



OPENGATE CAPITAL

A GLOBAL PRIVATE EQUITY FIRM

OPENGATE OPERATIONS MONTHLY PORTFOLIO REVIEW

FEBRUARY 27TH 2020



2019-2020 European Portfolio Summary

€ millions



2019

Budget Revenue	€79.4	€619.9	€571.2	NOK956.0	€38.2	€133.9	€585	€133.9
Act Revenue	€68.3	€632.3	€511.1	NOK961.1	€29.3	€127.7	€587.9	€119
% of Bud	86%	102%	89%	101%	77%	95%	100.5%	89%
Budget EBITDA	€10.0	€31.9	€39.3	NOK145.2	€-1.4	€3.0	€19.9	€22.9
Act EBITDA	€7.1	€32.6	€30.0	NOK139.6	€-5.0	€1.5	€22.4	€19.1
% of Bud	70%	102%	77%	96%	NA	50%	113%	83%

2020

Budget Revenue	€68.3	€654.4	€562.4	NOK1,076.9	€31.0	€134.4	€595.9	€132.3
% of 2019 Act	100%	103%	110%	112%	106%	105%	101.3%	111.2%
Budget EBITDA	€8.2	€35.0	€37.9	NOK166.2	€-0.7	€6.1	€26.3	€21.6
% of 2019 Act	115%	107%	126%	119%	NA	406%	117%	113%

Budget Key Strategic Focus Areas

- Accelerate operational improvement defined by AlixPartners
- Optimize product portfolio and pricing
- Push big data pricing tool to all network branches
- Accelerate digital go-to-market
- Centralize transportation management in 2 main regions
- Launch of new production capacity for ZANO in Europe
- Management efforts focused on market share expansion, cost control and sourcing optimization
- Launch of new pellet and gas stoves
- Launch of franchise in France
- Savings from production transfer to Poland
- Launch of Jotul branded pellet stoves
- Portfolio cleanup
- Transfer of production to Jotul Poland by year-end
- Restructure the sales force to address the 4 growth pillars
- Stabilize and improve operational and administrative processes
- Deploy the communication plan
- Secure revenues and prices in a very competitive landscape
- Raw materials gains on industry
- Impact of operational excellence program on works
- Top line growth improved mix effect and pricing project
- Optimized supply chain including raw materials
- Fixed production costs reduction

2019-2020 North American Portfolio Summary

\$/€ millions



2019

AOP Revenue	\$170	\$143.1	\$42.5	\$48.1	\$53.7	\$41.9	\$11.0	NA
Act Revenue	\$158	\$149.3	\$42.0	\$42.1	\$54.2	\$41.8	\$10.7	€21.1
% of Bud	93%	104%	99%	88%	101%	99%	95%	
AOP Adj EBITDA ¹	\$11.3	\$13.1	\$1.7	\$11.9	\$11.1	\$9.7	\$685k	NA
Act Adj EBITDA¹	\$8.7	\$8.5	\$1.4	\$9.3	\$11.2	\$9.2	\$785k	(€2.74)
% of Bud	76%	65%	78%	78%	100%	95%	91%	

2020

AOP Revenue	\$164.5	\$161.3	\$63.5	\$45.4	\$58.7	\$43.7	\$11.6	TBD
% of 2019 Act	104%	108%	151%	108%	108%	105%	110%	
AOP Adj EBITDA¹	\$14.0	\$10.4	\$3.5	\$10.5	\$12.4	\$8.9	\$(1.7)	TBD
% of 2019 Act	162%	122%	265%	114%	111%	97%		

AOP Key Strategic Focus Areas

- Strengthen sales team
- Woodbridge operational improvement
- Freight cost reduction
- Strengthen and rehire team
- Solidify domestic ops
- Improve international ops
- Begin to scale commercially
- Expanded sales coverage
- Launch of Solstice Active Learning
- Launch of Solstice Video Conference Integration
- Launch of new digital keypad
- Brand refresh
- Hiring of Customer Relationship Director
- Continued improvement in sales team and processes
- Geographic expansion
- MF smart lock
- New product development
- Back office integration with S&G (marketing, finance, IT, HR)
- Commercial salesforce buildout
- Churn reduction
- New market growth in transit packaging
- Build SAAS / cloud offering
- Build channel and customers success platforms
- Refine marketing
- Implement innovation and cost control
- Commercial growth of USA
- Restructure of Europe go to market
- Reduction of sales costs
- Product innovation and cost control

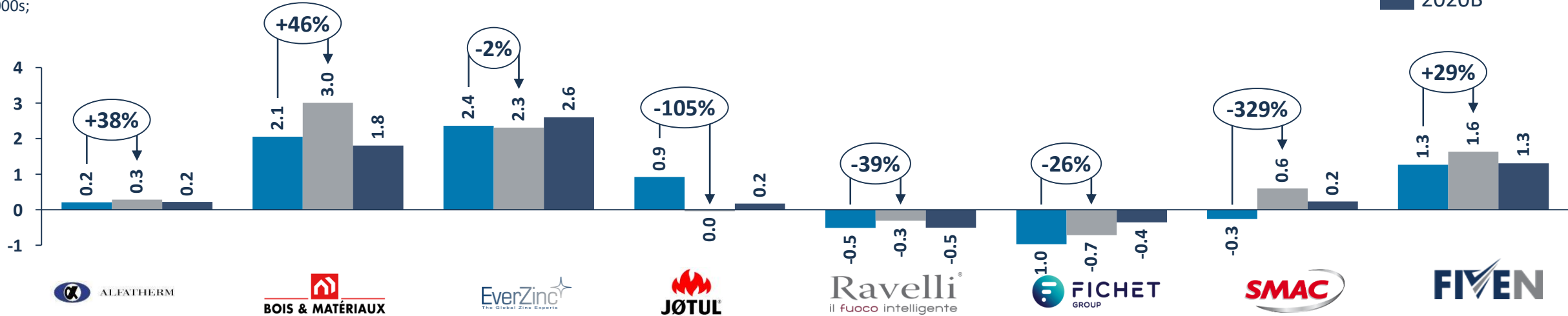
1. PF Adj EBITDA for Hufcor, S&G, and Duraco

Consolidated Europe portfolio EBITDA performance (2019 restated with IFRS16)

EBITDA MTD

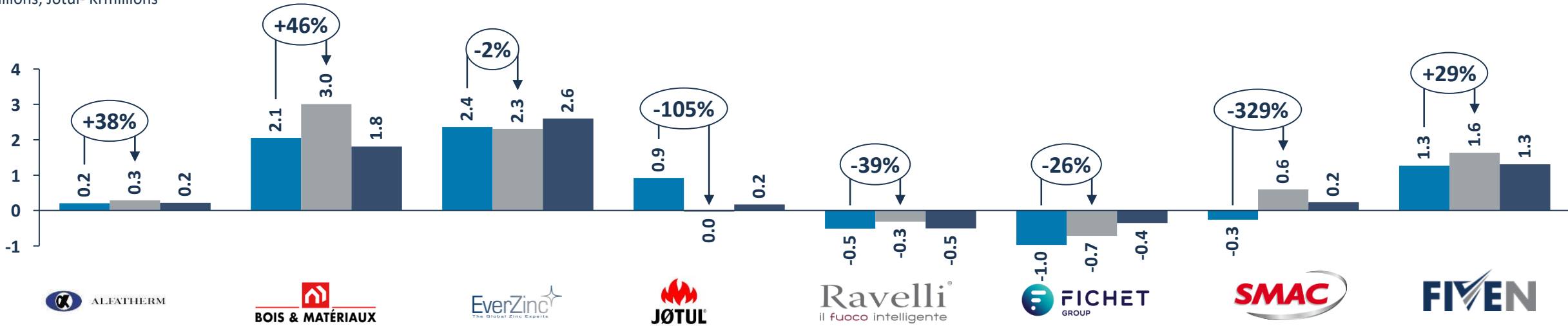
€ 000s;

2019A
2020A
2020B



EBITDA YTD

€ millions; Jotul- Krmillions

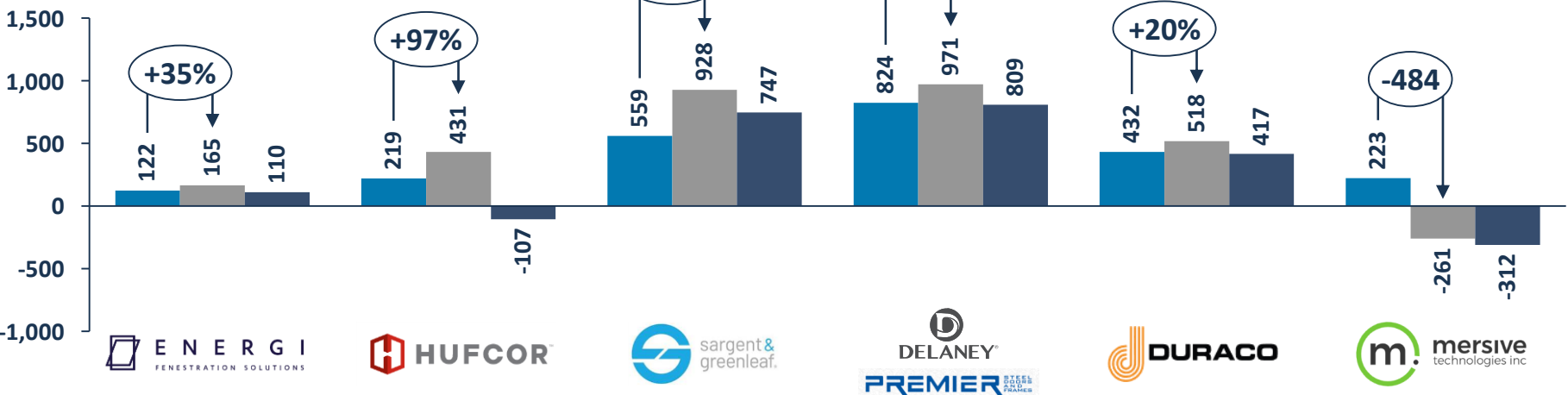


Consolidated North America Portfolio EBITDA/ARR Performance

2019A 2020A 2020B

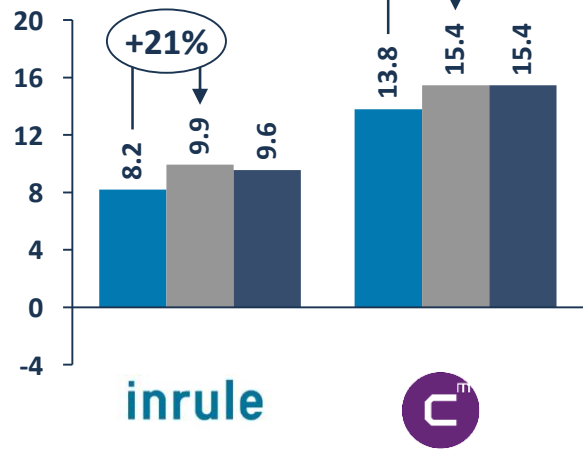
January MTD EBITDA

\$000s



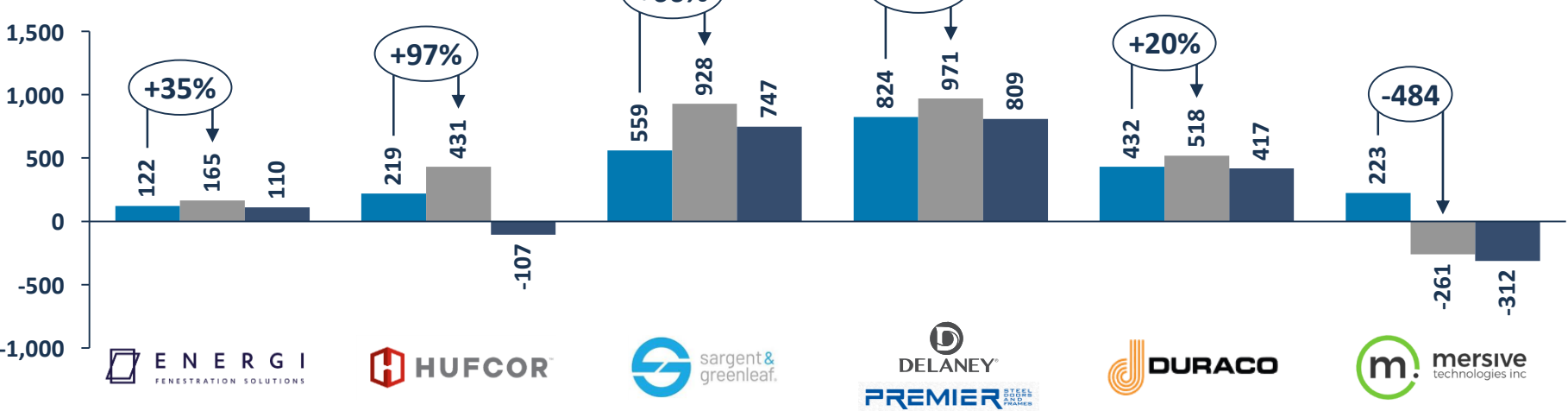
January MTD ARR

IR millions USD; CM millions €



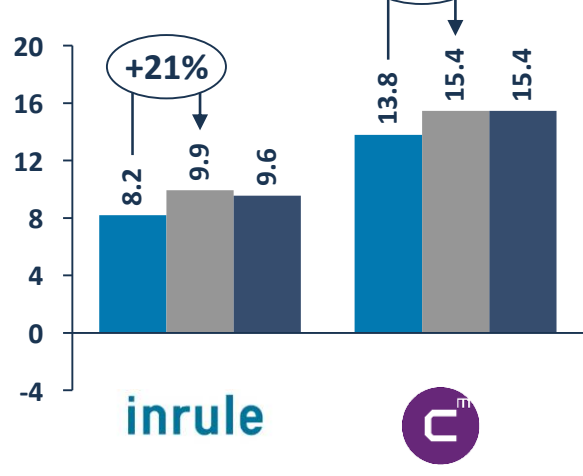
January YTD EBITDA

\$000s



January MTD ARR

IR millions USD; CM millions €
















1 | Operations Enablement OG^x and Portfolio Wide Initiatives

OG^x and Ops enablement deployments

1. Additive manufacturing																	Metal and Mineral 3D printing	
2. Robotics																		
3. AI/machine learning																		
4. New product development																		
5. Process design																		
6. Pricing		OPENGATE CAPITAL																
7. Workbench		OPENGATE CAPITAL									OPENGATE CAPITAL							
8. Purchasing																		
Current focus	Reduce tooling spend	Workbench	Workbench	Workbench	Product development for digital locks and process improvement				Workbench		Carbon capture	New product development and application of Zinc		Stabilization of the new production plant and full integration of AICO into Jotul	Deployment of new pricing approach	Product portfolio rationalization	Process improvements and cost efficiency	

