a resounding yes.

Laying the groundwork for a strong M&A market, economic metrics are extremely positive with continuing growth and consumer and business confidence. GDP and unemployment rates are at similar levels to before the economic crisis. Interest rates are low with cheap financing readily available and dry powder is at an all-time high.

Secondly, there are powerful strategic imperatives that will drive dealmaking in 2018. Technology is changing the way business is done and blurring lines between sectors. Technology plays a big role in M&A as businesses factor where they need to shore up technical expertise into their strategic decisions.

The third essential element is the availability of targets. We seem to be at a pivotal juncture regarding companies coming to maturity and joining the market. Many established family businesses have a new generation taking over with the corresponding succession issues. We have also noted that the life cycle of companies has quickened due to advances in technology, and they are often ready for new investment and direction after just a few years in existence.

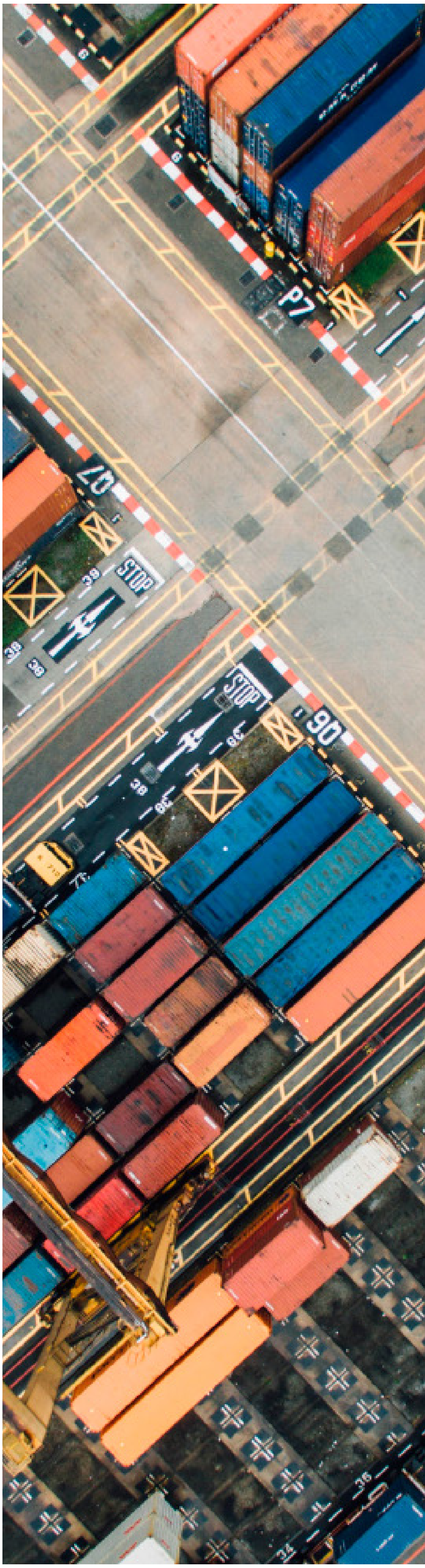
After nine years of record-level growth, a correction may be due that would impact economic confidence. There are also risks from both the political and financial arenas. The fear of globalism, leading to economic restrictions on international trade, may have an impact on activity. Hard Brexit, euroskepticism in general, and the weakening of NAFTA are real concerns, as are anti-status quo politicians across Europe and the Americas and international security threats. Brexit could roll out in a number of ways and will be the largest issue looming over the region in 2018 and well into 2019.

These concerns are not new and markets thrived last year despite great uncertainties. Market-friendly, pro-EU administrations are governing throughout Europe. Protectionist policies have not been implemented in the US, contrary to what many feared. A more integrated world in which other nations take the lead without the central role falling to the US may well be the result.

With robust economic fundamentals, investor confidence at an all-time high, and a certain strategic urgency behind M&A, we forecast a peak year for deal activity.

CLAIRFIELD SECTORS

CLAIRFIELD SECTORS



Business leaders frequently cite detailed industry knowledge as an essential characteristic of a financial advisor. Such knowledge enables understanding of value drivers, guides financial expectations, and facilitates quick access to important international players as well as smaller but no less vital local companies. At Clairfield International we have been building the sector expertise of our teams since our founding in 2004.

Clairfield International focuses on six strategic verticals:

- Business & financial services
- Consumer & retail
- Energy, cleantech & resources
- Healthcare
- Industrials
- Technology, media & telecommunications

Clairfield sector teams allow clients access to experts in their industries not just on a local level but all over the world. Our frequent sector meetings provide a unique opportunity for sector experts to get together to share research and discuss issues, challenges, and value drivers.

Within our sector groups, we further focus on subsectors of particular relevance to the middle market. This concentration on specific segments enables us to delve into worldwide trends, become closely acquainted with the main consolidators, and establish relationships with local companies that are shared with our international partners.

Supporting our sector teams is a worldwide panel of senior advisors. Clairfield International's senior advisor group, consisting of corporate business leaders with years of executive and board-level experience in their fields, enhances our sector work with extensive contacts and knowledge of industry. Drawing on years of strategic and board-level experience in their fields, Clairfield's advisory group has contacts at the most important companies in the industries, as well as intimate knowledge of smaller local players. Senior advisors play an important role in connecting Clairfield's clients to appropriate counterparties worldwide, offering midcap companies a much-needed level of access.

CLAIRFIELD INTERNATIONAL

6
STRATEGIC SECTOR VERTICALS

20
DEDICATED SUBSECTOR SPECIALIST TEAMS

60
INDUSTRY ADVISORS

INTEGRATED M&A AND CAPITAL MARKETS EXPERTISE

"WE HAVE SEEN AGAIN AND AGAIN HOW OUR ROLE AS INDUSTRY SPECIALIST COMPLEMENTS OUR M&A TRANSACTION MANAGEMENT."

Brian O'Hare
Partner (Barcelona)

BUSINESS SERVICES

KEY TRENDS

- The services sector, particularly in Europe, has made an outstanding recovery.
- Niche specializations are on the rise.
- The demand for tech specialists is leading to a skill shortage.
- Automation first took over factory jobs and is now disrupting back office and call center businesses.
- Protectionism in the US poses a threat to countries where work is outsourced.

JARLE MORK
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We have been seeing a pattern of consolidation by both large and mid-sized companies as they seek to acquire new capabilities, while private equity and international interest remain strong. Technology increasingly plays a role in strategic decisions across the entire roster of service providers.

At Clairfield we understand the links between technology, services, and industry. Clairfield's business and financial services team is comprised of 50 seasoned M&A professionals throughout Clairfield's locations worldwide, as well as advisory board members who have close ties to the most important companies in the sector.

Clairfield has a specialized office in London that focuses exclusively on the financial services sector, which is widely forecast to be one of the most active sectors in the year to come.

France

The managers and founders of

Groupe ALAINE

took over 100% of the shares in a sponsorless MBO

Transportation & logistics

Brazil/US

PACTO

was sold to

Manheim

Vehicle remarketing

Germany

FAS

merged with

wts

Consulting services

Denmark

UMWELT

sold a minority stake to

Bording

Marketing

BUSINESS SERVICES: ASK THE EXPERT

Q&A WITH KARL GERNANDT

WHAT ARE THE DRIVERS OF TODAY'S LOGISTICS BUSINESS?

The world has changed rapidly in recent years, driven by ever evolving, fast-paced consumer needs that have created new norms and dynamics in global trade. We see a dissolving line between B2C and B2B in business with technology driving data. These new dynamics are fueling strong growth in logistics, far above the growth rate of global GDP. Interestingly truly global products such as the iPhone or Big Mac are few and far between. However the same consumer behavior trends can be observed worldwide.

HOW IS GLOBALIZATION PLAYING A ROLE IN THESE DYNAMICS?

Consumer demand runs high with an expanding Asian workforce and resulting wealth creation, and increasing urbanization. 86 cities in China alone now have more than 5 million inhabitants. This staggering development, coupled with policies of Chinese leadership to create "wealth for all", drives imports and globalization. Logistics groups have developed global fulfillment capabilities that can transport goods to meet peak demands. For instance, on the latest Singles Day at Alibaba, consumer sales totaled USD 25 billion – lots of goods to be shipped in short time-frames! Globalization will continue and shift demand patterns away from the US and Europe to African and Asian countries, a trend which is already well underway. "Anytime, anywhere and anyhow individualized" - these are the unstoppable drivers behind e-fulfillment.

HOW HAS KÜHNE + NAGEL ADAPTED TO THE CHANGING LANDSCAPE?

International groups such as ours are at the forefront of these developments in the crossover of sea, air, land, and rail logistics. Demonstrated sector capabilities in seven strategic industries makes Kühne + Nagel a partner of choice as we are able to combine our expertise in freight forwarding with IT solutions that suit customer requirements. Technology continues to be a game changer for productivity improvements, a positive user experience, and excellent customer service. This enables logistics providers to become real strategic partners in their customer's value chain.

For corporate leadership, this means continued vigilance of cost control to ascertain the correct leverage of benefits. We must capitalize on digitalization as a game changer for productivity improvements and invest in new opportunities. Acquisitions are an integral accelerator for our strategy to expand value and dig deeper into specialized supply chains. Big data and predictive analytics, artificial intelligence, block chain, and robotics are especially interesting for their potential to improve efficiency in logistics.

KARL GERNANDT

EXECUTIVE CHAIRMAN

Kühne Holding

Karl Gernandt is executive chairman of Kühne Holding AG, which is invested in container shipping group Hapag Lloyd, rail group VTG, and holds the majority in Kühne + Nagel International AG, the Swiss-listed international freight and logistics group. Kühne + Nagel has a market capitalization of CHF 21 billion.

Karl Gernandt has been a keynote speaker at Clairfield's business leadership events for CEO-level executives.

BUSINESS SERVICES: DEAL SPOTLIGHT

CLAIRFIELD ADVISED ETERNI GRUPPEN, SPECIALIST STAFFING COMPANY, ON SALE TO PRIVATE EQUITY

Eterni Gruppen AS, one of Norway's leading temporary staffing service companies, sold a majority share to Herkules Private Equity Fund IV. The management of the company is reinvesting and retains a minority stake.

ETERNI

was sold to

Herkules Capital

CLAIRFIELD ROLE

Five years after founding the company, Eterni had become the fifth largest temporary staffing company in Norway in a segment that is dominated by international companies. The owners realized that it was time to start the next phase of growth. Clairfield was appointed the exclusive financial advisor because of our capital and expansion experience. Jarle Mork, head of the business services sector group, was the lead dealmaker on the transaction. He skillfully negotiated a transaction with Herkules Capital, a private equity firm with other investments in services. The transaction required exceptional handling due to political considerations over the role of temporary staffing on the national stage. The company nevertheless saw interest from multiple private equity houses and the investment has had a flying start.

