CAPITAL MARKETS UPDATE

Middle Market M&A
Q3 2022

CAPSTONE PARTNERS

MARKET COMMENTARY

No Need to Hit the Panic Button

Stubbornly high inflation and slowing economic growth have called into question the Federal Reserve's ability to engineer a soft landing for the U.S. economy—one that stabilizes elevated prices without triggering a recession. With the Fed unlikely to pivot from its mandate in the near term, the U.S. and global economy are likely to be operating in a much higher interest rate environment than in the past decade. The confluence of a strong U.S. dollar, energy supply concerns, and falling consumer sentiment have contributed to substantial volatility in equity markets. While this uneasy environment has caused significant challenges, it has not halted merger and acquisition (M&A) volume in the middle market. Through year-to-date (YTD) Q3, total middle market (under $500 million in enterprise value) transaction activity has declined 9.2% year-over-year (YOY). This compares to a 14.1% decline in transaction volume for the broader M&A market, inclusive of all enterprise value ranges.

Drawing comparisons to past economic downturns can help contextualize the current middle market deal environment—and support its resilience. The short but sharp recession of 2020 saw middle market deal volume fall by 16.4% YOY, a drastic blow to a surging M&A market leading up to the pandemic. Nearly 15 years ago, the Global Financial Crisis (GFC) of 2008/2009 triggered a fall of 14.1% in middle market volume. It is important to note that each of these downturns have been met with a furry of dealmaking in the following year. When the U.S. began to re-emerge from the GFC in 2010, middle market dealmaking jumped 38.4%. Similarly, following the acute recession during the height of the pandemic, 2021 middle market volume rose 34.1% YOY. While adverse market forces can present hurdles to M&A activity due to fluctuations in lending, cost of capital, buyer balance sheet health, and demand for deals, many of the drivers of the middle

"The middle market M&A market has an interesting and unique dynamic. Supply and demand do not disappear; they just bottleneck and uncork at a later point. Owners do not grow younger, timestamps on PE funds do not get a time out, and strategic acquirers don't stop consolidating. Every quarter that goes by with pent-up activity will translate to a recovery boom in the quarters that follow. It's a longer cycle game, the health of which cannot be measured by any specific quarter, or even year for that matter."

John Ferrara
Founder & President

MARKET COMMENTARY

market revolve around aging demographics—specifically, an increasing share of baby boomer business owners entering a prime stage to maximize personal liquidity.

Buyers have demonstrated greater selectivity in assessing targets, scrutinizing any material COVID-bumps in performance that may not be sustainable. However, quality businesses with strong margins and defendable revenues continue to attract premium valuations. Notably, in Q3 2022 the average middle market EBITDA multiple increased to 11.0x from 10.2x in Q3 2021. A flight to quality may explain the healthy multiple as buyers have sought accretive and scalable targets to add to their portfolios. Acquirers are still paying up for strong businesses, evidenced by the average deal value increasing 18.3% from Q2 to $77.6 million.

Strategic buyers have slowed their acquisition pursuits through Q3, with closed transactions falling 29.6% YOY as many have focused on balance sheet strength amid economic uncertainty. However, those that have gone on the offensive have demonstrated their willingness to pay premiums for quality assets. In Q3 alone, the average enterprise value paid by private strategic buyers jumped 38.6% from Q2 to $91 million. Public strategic buyers have followed a similar trend, with average deal value paid rising 29.1% to $79.6 million.

Foreign buyer activity continued to slump through Q3, falling 22.9% YOY as a strong U.S. dollar has negatively impacted many foreign operations. Even large multinational companies have noted foreign exchange headwinds impacting revenues in recent quarters. Global supply chain disruptions, central bank tightening, and Russia's war on Ukraine are likely to continue to weigh on international deal activity in the near term.

Private equity buyers have continued to be a staple of middle market deal activity, actively pursuing privately-owned targets to bolster sector platform holdings. The significant drop in closed transactions by sponsors compared to last year, which fell by 27.3%, should be analyzed in the context of the past several years. 2021 was a banner year for private equity dealmaking, one that may not be replicated for quite some time. Closed transactions by sponsors in full year 2022 will certainly not eclipse 2021, but it is tracking above levels seen in 2018, 2019, and 2020. The continued abundance of dry powder also bodes well for private equity dealmaking in the near-term. While fundraising may become more challenging, particularly as some limited partners (LPs) pull back on commitments to avoid over-allocation, quality companies will still garner robust financial buyer attention.

Predicting economic conditions for the next 12 or even six months is a fruitless exercise, but several factors remain constant. One, middle market M&A is often more insulated from macro and capital markets headwinds than broader transaction markets. Two, the low interest rate environment the market has enjoyed in recent years is likely in the rearview, placing an emphasis on quality companies propped up by performance rather than cheap debt financing. And three, the rapidly aging demographics of private business owners is set to provide a robust inventory of deals to come.

MIDDLE MARKET OUTLOOK

Q3 2022 TAKEAWAYS & THEMES

Economic uncertainty, elevated inflation, and rising interest rates have challenged middle market M&A activity through Q3.

- Middle market transaction volume has moderated but has certainly not experienced a drastic drop-off that would suggest a pause in M&A markets.
- While buyers have demonstrated increased selectivity, quality companies have continued to command premium valuations.
- Resilient and defensible industries, including Healthcare and Aerospace, Defense, Government & Security, have seen a rise in average M&A EBITDA multiples.
- Private equity activity has slowed from the record deal volume pace seen in 2021, however, add-on acquisitions have remained a key tool for sponsors.

High-quality companies with healthy growth prospects are expected to continue to experience buyer appetite.

- The middle market is expected to continue to see healthy deal flow with acquirers pursuing proven assets in defensible markets.
- Private equity firms are forecasted to remain active in pursuing add-ons to provide liquidity for portfolio companies and gain market share.
- Concern surrounding Russia's war on Ukraine, potential antitrust scrutiny, interest rate increases, and foreign relations will be major factors in cross-border dealmaking through the remainder of 2022 and into 2023.
- In the middle market, demographics are a key catalyst for deal volume. As aging business owners look to monetize their wealth, a steady inventory of transaction volume is expected to follow.

CAPSTONE PARTNERS

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Q3 2022 BY THE NUMBERS

9.2% ⇩
DECREASE IN DEAL VOLUME

Transaction volume declined 9.2% YOY through Q3 as economic headwinds have slowed M&A activity across many industries.

3.7x ⇩
AVERAGE DEBT MULTIPLE

The average debt multiple in Q3 amounted to 3.7x, declining to its lowest level since Q2 2021.

11.0x ⇧
AVERAGE EBITDA MULTIPLE

The average EBITDA multiple in Q3 increased to 11.0x, potentially indicating a flight to quality among buyers.

21.1% ⇩
DECREASE IN PE TRANSACTIONS

Private equity firms have continued to show increased selectivity, with deals closed by sponsors falling 21.1% YOY.

$70.8M ⇨
AVERAGE DEAL VALUE

Average deal value through Q3 has held steady at a healthy $70.8 million, a modest 1.2% decline from the previous year.

12.3x ⇧
$100-$250 EBITDA MULTIPLE

Average valuations at the "core" middle market have remained robust, amounting to 12.3x through Q3.

22.9% ⇩
DEALS BY FOREIGN BUYERS

Deals closed by foreign buyers declined 22.9% YOY as the war in Ukraine and a strong U.S. dollar have impacted volume.

6.6% ⇧
PRIVATE STRATEGIC DEAL VALUE

The average value for acquisitions by private strategic buyers rose 6.6% through Q3 to $73.9 million.