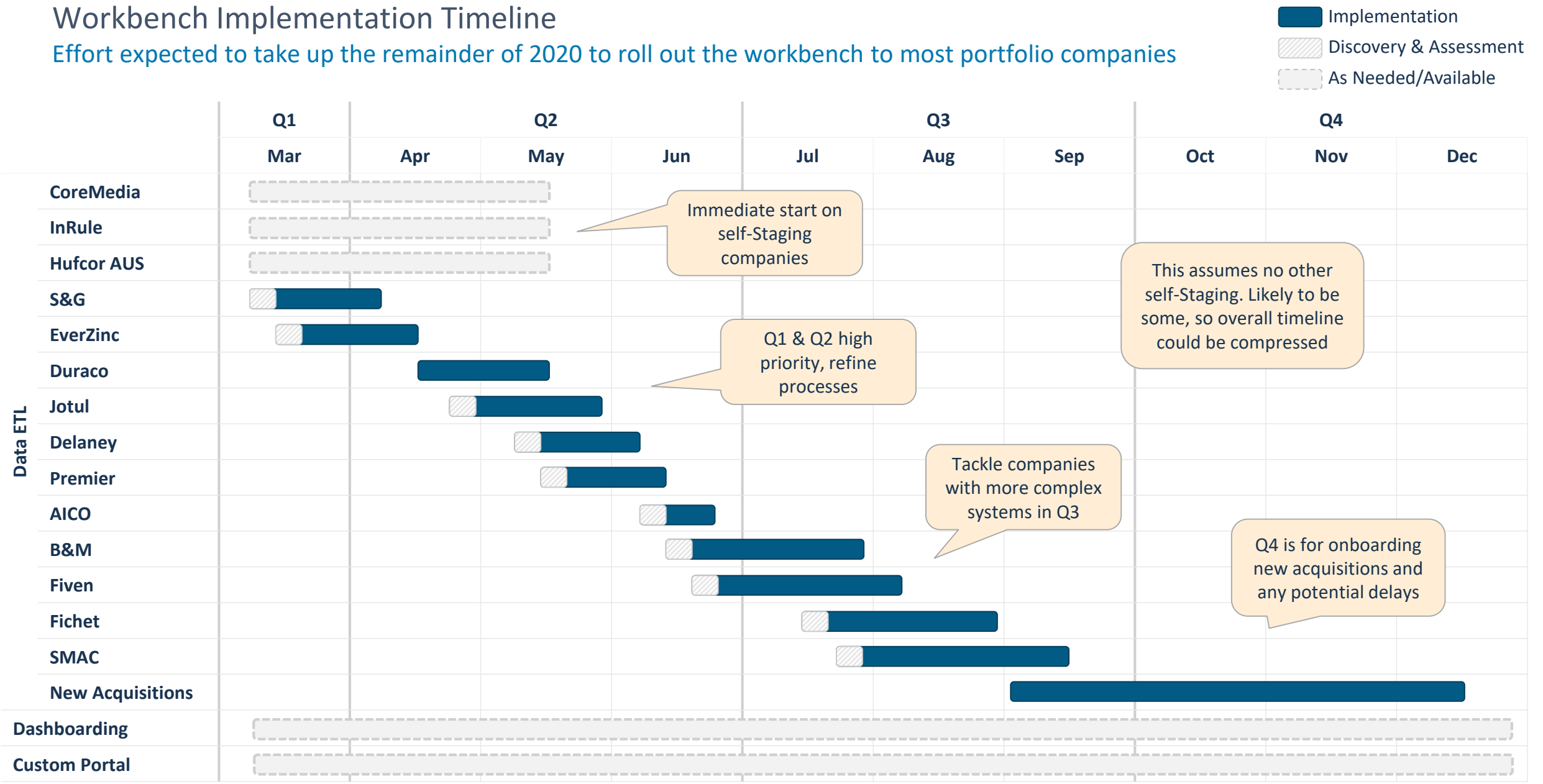
Workbench deployment

														
iLevel & financial reporting: Exchange Lodge	<ul style="list-style-type: none">Selected Exchange Lodge who is an iLevel partner. \$30k in services + \$30k in software subscription per year. Turnkey solution and will enable seamless integration of all portfolio financial data to the workbench and access to the executive teamsAlso evaluated Sirius \$65k in services, but they are not familiar with the scripting and it would likely have recurring services costs upon each acquisitionTo develop internally, we estimated a cost of \$40k and 2-3 months of development timeExchangeLodge proposal has been executed and they are starting next week, estimate 30-60 days but will have better estimate in 1 week													<ul style="list-style-type: none">Need to develop website interface
1. Mapping of data	<ul style="list-style-type: none">Sirius has received data requests for every company and has built out a implementation roadmap													<ul style="list-style-type: none">Additional work needed on provisioning
2. Identification of needs	Complete		In process					Not started					<ul style="list-style-type: none">Additional solution needed to allow users private workspaces and ability to lock down publishing of new reports	
3. Construction of on prem solution	Complete		InRule to assess if they can do it	Not started			Ordered SQL server	Not started						
4. Mirroring to the cloud	Complete		Sirius proposal has been received. Unless the company is significantly complex in their platforms they have developed a turn key solution. Steps 1 & 2 - \$10k; Steps 1-4 - \$85k; Steps 4 \$35k.											
5. Dashboard development	Steve long, Beckway and internal resources. Identifying offshore team to support and provide training		Being identified											
Current focus	Domestic commercial	Operational	Internal capability assessment	Not started			Stand up of on-prem solution	Not started						

- Need to develop website interface
- Additional work needed on provisioning
- Additional solution needed to allow users private workspaces and ability to lock down publishing of new reports

Workbench Implementation Timeline

Effort expected to take up the remainder of 2020 to roll out the workbench to most portfolio companies



2 | North America Portfolio Update

2.a | Energi

January financial results (revenue / EBITDA) higher than plan and PY due to strong volume

Executive Summary

January results

- **Revenue/EBITDA:** Positive to plan largely due to increased demand; Net Revenue +8.8% / 967k vs Plan; +8.8% / 963k vs. PY; EBITDA +82%; \$37k vs. Plan; +121% / \$45K vs. PY
- **Projects:** Key operational initiatives continue to show momentum
 - Woodbridge performance improvement: DBA project in week 7 of 24. Focus continues to be on driving increased measurability, accountability and expectations through line level with key areas including tooling productivity and improved scheduling. While process continues to go well, Woodbridge production is underperforming in terms of scrap, regrind and daily production.
 - Freight & logistics savings: (1) ECS rail supply savings in contracting phase with TriMac (\$90k/annually), (2) FTL market test identified \$367k savings/annually with implementation in progress and (3) ECS rail savings continues to perform with incumbent carrier (CN) offered additional savings to win back business (increasing annualized savings from ~\$300k to ~\$400k)
- **OGx:** Continue to work with Matt Pearlson @ MIT and Energi's VP of Manufacturing to discuss additive manufacturing applications to reduce Energi tooling spend.



Risks / Challenges to the Business and Plan:

- **COVID-19:** Confirmed no supply risk. Some suppliers stated that their competitors are either in China or source from China for commodities including titanium dioxide (TiO2), processing aids, impact modifiers, and tin stabilizers

Status Update: Project Details

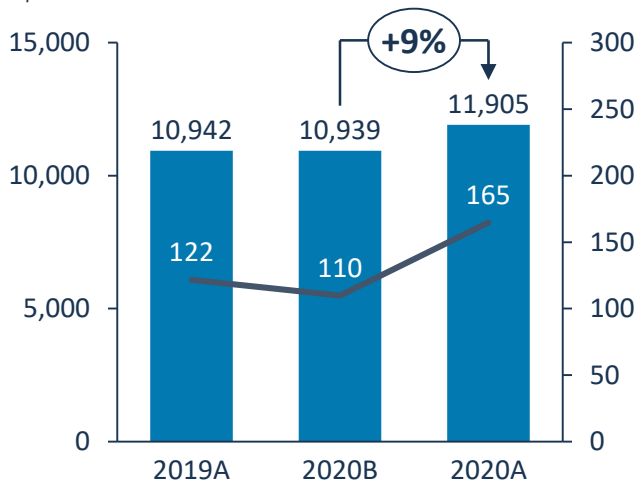
Project		Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
				Projected	Actual
A: Project Panther / 2020 Sales Process		<ul style="list-style-type: none"> • CIM / data-book development in-progress • Initial outreach/ marketing in-progress 	Jan – May 2020	N/A	N/A
B: Commercial/GTM turnaround <i>(SmartVentures)</i>		<ul style="list-style-type: none"> • Hired (3) US-based sales personnel 	March 2020	TBD	TBD
C: Woodbridge Ops Improvement <i>(DB&A)</i>		<ul style="list-style-type: none"> • Implementation of DBA project in-progress. Focus on scheduling – developing long-range schedule, holding teams accountable to adhere to this schedule, and tool room productivity – focusing on setting up and managing against metrics that drive more productive toolroom. • Cost savings plan to be discussed this week 	1/6 – 7/31	\$1MM	TBD

Status Update: Project Details

Project	Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
			Projected	Actual
D: Freight & Logistics Cost Reduction <i>(SmartVentures)</i> 	<ul style="list-style-type: none"> Team secured ~\$300k in savings due to rail lane optimization (>\$4k reduction per car). Routing through Westminster BC (vs. Chicago); resulting in “turnkey” \$300k in savings with first rail car on new provider as of 1/7. CN countered with additional rate savings which will result in additional ~\$100k in savings starting March. Additional significant savings expected from FTL RFP for top 30 lanes with market test identify \$367k/savings annually Updated proposal for ECS railcar load spots received from Trimac for \$13/car/day for 25 stats (~\$85k/annually). Parallel tracking additional market test to see if there is upside to Trimac’s proposal Flatbed vs. dry van mode optimization in-progress with pilot in Delmont in mid-January 	February 2020	<ul style="list-style-type: none"> FTL: \$367K Railcar storage: \$90k ECS supply: \$300k 	TBD
E: Patio Door Pricing <i>(BWG)</i> 	<ul style="list-style-type: none"> Tracking set-up / quantification in-progress to understand impact of November pricing analysis & implementation; meeting some resistance in February customer conversations 	Analysis complete Implementation: 12/15	\$0.7MM	TBD