PROFILE OF THE COMPANIES

ETERNI

Founded in 2011 by Rune Myrseth, Eterni is one of the leading temporary staffing service companies in Norway. Over the past five years, Eterni has achieved a significant market share and in 2016, the company was ranked the 6th largest staffing service company in Norway. The company is headquartered in Bergen, Norway, with additional sales offices in Oslo and Trondheim, and sourcing offices in Poland, Lithuania, and Slovakia. Eterni has 37 employees and approximately 800 temporary workers on contract for clients. Eterni serves mainly two key industry verticals: the construction industry and the fish and food processing industry. Eterni's management team has long experience in the industry and has established a highly commercial corporate culture. Eterni had revenues of NOK 355 million and an EBITA of NOK 22 million in 2016.

Herkules Capital

Herkules is a leading private equity firm in Norway and has raised funds totaling about NOK 15 billion. It invests in companies located in the Nordic region, primarily in Norway, and acquires majority interests in established businesses with strong growth potential, such as Eterni.

CONSUMER & RETAIL

KEY TRENDS

- Consumer & retail companies are expanding into emerging markets.
- Rising internet penetration is challenging traditional sales models.
- Health and wellness products are a key growth sector.
- Product innovation is key as customer demands become more sophisticated.
- Fluctuating commodity prices and rising labor costs present future business challenges.

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Global consumer confidence reached a record high in 2017 as countries benefited from strong job markets, rising incomes, record low unemployment, and low inflation. This translated into an active M&A market, with a number of large consumer and retail deals completed in 2017.

We expect M&A activity to remain strong in 2018 as consumer and retail companies pursue global expansion strategies and seek to expand their product portfolios with new, innovative products. With digitization becoming a focal point of strategy, we also anticipate that consumer and retail companies will seek to expand their technological capabilities to optimize customer engagement and benefit from new routes to market.

Clairfield's consumer team has dedicated experts in the areas of foodservice, agribusiness, food ingredients, seafood, branded foods, clothing retail, and e-commerce. In addition to advising midcap companies on their sale processes, we are proud to serve as the advisor of choice to several multinationals on their international acquisitions.

Japan/Belgium/Spain

AJINOMOTO acquired a majority stake in Agro2Agri through its subsidiary OmniChem Ajinomoto

Food & chemicals

France/Israel

was sold to Frutarom

Flavor producer

Denmark

Friluftsland was sold to Fenix Outdoor International AG

Outdoor retailer

Canada/Iceland

Financing for Ocean Choice International in its purchase of equity from Vísir

Seafood products

CONSUMER & RETAIL: ASK THE EXPERT

STEPHEN BENDER

CHIEF FINANCIAL OFFICER

Bidcorp Foodservice Europe

Stephen Bender is CFO at Bidcorp, a listed South African company that generates EUR 10 billion in revenues. Bidcorp operates globally in wholesale distribution of frozen, chilled, fresh, and dry foodstuffs, as well as ancillary products, mostly to B2B clients in the HoReCa market.

Q&A WITH STEPHEN BENDER

WHAT TRENDS ARE YOU SEEING IN THE FOODSERVICE INDUSTRY?

As in all industries, technology is disrupting foodservice. There will be continual changes in the coming years. For now we see this most in the need for e-commerce solutions. We are also investing in state-of-the-art warehousing that is prepared with the newest technologies.

Ultimately, however, our business is all about the importance of high-quality fresh and healthy food. Interest in localism, wellness and sustainability is a worldwide trend that dovetails perfectly with our philosophy.

WHAT ARE YOUR STRATEGIC CONSIDERATIONS?

We've been very successful in our strategic growth, thanks to choosing the right local partners.

We do not hurry this process and prefer steady growth and the right decisions to rapid expansion. When we find the right target we understand the importance of strong local brands and will co-brand with our new acquisitions. it is important for Bidcorp to partner with independent local businesses as our philosophy is to support local food producers and regional specialties wherever possible.

There is still a lot of future potential in CEE and emerging markets. We are also building on our platforms in Spain, Italy, and Germany.

HOW HAS CLAIRFIELD INTERNATIONAL HELPED YOU IN ACHIEVING THESE GOALS?

We first used Clairfield for help in identifying targets in Italy and were very pleased with the thoroughness of the search and reach into truly local markets. We found the perfect target for Bidcorp's Italian market entry in Gruppo DAC, though it was a difficult transaction where it took several years to convince the sellers.

From there we were happy to be advised by Clairfield again for our German platform acquisition. Once again we were very pleased with the identification of targets that can fall under the radar. The process this time was smooth and painless.

WE ARE PROUD TO SERVE AS THE ADVISOR OF CHOICE TO INTERNATIONAL COMPANIES SUCH AS BIDCORP

Clairfield International is pleased to be selected as a trusted advisor to multinational companies on their midmarket transactions. Repeat business demonstrates our clients' satisfaction with the quality of our advice, our international team, and transaction processes. Both of the acquisitions on which we advised Bidcorp involved understanding synergies the targets brought to the transactions and skillful handling of expectations of all parties. The foodservice sector is one that Clairfield follows in depth and we are knowledgeable about the drivers of business, financial metrics, market participants, and M&A opportunities.

Bidcorp

acquired a majority hareholding in

PIER 7
FOODS AROUND THE WORLD

CLAIRFIELD ADVISES BIDCORP ON THE ACQUISITION OF PIER 7 FOODS

Bid Corporation (Bidcorp) of South Africa acquired a majority shareholding in Pier 7 Foods, based in Gröbenzell, Germany, securing entry into the lucrative German food service market.

The acquisition of Pier 7 Foods accomplishes Bidcorp's objective of market entry into Germany. Pier 7 Foods delivers to the food and gastro-hotel industry in Germany and Austria on a 24/7 basis through captive warehouses and its own fleet of trucks. Customers include well-known restaurant chains and hotels.

Bidcorp

acquired a majority hareholding in

Gruppo DAC
eccellenza per la ristorazione

CLAIRFIELD ADVISES BIDCORP ON THE ACQUISITION OF DAC GROUP S.P.A

Bidcorp (at the time part of The Bidvest Group Limited) acquired a majority stake of DAC Group S.p.A.

The acquisition is part of Bidcorp's strategic expansion plans in the foodservice division that, thanks to this acquisition, will create a hub to deliver authentic *Made in Italy* products through its companies worldwide. At the same time, after experiencing strong growth in the domestic market, DAC will be able to strengthen its expansion strategy abroad.

CONSUMER & RETAIL: DEAL SPOTLIGHT

CLAIRFIELD ADVISED THE OWNERS OF G. FUNDER ON ITS SALE TO LEMVIGH-MÜLLER

SAM Partner, a Danish sourcing company for non-food retail, sold G. Funder A/S to Lemvigh-Müller A/S. G. Funder is a well-known brand-owner of rope, brooms, brushes, and cleaning equipment for the DIY sector. Lemvigh-Müller A/S is one of the largest B2B distributors of steel products, sanitaryware, and technical products in the Nordic region.

SAM Partner A/S was already a large supplier and sourcing partner for DIY goods in other areas, and post-transaction it continues as a supplier for G. Funder A/S and Lemvigh-Müller A/S.

G.FUNDER

was sold to

LEMVIGH-MÜLLER

CLAIRFIELD ROLE

The consumer group at Clairfield International was able to provide background information from a long and important track record including the recently closed sale of the UK company Harris, a brand-owner in painting tools and brushes, to Orkla Household in Norway. This shared expertise proved valuable in preparing the case.

With the help of an international team in the Nordic region, Germany, Benelux, France, and Italy, a list of international buyers was identified and contact was initiated. Ultimately the transaction finalized with a national buyer. Clairfield know-how in the consumer sector and exposure to international buyers was invaluable in the information-gathering phase as well as in the completion of the deal, providing pricing tension in a competitive process.

TRANSACTION RATIONALE

SAM Partner had acquired G. Funder in 2015 and conducted a successful turnaround focused on more efficient sourcing in just 22 months. As a sourcing specialist, SAM Partner recognized that once that task was completed, another owner would be needed to develop G. Funder even further.

Lemvigh-Müller A/S was considered an outsider as a potential buyer but an internal strategic process prior to the transaction resulted in a decision to invest further in the DIY market. Although Lemvigh-Müller is primarily a distributor of well-known brands, with this acquisition the company also becomes a brand owner and almost doubles its activities in the DIY sector in Scandinavia. It was a competitive process but ultimately Lemvigh-Müller A/S was a perfect buyer as not only did it make the best offer for the company but it will also continue to use SAM Partner as a sourcing partner going forward.

ENERGY, CLEANTECH & RESOURCES

KEY TRENDS

- Renewable energy production exceeded even the highest forecasts and will become the energy source of choice globally.
- Energy efficiency policies gained further momentum reducing total energy consumption by 12% in 15 years.
- Regulatory framework is changing from feed-in-tariffs to market-based auctions resulting in margin compression along the value chain.
- All players will be affected by the margin pressure, hence we foresee accelerated M&A activities due to the expected consolidation play.

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DEAL SPOTLIGHT

Veronagest

sold its

282 MW wind portfolio

to

F2i Fondi italiani per le infrastrutture

Veronagest sold a wind portfolio, comprising seven energy plants operating in Sicily and Calabria with aggregate installed capacity of 282 MW, to F2i's Secondo Fondo. Clairfield International advised Veronagest.

Veronagest, one of the main players in the renewable energy sector in Italy, has built a 350 MW strong portfolio of wind farms and a 65 MW strong portfolio of solar farms since its founding in 2005.

F2i is an Italian asset management company, created in 2007. It is the largest infrastructure fund operating in Italy and is among the principal funds in Europe.

Through this acquisition, F2i continues to grow in the renewal energy sector, with the objective of fostering the development of large specialized operators able to harness significant operational and financial efficiency. The deal size was EUR 480 million.

ENERGY, CLEANTECH & RESOURCES: ASK THE EXPERT

MARCUS JENTSCH

SENIOR ADVISOR

Energy & Cleantech

Clairfield International

Marcus Jentsch is the former CFO of juwi AG and head of finance of MVV Energie AG (a stock-listed utility group). He is currently a senior advisor at Clairfield for the energy & cleantech sector.

Q&A WITH MARCUS JENTSCH

HOW HAS THE ENERGY AND ELECTRICITY LANDSCAPE CHANGED OVER THE PAST DECADE?

First of all, technology advancements have allowed us to directly transform radiative energy from the sun and mechanical energy from wind into electricity, which lowered production costs significantly. Secondly, as costs came under control, solar and wind energy started to gain popularity and traction, which was mainly a result of regulatory pressures towards renewable energy in order to reduce air pollution and greenhouse gas emissions. Ultimately, the increased availability of electricity supports its adoption on a global basis.

WHAT DO YOU THINK IS A REALISTIC SCENARIO FOR THE DECADES AHEAD OF US REGARDING THE ELECTRICITY & ENERGY SECTOR?