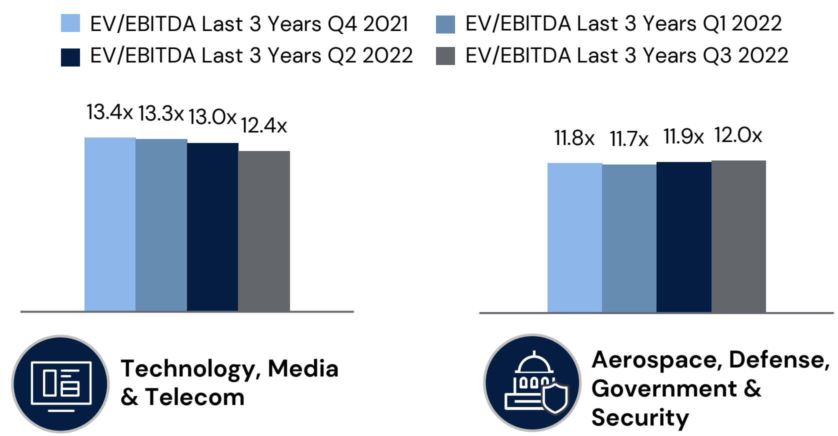
$1.2T ⇧
PE DRY POWDER

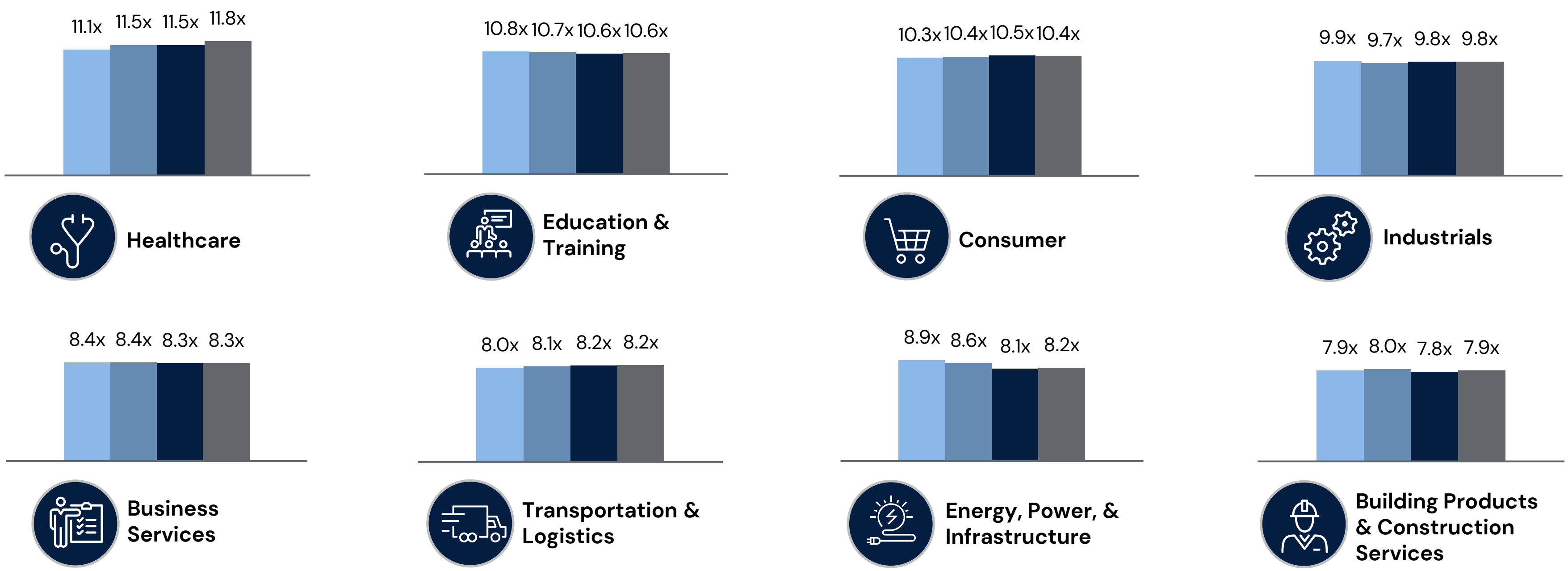
Capital overhang has remained at elevated levels, providing a favorable backdrop for healthy PE deal activity.

CAPSTONE'S PROPRIETARY MIDDLE MARKET VALUATIONS INDEX

Middle Market M&A Valuation Takeaways

- Capstone actively monitors the purchase multiples of middle market transactions through its proprietary database to provide insight and transparency into the pricing environment.
- The Healthcare industry recorded the largest increase in valuation, with 3-year average EBITDA multiples rising to 11.8x through Q3 2022 from 11.5x.
- The Technology, Media & Telecom (TMT) space has continued to lead middle market valuations, however, the TMT 3-year average EBITDA multiple fell to 12.4x through Q3 2022.





CAPITAL MARKET DASHBOARD

YTD EQUITIES

S&P 500
-14.3%

Last	1Y %	P/E LTM
4,026.1	*-13.0*	*18.8*

Dow Jones Industrial
-3.7%

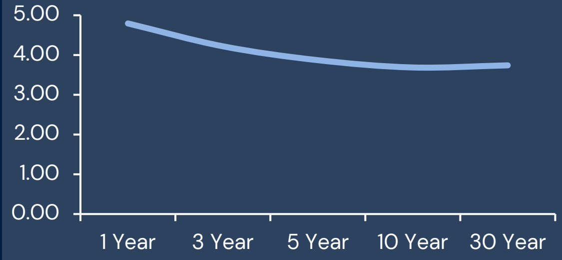
Last	1Y %	P/E LTM
34,347.0	*-2.0*	*18.8*

NASDAQ
-27.7%

Last	1Y %	P/E LTM
11,116.7	*-28.6*	*27.6*

FIXED INCOME

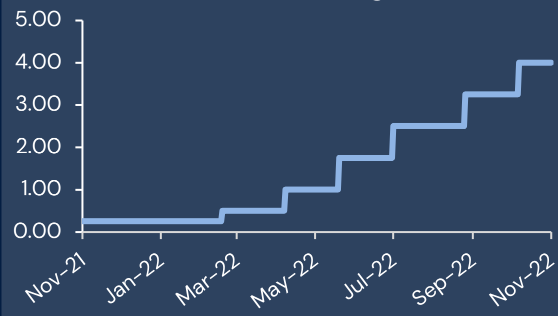
U.S. Yield Curve



1Y	3Y	5Y	10Y	30Y
4.795	*4.219*	*3.870*	*3.686*	*3.739*

POLICY RATE

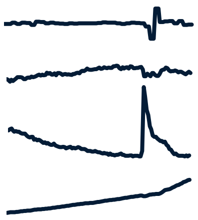
Federal Funds Target Rate



ECONOMIC INDICATORS

GDP, LABOR MARKET, & INFLATION

	Last	YOY
GDP	*2.6%*	*-0.1%*
Consumer Confidence	*102.5*	*+8.2%*
Unemployment	*3.7%*	*-0.9%*
Consumer Price Index	*298.1*	*+7.8%*

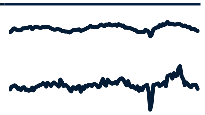


HOUSING MARKET

Housing Starts	*$1,425.0*	*-8.8%*
Total Construction	*$1,811.1*	*+10.9%*

PMI & NMI

Purchasing Managers	*50.2%*	*-10.6%*
Non-Manufacturing	*54.4%*	*-12.3%*



RETAIL

Retail Sales	*$694.5*	*+8.3%*

Source: FactSet as of 11/28/22

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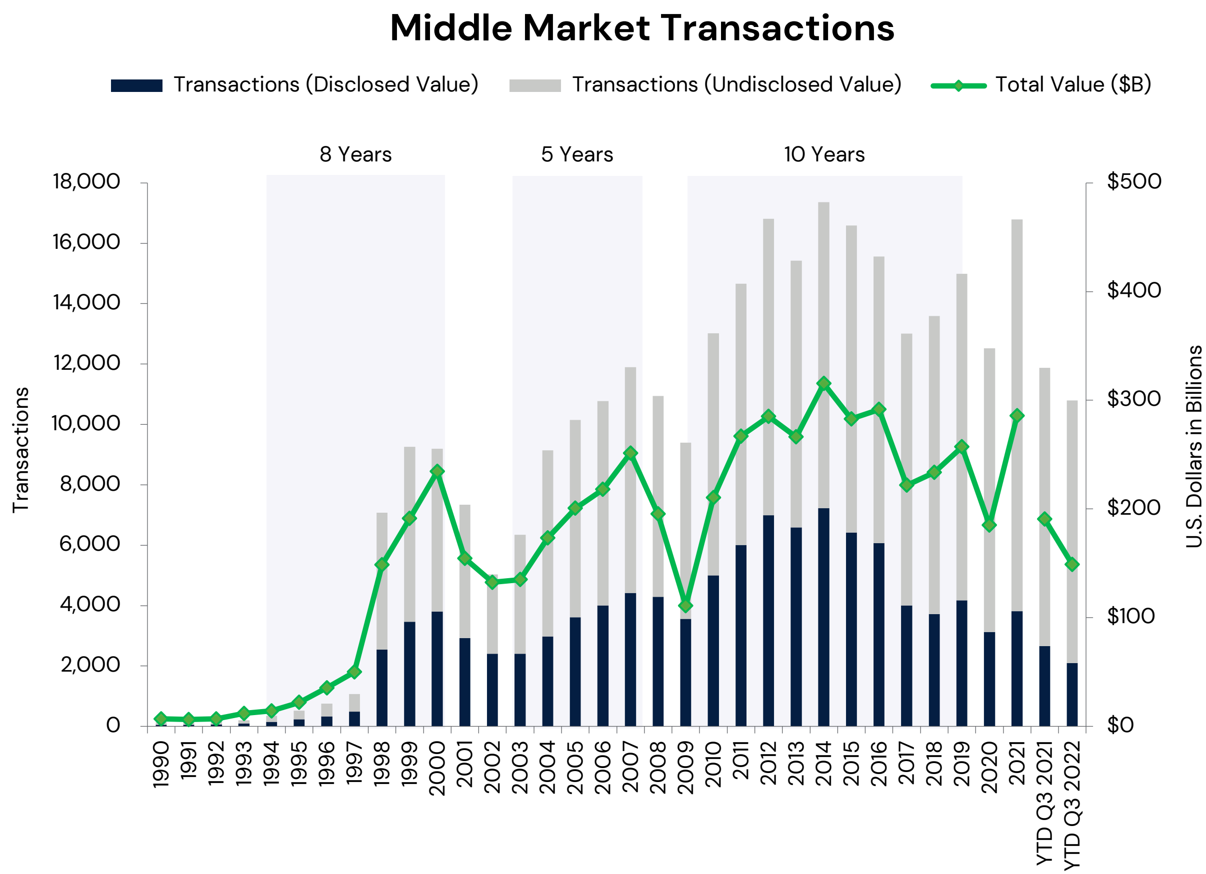
MIDDLE MARKET M&A ACTIVITY

M&A AMID ECONOMIC CYCLES

MIDDLE MARKET M&A SOFTENS FROM RECORD YEAR

- Total middle market M&A volume declined 9.2% YOY through Q3 as economic headwinds have caused a slowdown in dealmaking. While this marks a decline from the record levels in 2021, YTD 2022 volume remains in line with historic averages.
- Elevated inflation, rising interest rates, and uncertainty in forecasting financials have hindered transaction activity.
- The average enterprise value of closed deals through Q3 fell a modest 1.2% to $70.8 million, above the five-year average deal value of $62.8 million—indicating that the high valuation environment observed in 2021 has not fully dissipated.