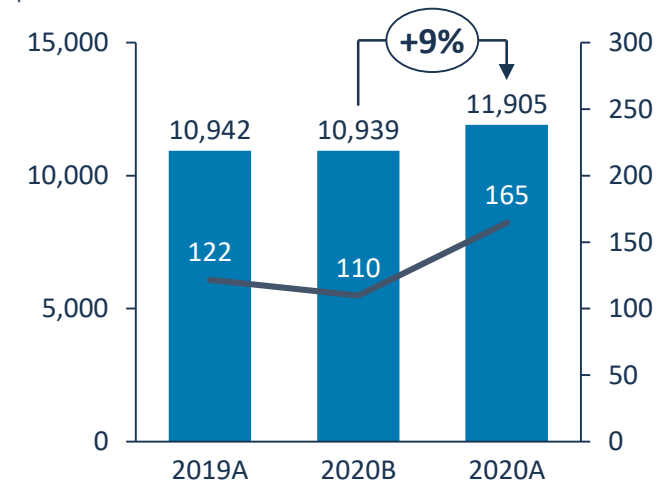
January MTD

\$000s



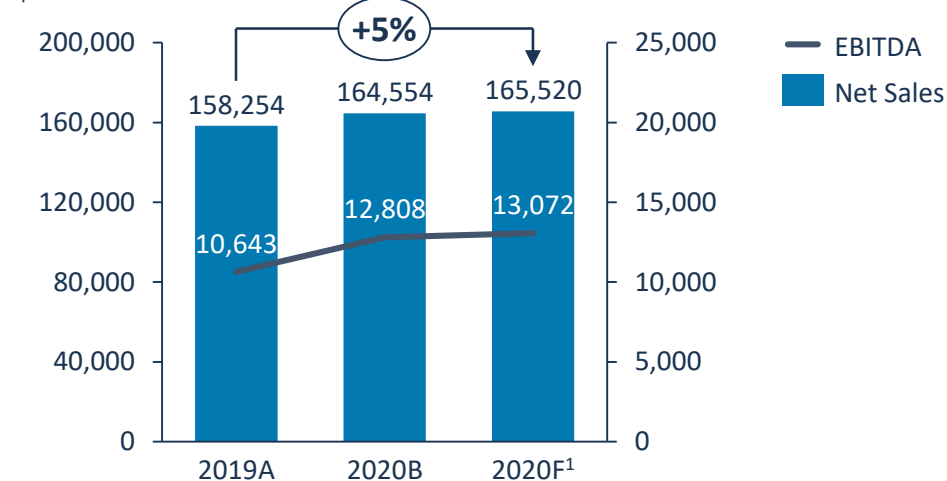
January YTD

\$000s



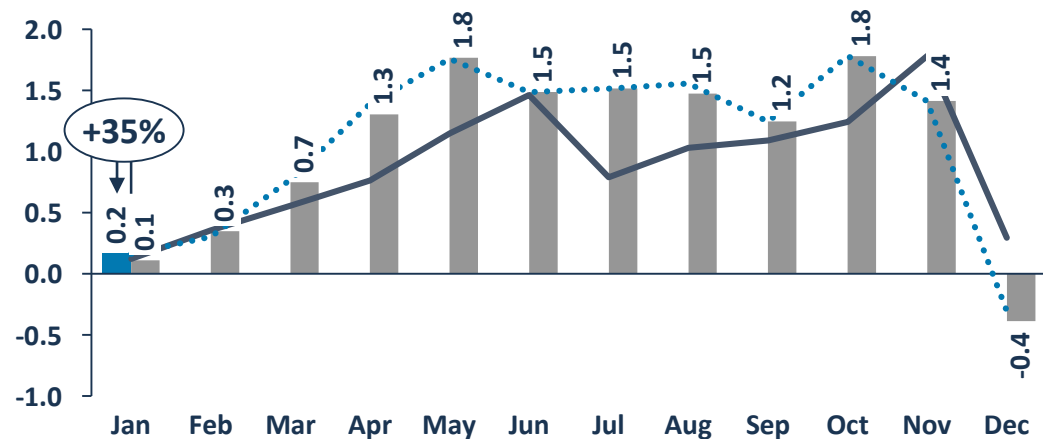
Full Year

\$000s



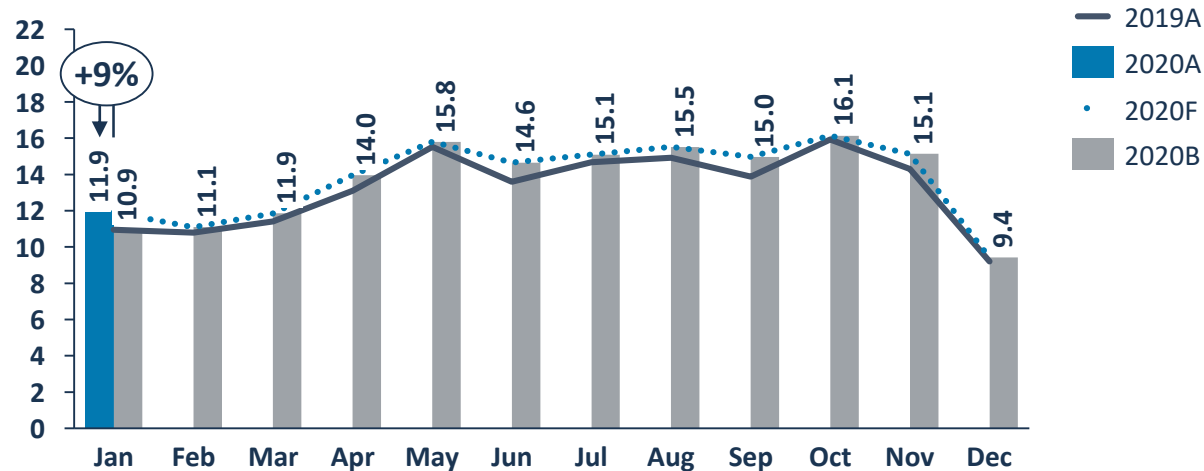
Monthly EBITDA

\$ millions



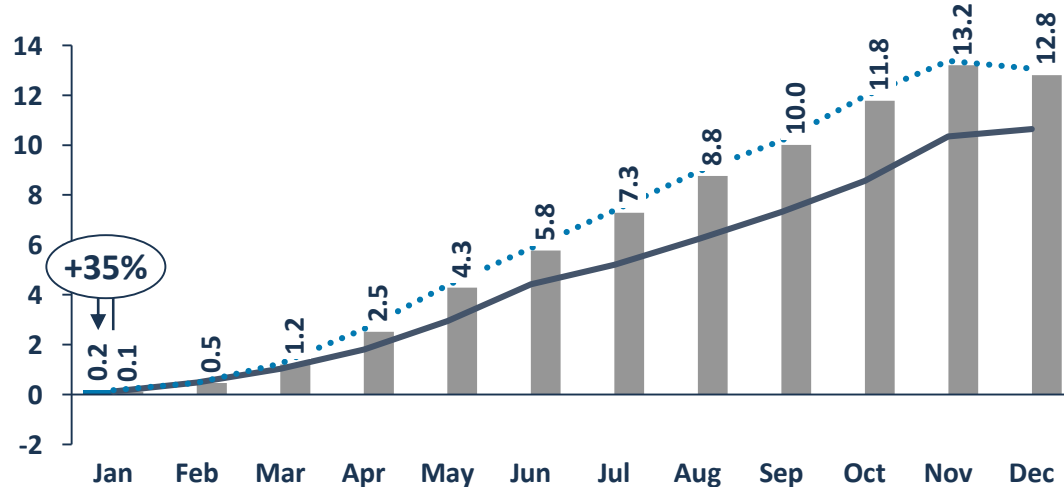
Monthly Net Revenue

\$ millions



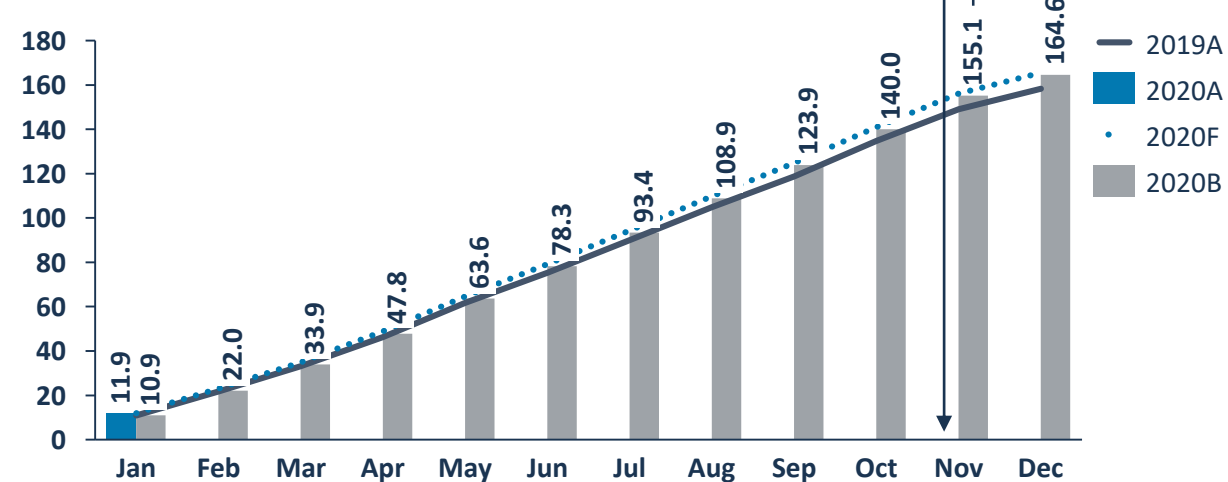
YTD EBITDA

\$ millions



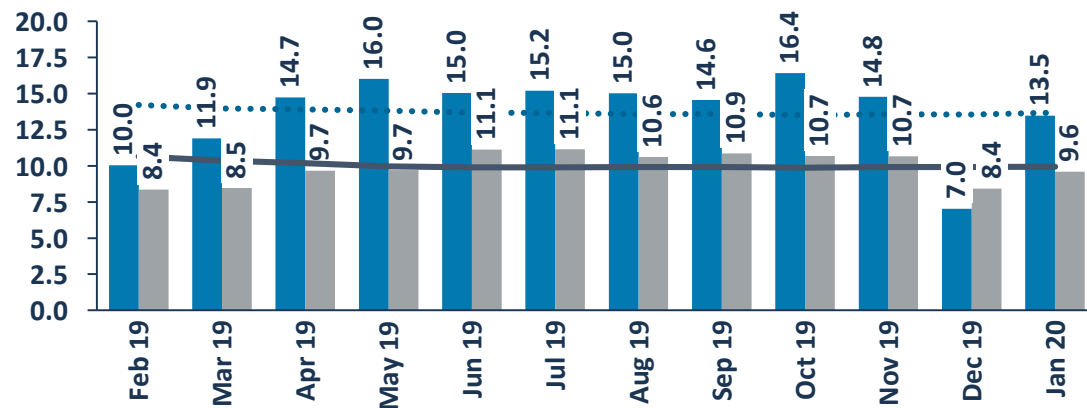
YTD Revenue

\$ millions



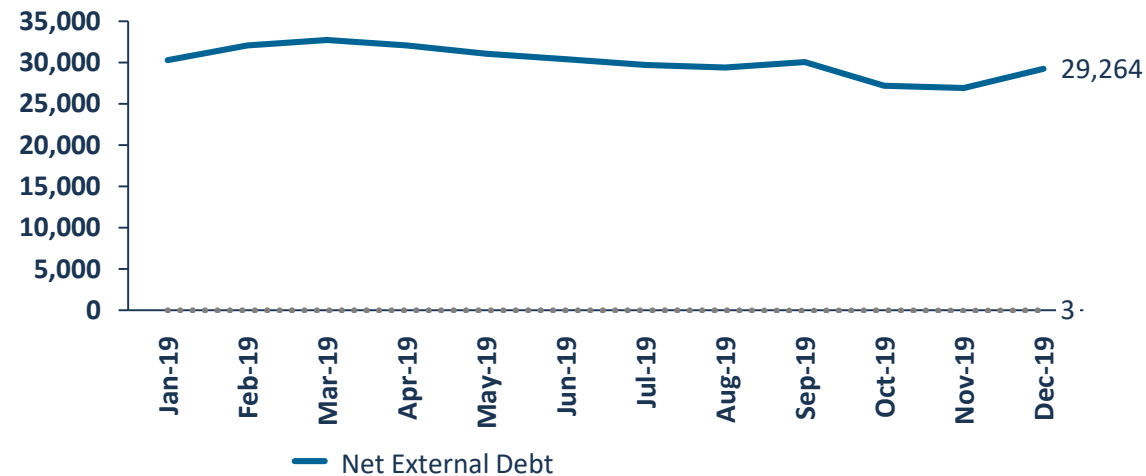
Order Intake

\$ millions



Liquidity

\$ millions



• TTM Avg Bookings MTD Bookings TTM Avg Backlog MTD Backlog



OPENGATE CAPITAL 1. YTD actuals + remaining year forecast

2.b | Hufcor

January financial results are above plan and prior year due to domestic performance

Executive Summary




January results

- **Revenue/Adjusted EBITDA:** \$11.4mm vs budget of \$10.4mm (109% of plan) vs \$10.1mm 2019A. Increase driven by domestic performance in service and the south east region. Proforma Adjusted EBITDA of \$0.43mm vs budget of (\$0.11mm) vs \$0.22mm 2019A
- **Gross Margin:** GM 25.9% vs budget of 24.2% and prior year Jan of 22.7% driven by labor efficiency and other COGS, Australia 11% below plan due to delays in billing in NZ projects and overall slowness in AU/NZ, well below plan in HK/CN due to COVID-19 (64%)
- **International:** Germany management team has been replaced. Scot Dobak met with Eole the largest European distributor in France and was able to reverse their decision to terminate their relationship which has historically accounted between \$1-2mm in gross revenue






Risks / Challenges to the Business and Plan:

- **COVID-19:** Is a significant impact to our China/Hong Kong business. HK/CN accounted for \$900k of EBITDA in 2019 and budgeted at \$1.5mm in 2020. Currently the workers are quarantined at their hometowns due to the Chinese travel hold and unable to travel (we had shut down late Jan for Chinese new year) and the facility is only operating with a skeleton crew. Team next week will start to supply that; initial estimates were a hit of \$275k EBITDA if the plant is operational at the beginning of March but could be much higher later in the year
- **Sales:** JWC 46-year distributor (largest) has terminated its partnership. They accounted for \$3mm of sales in 2019; with \$1mm in the backlog that will roll off resulting in a \$2mm net loss in 2020.