There are major trends that will continue to disrupt the energy sector:

- Diffusion of renewables: In 2016, solar alone produced 1.3x more electricity than the highest forecast in 2007 for 2020, and wind produced 1.1x more. With solar panel installation prices 60% below those forecast and installation growth of 50% over the last five years, renewable power will become the energy source of choice globally.
- Energy efficiency: As the regulatory environment wiped out the correlation between energy consumption and GDP growth, energy efficiency policies reduced total final energy consumption by 12% within 15 years. Considering that investments in energy efficiency are often more efficient than further investments into fossil fuels, this trend will continue further.
- Change in regulation: As renewables will successively reach grid parity globally, there is an increasing pressure to change the regulatory framework from former feed-in tariffs and tax reliefs to market-based auction systems. This is what we currently see in Germany, for example, one of the largest promoters of renewables. The consequences of this trend are manifold, but clearly there is margin compression along the entire value chain for renewables. However, renewable companies will be affected differently depending on which stages of the value chain they cater to.
- Digitization of the grid: Although in its early years, the concept describes the integration of digitally advanced technology within the existing grid. Whether it's uneconomic utilization of existing infrastructure, inefficient end-use devices and generation, or simply better ways to predict maintenance on assets using analytics, there's a lot of value available to be harvested.

- Energy storage development: While gaining public interest in recent years due to developments in electricity storage capacity for electric vehicles, the advancements in storage technology remain irrelevant to a global energy balance perspective. In the next decades, we can expect further advancements with the power to effectively balance the volatility of supply and demand of electricity. The close cooperation of electric vehicle manufacturers, innovative battery technology firms, and IT and infrastructure providers will be key for success.

WHAT ARE THE BIGGEST CHALLENGES YOU SEE IN THE ENERGY INVESTMENT LANDSCAPE AND POTENTIAL M&A DRIVERS?

Because of the dynamic shifts in the energy sector, the business has changed dramatically, challenging traditional business models of energy utility companies. That resulted in changes of the risk-reward profile of investments in physical assets.

On the one hand, since innovative technology requires long-term commitment, the typical venture capital time horizon of 3-5 years is simply too short. The math speaks for itself: Only half of the USD 25 billion VC invested between 2006-2011 in physical cleantech assets was returned to investors. In contrast, VC investments in software-related cleantech returned 3x to investors, because of much shorter lifecycles and necessary startup capital.

On the other hand, against the background of future market-based regulation there is a continuous trend of price erosion for PV modules and wind turbines while performance is constantly improving. However market pressures are too heavy for manufacturers alone to reap the cost benefits needed. All players, in particular, project developers, land owners, investors, and grid operators will be affected by margin compression. Renewable energy companies that lack economies of scope and scale will lose out and eventually pave the way for acquisitions, cooperation, and market exits. Hence we foresee accelerated M&A activities due to the expected "consolidation play" in the sector.

HEALTHCARE

KEY TRENDS

- Demographics, and specifically, aging populations, make healthcare a key sector.
- Most experts predict a significant increase in deal activity in 2018.
- We expect further out-of-the-box vertical mergers as we saw with CVS' bid for Aetna.
- For the midcap sector, health technology is a segment to watch, as well as anything related to cost-saving measures.

JACK HELM

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Healthcare is an active sector for Clairfield International and we have a very long track record, particularly in residential care and services, over-the-counter medications, medtech, and the dental segment. Our healthcare team focuses on advising midcap clients, whether assisting with a growth strategy or going through the process of selling a business. Drawing on years of strategic and board-level experience in pharmaceuticals, life sciences, clinics, residential care, and devices, we have contacts at the most important companies in the industry, as well as intimate knowledge of smaller local players.

We are privileged to work with an advisory group that plays an important role in connecting Clairfield's healthcare clients to the best counterparties worldwide, offering midcap companies a much-needed level of access.

US	Australia/China	Norway/Denmark	UK
CML Healthcare acquired 777 Partners	BJP Laboratories Pty Ltd sold a majority stake to **DZG Investments Pty Ltd**	Gjensidige acquired Molholm Forsikring	NewReflexions was sold to Bridges Ventures
Healthcare financing	Pharmaceuticals	Health insurance	Residential care

HEALTHCARE: DEAL SPOTLIGHT

CLAIRFIELD ADVISED HEPRO GROUP ON ITS SALE TO ADDLIFE

The private equity shareholders of Hepro Group sold the three companies in the Hepro Group to the listed Swedish company AddLife. Hepro Group develops and markets welfare technology and assistive equipment that allows elderly people to live safely in their own homes. The majority shareholder of Hepro Group was the Norwegian private equity fund Nord II, based in Tromsø, Norway. This transaction was the first exit from the fund.

HEPRO -easy life

was sold to

AddLife

TRANSACTION RATIONALE

The acquisition of the Hepro companies represents a strategic entry for AddLife in the field of home care in Norway, while laying the foundation for continued expansion in an attractive growth area. The acquisitions are also an excellent addition to Svan Care AB, a company acquired in 2016. The Hepro Group markets parts of Svan Care AB's line of products on the Norwegian market, while Svan Care AB markets parts of the Hepro Group's line of products on the Swedish market. Addlife will continue the positive development, especially in the digital welfare technology segment.

"This is also a confirmation that active ownership can help develop northern Norwegian companies to gain attraction in international markets. It will be valuable for the individual company and over time help attract private risk capital to the region," says Bjørn Hesthamar, managing partner of Nord Kapitalforvaltning.

With a growing and aging population throughout the Nordic region, there is a strong need for assistive equipment for home care, and it is only expected to grow stronger. The acquisition involves functional products and digital welfare technology that will provide greater independence, activity and security for people with disabilities."

- Kristina Willgård, CEO of AddLife.

PROFILE OF THE COMPANIES

The Hepro Group is the leading Norwegian company in development, design, and marketing of assistive technology for home care and welfare. Its products include special chairs, lifts, and devices to facilitate healthcare and social services in the home, a market undergoing strong growth.

AddLife is an independent player in the life science sector, offering high-quality products, services and advice to the private and public sectors, above all in the Nordic region. AddLife has about 550 employees in some 30 subsidiaries that operate under their own brands. The Group has annual sales of about SEK 1.9 billion. The company is listed on NASDAQ Stockholm.

Nord Kapitalforvaltning AS was established in 2011 to provide investment advisory services for private equity funds. The company is the first and only private equity company focusing on buyout and capital growth strategy in northern Norway.

INDUSTRIALS

KEY TRENDS

- Industrials has been a resilient performer in spite of uncertain political times.
- A key driver has been a high level of exports supported by growth in the Eurozone and depreciation of both sterling and the dollar.
- Worldwide intentions to make investments in infrastructure reflect a high degree of optimism.
- The sector has also indicated capital investments.
- Demand from private equity remains high.

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The landscape for industrials certainly looks rosy with boosts from planned large-scale infrastructure projects worldwide, and investments by companies in capital equipment and new technologies.

One of the most exciting innovations has been the shift to electric vehicles (see interview, next page). As electric propulsion technologies further advance and decrease in price, more manufacturers will begin to offer affordable and efficient electric vehicles. The main powertrain components of battery-powered vehicles are half the cost of combustion engine vehicles, and the high price of batteries has started to decrease driven by investment in battery technology by firms such as Tesla and Dyson.

The shift in automotive technology is already affecting M&A, with electric technology firms becoming prime targets for OEM and Tier 1 manufacturers as they develop and grow their electric capabilities. Materials technology businesses have also become ideal targets for the automotive supply chain as manufacturers seek lighterweight materials.

Industry 4.0 is another exciting development. This fourth industrial revolution sees advanced machinery and industrial processes connected via the Internet of Things to create highly efficient systems that reduce human input while generating new data streams that allow business to pursue further efficiency and operational improvements. Manufacturing, though heavily robotized in some areas, still uses large amounts of human capital.

Understanding Industry 4.0 and how it will impact the workforce is vital to improving efficiency and productivity. The significant capital investment required to implement Industry 4.0 means business leaders need to be able to make informed investment decisions in order to best utilize new technologies.

We expect a two-fold impact of industry 4.0 on the industrial M&A market. Firstly the capital investment made by businesses on high tech machinery and processes boosts efficiency and profits, which naturally leads to higher valuations. Secondly, investment in industrial technology makes businesses more attractive to potential buyers, raising deal multiples, as buyers won't need to make the capital investments themselves.

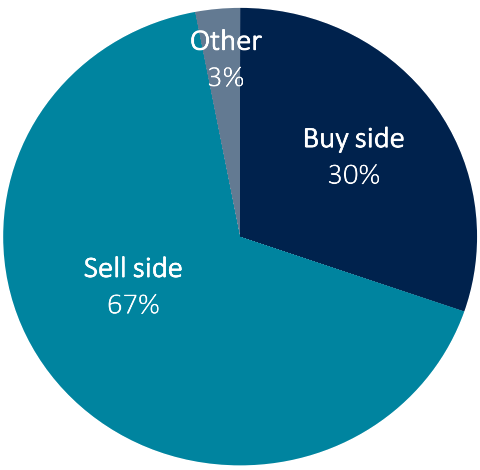
INDUSTRIALS AT CLAIRFIELD INTERNATIONAL

Industrial deals comprise almost a third of all M&A transactions we close at Clairfield. We have observed with our own sell-side clients in the sector that they are attracting premium prices with both strategic and financial buyers. Private equity is demonstrating an appetite to match or exceed trade buyer pricing. It is an exciting time to consider a strategic process.

Clairfield has contacts to management at the major global players in industry and solid inroads to local market players through our industry advisors. Our proprietary research in industrial segments shows our expertise. The insights and support of our dedicated crossborder team helps all our industrial clients achieve the optimum outcome for their transactions.

Areas of special focus:

- Aerospace
- Automotive
- Building products
- Capital equipment
- Chemicals
- Emerging cleantech technologies
- Packaging



Ranked 8th WORLDWIDE FOR DEALS IN MATERIALS

Ranked 12th WORLDWIDE FOR INDUSTRIAL DEALS

*THOMSON REUTERS MIDMARKET LEAGUE TABLES

Italy

ATOP was sold to IMA Sustain Ability and Charme Capital Partners

Industrial automation

France/US

ADB SAFEGATE was sold by PAI Partners to The Carlyle Group (Global Alternative Asset Management)

Airport solutions

Mexico

Grupo GMI received an investment from ACON

Modular construction

Poland/Sweden/Germany

IOW was sold to Axel Johnson International

Industrial components

INDUSTRIALS: ASK THE EXPERT

Q&A WITH ROBERT STANEK

WHAT MAJOR TRENDS ARE YOU SEEING ACROSS THE AUTOMOTIVE INDUSTRY AND WHAT CHALLENGES AND OPPORTUNITIES DO THEY REPRESENT?

We see four megatrends affecting the industry worldwide:

- General digitalization and accompanying technologies like the Internet of Things and artificial intelligence: User acceptance and the appeal of cars can be increased and new business models and revenue streams can be developed by exploiting synergies with the data collected from connected vehicles.
- Autonomous driving: Consumer interest is shifting away from design and performance to safety and comfort, starting with things like parking assistance systems. We are also seeing demands for data protection.
- Car-sharing and mobility as a service: We are seeing a paradigm shift where private passenger car ownership is becoming less important as a status symbol, especially in urban environments. The concept of personal mobility as a service will result in new business models.
- Electric vehicles and their drive train systems show significant efficiency enhancements and cost improvements. Charging of electric vehicles is an infrastructure issue that offers tremendous opportunities for filling stations, parking garages, and freestanding hubs. Payment solutions for these charging stations represent another field of opportunities for new players to enter the market.