Shaded areas indicate expansion
Source: Capital IQ
Enterprise Value < $500mm

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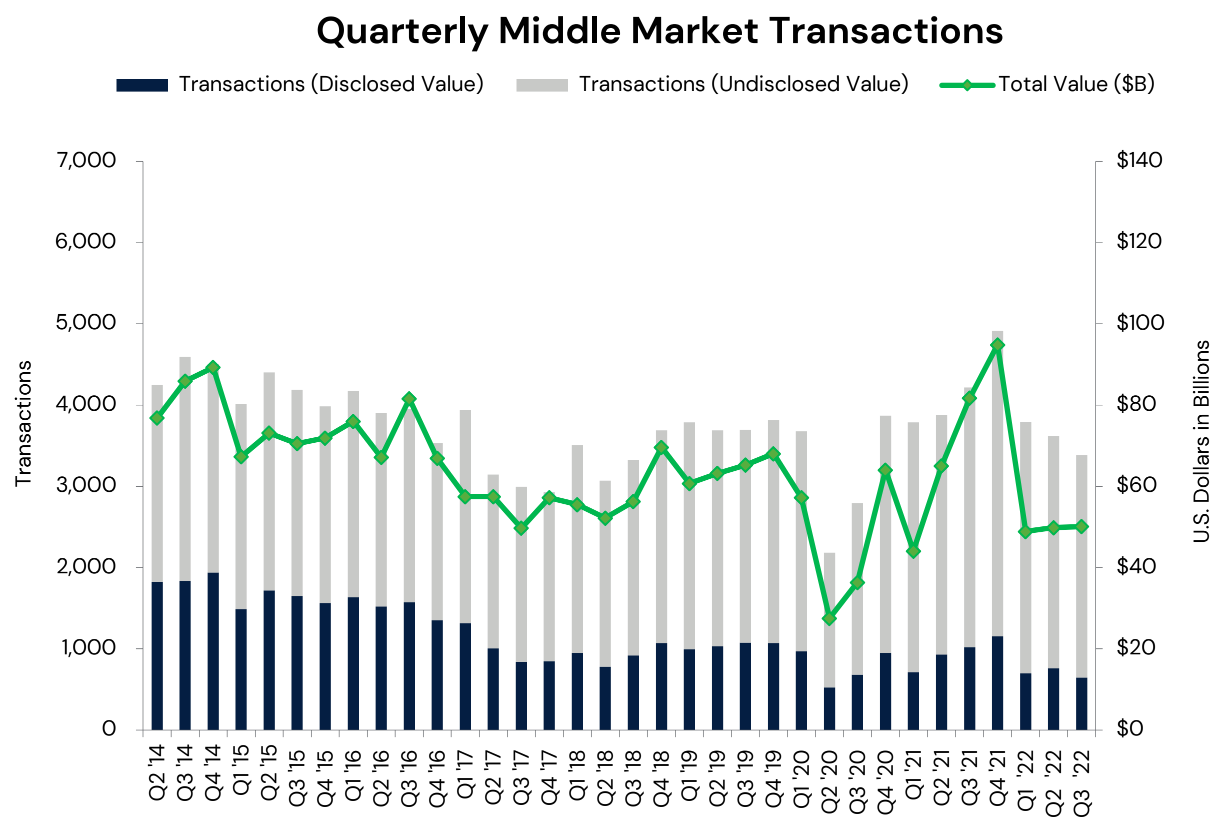
QUARTERLY M&A VOLUME

UNCERTAINTY WEIGHS ON Q3 DEAL VOLUME

- Total closed transactions in Q3 fell 19.7% YOY and 6.4% from Q2 as buyers have displayed greater selectivity amid significant macroeconomic challenges.
- The average value for closed deals in Q3 rose to $77.6 million, rising 18.3% from Q2 and marking the highest average value since Q4 2021.
- Strong average deal value amid a significant decline in M&A volume may be indicative of a flight to quality—with acquirers only pursuing high-quality assets with strong growth potential and defensible revenues. Capstone expects stable businesses to continue to attract acquirers through year-end, supporting strong average valuation levels.



Source: Capital IQ
Enterprise Value < $500mm

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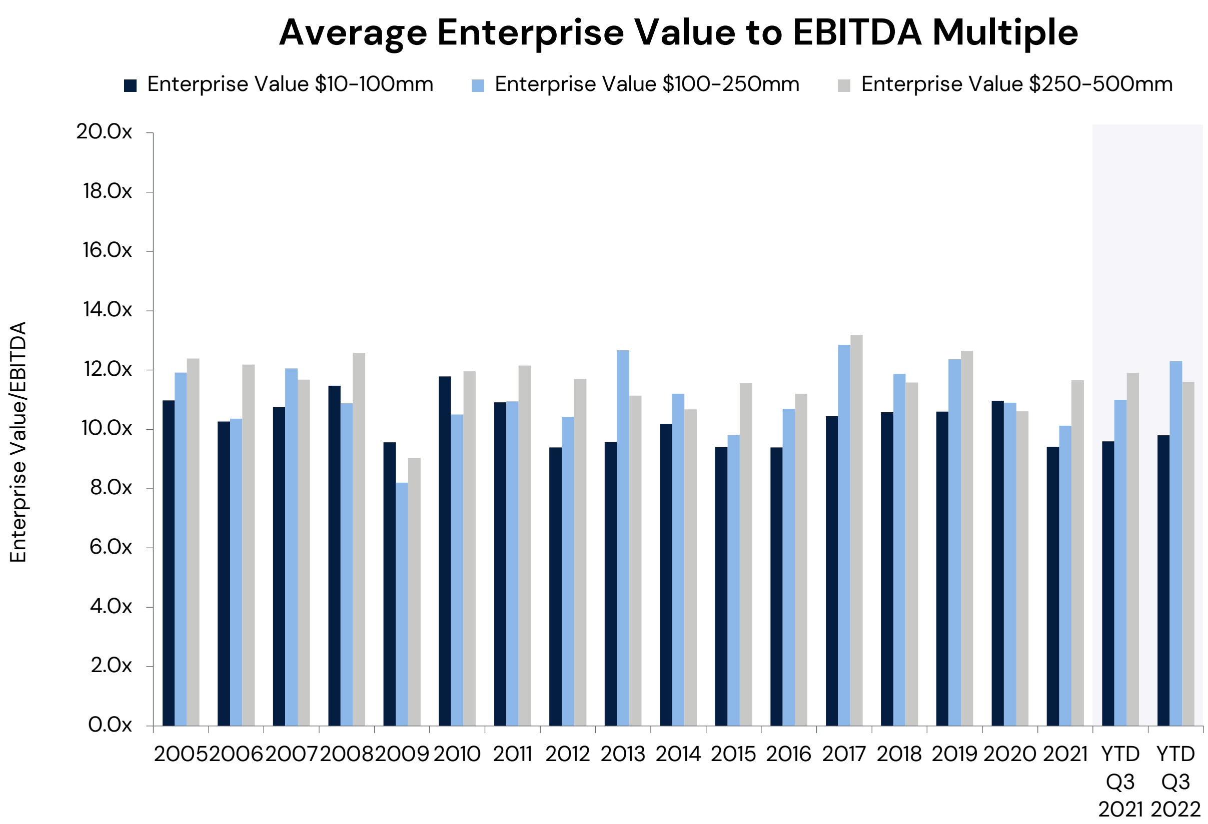
BREAKING IT DOWN BY SIZE

CORE MIDDLE MARKET EBITDA MULTIPLES RISE

- Average EBITDA multiples through Q3 in the lower middle market ($10-$100 million enterprise value range) and core middle market ($100-$250 million) increased YOY. Notably, the average core middle market EBITDA multiple rose to 12.3x, compared to 11.0x in the prior year period.
- The average upper middle market ($250-$500 million) EBITDA multiple through Q3 declined slightly YOY, falling to 11.6x from 11.9x.
- Improvements in lower middle market valuations suggest that acquirers are pursuing mid-sized companies with a proven track record and projected growth, leading to healthy competition.



Source: Capital IQ
Includes multiples 3x-30x
Enterprise Value < $500mm

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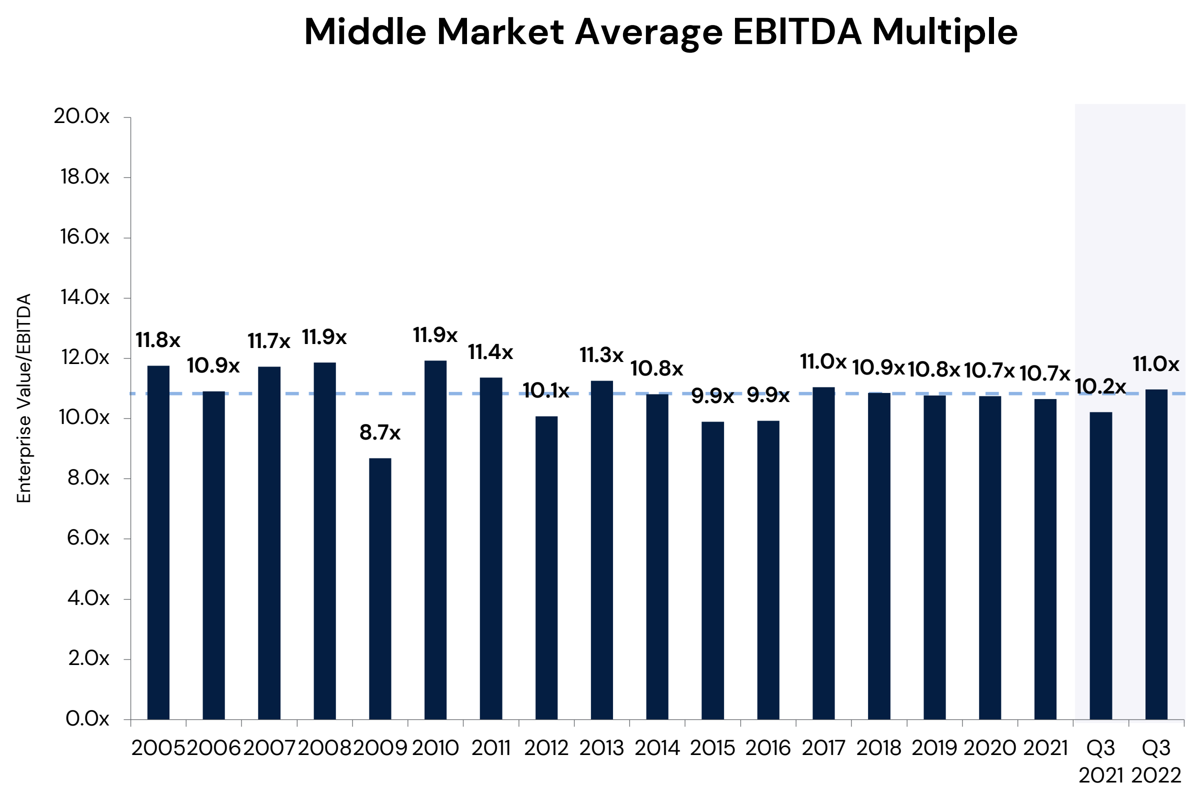
PRICING TRENDS

TRANSACTION VALUATIONS SURPASS PRIOR YEAR

- The overall average EBITDA multiple increased to 11.0x in Q3 2022, compared to 10.2x in Q3 2021. High-quality targets in resilient industries including Healthcare and Industrials have drawn healthy multiples.
- Anecdotally, businesses that have been able to prove that COVID-related revenue bumps are sustainable have justified higher multiples. Companies failing to maintain abnormal increases achieved during the pandemic are attracting less attention from buyers.
- Margin stability, pricing power, and revenue defensibility have been key factors scrutinized by strategic and financial buyers through Q3.