Status Update: Project Details

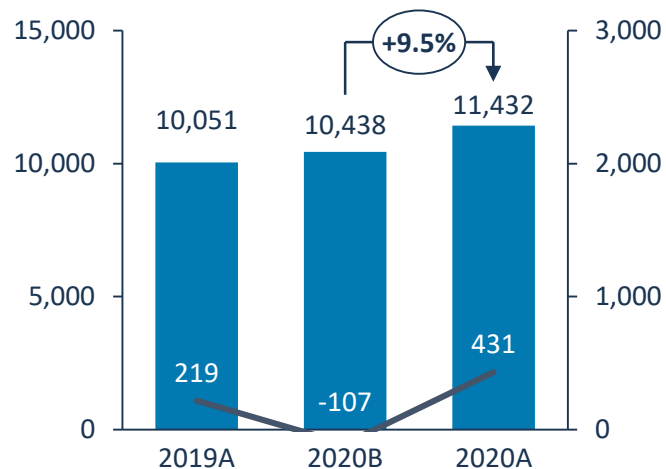
Project		Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
				Projected	Actual
A: Production Efficiency (VP Domestic Operations)		<ul style="list-style-type: none"> • 603 Line project estimated to complete for Feb 10 production week; will add roughly ~25% capacity in JVL • "ME Blitz" commencing Feb 10 led by KP and Beckway engineering team (3 month duration) • SIM Board digitization effort at 90% complete; final demo this week • BI-based Operational Scorecard in early innings • Yellow Belt training (Rd 1) scheduled for Feb 3-5 (Madison, WI) 	Underway	\$1.5mm	In Process
B: Quality (Ackley)		<ul style="list-style-type: none"> • Quality database to track and manage the program is being stood up in Power BI; will incorporate internal, external, and scrap defects • NCF process to launch start of February; intended to quarantine and investigate defects before or during production • Root Cause Investigation Team waiting on panels returning from Wynn and Crown jobs to determine cause of twisted verticals (\$200K+ warranty) 	Underway – Financial impact start in Dec	\$400k	In Process
C: Inventory (Jordan, Gioia)		<ul style="list-style-type: none"> • Physical Inventory was a success (first in 30+ years at JVL facility); final count still pending w/ Baker Tilly but should end up close to \$6.3M (down from \$7.4M in Sep) • Supply Chain Director recruitment underway via Beckway; will manage SIOP & Sourcing (includes inventory, scheduling, and procurement) 	Underway	n/a	n/a

Status Update: Project Details

Project		Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
				Projected	Actual
D: Safety (Bahr)		<ul style="list-style-type: none"> 2019 TRIR estimated to be ~6.3 (27 recordable injuries, 12 of 27 were lost time incidents) 2020 TRIR goal: 4.0 2020 TRIR: 0.0 	Underway	\$200k	In Process
E: Logistics (Schwanke, Blazy)		<ul style="list-style-type: none"> Contract terminated, expecting legal response from SCS, Hufcor managing with Michael Best 	Underway	In Process	In Process
F: Germany Pricing (Long)		<ul style="list-style-type: none"> Europe backlog GM has improved from an average of 9.5% to ~15%. Backlog value up to €3.5mm from €3.1mm, but down from April 2019 which was €4.7mm German Margin target 15.5%: Jan (MTD) 15.5%, Dec 15.6%; Nov 15.3%; Oct 16% Europe margin target 16%: Jan (MTD) 13.4%, Dec 14.5%; Nov 13.2%; Oct 21.1% 	Underway – Financial impact in Dec	\$500k	\$0
G: IT (Andrews, Blazy, Long)		<ul style="list-style-type: none"> Some smart sensors live in sub assembly areas; still working through how to make data useful PSA platform implementation is being scoped, expecting completion mid year Digital CIM boards up tomorrow 60 cameras to be installed (\$60k), expecting operation by end of Q2 	Underway	In Process	In Process
J: Hiring (Tokarz)		<ul style="list-style-type: none"> New VP of HR starting on Mon 2/17 Active: (Ops) Supply Chain Director, Production Supervisors (2), Manufacturing Engineering Manager, ME (2), Quality Engineer, Quality Tech, Service & Warranty Manager, Training Specialist 	Immediately	NA	NA

