

SEWARD & KISSEL LLP

Seward & Kissel advises Cathay Capital
on its investment in Artisanal Brewing Ventures

Seward & Kissel's Business Transactions Group
Focusing on Middle-Market Deals

In April 2016, **Artisanal Brewing Ventures** completed its previously announced strategic alliance transaction between **Victory Brewing Company** and **Southern Tier Brewing Company**. **Cathay Capital North America** invested in Artisanal Brewing in connection with this transaction. **Seward & Kissel** was pleased to represent Cathay Capital in this middle-market private equity investment transaction.

Artisanal Brewing Ventures was formed to create a home for like-minded, best-in-class craft breweries in close partnership with their founders. Southern Tier Brewing, founded in 2002 in Lakewood, New York, ships over 100,000 barrels of craft beers annually to 33 states. Victory Brewing Company opened its doors in 1996 in Downingtown, Pennsylvania and operates three brewpubs while selling its craft beers to customers in 37 states. Cathay Capital, founded in 2006 in Paris, France, is a leading global middle-market private equity firm with more than \$1.5 billion in assets under management. It has invested in 50 companies across three continents.

Seward & Kissel LLP (www.sewkis.com) is a leading New York law firm, originally established in 1890, offering legal advice emphasizing business, financial and commercial law and related litigation. The firm's Business Transactions Group handles middle-market M&A, private equity, venture capital and joint venture transactions involving a wide variety of industries. The firm is ranked as Highly Regarded for Corporate/M&A by Chambers USA and is recommended by The Legal 500 in the middle-market M&A category.

The press release describing Cathay Capital's investment is reproduced below for your information.



Paris, Shanghai, Beijing, New York, Munich,
San Francisco

has invested in



Charlotte, North Carolina

Seward & Kissel
acted as counsel to Cathay Capital

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For more information about Seward & Kissel, contact:

Jim Abbott 212-574-1226 abbott@sewkis.com

Gerhard Anderson 212-574-1687 anderson@sewkis.com

Nick Katsanos 212-574-1382 katsanos@sewkis.com

Craig Sklar 212-574-1386 sklar@sewkis.com

Meir Grossman 212-574-1242 grossman@sewkis.com

Cathay Capital NA Invests in Artisanal Brewing Ventures

New York, April 19, 2016 - Cathay Capital North America (“Cathay Capital”) is pleased to announce that it has completed a growth capital investment in Artisanal Brewing Ventures (“ABV”). ABV, headquartered in Charlotte, NC, was formed in 2014 by Phin and Sara DeMink, Founders of Southern Tier Brewing Company (“Southern Tier”), and Ulysses Management LLC, a well-respected New York based family office, with the vision of creating a dynamic platform for best-in-class craft breweries in close partnership with their founders. Cathay Capital’s investment was made in tandem with the closing of the unique alliance between Southern Tier (under parent company ABV) and Victory Brewing Company (“Victory”), headquartered in Downingtown, PA. This union presents a new model for craft beer partnerships by preserving brewery independence while pooling and capitalizing upon deep collective sales, marketing and administrative resources.

The new strategic framework between ABV, Victory and Southern Tier provides capital, security and a well-developed vision for the future. Under the umbrella of ABV, Victory and Southern Tier will independently operate their breweries, with an annual production capacity of over 800,000 barrels. This alliance creates one of the largest brewers in the US Northeast and ranks within the top craft brewing companies in the United States, according to Brewers Association criteria with combined 2015 shipments of over 250,000 barrels.

With a world-class roster of complementary beer brands and an even stronger standing in the marketplace, ABV will shepherd Victory and Southern Tier to strengthen, support and expand its distributor and retail partnerships. Victory and Southern Tier brands will become increasingly available to loyal and new consumers across their combined markets as a direct result of this union. Representative brands produced by Southern Tier include: IPA, 2XIPA, Pumking, Warlock, Live, Tangier and Choklat; representative brands produced by Victory include: HopDevil IPA, Headwaters Ale, Golden Monkey, Prima Pils, DirtWolf Double IPA, Helles Lager and Storm King Stout.