HOW IS THE INTEREST IN ELECTRIC VEHICLES AFFECTING THE SUPPLY CHAIN?

With electrification of the vehicle, the components and architecture of the drivetrain will change, making a large impact on the supply chain and companies that manufacture components. The conventional vehicle concept involved the combustion engine, transmission, generator, tank, starter, exhaust system, and so on, while an electric-drive vehicle involves the HV battery system, electric engine transmission, power electronics, HV wiring system, and others.

WHAT ARE THE OPPORTUNITIES IN M&A WITH THE DRIVE TO ELECTRIC?

Electric technology involves large development expenses and such technology is easier to acquire than to develop. Ultimately however, the electric powertrain is less complex than a combustion engine and suppliers will have a smaller product portfolio in the future. In many ways it is a sea change that will affect all levels of industry and drive consolidation in the industry for years to come.

ROBERT STANEK

SENIOR MANAGEMENT CONSULTANT AND LEAD ELECTRIC POWERTRAIN TEAM

P3 Group

Robert Stanek is a senior management consultant and automotive expert at P3 Group, a management consulting and engineering solutions firm with more than 3000 engineers in 15 countries.

INDUSTRIALS: DEAL SPOTLIGHT

CLAIRFIELD ADVISED STUART TURNER ON SALE TO LLOYD'S DEVELOPMENT CAPITAL

Stuart Turner, a leading water pump and pressure solutions business, was sold to private equity investor LDC.

The investment from LDC, the UK private equity arm of Lloyds Bank, will enable the existing diverse shareholder base to exit the business and allow Stuart Turner to target further growth in the commercial pumps sector through a buy-and-build strategy, in addition to supporting international expansion.

STUART TURNER ENGINEERED TO EXCEL

was sold to

LDC

CLAIRFIELD ROLE

Clairfield UK has worked with Stuart Turner over the last six years to offer buy-side deal advice on four separate strategic acquisitions including Techflow Products, Walden & Son, Allan Aqua Systems, and Trentclyde Water Solutions.

"Having worked with Clairfield UK over the last six years, they were a natural choice to lead the sale. We were confident that Clairfield UK would find a buyer that would not only enable the business to grow but invest in the established heritage. LDC recognized the growth potential of the business and immediately bought into the existing buy & build acquisition strategy. Importantly, they also saw the opportunities resented by new product introductions and further geographical expansion."

- Mark Williams, CEO

PREVIOUS ACQUISITIONS ADVISED BY CLAIRFIELD

STUART TURNER ENGINEERED TO EXCEL

acquired

TECHFLOW PRODUCTS

Shower pumps

STUART TURNER ENGINEERED TO EXCEL

acquired

Walden & Sons (Henley) Limited

Real estate

STUART TURNER ENGINEERED TO EXCEL

acquired

Allan Aqua Systems

Pump sets

STUART TURNER ENGINEERED TO EXCEL

acquired

TWS The Total Water Solutions Company

Boosting systems

TECHNOLOGY, MEDIA & TELECOM

KEY TRENDS

- Many tech deals involve acquirors outside the tech sector who are buying technology to enhance their existing business lines.
- Cloud technologies, Internet of Things, and consumer wearables are some of the hot vertical segments.
- Crossborder transactions are an important part of the M&A landscape. Investors from China and the Middle East are showing increasing interest in this sector.
- Data protection, cybersecurity, and compliance issues are becoming an important part of the due diligence process.

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Clairfield's TMT group has seen its mission expand in the past years to touch almost every sector we work on. The cross-sector landscape has proven fertile ground for transactions involving technology in sectors spanning healthcare, services, media, and automotive as well as more traditional technology spaces such as specialized software. Technology plays a role in almost every transaction Clairfield is involved in.

Norway

feelgood

was sold to

monday

TV production

Finland/Estonia

elisa

acquired

Santa Monica Networks

IT infrastructure

Poland/Hungary

netrisk.hu

was sold to

MCI

Online insurance broker

UK/Italy

A majority stake in

DS DATA SYSTEM

owner of the software

KonaKart

was sold to

ZUCCHETTI

Internet services

TECHNOLOGY, MEDIA & TELECOM: GUEST COMMENT

Q&A WITH AN E-PAYMENT EXPERT

WHY DID YOU DECIDE TO SET UP A START-UP COMPANY IN THE E-PAYMENTS MARKET THAT WAS ALREADY DOMINATED BY LARGE BANKS AND INTERNATIONAL PLAYERS?

In 2010 when we started the project of Polish e-Payments, we already had relevant experience on the IT side – especially regarding POS terminals applications and smart-card technology, as well as knowledge about acquiring back-office systems. We also saw the market growing rapidly with big players focusing mainly on large accounts. We decided to address smaller merchants and offer them an extended product range and excellent customer service. This move was successful; we became one of top five players in POS terminals in five years, a challenger to EVO Payments, First Data, Elavon, and Unicredit.

HOW DID YOU MANAGE TO COMPETE? YOU GREW FAST – BUT WHAT ABOUT PROFITS?

We had limited resources and had to invest very carefully. Our assumption that part of the market was underserved proved correct, but it was not pure greenfield. In many cases we had to win clients from the competition. Eventually we were able to benefit from the image we built in the market: the alternative financial partner to your business, reliable, flexible and responsive to your needs, unlike other financial institutions. We also had a unique product offering – we managed to offer not only card payments, but top-ups, invoice payments, and loyalty card settlements all on one terminal. We were the only company able to satisfy all of the various expectations of our clients thanks to having a strong and experienced group of developers on our board. As regards finances, the beginning is never easy. We became EBITDA positive only in 2013, but this is a business of scale. In 2014 we were strong in profits and in 2015 we achieved industry-level profitability.

IS THIS WHEN YOU DECIDED TO LOOK FOR A NEW FINANCIAL PARTNER – PRIVATE EQUITY HOUSE?

We had a financial partner from the start – Polish Security Printing Works, a state-controlled investor that held 50% of shares. After a couple of years they changed their strategy and were not willing to invest further. At the time we still needed cash for growth so a change of partner was necessary. This is when we decided to buy out our first partner. We were professionally advised by CET – Clairfield Poland in what turned out to be both a buy-side and sell-side process. Ultimately Innova Capital was selected as the new partner offering the best terms for further cooperation.

JANUSZ BOBER

CHAIRMAN AND FOUNDER

e-Payments

Janusz Bober is the chairman and founder of e-Payments. Clairfield advised the sale of 75% of e-Payments to Innova Capital.

The company was a start-up in 2011 and is now the third largest e-payment company in Poland with over EUR 50 million in sales. It competes head-to-head with global giants such as FirstData, SIX and EVO Payments. e-Payments is typical of the TMT clients Clairfield advises – local, midmarket, and growing, on the verge of attracting international interest.

continued on next page

TECHNOLOGY, MEDIA & TELECOM

GUEST COMMENT *(continued from previous page)*

WHY DID YOU ALSO SELL PART OF YOUR SHARES?

The investor selection process was very competitive. We managed to achieve a price that was 5x ROI. This is when I decided to sell part of our stake in OPTEAM (our mother company) in order to to pay the expected dividend to OPTEAM's shareholders and invest in OPTEAM itself.

CAN YOU SAY YOU HAVE YOUR CAKE AND HAVE EATEN IT TOO?

In a sense, yes. We are still a 25% shareholder in Polish ePayments, where I hold the position of chairman and I am involved in strategic decisions. We want this cake to become much bigger!

HOW DO YOU PLAN TO ACHIEVE FURTHER GROWTH?

The market is still growing and we still outperform it organically. However this is not enough. In 2017 we acquired the e-payments business from Kolporter (the largest press distributor in Poland), a significant addition to our EBITDA. We are also working on entering the online part of the business. This segment shows today's highest growth potential.

DO YOU PLAN TO EXIT THE COMPANY ENTIRELY AT SOME POINT?

I haven't ruled it out, as our partner, like any private equity house, has limited time for investment. We are focused now on growing value and will take the final step when the time is right.

TMT: DEAL SPOTLIGHT

CLAIRFIELD ADVISED IMMERSAVIEW ON ITS SALE TO PLEXSYS

ImmersaView, a global visualization-software company based in Australia, the US, and the UK, was sold to PLEXSYS, a US-based defense software company. The transaction formalizes the broad cooperation agreement that had already been in place between the two companies. ImmersaView gained a global partner to assist with marketing and distribution, particular to their core customer segment of defense, and provide expansion capital to the business.

ImmersaView and PLEXSYS had been partnering for many years in a distributor/reseller arrangement. In recent years there was a desire to link the companies further for PLEXSYS to add additional world class software to its product range, and for ImmersaView to strengthen its channels to market and immediately expand the business in the US. ImmersaView merged with PLEXSYS to formalize the broad cooperation and collaboration that had characterized the pre-existing PLEXSYS-ImmersaView partnership to deliver advanced, highly scalable and agile Live Virtual Constructive display and connections framework software technologies to clients around the globe.

IMMERSAVIEW
advanced software technologies
beyond boundaries

was sold to

PLEXSYS
Interface Products, Inc.

CLAIRFIELD ROLE

Thorny issues related to the valuation of ImmersaView's intellectual property, formalization of previous informal founder/shareholder arrangements, crossborder legal issues, and client consents had to be resolved before the merger was finalized. In particular ImmersaView had a sizable one-off contract in the pipeline that would radically increase the value of the company – if it went through. Clairfield Australia was engaged to determine a fair price for ImmersaView's shares and shepherd the merger process to closing without delaying to see the outcome of the bid. Clairfield dealmakers skilfully negotiated a structure that took into account the possibility of this large but non-recurring profit opportunity, aligning the interests of the buyer and vendor by sharing value growth associated with post-transaction performance and maintaining the positive relationship between the buyer management team and the vendor shareholders.

"Clairfield Australia was instrumental in helping us achieve a win-win situation during our recent merger with PLEXSYS. We maintained excellent communication through the transaction including initial term sheet, due diligence, documents and all the way through to completion. This has set us up for a successful future as an integrated PLEXSYS-ImmersaView team."

- Dr. Andy Boud, director and co-founder of ImmersaView.