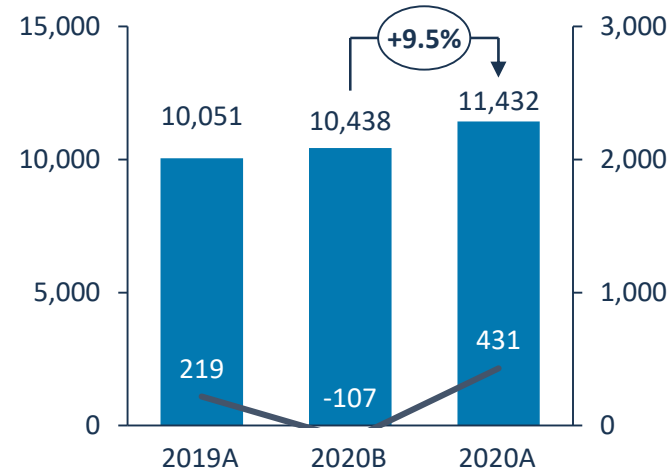
January MTD

\$000s



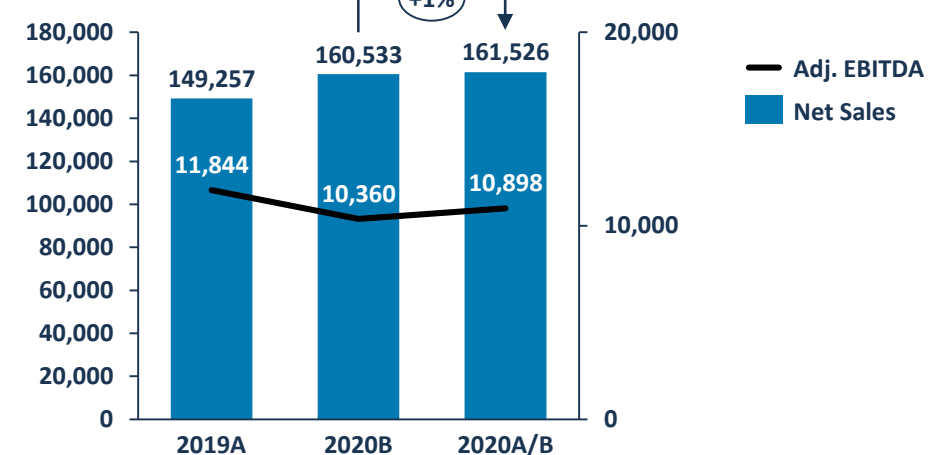
January YTD

\$000s



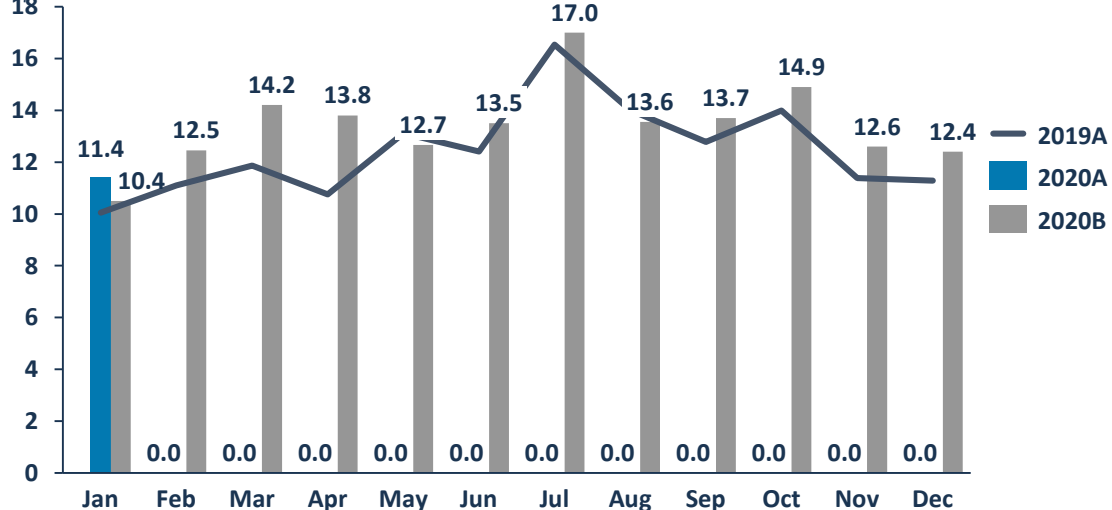
Full Year

\$000s



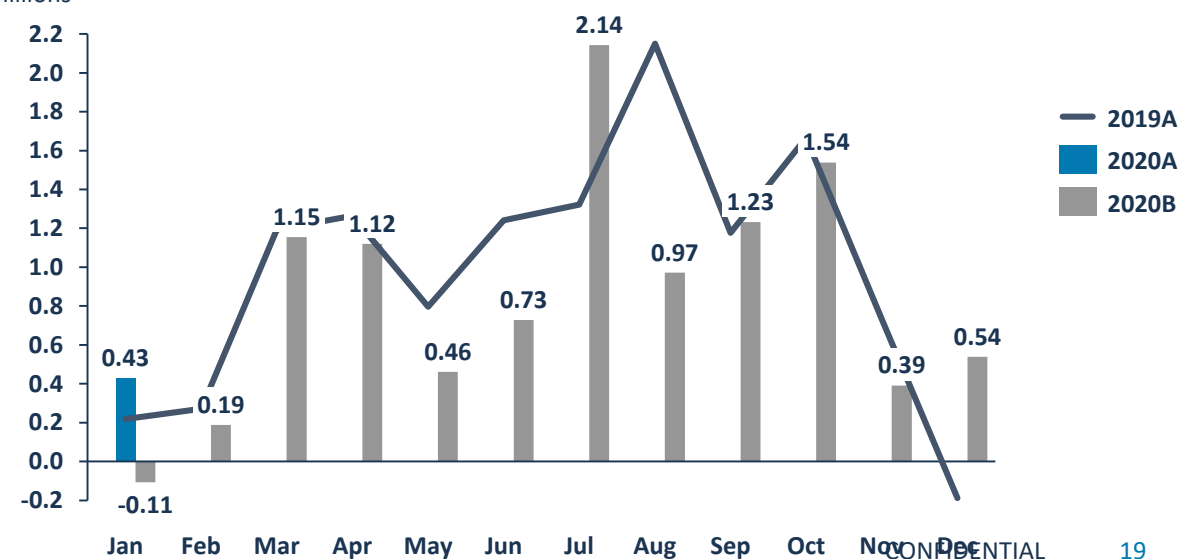
Monthly Net Revenue

\$ millions



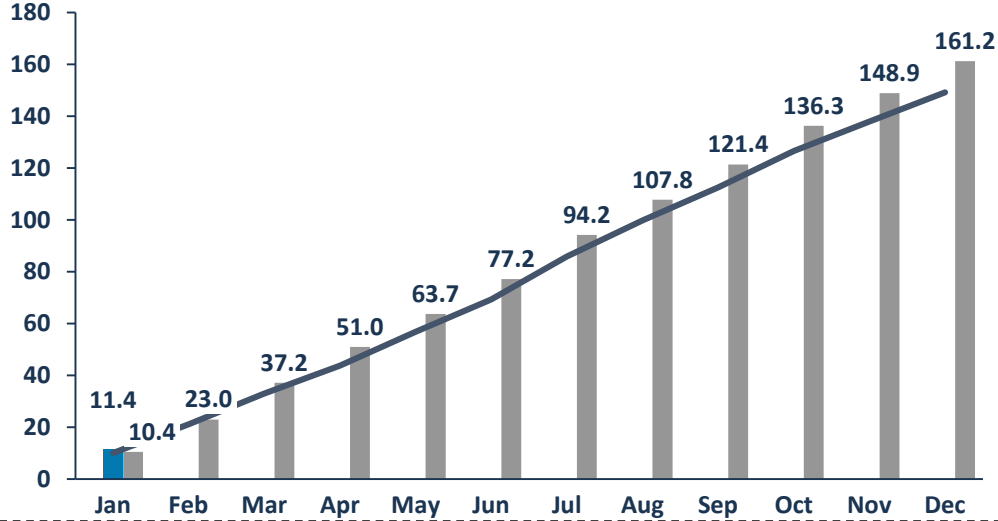
Monthly Adj. EBITDA

\$ millions



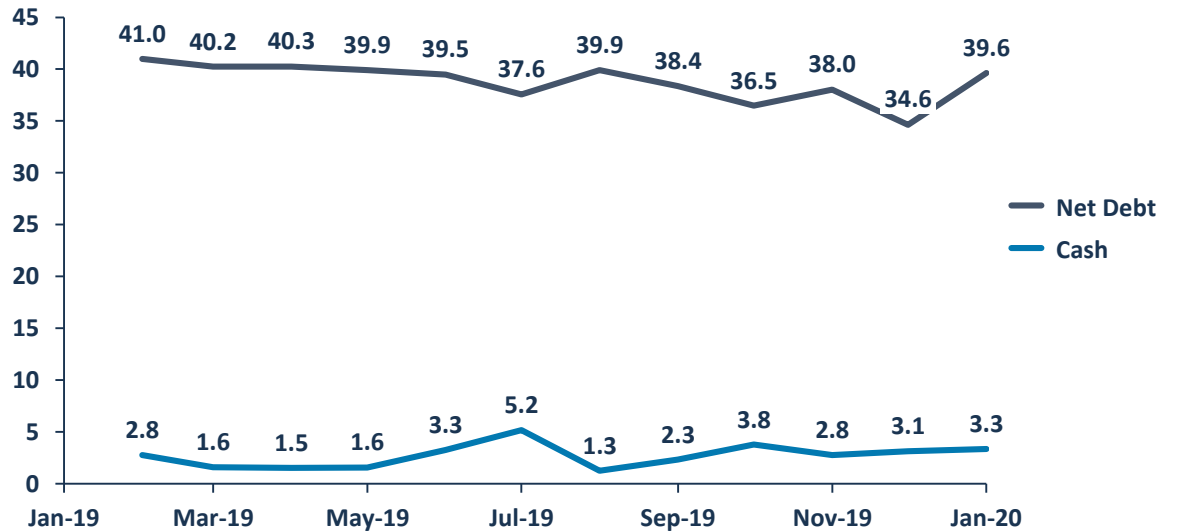
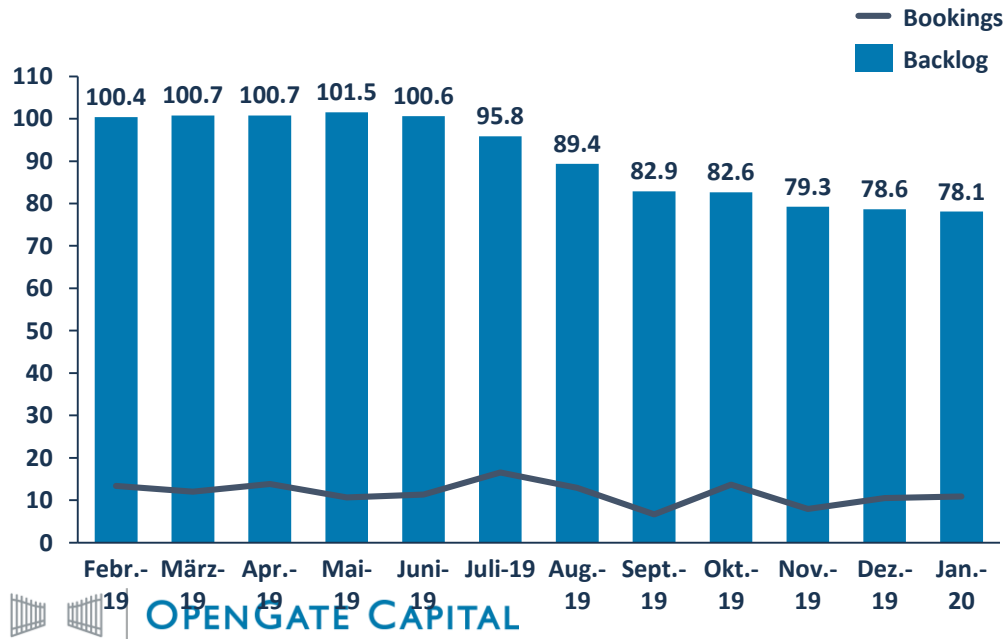
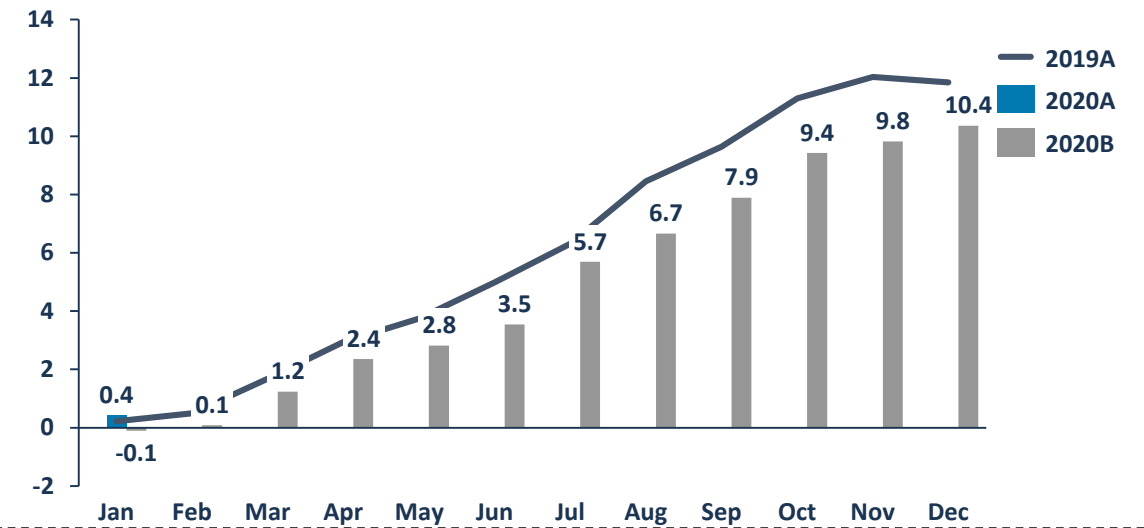
Monthly Net Revenue

\$ millions



Monthly Pro Forma Adj. EBITDA

\$ millions



2.c | Mersive

Slow start to 2020 for Mersive due to seasonality, but new product launches expected to accelerate growth as we move through the year

Executive Summary






January Results

- Mersive ended Jan 2020 with ARR at \$12.0M (98% of Plan), revenue at \$3.3M (81% of Plan) and Adj EBITDA at (\$261K) vs. Plan of (\$395K)
- Mgmt has negotiated \$9 (~5%) reduction in Solstice pod BOM with supplier (Inforce); would improve 2020 Gross Profit and EBITDA by ~\$250K beginning in Jun based on AOP volumes
- OGx:** No involvement

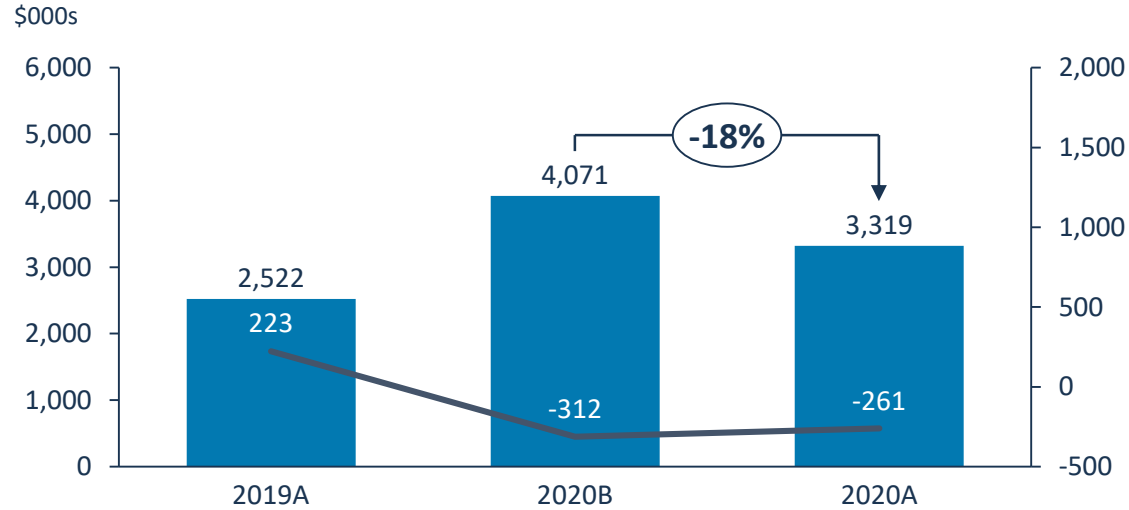
Risks / Challenges to the Business and Plan:

- At 2/25 (84% through the month), Feb MTD invoiced sales were at \$2.8M (62% of Plan) and bookings were at \$2.6M (58% of Plan)
 - Rob Balgley believes the slow start to the year is due to seasonality as well as distraction between Mersive's two largest resellers (AVI SPL and Whitlock), who recently merged; sales activity remains high, and the sales team feels good about their pipeline and forecast; Mersive is putting renewed energy into channel sales efforts
 - Mgmt expects the upcoming new product releases to significantly drive growth as we move further into the year; this is the first year that Mersive has been awarded Best in Show at ISE for two different product features (see below for details); will begin tracking associated new product customer usage KPIs in Mar 2020
- COVID-19 impact:** No impact on APAC sales efforts reported thus far; Inforce carries large inventory of the only two Solstice pod components currently sourced from China (heat sink and case)

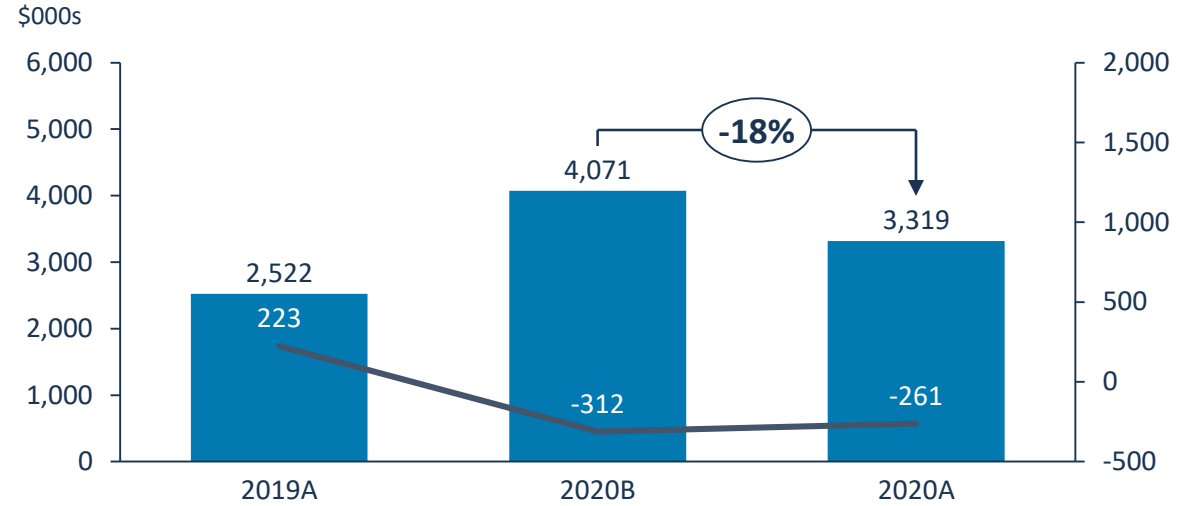
Status Update: Project Details

Project	Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
			Projected	Actual
A: Expand Product Offering (Chris Jaynes) 	<u>Solstice Active Learning and Solstice Management launched last week at ISE. Solstice Active Learning was awarded Best in Show.</u>	<u>Late Feb 2020</u>	TBD	TBD
B: Develop VTC Strategy (Chris Jaynes) 	<u>Solstice Video Conference Integration (formerly referred to as RoomLink) launched last week at ISE and was awarded Best of Show</u>	<u>Late Mar 2020</u>	TBD	TBD
C: Expand Sales Coverage (Rick Emery) 	Recent hires in US; interviews ongoing in US and EMEA	Ongoing	TBD	TBD
D: Drive Recurring Revenue (Rick Emery) 	Jan 2020 subscription revenue of \$1.0M ~2% below Plan; Solstice Active Learning to be sold as a separate recurring revenue stream; mgmt. working to develop Data as a Service business plan by this summer	Ongoing	TBD	TBD
E: Enable Recurring Revenue Reporting (Dan Hudspeth) 	Mgmt developing algorithms to analyze NetSuite data within Tableau to deliver recurring revenue reporting; Tue 3/3 meeting scheduled with management to review initial reporting, with additional refinement / data scrubbing expected thereafter	Mar 2020	Enabler	Enabler