Dotted line indicates 2005 to 2021 average of 10.8x
Source: Capital IQ and Capstone Partners
Includes multiples 3x-30x
Enterprise Value < $500mm

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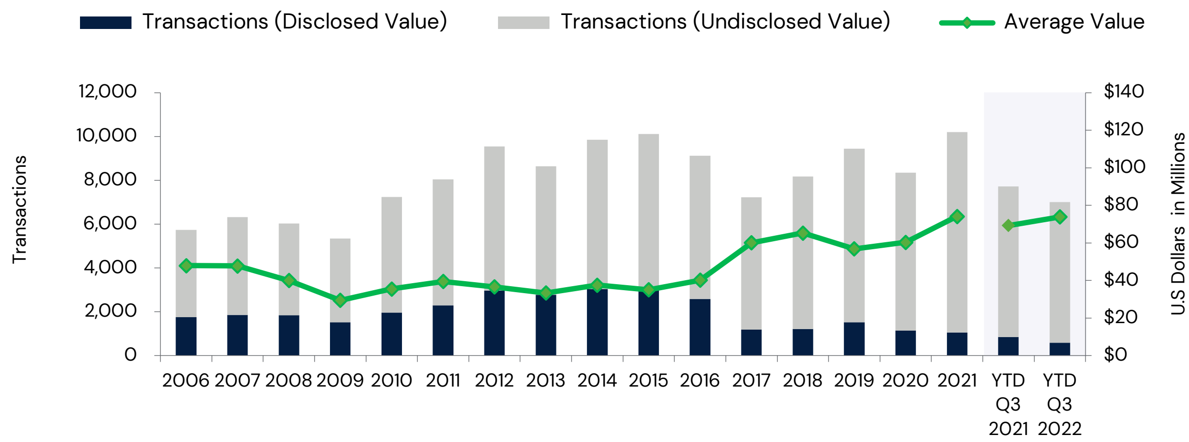
STRATEGIC ACQUIRERS

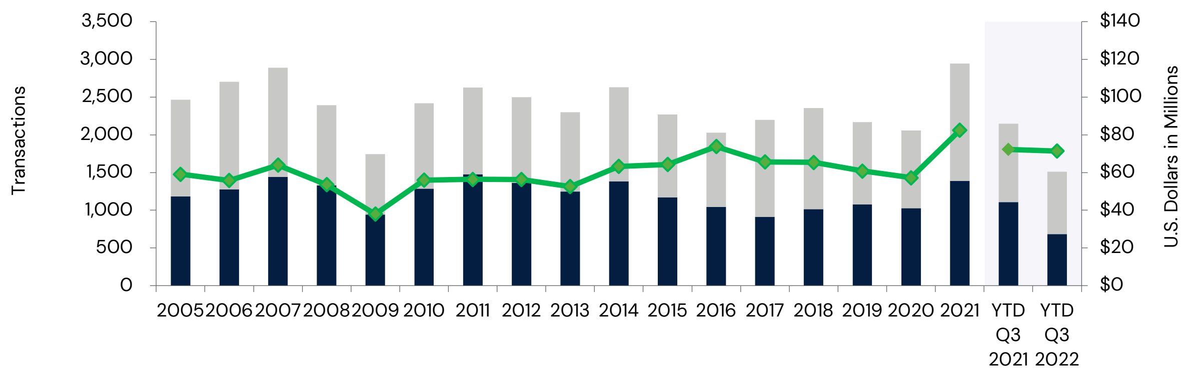
STRATEGICS PURSUE HIGH-QUALITY ASSETS

- The number of closed transactions by private companies declined 9.3% YOY through Q3 2022 and fell 9.1% compared to Q2 2022. Average deal value has remained strong with the Q3 average value alone rising to $91.0 million, a 38.6% increase from last quarter.
- Closed transactions by public companies recorded deeper declines, falling 29.6% YOY and 17.7% from Q2 2022. However, average deal value held strong, falling a modest 1.1% YOY.
- The decline in volume points to greater selectivity by strategics, as acquirers chase a finite number of deals for elevated purchase prices.

Acquisitions by Private Companies



Acquisitions by Public Companies



Source: Capital IQ
Enterprise Value < $500mm

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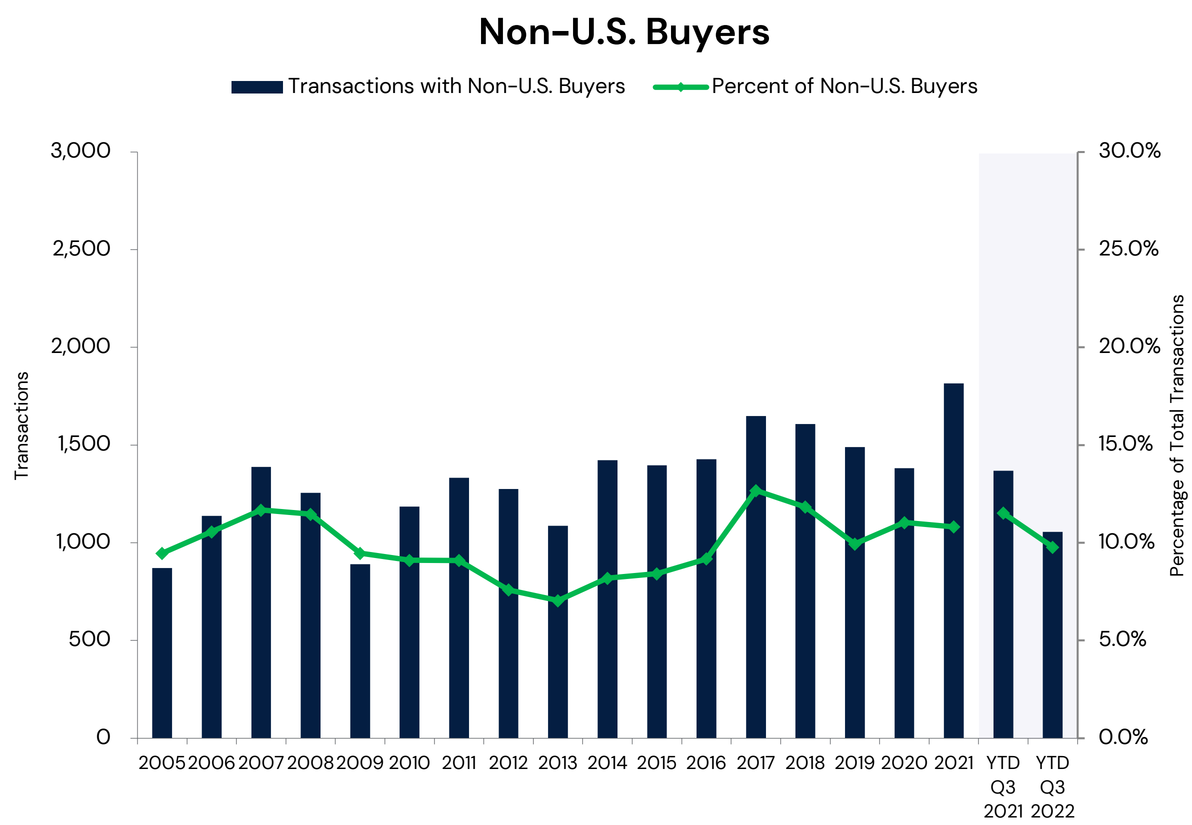
FOREIGN ACQUIRERS

CROSS-BORDER M&A FALLS IN YEAR-TO-DATE Q3

- Through Q3, the volume of transactions and the share of total deals involving a foreign buyer have fallen 22.9% and 1.7%, respectively, from the same period in the prior year.
- Through year-end, cross-border M&A is likely to be impacted by the war in Ukraine, antitrust scrutiny, interest rate hikes, and foreign relations. In addition, the strengthening U.S. dollar has reduced the purchasing power of foreign buyers, making U.S. assets more expensive.
- The U.K. has continued to lead acquisitions of U.S. companies by foreign buyers through Q3. Application software companies have attracted the highest foreign buyer attention.