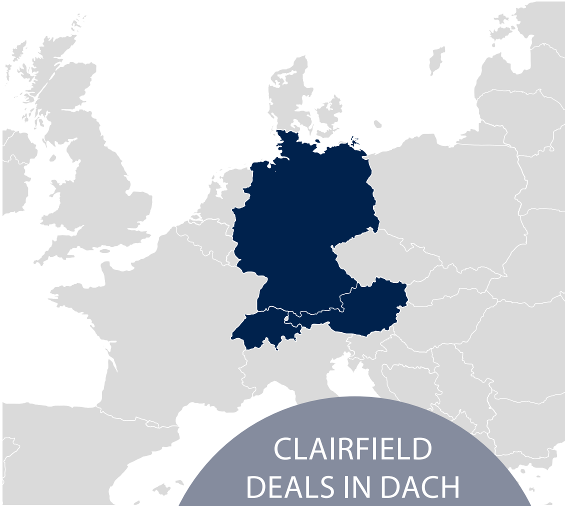
GLOBAL REACH

CLAIRFIELD INTERNATIONAL

DACH (GERMANY, AUSTRIA & SWITZERLAND)

HIGHLIGHTS

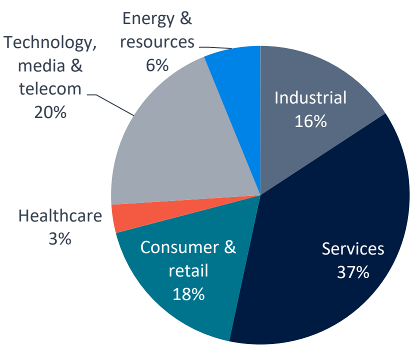
- A bullish market environment for midcap M&A driven by a low-interest policy, generational changes at family-owned companies, and digitization needs.
- Formation of the new German government is a hot topic for early 2018 but none of the likely outcomes are forecast to damper industrial or consumer sentiment.
- Investment, foreign demand, rising employment and industrial production, and private consumption are driving growth.
- The outlook is similarly rosy for the entire DACH region



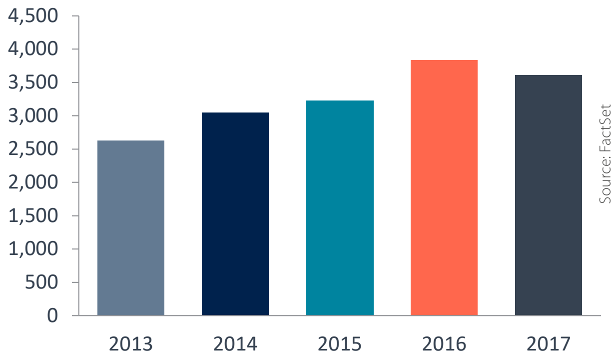
CLAIRFIELD DEALS IN DACH REGION UP TO 21 IN 2017

TEAM GROWS TO 24 PROFESSIONALS

2017 DACH TRANSACTIONS BY TARGET SECTOR



2017 DACH NUMBER OF TRANSACTIONS



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Germany and the German-speaking region (DACH) is known for the strength of its mid market businesses. We are currently at a peak in the M&A cycle for these companies, many of which are experiencing succession changes. Clairfield International in the DACH region is well-positioned to access them at decision-making level with offices in (a recently expanded new location) Frankfurt, Stuttgart, Düsseldorf, Vienna, and Clairfield headquarters in Geneva.

Our client offering embraces M&A, capital markets and strategic advisory services. Our DACH partners boast expertise in the industrial, consumer, TMT, cleantech, and healthcare sectors. Our team in Austria is renowned for our TMT expertise. Subsectors we have worked in recently include testing and analytics, foodservice, automotive, packaging, industrial products, medtech, OTC, healthcare services, and internet marketing. With 21 closed transactions in 2017, Clairfield is a leading corporate finance advisor in the DACH region.

We are backed by a network of senior advisors who draw on decades of strategic and board-level experience in their industries with contacts at the most important companies, as well as intimate knowledge of smaller local players. Senior advisors play an important role in connecting Clairfield's clients to the best counterparties worldwide, offering mid market companies a much-needed level of access. This year six new industry advisors joined the German team to support our work in sector verticals.

Major deals in 2017 included the sale of Spitznas to Auctus, the acquisition of Pier 7 by Bidvest, the sale of Firmen ABC to Investnet, the sale of DormaKaba to Flachs, and the merger of FAS and wts. We are proud of the many successful outcomes we have achieved for our clients and new assignments won from large-cap family-owned businesses both locally and internationally.

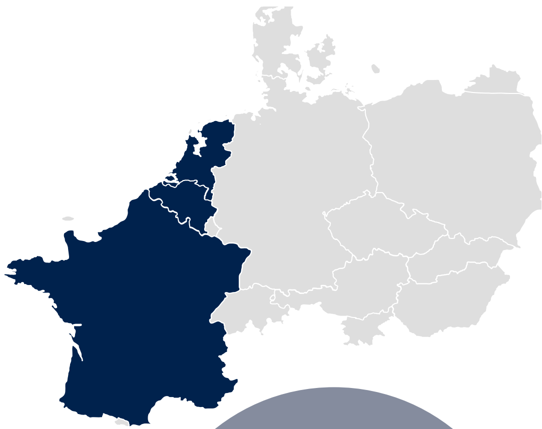
"CLAIRFIELD'S APPROACH IN A SALE PROCESS PROVES SUCCESSFUL TIME AND AGAIN: INTENSIVE PRE-QUALIFYING OF INVESTORS, VERY LIMITED BIDDING CONTEST WITH HAND-SELECTED TRADE AND FINANCIAL BUYERS, AND FINAL DECISION FOR THE BEST-FITTING SUITOR IN CLOSE COOPERATION WITH MANAGEMENT."

Albert Schander
Partner (Frankfurt)

FRANCE & BENELUX

HIGHLIGHTS

- Business confidence, government investment in selected arenas, job creation, and a rebound of tourism have accelerated recovery.
- Economic growth is projected at 1.75% throughout the region.
- The financial sector has proven resilient.
- The current M&A market is clearly demand-driven, fueled by an abundance of cash through readily available bank financing and extensive dry powder funds of PE companies.
- A demand-driven M&A and cheap financing environment typically results in rising multiples.



LEADERS IN:

Private-public partnerships

Industrial transactions

Technology transactions

Access to private equity

Family-run businesses

Brussels, Paris, and Amsterdam represent leading centers of the European Union. With Brexit, these capital cities have taken on an even more important role as financial and business capitals. M&A activity is expected to peak in value and volume in 2018 within the region.

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" PRESENTING INTERNATIONAL BUYERS CAN LEAD TO A COMPETITIVE BIDDING PROCESS BETWEEN FINANCIAL AND TRADE BUYERS WORLDWIDE, IF THAT IS WHAT IS DESIRED BY THE CLIENT. THE FINAL PRICE WILL BE HIGHER EVEN IF CLOSED WITH A LOCAL OR KNOWN BUYER."

Thierry Chetrit
Partner (Paris)

Clairfield Benelux specializes in M&A as well as in the advisory of public-private and has completed landmark assignments as a preferred advisor to government entities. Advisory assignments have involved the banks BNP-Paribas and Belfius, the Belgian postal service, a telecom company, an insurance company, the national lottery, and the Brussels airport. The Dutch Ministry of Finance appointed Clairfield in the Netherlands as exclusive advisor for the sale of the Royal Dutch Mint in one of our most historically significant transactions.

Clairfield in France was one of the founding partners of Clairfield. The geographic and historical importance of this crucial region together with a stellar transaction record has made Clairfield France a top advisor at both the smallcap and midcap levels. Our Paris office boasts excellent access to French corporates and private equity firms and has the additional support of senior advisors with strong sector expertise in consumer, industrials, and technology. Our expertise has resulted in the closing of landmark deals and being selected as preferred advisor to multinational companies including ADB Safegate, where we have advised the company in its growth from a EUR 180 million Siemens' subsidiary, to a global company with double the revenues today.

Outside of the major financial centers the region is no less interesting. The Rhone Alps, is one of the top ten regions of the European Union for wealth creation with a large industrial base, especially in mechanics, chemicals, plastics, textiles, food processing, electronics, and energy. From our offices in Lyon and Marseille, Clairfield International closes more deals in the area than any other firm, showing the importance of looking beyond as well as within capital cities.

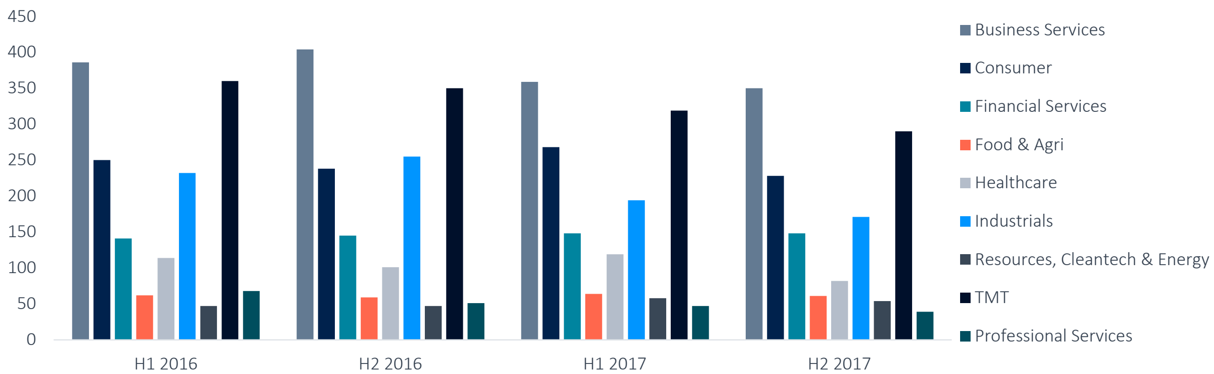
UNITED KINGDOM

HIGHLIGHTS

- The UK unemployment rate fell to 4.3% during 2017, the lowest level since 1975.
- GDP advanced 0.4% in the third quarter of 2017 with an expected forecast of 1.5% for the full year.
- Financial markets are stable in spite of Brexit uncertainties and the pace of M&A is expected to pick up.
- Despite a decrease in international deals involving the UK, the domestic market has boomed, reaching its highest level since 2008.

CLAIRFIELD DEAL VOLUMES HAVE ACCELERATED IN THE UK

TRANSACTION VOLUMES IN THE UK



Source: CapitalIQ

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2017 UK OFFICE STATS

- Cumulative deal value of GBP 350 million.
- 16 deals completed throughout 2017.
- Team grows to 28 professionals.

Worldwide the trend in recent years has been away from crossborder deals, with crossborder deal volume at a three-year low. In the UK, crossborder deals decreased by 10% in comparison to last year. However the UK domestic M&A market boomed, reaching its highest level since 2008. The business services and technology, media and telecommunications sectors remained dominant in the UK, attracting both domestic and overseas buyers. This year has seen a small increase in financial buyers now accounting for just over 20% of all transactions.

Despite the uncertainty of Brexit, we have experienced our most successful year in the UK to date, benefiting from the surge in domestic deals. We completed a number of high value deals during 2017 and continued to advise on deals across Clairfield's key sectors. The UK team expanded to 28 to support future growth of our advisory services including a number of key appointments to support the development of our client's businesses including sector specialists and operational and marketing consultants.

Our London office, known as IMAS, focuses exclusively on the financial services and insurance sector, and we are known as the leading experts in this area. With support from the British government, we conduct proprietary research into the activities and performance of the most important UK financial services businesses, which number in the thousands. Our research shows that the largest buyer pool of UK financial services businesses are overseas companies. International interest has reflected London's key position in the global financial services industry and it remains to be seen just how far Brexit will affect buyer interest.