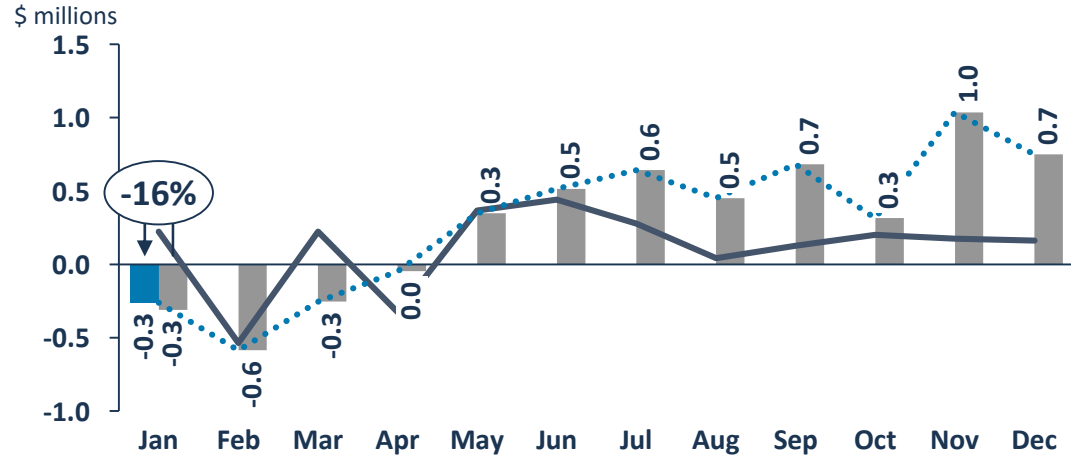
January MTD



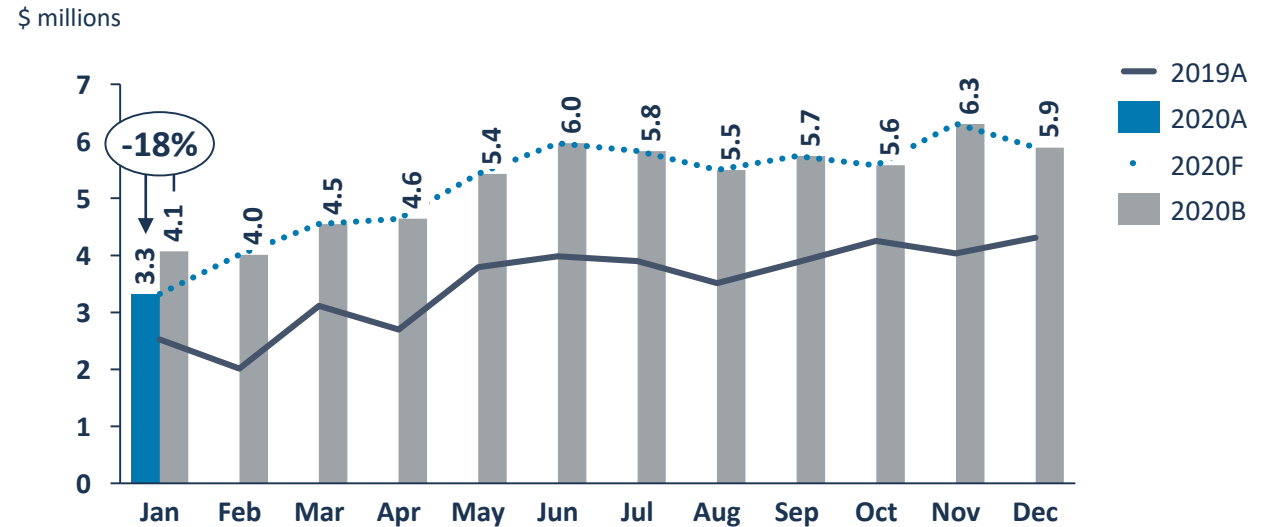
January YTD



Monthly Adj EBITDA

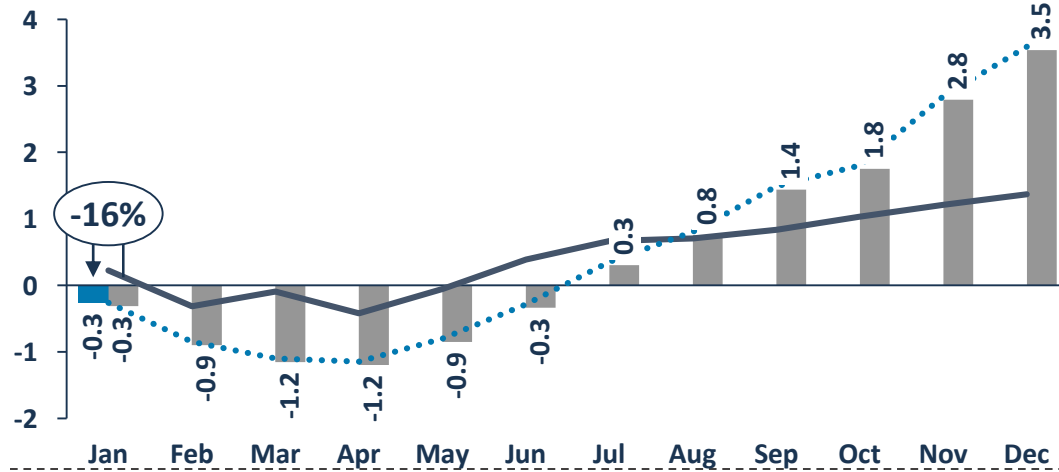


Monthly Net Revenue



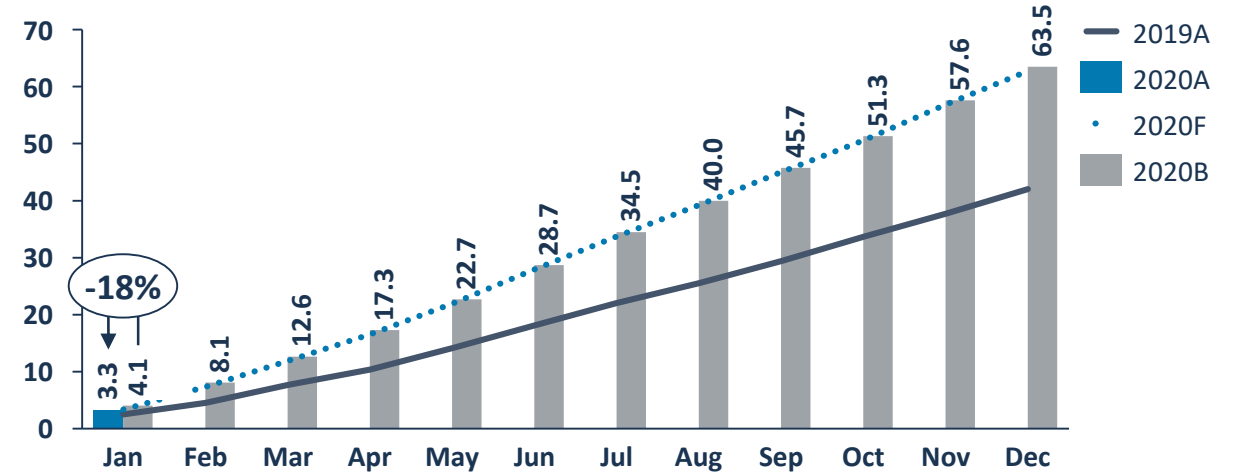
YTD Adj EBITDA

\$ millions



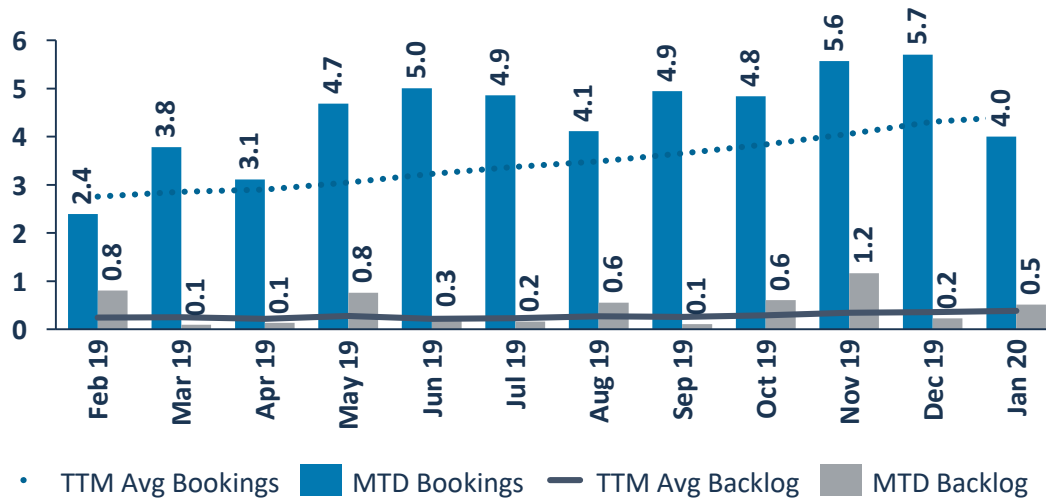
YTD Revenue

\$ millions



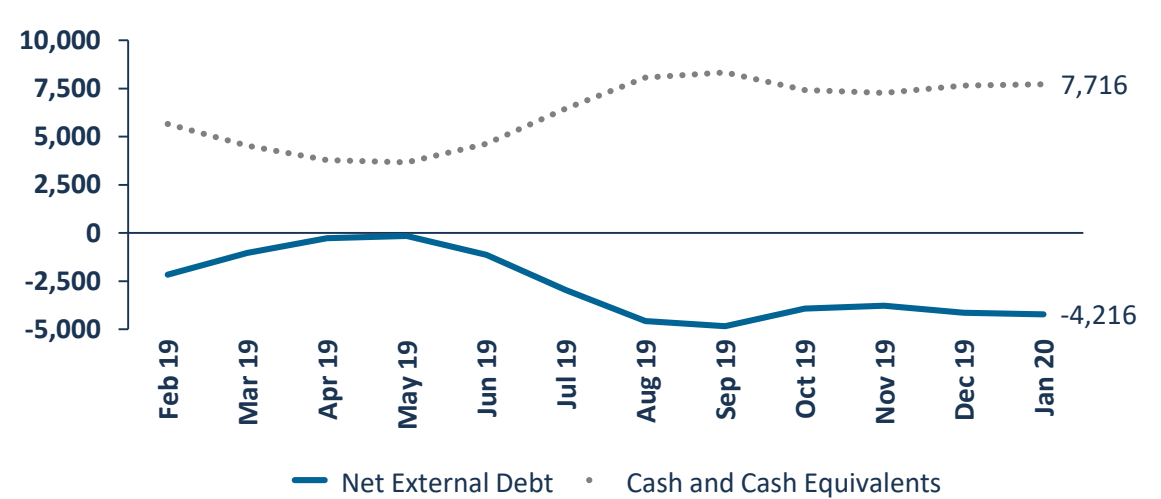
Order Intake

\$ millions



Liquidity

\$ millions



OPENGATE CAPITAL

2.d | Duraco

On plan start to the year, continuing to invest in growing commercial capabilities, Infinity Tapes (~\$10MM revenue / ~\$1MM EBITDA) to close Friday

Executive Summary





January Results

- January results are above plan for revenue and EBITDA primarily due to higher volume vs. forecast
 - PF Adj EBITDA is \$101k higher than PLAN due largely to volume partially offset by inventory depletion, and some unforeseen Inventory reserve costs.
 - PF Adj EBITDA is \$87k higher than PY due to cost savings, fewer trading days in the month, lower advertising spend (timing), partially offset by inventory movement, wage inflation, and inventory reserve expense.
- Infinity tapes:** Working towards 2/28 close with operational focus on ensuring no Day 1 disruptions in payroll, benefits, insurance, 401(k) given asset purchase
- Growth / Sales effectiveness:** Focus on setting clear expectations for salesforce and setting up KPI tracking. Engaged outside resource to support KPI / dashboarding development. Next phase of sales transformation about to kick-off with highly granular / detailed regional territory planning @ account-level.
- OGx:** Continues to serve as commercial advisor on co-product development agreement with high growth customer (MixTiles) with discussion ongoing.

Risks / Challenges to the Business and Plan:

- COVID-19:** Potential supply risk for imported High Bond tape from South Korea, but 2 months of supply for key customer (GE). Potential customer risk from Essentra Ningbo (China distributor).

