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## Kian Capital Looks Back at a Very Robust and Successful 2018!

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**1 - New Fund**  
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**2 - Successful Exits**  
**2 - New Team Members**

January 2019 – Kian Capital would like to thank its management team partners, investors, deal sources and other stakeholders for their support in making 2018 a very robust and successful year for our firm. In 2018, we continued our proven strategy of investing in leading lower middle market companies in partnership with their founders and management teams. While we are proud of our success in 2018, we are now focused on continuing that momentum into 2019 by seeking opportunities with founder and family-owned companies as they look for a partner who can help them scale their businesses.

### New Fund:

- In February, we raised our second fund with total capital commitments in excess of \$275 million. The fund was very well received with increased support from our incumbent limited partners and the addition of several new blue-chip institutional investors.

### New Platform Investments:

- **Diamond Metals**, a steel service center specializing in the pre-squaring and distribution of tool steel.
- **The Retrofit Source**, a designer, marketer and distributor of performance automotive aftermarket lighting solutions within the U.S. and internationally.
- **Trifecta Networks**, a leading distributor and reseller of certified pre-owned and new networking equipment.
- **OT Growth Partners**, a leading area developer and operator of Orangetheory Fitness studios.
- **Charles Products**, a leading designer, marketer and distributor of merchandise for gift stores in zoos, museums, aquariums, and theme parks.

### Add-on Acquisitions:

- **Empire Equipment's** acquisition of **TruTemp/Norms**, a value-added wholesale distributor of commercial foodservice equipment and aftermarket parts to the foodservice, hospitality, healthcare, and retail industries in the Southwest and West Coast.
- **LOFA Industries** acquisition of **Antx, Inc.**, a designer and manufacturer of telemetry hardware and tracking services.
- **Motor City Industrial's** acquisition of **Smith Fastener**, a value-added distributor of industrial consumables and ancillary products.

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- **OT Growth Partners** acquisition of **FIT Enterprise, LLC**, the Orangetheory Fitness area developer for the state of Iowa.
- **SeniorMetrics**, a holding company created to provide integrated technology solutions to the senior care market, completed three transformational acquisitions that expanded its technology offering to the senior living market. Kian's original investment was in CISCOR, the first platform under SeniorMetrics.

#### Successful Exits:

- **Colorado Quality Products**, a turnkey formulator and manufacturer of private label high-end skin and hair care products. The Company was sold to Elevation Labs, a portfolio company of Clearview Capital.
- **Jolyn Clothing Co.**, a leading women's performance swimwear and active wear brand. The Company was sold to Norwest Venture Partners.

#### Additions to the Firm:

- **David Duke** joined as Managing Director of Business Development bringing 20+ years of M&A and business development experience.
- **David Hare** joined as an Associate having several years of investment banking and public accounting experience.

#### About Kian Capital

Kian Capital Partners, LLC ("Kian"), an investment firm with over \$425 million of capital under management, provides flexible capital solutions to established lower middle-market companies, often serving as the first institutional capital provider to closely held businesses. Kian has the flexibility to participate in all forms of junior capital, including common stock, preferred equity and subordinated debt. Kian's investments typically incorporate both equity and subordinated debt and Kian can act in either a majority or minority shareholder capacity. Kian has offices in Atlanta, GA and Charlotte, NC.

Investment Criteria includes, but is not limited to:

- **Size:** \$7 million to \$30M per investment
- **Financial Parameters:** Revenues: \$15 million to \$150 million; EBITDA: \$2 million to \$15 million
- **Industries:** Distribution/Logistics, Business Services, Healthcare Services, Consumer Products and Services and Niche/Asset-Light Manufacturing
- **Characteristics:** Proven management team with substantial ownership; predictable cash flows; defensible market position; defined catalyst for growth; and limited customer and vendor concentration
- **Geographic Focus:** Southeast but consider rest of continental U.S.
- **Transaction Types:** MBOs; Shareholder Liquidity, Growth and / or Acquisition Financings, Recapitalizations, Debt Refinancings, and Corporate Divestitures

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