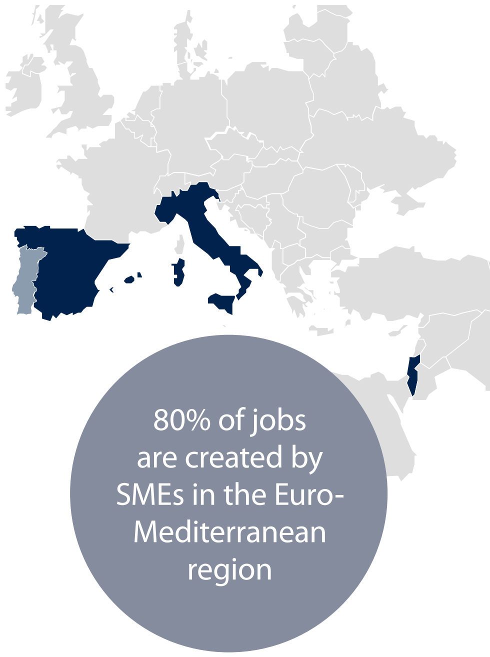
"DEALS COMPLETED BY OVERSEAS BUYERS ATTRACT A PRICE PREMIUM OF AROUND 20%."

Chris Gregory
Partner (Birmingham)

MEDITERRANEAN

HIGHLIGHTS

- In spite of various political tensions, there is growing confidence in the region.
- Business-friendly governments preside over the Mediterranean region.
- The labor market is improving and internal trade is increasing, with small parallel gains in wages.
- GDP growth throughout the region is more moderate than 2017 but still robust.
- The Israeli market is characterized by strong foreign investment in the forms of direct investment, venture capital and private equity.
- On the Israeli outbound side, local corporations are becoming more acquisitive abroad with deal size growing year over year. Israeli PE Funds are becoming more active with their buy and build strategies by making add-on acquisitions abroad.



In the Mediterranean we have seen strong M&A activity over the last few years due to:

- Generational change. For years we have urged entrepreneurs to think about the future of their companies. As they approach retirement, they are finally understanding the importance of an orderly succession plan.
- The acknowledgment that small companies are no longer able to compete in a global market. This has led to a consolidation in numerous industries with the emergence of many companies actively growing through acquisitions.

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At Clairfield locations throughout southern Europe and across the Mediterranean in Israel, crossborder M&A in a range of sectors is our main focus with a clear emphasis on midmarket companies and family-owned businesses. Led by two founding partners of Clairfield, the region represents a significant portion of all the business we do on both the buy and sell side.

Our office in Milan is a partner of both the Italian stock exchange and the think tank The European House – Ambrosetti. It is known throughout Italy for its research on 49,000 small and medium enterprises undertaken in collaboration with the Borsa Italiana. The study culminates in an annual report that is widely disseminated throughout the region and is a cornerstone of our knowledge of trends in the local economy.

Clairfield Iberia covers this key area from offices in Barcelona, Madrid, and Lisbon, backed by a network of senior advisors in industry. While deal volume in 2017 was up only 6% on 2016, deal value was up a whopping 150%. Key sectors are industrials, consumer, and TMT. Growth prospects remain good in 2018 at +2.50% GDP growth in spite of ongoing political uncertainty regarding Catalonia.

The Tel Aviv office expects many crossborder transactions on different continents in 2018. We are likely to see Israeli midmarket companies expand into new geographies in order to increase market share and expand their product offerings. Deal volume grew by 9% last year and illustrates the patience and maturity of shareholders. The market is characterized mainly by Israeli exits, since there is a huge volume of venture capital funds. Local corporations are becoming more acquisitive abroad with deal size growing year over year. Although deal sizes have increased recently, transactions below USD 100 million remain over 66% of all M&A activity and will continue to be the dominant tier in the coming years. The TMT segment represents approximately 62% of all M&A transactions and the US continues to be the largest country of origin of the foreign buyers.

> "IT'S FAR MORE CHALLENGING TO IDENTIFY AND OPEN DISCUSSIONS WITH A EUROPEAN FAMILY BUSINESS THAN WITH THE LARGEST MULTINATIONAL."
>
> Filippo Guicciardi
> Partner (Milan)

NORDICS: DENMARK, FINLAND, NORWAY, SWEDEN

HIGHLIGHTS

- In Denmark and Finland GDP growth is above 2% and projected to remain robust. Danish exports of goods and services is due for an upswing. Finnish metrics are building on a great year and look very promising.
- Growth is strong and sustainable in Norway in spite of a real estate slowdown. Private consumption and investment, oil investment, and high employment rates are keeping the economy humming.
- Economy is booming in Sweden due to investor confidence, government spending, and low interest rates.
- M&A activity throughout the region continues at high levels as we see positive developments in the economy, stable stock markets, and plenty of PE dry powder.

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TOP
independent
advisor in the
Nordics

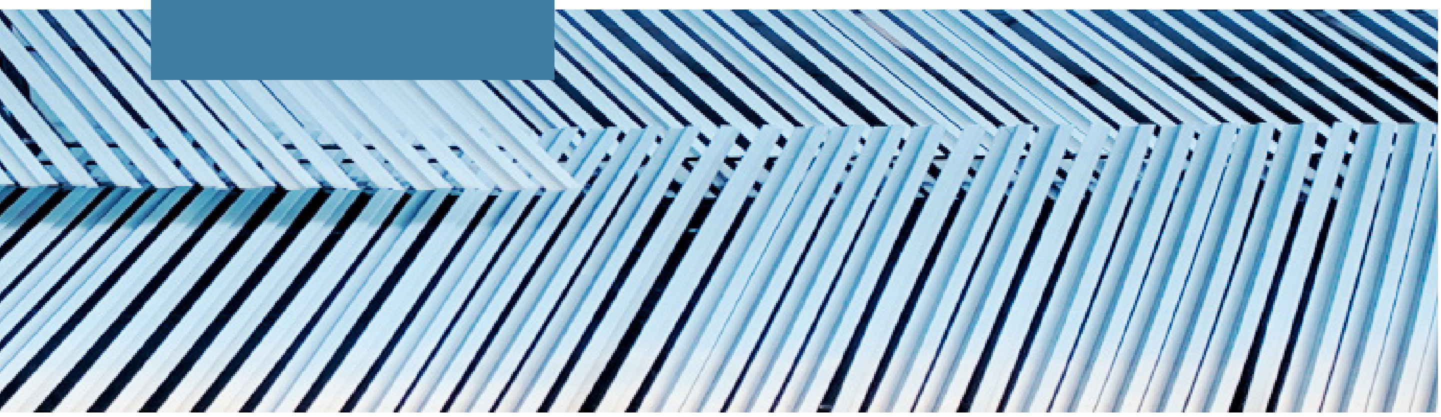
Clairfield International ranks as the top boutique advisor in the Nordic region. We provide top-notch financial advisory services including M&A advisory, and debt and equity capital advisory as well as advice on equity-based management incentive schemes. We have advised on more than 60 M&A and debt/equity capital transactions in the past two years alone and have provided advice on equity-based incentive programs to over 30 companies. Our in-depth sector knowledge and agile advisory services encompasses business services, consumer, industrials, healthcare, and TMT. We have also advised governments and listed companies.

The Nordic region is the most economically robust area in Europe and offers exciting opportunities in resources, services, and technology as well as a rich private equity landscape. It is also very open to crossborder consolidation ideas.

With offices in Denmark, Finland, Norway, and Sweden, Clairfield International offers the best access to the Nordic region available in the middle market.

"WE BRING UNIQUE VALUE TO OUR CLIENTS BY COMBINING BOTH LOCAL AND NORDIC BUSINESS RELATIONS, IDEAS, AND PROBLEM-SOLVING EXPERIENCE."

Ari Leppanen
Partner (Helsinki)



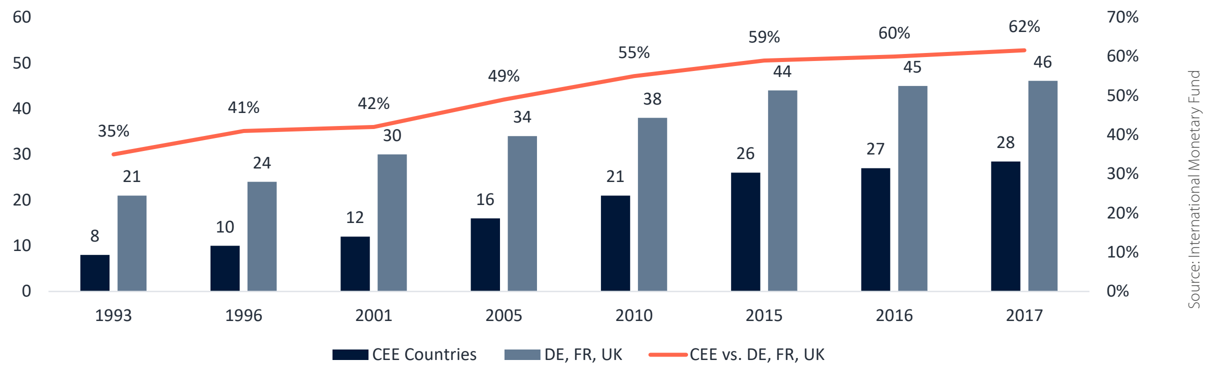
CENTRAL AND EASTERN EUROPE

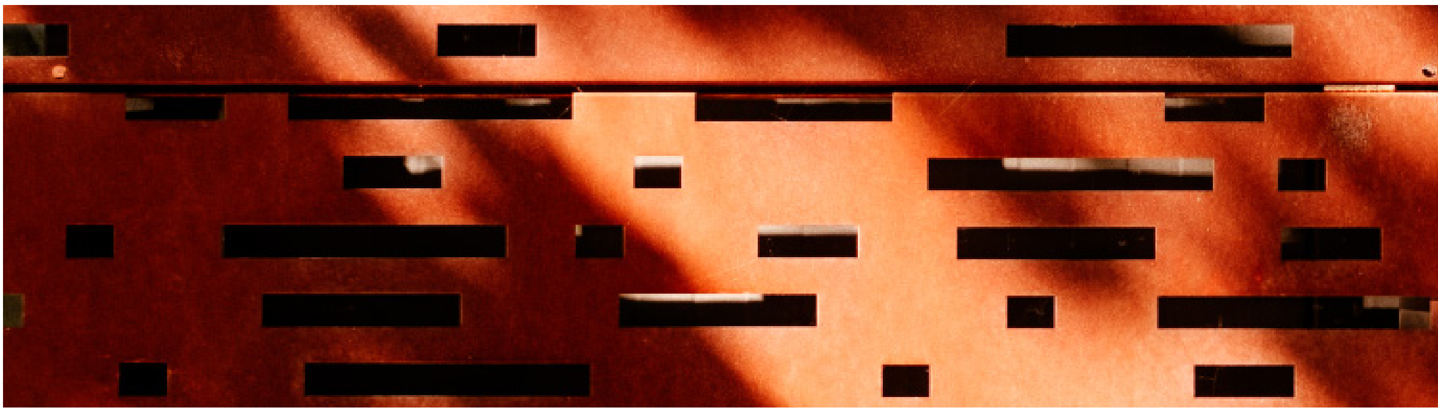
HIGHLIGHTS

- Experts forecast the CEE region, led by Poland and Hungary, to show the greatest increase in M&A activity in 2018.
- The region's GDP is expected to grow by 3.6% in 2018, well ahead of the US and Western Europe. Most importantly, the growth stems from strong industrial output.
- The region is relatively immune from market fluctuations.
- Poland and Hungary have emerged as highly attractive investment targets.