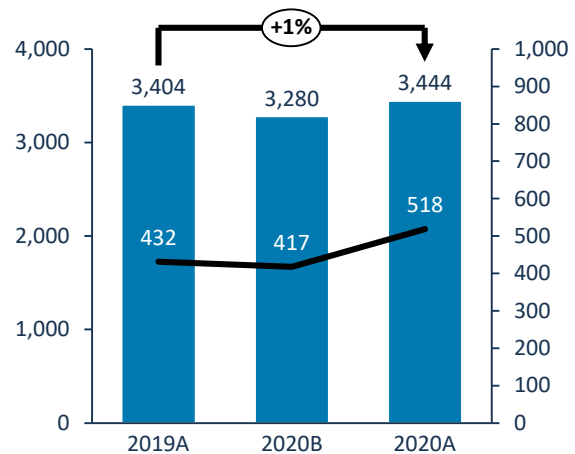
Status Update: Project Details

Project		Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
				Projected	Actual
A: Commercial growth -- inside sales		<ul style="list-style-type: none"> Inside sales manager set up daily call tracking and targets via manual tracking / spreadsheets. Inside sales team now fully staffed with manager and team. Baselineing over January / February Developing operational dashboards for front-line inside sales leadership 	January 2020	10 cust engagements / day	TBD
B: Commercial growth – outside sales		<ul style="list-style-type: none"> New outside sales coverage and compensation model to be deployed as of February. Developing operational dashboards for RSMs to drive increased visibility into business Late Q1 focus shifting to highly granular / account specific regional territory plans (w/external support) 	February 2020	Enabler	Enabler
C: Sales compensation model		<ul style="list-style-type: none"> New compensation model to be deployed in February 2020 	February 2020	Enabler	Enabler
D: New Market Entry (Beckway Group)		<ul style="list-style-type: none"> Completed Phase I of new market entry strategy which prioritized transit packaging and industrials as key growth verticals outside PoP / appliance. Phase II transitioning into 'market development', building out bottoms-up customer databases in each key growth vertical 	Q1 2020	TBD	TBD

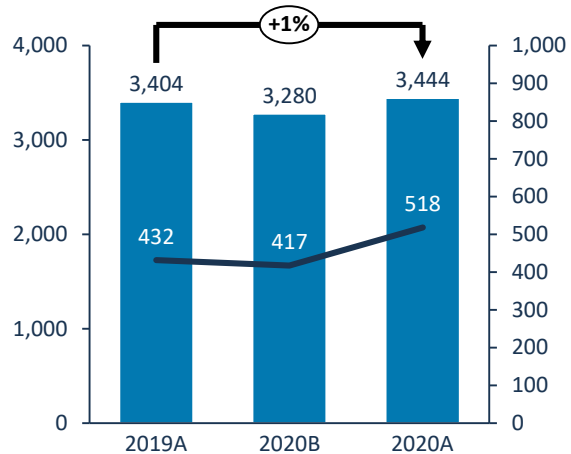
Status Update: Project Details

Project		Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
				Projected	Actual
E: Continuous Improvement <i>(Phil, Randy Aardema)</i>		<ul style="list-style-type: none"> 6 Duraco attendees attended inaugural University of Wisconsin led yellow belt training with additional candidates attending March session. Training to continue over balance of year as certain candidates will progress to green belt who will have specific improvement projects 	February – October 2020	Enabler	TBD
F: Sourcing / Spend Reduction		<ul style="list-style-type: none"> Cost savings on plan with \$59k savings vs. \$57k target for January GPOs (CoreTrust / Procurement Advisors) focused on small spend, indirect materials categories 	Timing dependent by project	\$509k	\$59k
G: Marketing effectiveness		<ul style="list-style-type: none"> Engaged digital marketing expert to improve digital marketing effectiveness. Currently 37% ROAS vs. industry standard of 3-4x return on ad spend. Improvements expected monthly in concert with new website (expected end of April 2020) 	May 2020	\$200k	TBD