Source: Capital IQ
Enterprise Value < $500mm
To ensure accuracy, data methodology has changed as of 2022 publication

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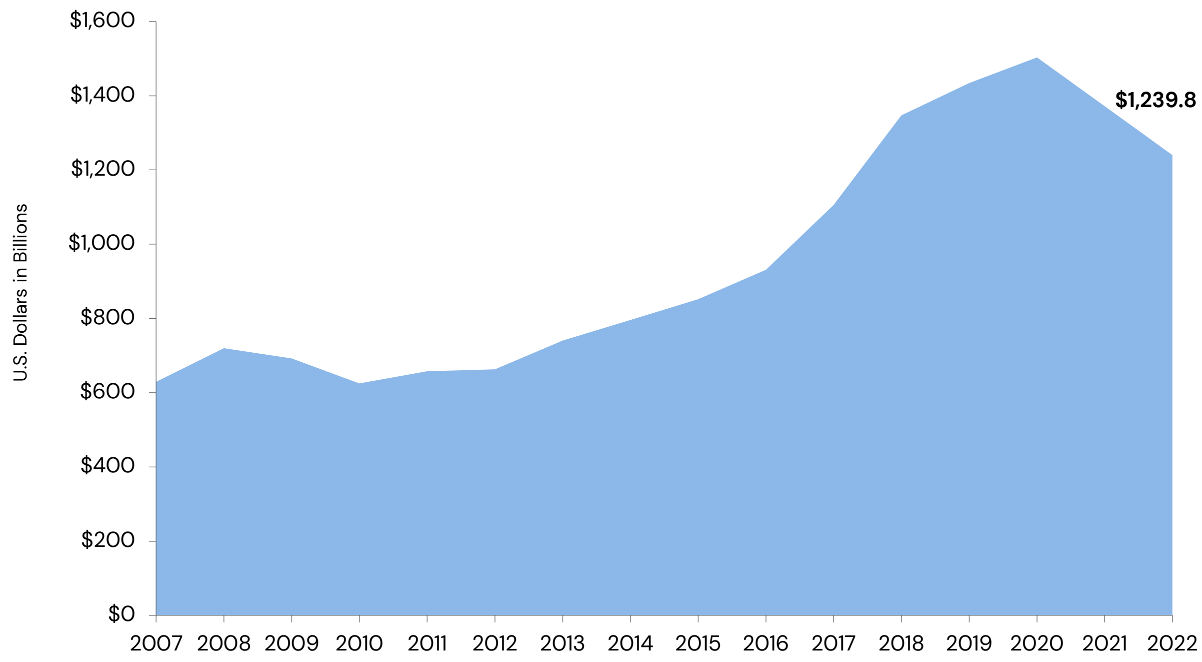
PRIVATE EQUITY DRY POWDER

CAPITAL OVERHANG LEVELS REMAIN ROBUST

- Private equity firms remain armed with vast reserves of dry powder, which has exceeded $1.2 trillion. However, capital overhang levels have declined from the prior year, falling by 9.6%.
- The rise of GP-led secondaries has added another value-creation tool to sponsors' playbooks. These continuation vehicles allow GPs to secure liquidity by extending the holding period of high-performing assets.
- The rising interest rate environment has made the financing of leveraged buyouts more expensive than previous years. This has emphasized the importance of a target's ability to sustain cash flows to rapidly service debt payments.

PE Capital Overhang by Year



2022 dry powder figure as of June 30, 2022
Source: PitchBook

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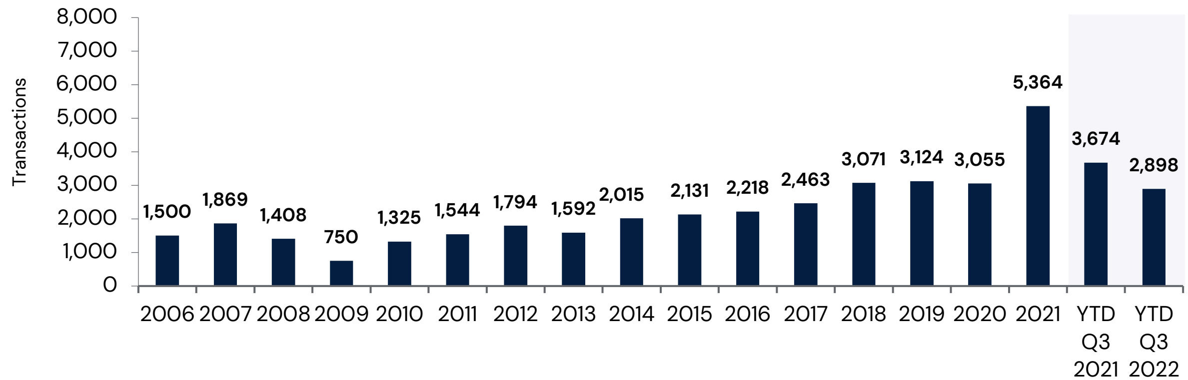
PRIVATE EQUITY ACTIVITY

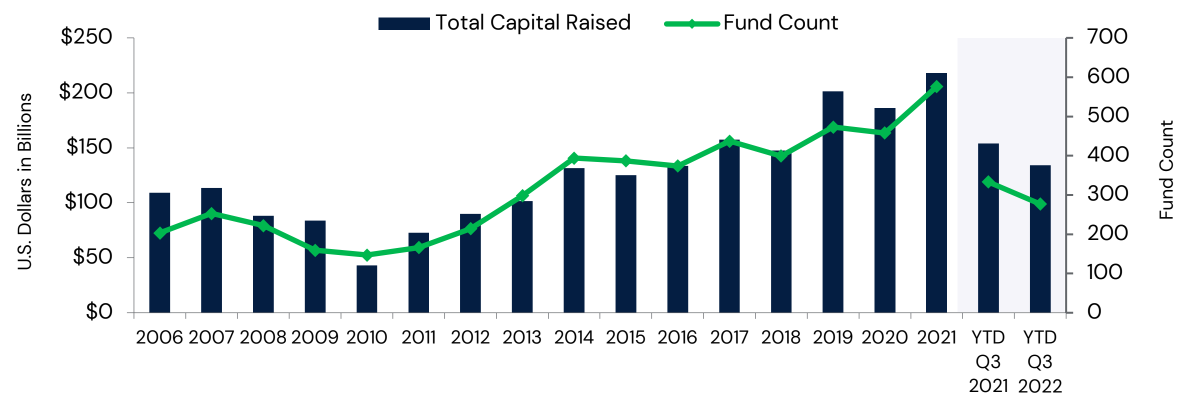
PRIVATE EQUITY ACTIVITY NORMALIZES THROUGH Q3

- Closed transactions by private equity firms have remained in line with historic averages through Q3, tracking above 2018, 2019, and 2020 levels.
- Total sponsor transactions declined 21.1% YOY through Q3 and fell 5.5% compared to last quarter. However, the past several years have showcased the trend of growing sponsor activity in the middle market.
- Private equity fundraising has fallen 12.9% YOY through Q3 to $134.2 billion in capital raised. Poor public equity market performance may make LPs cautious to commit additional capital to avoid overallocation to private equity in their portfolios.

Middle Market Transactions Closed by Private Equity Firms



Middle Market Fundraising by Private Equity Firms



Source: PitchBook
Enterprise Value; $25-$500mm, Fund size < $5B

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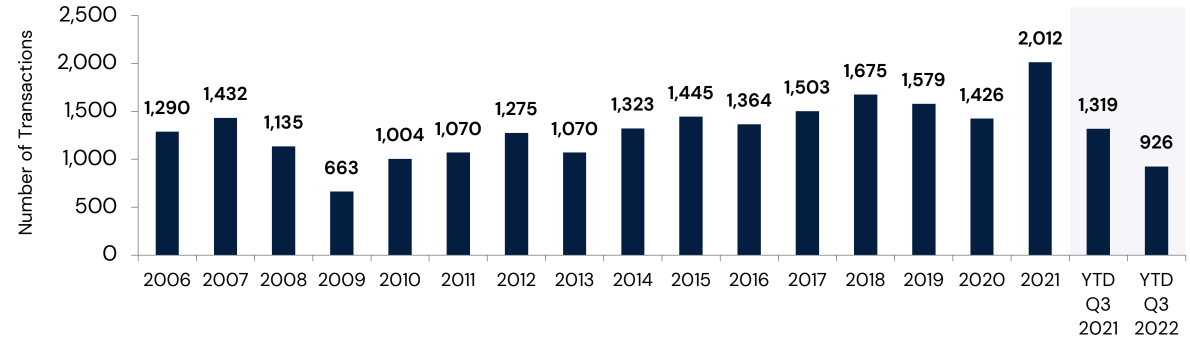
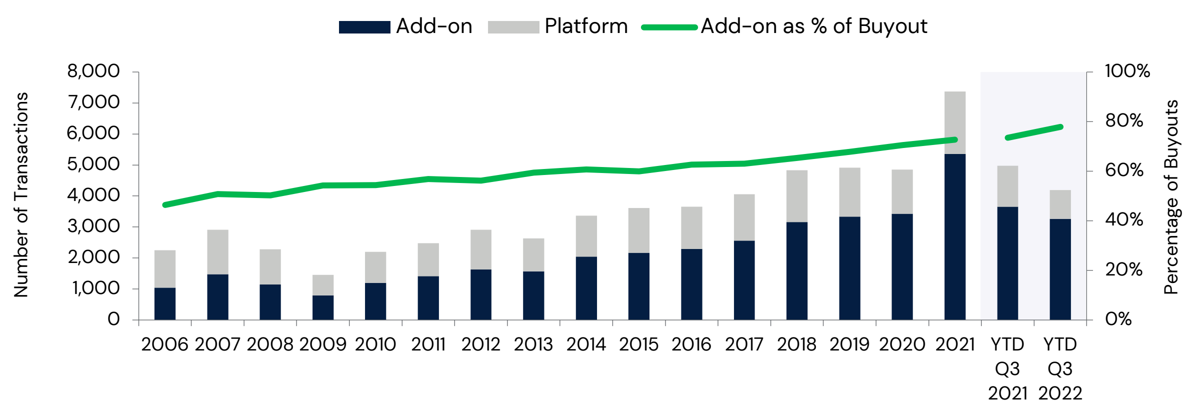
PRIVATE EQUITY TRANSACTION TYPES

PE FIRMS CREATE VALUE THROUGH ADD-ON DEALS

- Platform investments have fallen 29.8% YOY as GPs have focused on maintaining the financial and operational health of their existing holdings amid current macroeconomic headwinds.
- Despite the significant decline in platform buyout volume from a record 2021, platform investment activity in 2022 is relatively healthy compared to historic levels.
- Add-ons have comprised a historic 77.9% of buyouts as sponsors have increasingly pursued complementary businesses for portfolio holding companies. Add-ons can often create significant value, maximizing internal rates of return upon exit.