One of the fastest-growing regions in the world

GDP PER CAPITA IN CEE VS. GERMANY/FRANCE/UK





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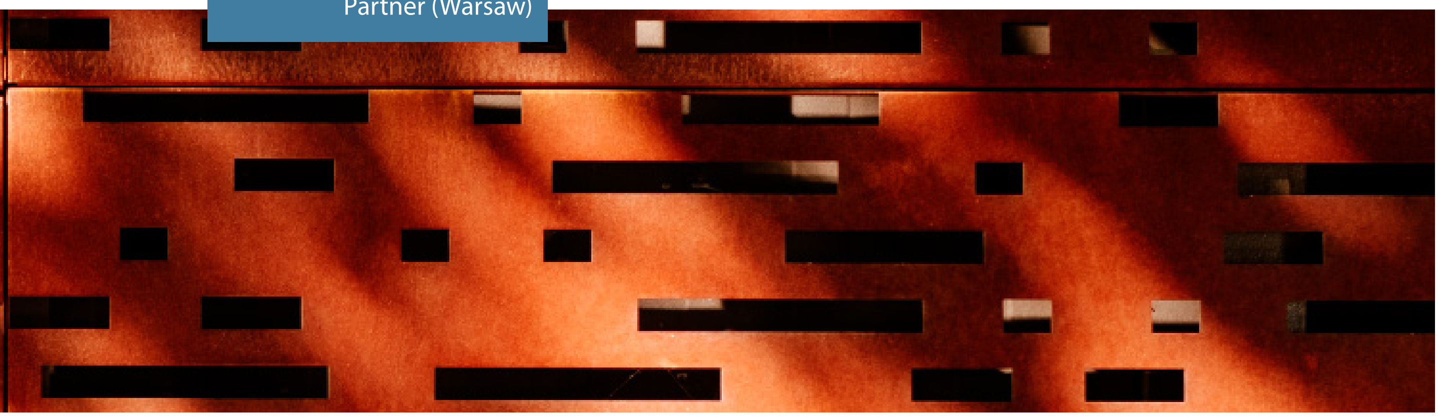
Central and Eastern Europe continue to boast strong macroeconomic indicators including robust GDP growth, a healthy retail sector, and large government expenditures. The CEE region is one of the fastest-growing regions in the world. For every percentage point of growth in the EU, the CEE rises by an extra 1.3%. Consumer confidence indicators are at a 15-year high and currencies are remarkably stable.

Economic growth worldwide and in the Eurozone has increased the demand for exports from CEE countries, boosting industrial output. The tight labor market still strikes the right balance between increased domestic spending and the ability to attract foreign direct investment. Indeed Hungary received one of the highest levels of FDI in the region: 3.3% of GDP. Recent investors include Audi, Mercedes-Benz, Apollo Tyres, Tata Group, Bosch, Thyssenkrupp, IBM, Dana, and BP.

Many international companies choose to invest in CEE countries due to good infrastructure, skilled labor, competitive wages, and low taxes. As a result, the CEE region, represented by Poland, Hungary, Czech Republic and Slovakia may be considered a safe haven compared to global markets.

Clairfield International in the CEE has deep inroads in government and at newly-privatized companies, and a thorough knowledge of the privatization process. In Poland we were one of the first investment banks to begin operations in the region and we have been negotiating the terrain for over 25 years. Our CEE partners are especially skilled in the technology sector and are proud of the innovative start-ups to be found in our region.

> "OVER 40% OF M&A TRANSACTIONS IN THE CEE ARE CROSSBORDER."
>
> Antoni Rakowski
> Partner (Warsaw)



AMERICAS

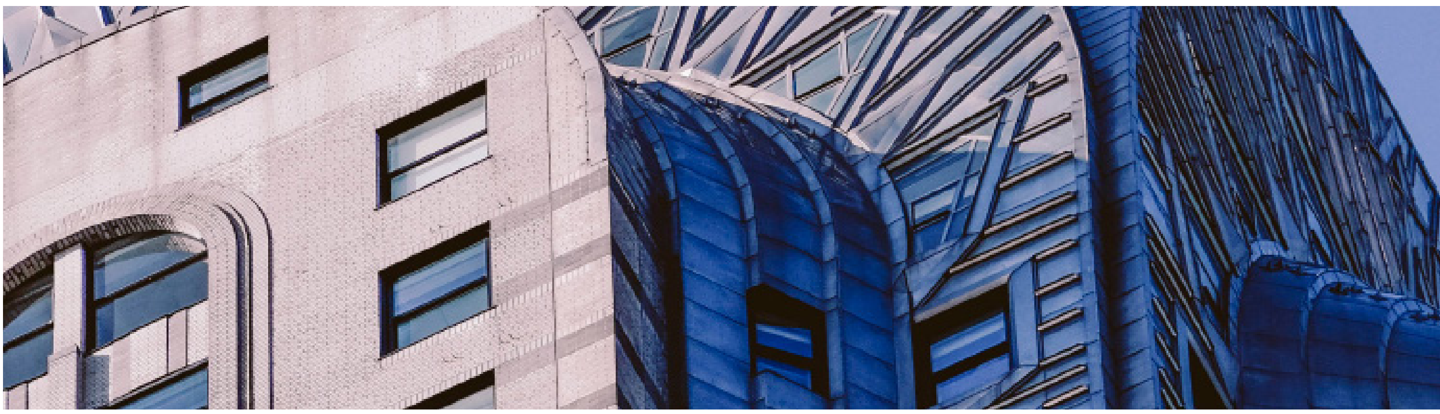
HIGHLIGHTS

- The economy in the US is robust with financial conditions conducive to dealmaking. Concerns about protectionist policies have not come to pass and fundamentals are strong.
- The M&A market remained active in 2017, with the trend likely to continue in 2018 due to some key catalysts for transactions including levels of cash on corporate balance sheets and private equity dry powder.
- The political environment remains volatile given the upcoming elections in Brazil, Mexico, Colombia, and Venezuela, but Mexico and Latin America are forecast to see strong economic growth in 2018 helped by growing employment, moderation of inflation, and stabilizing economic policies.
- Latin America's drive to diversify trading partners in the face of potential protectionism from the US creates a role for Asia and Europe in establishing new ties.

THE US IS INVOLVED IN

35%

OF ALL TRANSACTIONS WORLDWIDE



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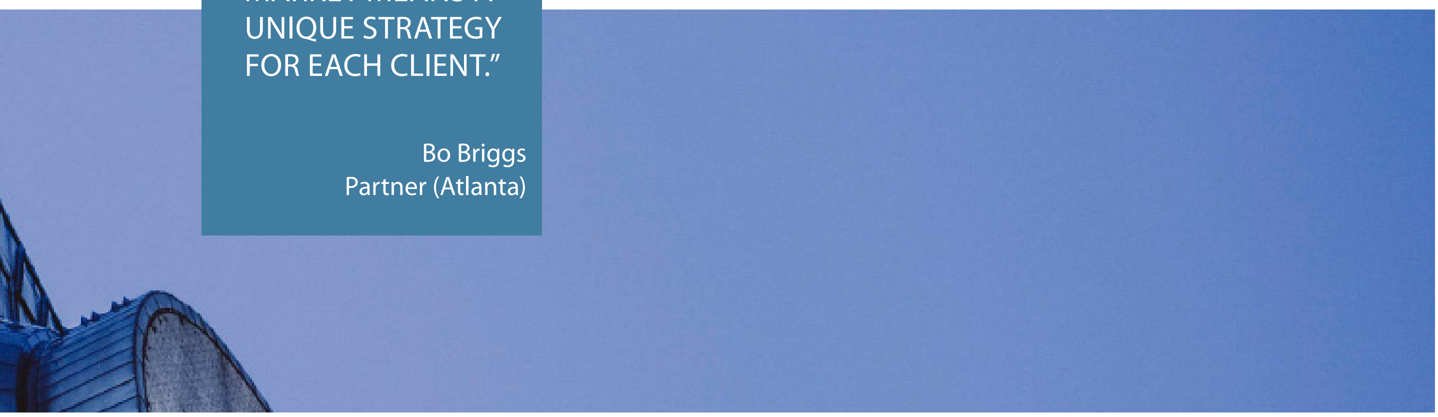
Several factors are contributing to a positive dealmaking environment in the US and the broader Americas right now. Cheap financing, dealmaker confidence, and a weaker dollar are stimulating deals in the US. Levels of cash on corporate balance sheets (USD 6.25 trillion at the end of 2017) continue to trend higher and maintain record levels. Private equity dry powder reached over USD 1 trillion, creating pressure to deploy capital. Things are looking especially good in the middle market, the most active segment for transactions, where price multiples have expanded back to post-recession highs. The median EV/EBITDA multiple for middle-market transactions stands at about 9.4x. Debt markets remain robust with the median debt usage at 5.7x EBITDA across all transactions.

Larger private equity funds are moving down market to capture value. Private equity firms are generally in net acquisition mode, as investments outpace exits at a pace of almost 2 to 1. Private equity-backed platforms have become formidable buyers, using synergies of existing investments to compete for opportunities and scale these platforms more quickly than they can organically.

Confidence is returning to the relationship between Mexico and the United States. In other good news, cooling inflation in Mexico and Brazil has resulted in a cut in interest rates and raised deal confidence. Strong growth is expected to originate in Colombia, Mexico, and Brazil. Raw material prices and economic recovery in Brazil will also stimulate deals.

There may be roadblocks ahead. The recent US tax reforms create a certain level of uncertainty for M&A activity in 2018. It is unclear how new regulations will affect US companies' abilities to make foreign investments abroad. This year sees important elections in Colombia, Mexico, Brazil, and Venezuela. Outcomes will affect confidence, but will not be

> "THE MIDDLE MARKET MEANS A UNIQUE STRATEGY FOR EACH CLIENT."
>
> Bo Briggs
> Partner (Atlanta)



AMERICAS

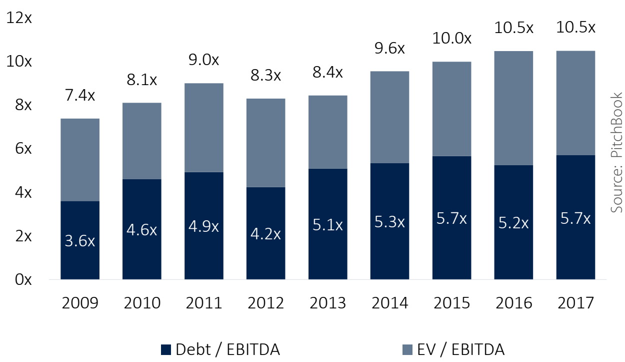
a growth deterrent to certain industries, such as Mexican tourism, which has grown over 60% over the last five years, and Mexican automotive manufacturing, which has grown over 65% since 2009.