Along with its investment in ABV, Cathay Capital will provide special expertise and resources to help ABV pursue cross border business development opportunities in China, the world’s largest beer market. “The craft beer movement in China, while in its infancy, is poised to accelerate given the Chinese middle class which desires premium and authentic alternatives to traditional beer choices as well as authentic dining experiences” said Mingpo Cai, Co-Founder and President of Cathay Capital.

“We are thrilled to be investing in ABV which is now a leading Northeastern true craft brewer – a platform with tremendous potential in both the United States and the emerging China craft beer market” added both David G. Hoffman, Managing Partner, and Mark Woods, Investment Director, of Cathay Capital North America.

“We are very pleased to be adding Cathay Capital to our investor group given its unique cross border skillset and track record of building bridges between the West and China, which we view as being quite relevant for the craft brewery industry and for ABV” said John Coleman, ABV’s CEO.

About Cathay Capital

Cathay Capital is a leading international private equity firm in the field of cross-border investment, committed to supporting the international expansion of middle-market companies in North America, China and Europe. Cathay Capital’s team of 50 professionals is based in New York, Shanghai, Beijing, Paris, Munich, and Silicon Valley, and leverages Cathay’s unique business model and platform to help create value for companies across three continents. With more than \$1.5 billion in assets under management across its funds, Cathay Capital has completed buyouts and growth capital investments in over 50 platform companies across three continents since its inception in 2007. Cathay Capital invests in middle-market companies in the consumer goods and services, healthcare, business services and technology industries. To learn more about Cathay Capital, please visit www.cathay.fr.

About Artisanal Brewing Ventures

Artisanal Brewing Ventures is headquartered in Charlotte, North Carolina and was formed by Phin and Sara DeMink and Ulysses Management LLC, a New York based family office, with the vision of creating a platform for like-minded, best-in-class craft breweries in close partnership with their founders. Ulysses Management was founded 20 years ago by Joshua Nash as the successor firm to the pioneering investment firm Odyssey Partners, LP. Ulysses invests in profitable, well-established companies with tangible, competitive advantages with the goal to build long-term value that benefits all stakeholders. To learn more about Ulysses Management, please visit www.ulyssesmgmt.com.

About Southern Tier Brewing Company

In 2002, Phin and Sara DeMink founded Southern Tier Brewing Company in Lakewood, New York with the vision of reviving the practice of small batch brewing to a region rich in brewing tradition. Following several expansions from 2009 through 2013, Southern Tier now ships over 100,000 barrels annually to 33 states in order to meet growing demand for Southern Tier’s diverse portfolio of innovative beers that embody the spirit of American craft brewing. In 2015, Southern Tier Distilling Company was formed to create innovative small batch spirits using unique local ingredients under a New York farm distilling license. To learn more about Southern Tier Brewing Company please visit www.stbcbeer.com.

About Victory Brewing Company

Victory Brewing Company is a craft brewery headquartered in Downingtown, PA. Founded by childhood friends, Bill Covaleski and Ron Barchet, Victory officially opened its doors in February of 1996. Victory’s second state of the art brewery opened in February of 2014 in Parkesburg, PA to serve fans of fully flavored beers in 37 states with innovative beers melding European ingredients and technology with American creativity. In addition to the original Downingtown brewpub, Victory’s second brewpub is in Kennett Square, while Parkesburg

recently launched self-guided tours and Victory's third brewpub. To learn more about Victory Brewing Company please visit www.victorybeer.com.

About Seward & Kissel LLP

Seward & Kissel LLP, founded in 1890, is a leading U.S. law firm with an international reputation for excellence. We have offices in New York City and Washington, D.C.

Our practice primarily focuses on corporate, litigation and restructuring/bankruptcy work for clients seeking legal expertise in the financial services, corporate finance and capital markets areas. The Firm is particularly well known for middle-market, cross-border M&A transactions and for its representation of transportation companies (particularly in the shipping industry), major commercial banks, investment banking firms, investment advisers and related investment funds (including mutual funds, private equity funds and hedge funds), hedge fund administrators, broker-dealers and institutional investors.

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