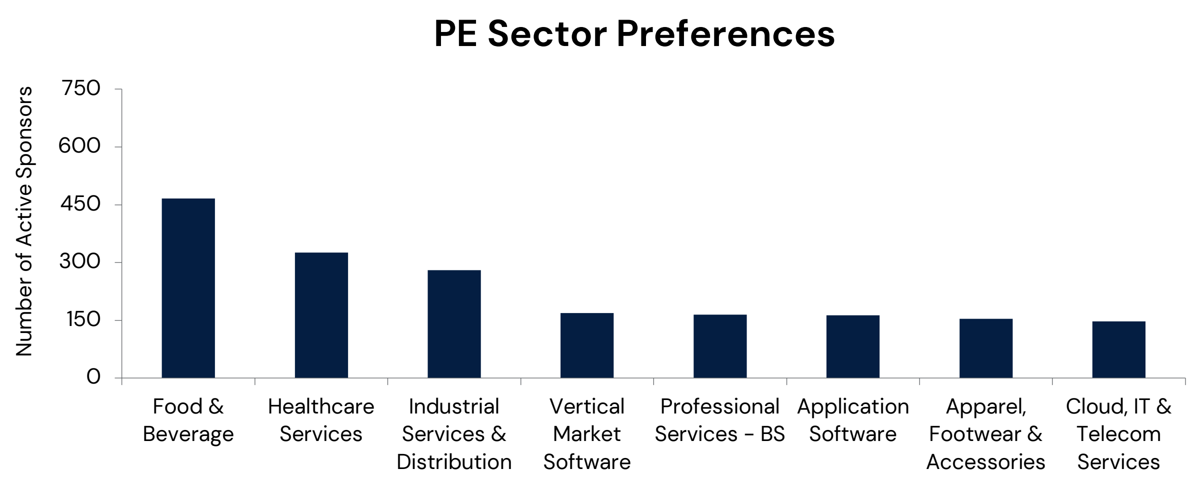


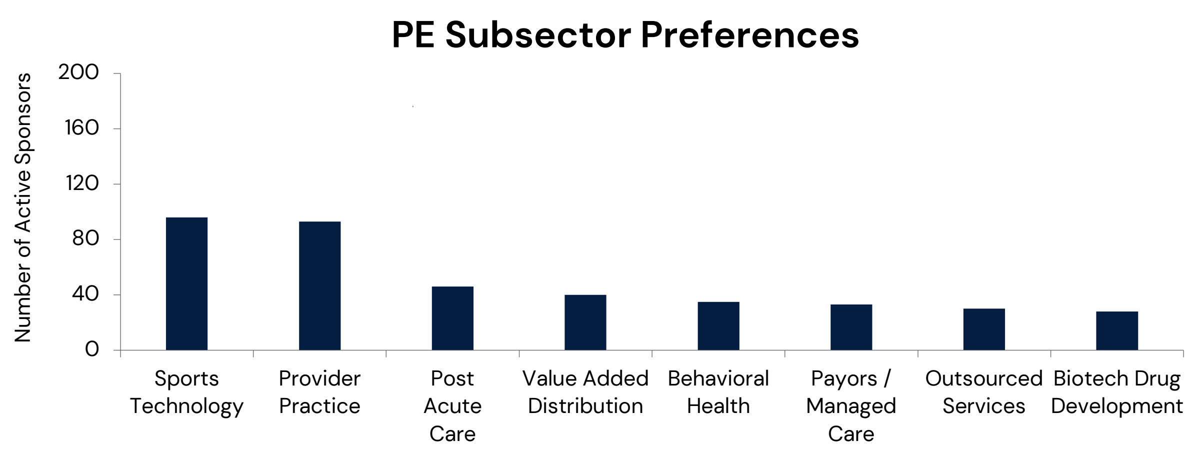
Source: PitchBook
Includes all U.S. PE transactions

CAPSTONE'S PRIVATE EQUITY NETWORK PRESENTATION

FOOD & BEVERAGE REMAINS TOP PE SECTOR

- Food & Beverage and Healthcare Services remain the most preferred sectors among Capstone's sponsor network, followed by Industrial Services & Distribution.
- Healthcare subsectors have been highly sought after by private equity, comprising five out of the top eight most preferred spaces by Capstone's sponsor network.
- Sports Technology has become the most preferred subsector among Capstone's sponsor network, passing Provider Practice, as growing digital fan engagement capabilities have prompted sponsors to build platforms in the space.





Source: Capstone proprietary data

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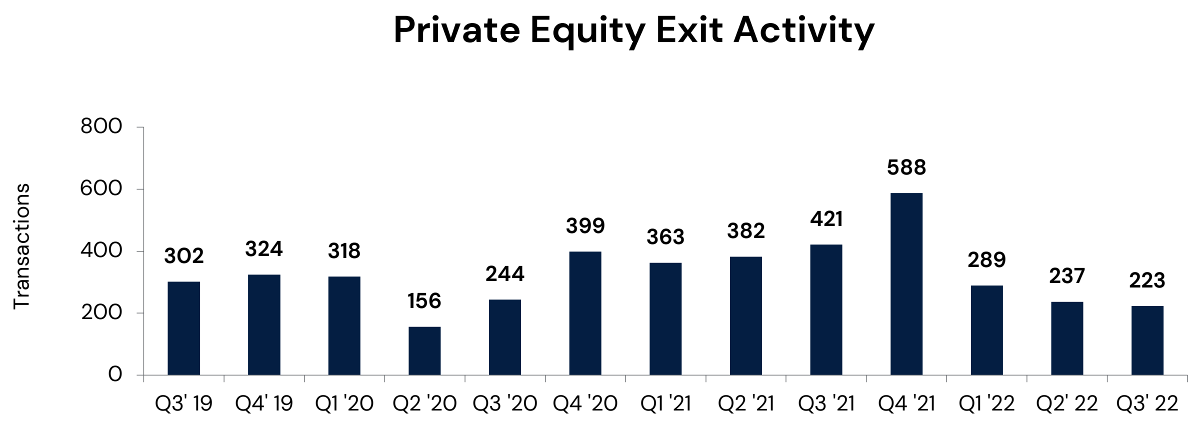
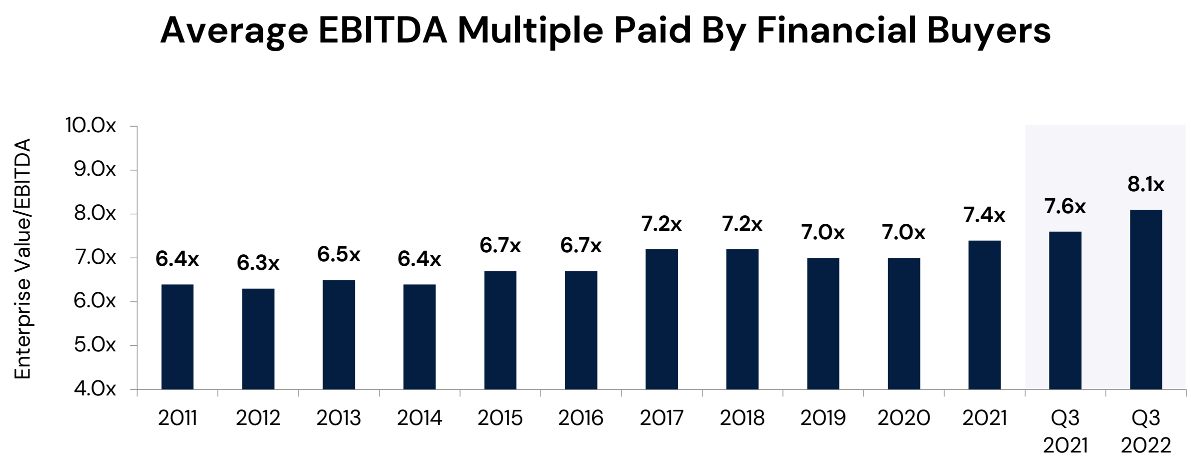
PRIVATE EQUITY ACTIVITY

AVERAGE EBITDA MULTIPLE PAID BY SPONSORS INCREASES

- Private equity exit activity in Q3 fell below Q2 and Q1 levels as poor equity market performance has discouraged widespread public listings. Exits may remain lower over the next few quarters if economic headwinds persist.
- Private equity firms paid elevated multiples to close deals in Q3, averaging 8.1x EV/EBITDA—significantly outperforming the prior year average. Despite a rising interest rate environment and uncertain macroeconomic outlook, sponsors have paid premiums for quality targets.
- While private equity dealmaking has declined compared to last year, the upward trend in multiples supports healthy transaction markets.