Clairfield is pleased to have recently added a strong partner in the US to help clients take advantage of this all important region. From our office in Atlanta we provide merger and acquisitions, private capital-raising, and financial advisory services to middle market and emerging growth companies. We saw attractive outcomes for clients across the board, and have a record pipeline for 2018. We look forward to leveraging Clairfield's global reach to further add value for US clients in 2018 and to helping Clairfield partners domestically.

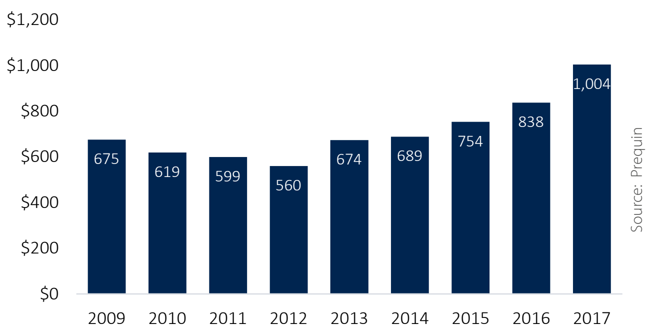
Clairfield Mexico, founded by top bankers in 2008, offers a wide range of corporate finance and M&A advisory services, and has extensive experience in structuring and executing complex transactions. Clairfield Mexico ranks at the top of middle market and overall M&A activity league tables in Mexico and the firm has received numerous awards. It also manages a PE fund. The fund, which favors investments in the education, financial services, and sustainability industries, is recognized as a "Best for the World" fund by a foundation that measures impact investment. In all we do, Clairfield Mexico values positive outcomes for all parties and the development of long-term relationships with clients.

Clairfield has three locations in key areas of Brazil. We are present not only the financial centers of Sao Paulo and Rio de Janeiro, but also Curitiba in the south, thus covering a key region for industries such as agribusiness and automotive manufacturing. Brazil is a key region for crossborder transactions and acts as a gateway to other areas of Latin America.

M&A VALUATION AND DEBT MULTIPLES: US DEALS



PRIVATE EQUITY DRY POWDER



CLAIRFIELD INTERNATIONAL

AUSTRALIA

HIGHLIGHTS

- Australia is enjoying a strong local market, with the ASX200 up 8% over the calendar year, combined with a stable exchange rate and historically low interest rates.
- Government spending on infrastructure is picking up after a period of instability.
- The mining services sector is again gaining momentum, with several key projects approved and large mine owners playing catch-up on maintenance spending.
- Private equity activity has increased noticeably, and family offices and other financial investors continue to emerge.

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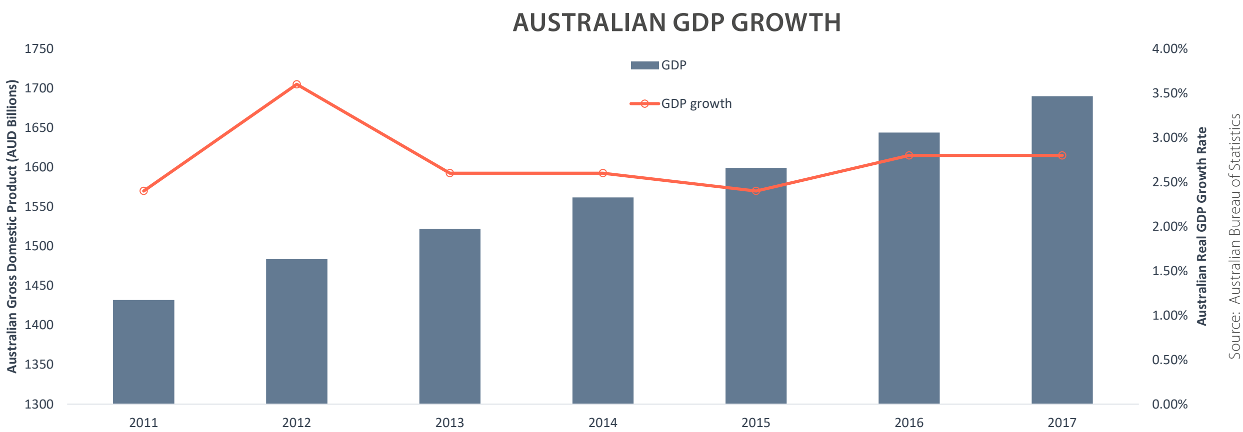
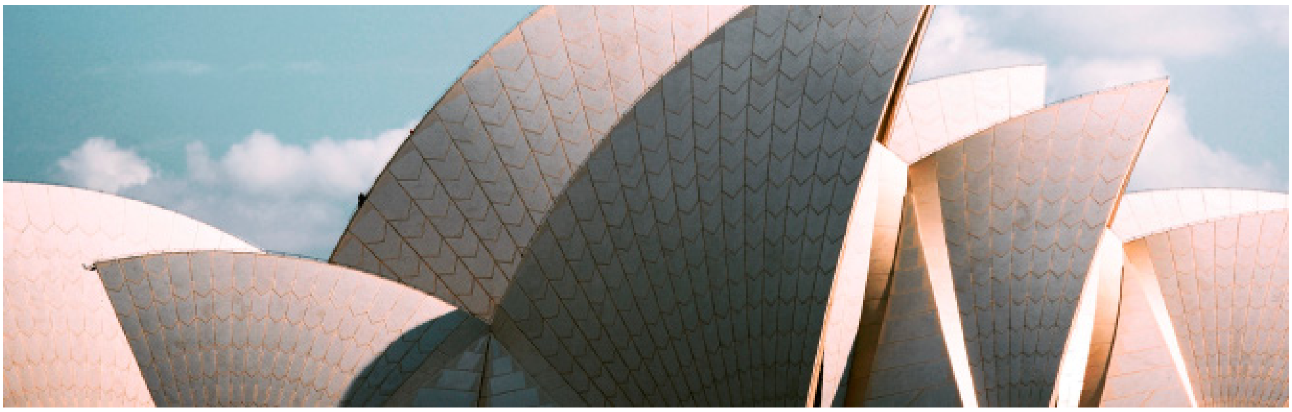
KEY REGION FOR RESOURCES AND TECHNOLOGY; GATEWAY TO ASIA





AUSTRALIA

2017 has been another bumper year for M&A in the Asia Pacific region. Although overall deal value is down on the previous period, activity remains high by historic standards, particularly in the mid-market where we at Clairfield operate.

Consistent with the buoyant market, the past 12 months have been outstanding for us. These are some of our recent accomplishments in Australia:

- We celebrated our 30th year of business.
- Our head office in Brisbane was relocated to accommodate the expanding team (which has almost doubled).
- We established a permanent Sydney office.
- We refreshed our growth strategy, including further alignment with our clients through making equity investments in their businesses where appropriate.
- We developed an online valuation product that enables clients to make better informed investment decisions.
- A growth-consulting division was launched, offering services including growth strategy development, buyside advisory services, and post-merger integration services.
- More than 40 different clients worked with us and we successfully closed transactions with a combined value of almost AUD 150 million.

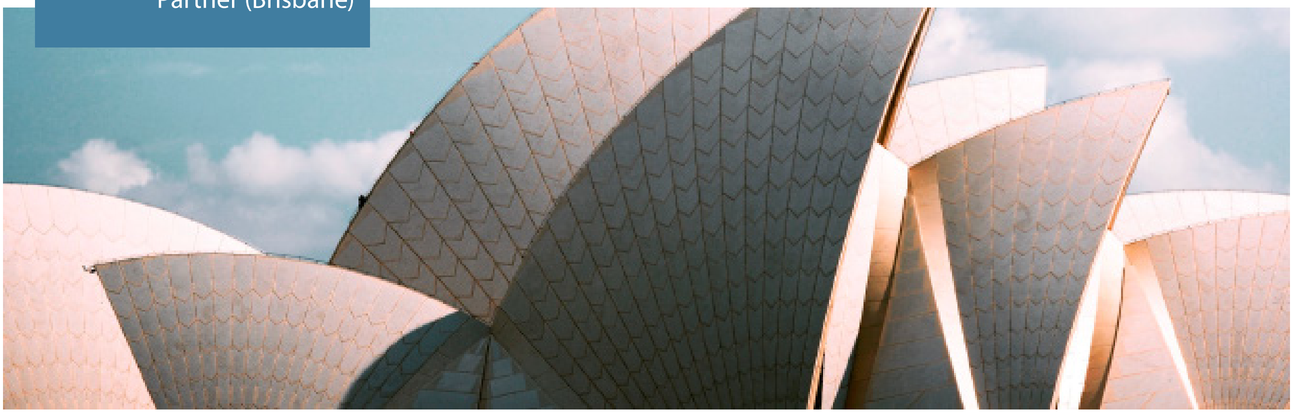
As a result, 2017 has been our most successful year to date in this region. Perhaps most rewarding of all is that the valued team is sharing in this success, with senior staff buying equity in the business during the year.

One of the pillars of Clairfield's success is offering clients global access to the right investors. During 2017, our clients received offers from investors in Belgium, China, Switzerland, the Philippines, and the US. This would not be possible without the local knowledge, access to decision makers, and general support that Clairfield offers.

It has been an exciting time for the Australian region and our team there, and we're immensely proud of our people and the successes they help create for our clients. We are confident that the local platform in Australia, together with the global access that Clairfield provides will ensure 2018 is even more rewarding.

"WORKING WITH COMPANY OWNERS TO BUILD AND REALIZE VALUE IN THEIR BUSINESS IS WHAT WE FIND SO SATISFYING AS MIDMARKET FINANCIAL ADVISORS."

Sharon Doyle
Partner (Brisbane)



ASIA

CLAIRFIELD ACCESS IN ASIA

In the past developing nations have been extremely proactive in courting investment from China and China has been receptive, becoming a large investor in Africa's natural resources, for example. Recent years have seen the circle of interest becoming larger globally, especially in Europe and the US. Chinese investors are becoming acquisitive in sectors such as manufacturing, food, renewable energy, TMT, and real estate, in order to achieve new technologies, famous brands, and market expansion. At the same time, Western enterprises are choosing M&A as an effective tool to gain a foothold in the booming Chinese market. Given the size and diversity of this area, we've found that the most effective way of accessing investors is through a broad network of trusted advisors, industry associations, and direct contacts.

Clairfield has completed many transactions in Japan, China, and India, overcoming the challenges with the confidence of an expert team behind us.

Japan/Belgium/Spain

AJINOMOTO acquired a majority stake in Agro2Agri through its subsidiary OmniChem

Food & chemicals

Australia/China

BJP Laboratories Pty Ltd sold a majority stake to **DZG Investments Pty Ltd**

Contract manufacturing

Italy/China

Italglobal Partners sold CMI to SH-ABC

Industrial engineering

Germany/China

BROCK Kehrtechnik GmbH was sold to FOTON

Automotive

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