Note: Exit activity inclusive of all enterprise value ranges
Source: PitchBook and GF Data®
Includes multiples 3x-15x; Enterprise Value $10mm-$250mm

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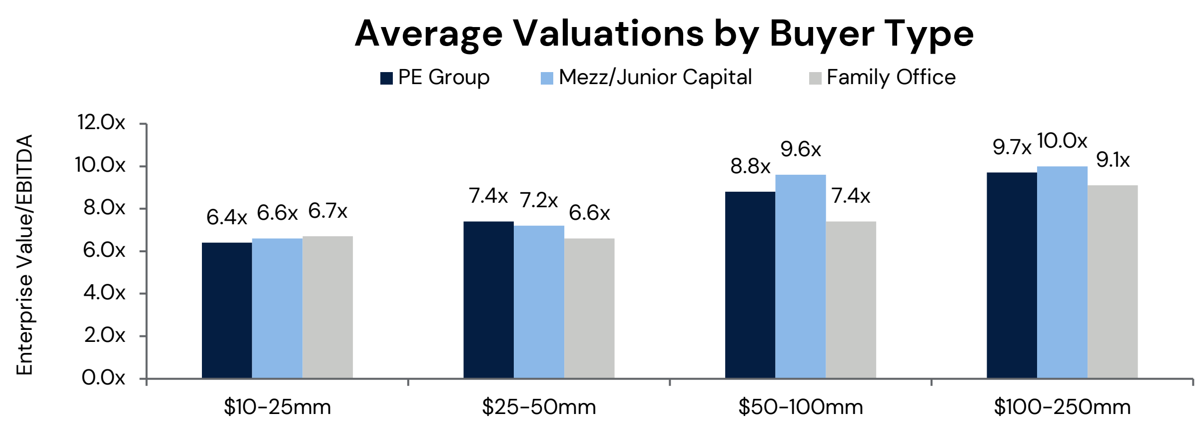
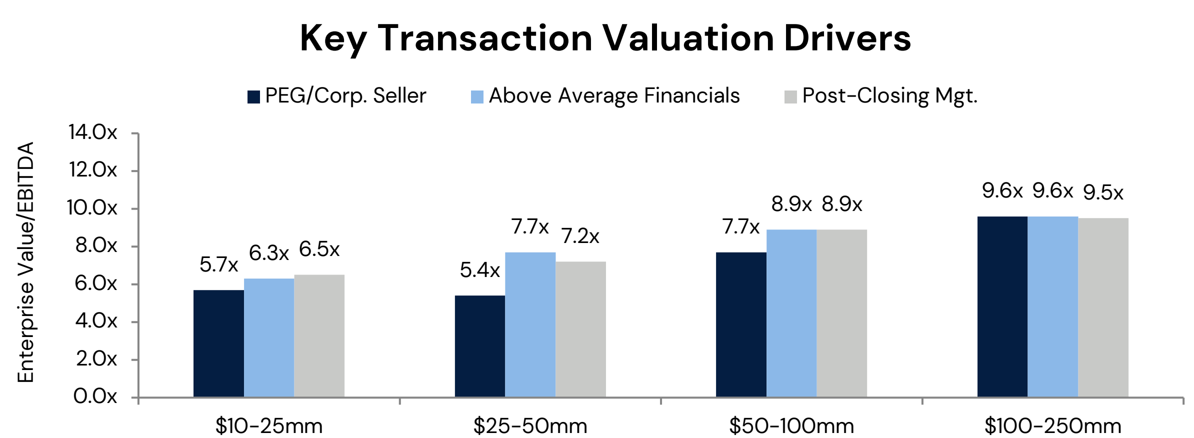
PRIVATE EQUITY VALUATIONS

INCREASED EMPHASIS PLACED ON QUALITY

- Larger transactions have continued to command elevated valuations, with mezzanine/junior capital providers paying 10x EV/EBITDA for businesses in the $100-$250 range, higher than the average private equity group multiple of 9.7x through Q3.
- Above average financials have remained a key determinant of pricing, which has been most evident in the $25-$50 million enterprise value range.
- Buyout targets with private equity/institutional ownership, above average financials, and a post-closing management solution have garnered premium multiples through year-to-date, averaging 8.5x compared to 7.7x for all buyout transactions.





Source: GF Data®
GF Data® defines Above Average Financial Performers as businesses with TTM EBITDA margins and revenue growth above 10%, or one above 12% and the other metric at least 8%
Includes multiples 3x-15x; Enterprise Value $10mm-$250mm

PRIVATE EQUITY VALUATIONS

AVERAGE DEBT MULTIPLES FALL IN Q3

- The debt environment modestly tightened in Q3, with the average debt multiple falling to 3.7x EBITDA, the lowest quarterly reading since Q2 2021 and a decline from the Q3 2021 average of 4.0x.
- The lower levels of debt utilization in transactions has encouraged buyers to increase their equity contributions. Through Q3, the average equity commitment has reached 51.4%, exceeding full year 2021 levels.
- While an abundance of debt capital remains in the market, higher interest rates may continue to place downward pressure on debt multiples and lead to more conservative transaction structures.

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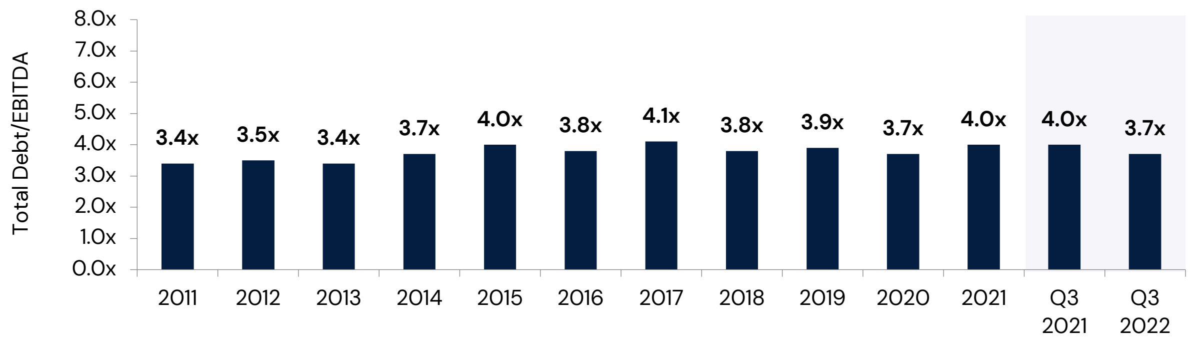
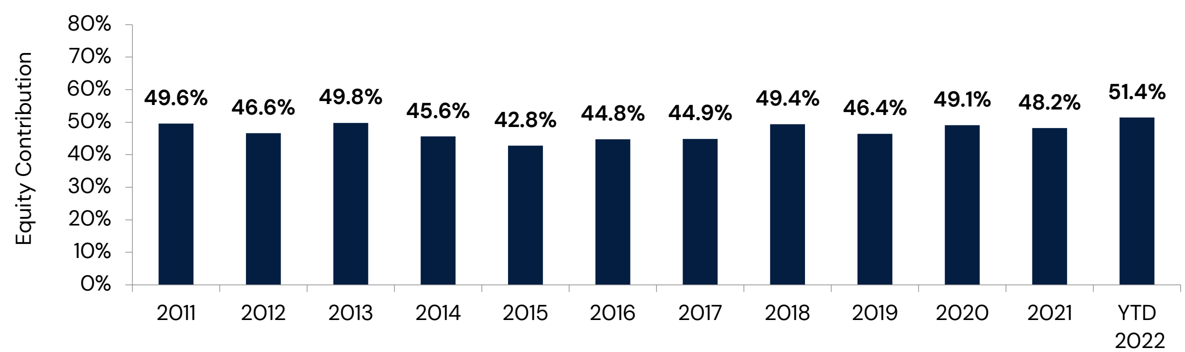
Average Debt Multiples of Middle Market LBO Transactions



Average Middle Market LBO Equity Contribution



Source: GF Data®
Includes multiples 3x-15x; Enterprise Value $10mm-$250mm

CAPSTONE BAROMETERS

CAPSTONE PARTNERS' FULLY INTEGRATED EXPERTISE

We have developed a service delivery model that can address the needs of any client situation, supported by vast internal resources. These capabilities are delivered together with deep domain expertise across 12 dedicated industry groups with an established, real-time access to the private equity community.

Mergers & Acquisitions

- Sell-side Advisory
- Buy-side Advisory
- Recapitalizations
- Mergers & Joint Ventures

Capital Advisory

- Equity Advisory
- Debt Advisory
- Infrastructure Finance

Financial Advisory

- Transaction Advisory
- Interim Management
- Performance Improvement
- Valuation Advisory
- Litigation Support

Special Situations & Restructuring

- Special Situations
- Turnaround
- Restructuring
- Bankruptcy
- Insolvency

Industry Groups

- Aerospace, Defense, Government & Security
- Building Products & Construction Services
- Business Services
- Consumer
- Education & Training
- Energy, Power, & Infrastructure
- FinTech & Services
- Healthcare
- Industrials
- Industrial Technology
- Technology, Media, & Telecom
- Transportation & Logistics

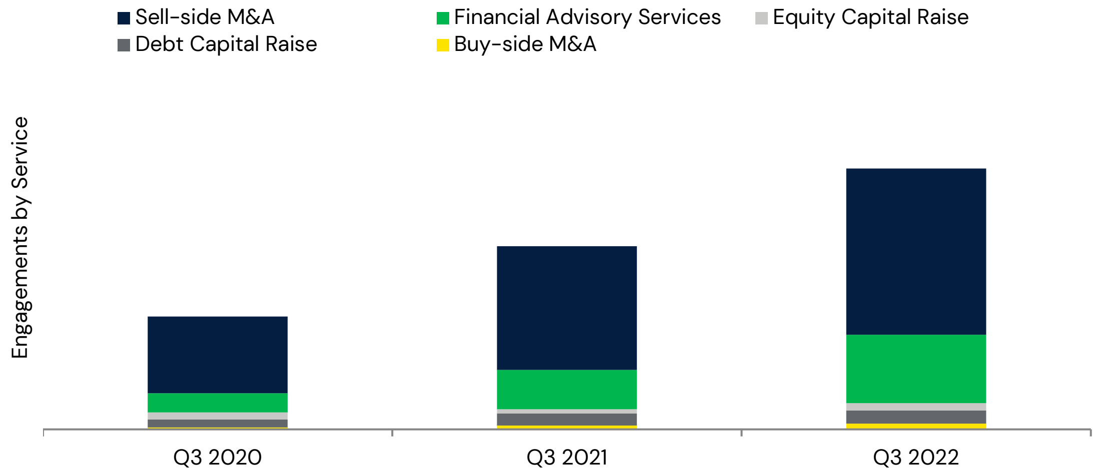
Sponsor Coverage Group

FIRM DATA

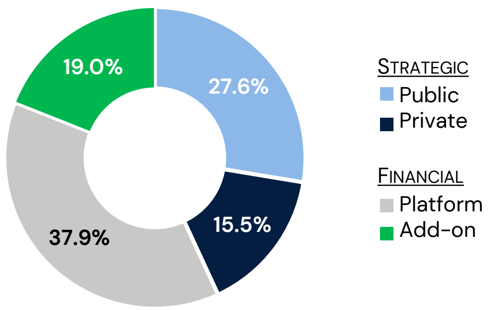
ROBUST M&A ENVIRONMENT IN THE MIDDLE MARKET

- Sell-side M&A activity has continued at healthy levels through Q3 2022, with many founders and entrepreneurs seeking liquidity events.
- Financial buyers have accounted for the largest share of acquisitions in the trailing twelve months (TTM), comprising nearly 57% of total deal volume. Sponsors have continued to leverage add-on acquisitions through Q3 (19% of transactions).
- Strategic buyers have remained active in the M&A market, led by public strategics who have accounted for nearly 28% of TTM transactions. Private strategics have comprised the lowest share of transactions at 15.5%.

Capstone Engagements By Service



Capstone TTM Buyer Breakdown



Source: Capstone proprietary data based on live engagements and closed sell-side engagements

RECENT DEAL CLOSINGS

Capstone is an active leader in middle market M&A advisory, serving many clients and their needs, despite the unprecedented disruptions to the economy. Select our recent tombstones below to read the full press release.

iPayables HAS BEEN ACQUIRED BY DOCUPHASE a portfolio company of LONETREE	ActiTech CRO AND FINANCIAL ADVISORY SERVICES	CHARTER IMPACT HAS BEEN ACQUIRED BY MERCATOR SEARCH GROUP	accume partners HAS BEEN ACQUIRED BY Cherry Bekaert A portfolio company of PARTHENON CAPITAL	RIV Retina Institute of Virginia HAS BEEN ACQUIRED BY EYECARE PARTNERS	Commonwealth Eye Care Associates HAS BEEN ACQUIRED BY EYECARE PARTNERS	Summit Service Group, Inc. HAS BEEN ACQUIRED BY THE FACILITIES GROUP
PRIVATE DIGITAL EVENT TICKET BROKERAGE HAS RECEIVED DEBT FINANCING FROM UMB	THE BRUNER GOLD PROJECT A PROPERTY OF CANAMEX HAS BEEN ACQUIRED BY Endeavour Silver	SharperShape SECURED $17.5 MILLION IN SERIES B FINANCING	ICS HAS BEEN ACQUIRED BY KORN FERRY	KASH CA INC. LAX HAS BEEN ACQUIRED BY FERNANDEZ HOLDINGS, INC.	TELESIS a portfolio company of CRIMSON HAS BEEN ACQUIRED BY HITACHI	ACC Acceleration Community of Companies HAS RECEIVED DEBT FINANCING FROM CSWC CAPITAL SOUTHWEST
saur A portfolio company of EQT HAS ACQUIRED AQUA CHEM GLOBAL · WATER · SOLUTIONS	ConcealFab Corporation HAS BEEN ACQUIRED BY valmont	RAFAEL ADVANCED DEFENSE SYSTEMS LTD. HAS ACQUIRED PVP ADVANCED EO SYSTEMS	RESIDENTIAL WARRANTY SERVICES, INC. HAS BEEN ACQUIRED BY Porch	CALCULATED RISK MOTORCYCLE GROUP HAS BEEN ACQUIRED BY NAVIGANTOAK	MonroneyLabels.com HAS BEEN ACQUIRED BY LEADVENTURE a portfolio company of TRUE WIND TA ASSOCIATES	NOR-CAL CONTROLS ENERGY SOLUTIONS STRATEGIC AND TRANSACTION ADVISORY SERVICES

LEADERSHIP TEAM

JOHN FERRARA, FOUNDER AND PRESIDENT
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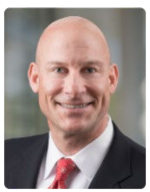
John has dedicated 30+ years to serving as a trusted advisor to privately held businesses. Representative of over 200 engagements, he has acted as investment banker, management consultant, interim executive, investor, founder and board member. John has been recognized as one of the Top 50 M&A advisors in the U.S. and honored as an M&A Advisor Hall of Fame inductee. Under his leadership, Capstone has expanded to 19 offices in the U.S., U.K., and Brazil with an international platform that spans over 450 professionals in 40 countries worldwide. John graduated from Wesleyan University with an MBA from UCLA and The London School of Economics.

PAUL JANSON, COO
pjanson@capstonepartners.com | 303-887-0174
With 25 years of executive experience, Paul manages all administrative, legal and compliance matters for the firm and serves on Chairman of the Investment Banking Committee. On the M&A Advisory side, he is active in telecommunications services, manufacturing and infrastructure. Previously, Paul served as President & CEO of Camiant, a Packet Cable Multimedia broadband company. Paul was also CEO of Worldbridge Broadband Services Inc, a broadband and telecommunications company that was later acquired by C-Cor. Paul then became President of C-Cor's Global Services Division. He earned a BA-Business from Saint Anselm College.



PETER ASIAF, HEAD OF BUSINESS DEVELOPMENT
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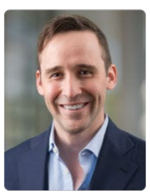
Peter has more than 20 years of experience as a senior business development executive across the professional and financial services industries. He has been a growth-oriented leader in early-stage, middle-market and Fortune 500 enterprises, helping them to design and execute strategic expansion plans, optimize brand positioning and strengthen key market relationships. Peter is a Certified Exit Planning Advisor (CEPA) designated by the Exit Planning Institute



BRENDAN BURKE, HEAD OF SPONSOR COVERAGE
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Brendan has 16 years in investment banking experience. He oversees the firm's outreach to private equity sponsors and recruitment of senior investment bankers. Since joining Headwaters MB (now Capstone) in 2004, he has held roles in transaction execution, business development, recruiting and marketing. In 2012, he was awarded 40 UNDER 40 by the M&A Advisor. He received a BA in Politics, Philosophy, Economics from Pomona College.

DANIEL MCBROOM, HEAD OF PRIVATE CAPITAL MARKETS
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Daniel has 15 years of private and investment banking experience and is responsible for sourcing and analyzing hundreds of companies a year introduced by the firm's institutional clients and partners. Select companies are engaged and his team will stay involved until the transaction is closed. Before his financial career, Daniel spent seven years as a pilot in the United States Air Force. He earned an MBA from the University of Notre Dame and a BS from the United States Air Force Academy.

LEADERSHIP TEAM (CONTINUED)

SARAH DOHERTY, DIRECTOR OF MARKET INTELLIGENCE

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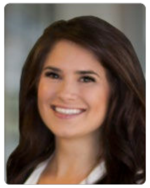
Sarah has nearly 10 years of professional research, writing, and data visualization experience and leads the strategic coverage and development of Capstone's middle market insights. She manages the firm's Market Intelligence Team, which produces 150+ reports, articles, white papers, surveys, and capital markets updates each year. Her team's award-winning M&A commentary and analysis has been featured in more than 50 of the nation's top news outlets. Sarah earned a BA from Biola University and was recognized in 2021 with the "Emerging Leader Award" by the M&A Advisor.



OLIVIA FERRIS, DIRECTOR OF STRATEGY & OPERATIONS

oferris@capstonepartners.com | 303-962-5772

Olivia Ferris has over 10 years of investment banking experience with Capstone Partners and currently serves as Director of Strategy & Operations on the firm's executive team. In this role, Olivia is responsible for overall firm strategy, corporate development, partnerships, strategic initiatives, and investments. She is central to communicating, executing, and sustaining Capstone's priorities and translating them into a comprehensive strategic plan. Olivia earned a BSBA in Finance from Daniels College of Business, University of Denver.

BRIAN DAVIES, MANAGING PARTNER, FINANCIAL ADVISORY SERVICES GROUP

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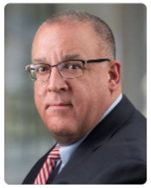
Brian has 20+ years of experience working in the fields of corporate recovery, business reorganization and interim management services. He has provided financial advisory services to lenders, debtors, creditors' committees, trustees and equity holders in bankruptcy matters and out-of-court restructurings. Brian has provided assistance to under-performing businesses, acquirers of distressed companies. He has worked with companies to develop cost containment and asset rationalization plans, improve liquidity, re-engineer financial and other back-office functions. He received a MS from Bentley University and MSF from The McCallum School, Bentley University.



JIM CALANDRA, HEAD OF FINANCIAL ADVISORY SERVICES GROUP

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Jim has more than 25 years of experience in turnaround management consulting, interim management, fraud and forensic accounting, mergers and acquisitions, and recapitalizations. He has advised more than 50 companies through significant strategic transitions involving both public and private middle market companies with varying situations. Jim received a BS in Accountancy from Bentley University and an MS in Accountancy from The McCallum Graduate School of Business, Bentley University.

Capstone Partners, a subsidiary of Huntington Bancshares Incorporated (NASDAQ:HBAN), has been a trusted advisor to leading middle market companies for over 20 years, offering a fully integrated range of investment banking and financial advisory services uniquely tailored to help owners, investors, and creditors through each stage of the company's lifecycle. Capstone's services include M&A advisory, debt and equity placement, corporate restructuring, special situations, valuation and fairness opinions, and financial advisory services. Headquartered in Boston, the firm has 175+ professionals in multiple offices across the U.S. With 12 dedicated industry groups, Capstone delivers sector-specific expertise through large, cross-functional teams. For more information, visit www.capstonepartners.com.

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