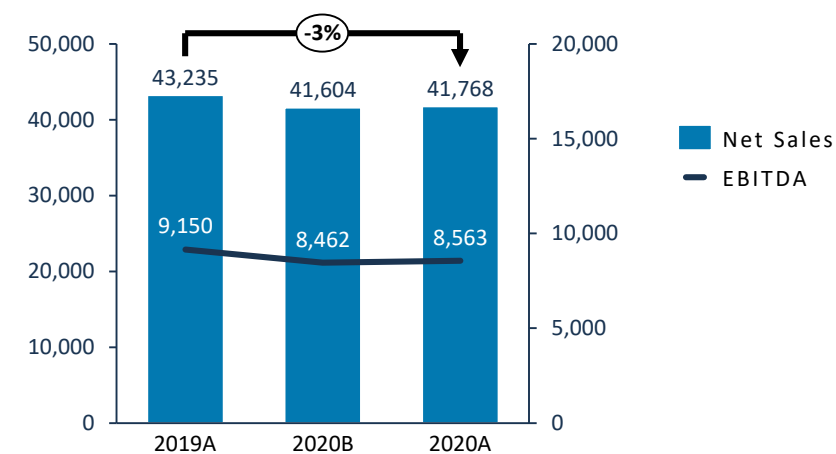
Jan MTD
\$000s



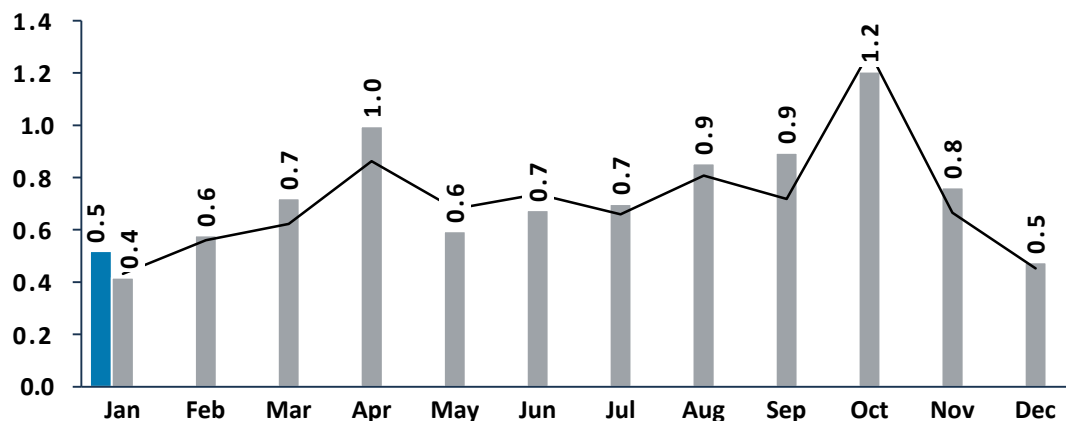
Jan YTD
\$000s



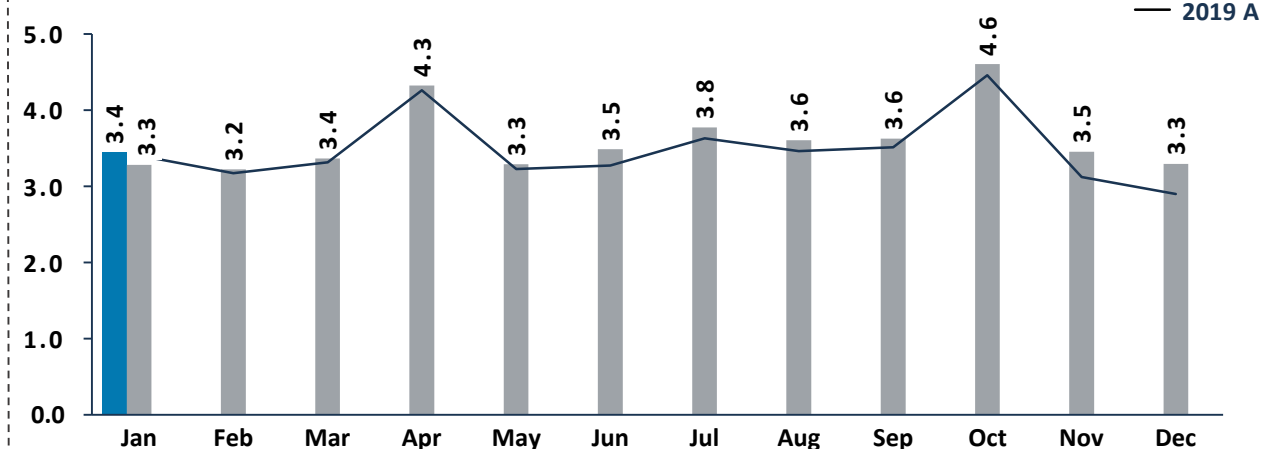
TTM
\$000s



Monthly EBITDA
\$ millions

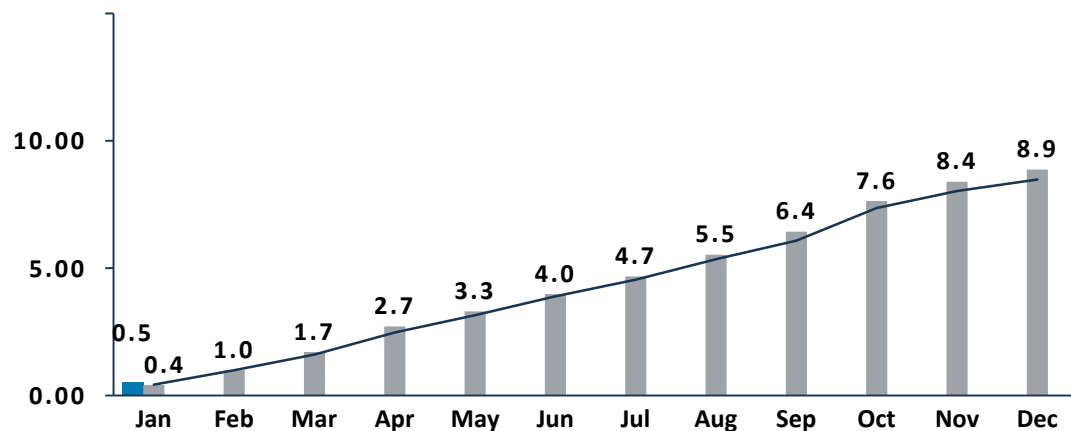


Monthly Net Revenue
\$ millions



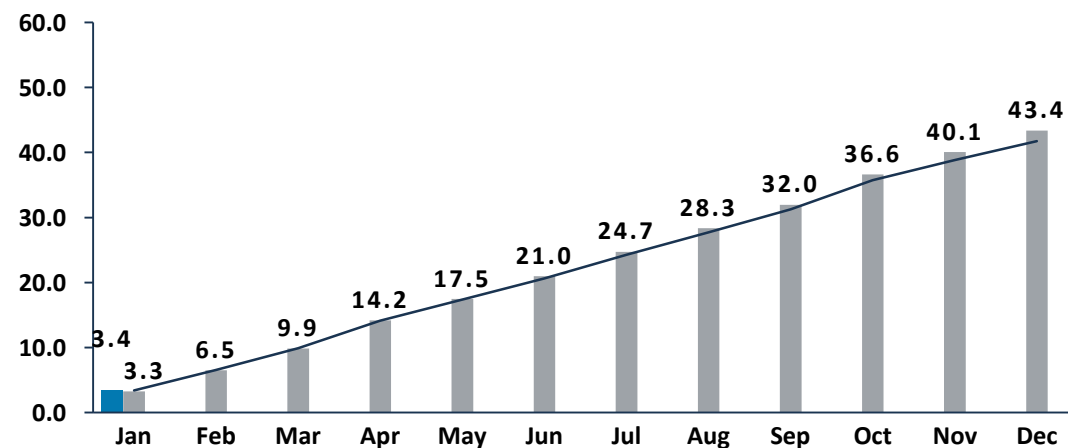
YTD EBITDA

\$ millions



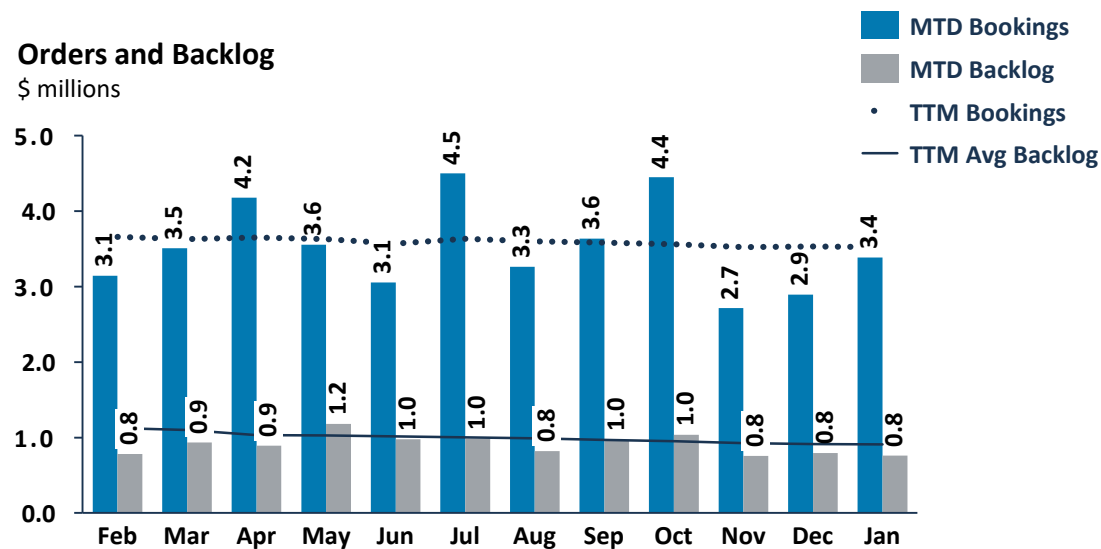
YTD Revenue

\$ millions



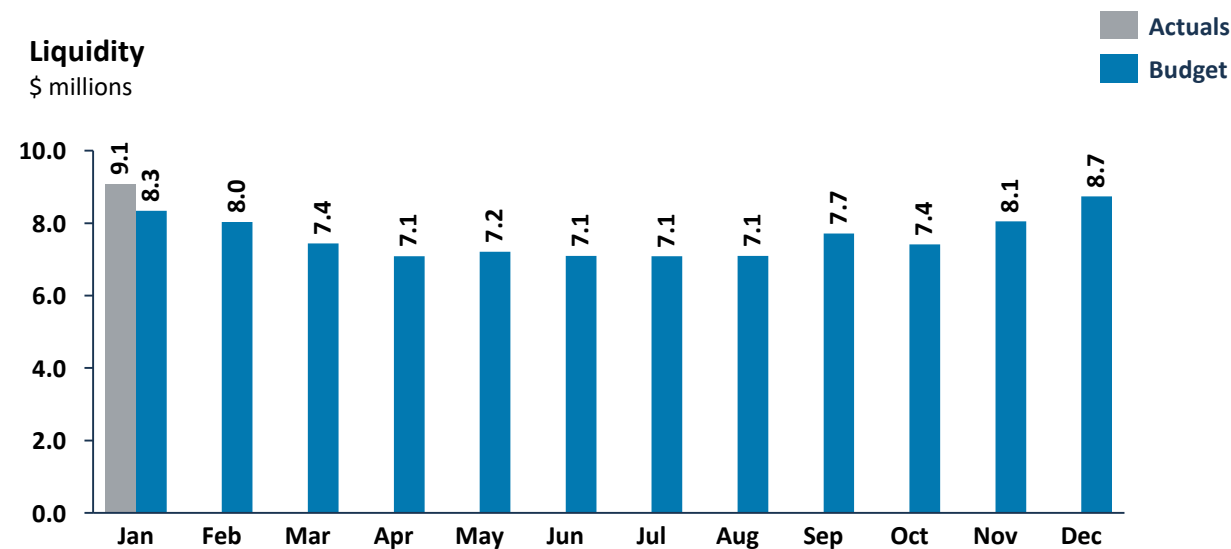
Orders and Backlog

\$ millions



Liquidity

\$ millions



2.e | S&G

Strong start to 2020 for S&G, with January well ahead of Plan and PY on both Revenue and EBITDA; continued focus on growth in multiple areas

Executive Summary



January Results

- S&G ended Jan 2020 with sales at \$4.1M (104% of Plan, 124% of PY) and PF Adj EBITDA at \$0.9M (122% of Plan, 160% of PY)
- On Wed 2/26, AM/ML will be making COO offer to Kyle Brack after positive feedback from other key mgmt.; role will focus on supporting value creation initiatives across S&G, Delaney, and Premier; target start Mon 3/9
- On Wed 2/19, AM joined gov't growth strategy session at Nicholasville with S&G and Premier mgmt., Palmer's Security (key S&G gov't distributor), and all 3 outside Board Directors; mgmt. developing detailed initiatives
- Mgmt. making NA Regional Sales Director offer to Bart Ogden; has strong sales experience with Allegion; target start in early- to mid-Mar
- E-Commerce and Digital Marketing Manager candidate accepted offer on Fri 2/14 and will be starting Mon 3/2; will report to Kathryn (Delaney VP Marketing) and support both S&G and Delaney
- 6 S&G executives completed yellow belt training Mon 2/3 – Wed 2/5, and 7 add'l S&G execs to complete yellow belt training Mon 3/9 – Wed 3/11; white belt training completed Mon 2/24 – Wed 2/26 (feedback positive)
- NetSuite go-live expected Mon 3/30; engaging temporary finance resource from Mar-May to support transition from SBD to Cumming AR/AP support
- OGx:** supporting firmware development on new keypad




Risks / Challenges to the Business and Plan

- At 2/25 (85% through the fiscal month), S&G Feb MTD sales were at \$1.8M (55% of Plan, 72% of PY MTD), bookings were at \$2.8M (94% of Plan, 149% of PY MTD), and backlog was at \$9.4M (106% of Jan 2019 ending backlog of \$8.9M, 130% of Feb 2019 ending backlog of \$7.2M)
 - Mgmt expects to nearly close the gap to Plan by month-end (latest outlook is 98% of Plan) due to high visibility orders going out this week (e.g., \$0.6M government order)
- COVID-19 impact:** May see some softness in demand from China-based OEM customers, although likely just a timing issue; thus far, \$325K of bookings originally expected in Jan has slipped to Mar

Status Update: Project Details

Project	Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
			Projected	Actual
A. Address quality issues (Craig Saunders, Mark LeMire, Andrew Martinez, Aaron Olmsted, Rick Melito) 	<ul style="list-style-type: none"> Removed Don (new Quality Mgr) on Wed 1/15 after 2 months in the role due to lack of ability to drive comprehensive cultural and process change Re-engaged Beckway to source new Quality Mgr; 2 candidates coming in for onsite interviews, plus 1 candidate scheduled for phone screen Aaron Olmsted and Rick Melito (quality consultants) conducted initial quality assessment at Nicholasville on Thu 1/30 and Fri 1/31; initial observation is that quality issues are occurring despite having reasonable quality management practices in place; full 3.5-month quality project kicked off Mon 2/3 to identify causes of and solutions for persistent quality issues; will include providing support for hiring of new Quality Mgr 	5/28 project completion	\$300K	TBD
B. Establish globally consistent pricing strategy (Andrew Martinez, Mary Cox, Steve Tonkel, Matt Williams) 	<ul style="list-style-type: none"> Engaged support of Steve Long and Clemi Hicks on Fri 1/31 for initial pricing analysis; have aligned on quick win price increases to be announced 3/1 for implementation 4/1 In Q2, goal is to develop globally consistent pricing model, to be used as the basis for quarterly price adjustments going forward Later, will explore using Simon Kucher (or another consultant) to conduct analysis to further optimize pricing levels and build model for ongoing pricing optimization 	Announcement to market by 3/1/2020 New pricing implemented as of 4/1/2020	\$275K	TBD

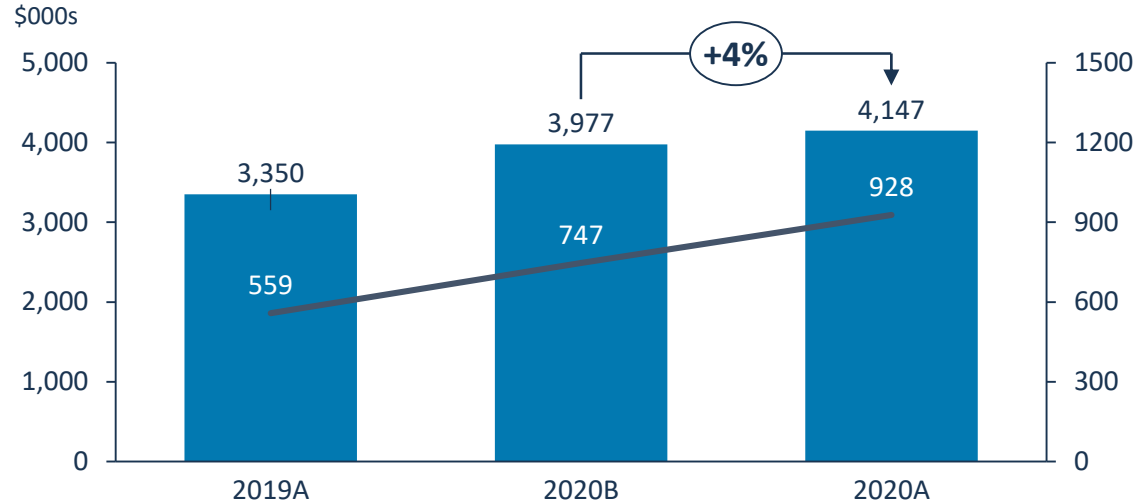
Status Update: Project Details

Project	Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
			Projected	Actual
C. Launch refreshed brand and digital market presence (i.e., website) <i>(Kelly Edney, OGx)</i> 	<ul style="list-style-type: none"> Completed IP-infringement review; no issues found in key countries, so will be moving forward with current new logo Targeting May launch, with announcement of new keypad available to order with ~4-6-week lead time for delivery Kelly (S&G Mktg Mgr) working with Kathryn (Delaney VP Marketing) to incorporate Delaney and Premier into S&G brand refresh Working with web developer to build backend pages of new website; will incorporate new corporate messaging as well as Delaney where appropriate (e.g., residential page) 	New website and rebranding launch 5/4/2020 (delayed to accommodate May 2020 keypad launch timing)	Enabler	Enabler
D. Develop new multi-function platform keypad/display with new industrial design aesthetic <i>(Devon Ratliff, Kelly Edney, OGx, PQD / Willie Wu)</i> 	<ul style="list-style-type: none"> <u>Continue to be on-track for May 2020 launch date</u> PQD has provided multiple product concepts building off the industrial engineering work completed by OGx to-date PQD has quoted \$70/unit for the initial production run using known components; potential ~\$15/unit cost reduction using chip and screen components that need to be further validated Kicking off tooling Fri 2/28, with working prototype samples for dev testing by Fri 3/20 <ul style="list-style-type: none"> Will be gathering VOC feedback on samples from trusted partners Planning trip to Asia to validate PQD supplier 	May 2020	2020: \$80K 2022: \$430K	TBD
E. Improve installation instructions for key product lines <i>(Patrick Cunningham, Kelly Edney, OGx)</i> 	<ul style="list-style-type: none"> Completed quick start guide for new keypad (basic questions for residential customers) <ul style="list-style-type: none"> Includes QR code to take users to the full instruction set; will add video instructions in the future Working on lock installation instructions New spring bolt installation instructions provided to marketing for approval; taking a simpler, more user-friendly approach 	May 2020	Enabler	Enabler

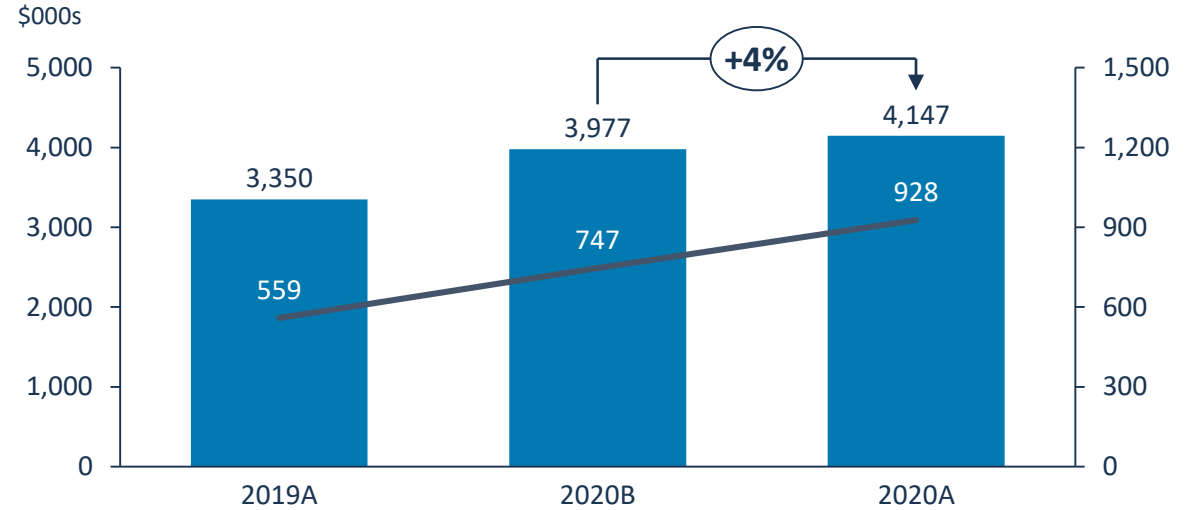
Status Update: Project Details

Project	Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
			Projected	Actual
F. Develop new core products <i>(Patrick Cunningham, Devon Ratliff)</i> 	<ul style="list-style-type: none"> <u>New product development efforts on track for planned commercialization dates</u> Prioritized product development pipeline through Q2 2020, focused on opportunities that are highly strategic, large and highly certain, and high ROI Business Case (ROC) models for potential 3Q/4Q 2020 products complete. In late Q1 / early Q2, mgmt will begin identifying and preparing ROC models for potential 2021 development products 	Commercialization dates through Dec 2020	2020: \$530K 2022: \$1.9M	TBD
G. Freight and logistics project <i>(SmartVentures, Michael Rose, Steve Tonkel, Bryan Callihan, Andrew Martinez)</i> 	<ul style="list-style-type: none"> SmartVentures kicked off onsite work at Nicholasville on Mon 2/24 Focused on determining optimal freight setup once S&G moves off the Stanley TSA freight service in Nov 2020 	Jun 2020	TBD	TBD
H. CRM project <i>(SmartVentures, Matt Williams, Andrew Martinez)</i> 	<ul style="list-style-type: none"> SmartVentures kicked off onsite work at Nicholasville on Mon 2/24 Focused on defining optimal use of CRM in advance of Apr 1 go-live 	Apr 2020	Enabler	Enabler
I. Manufacturing outsourcing project <i>(Mark LeMire, Andrew Martinez)</i>	<ul style="list-style-type: none"> Decided to hold off on pursuing full outsourcing project until we establish more momentum in the business 	Q1 2021	TBD	TBD

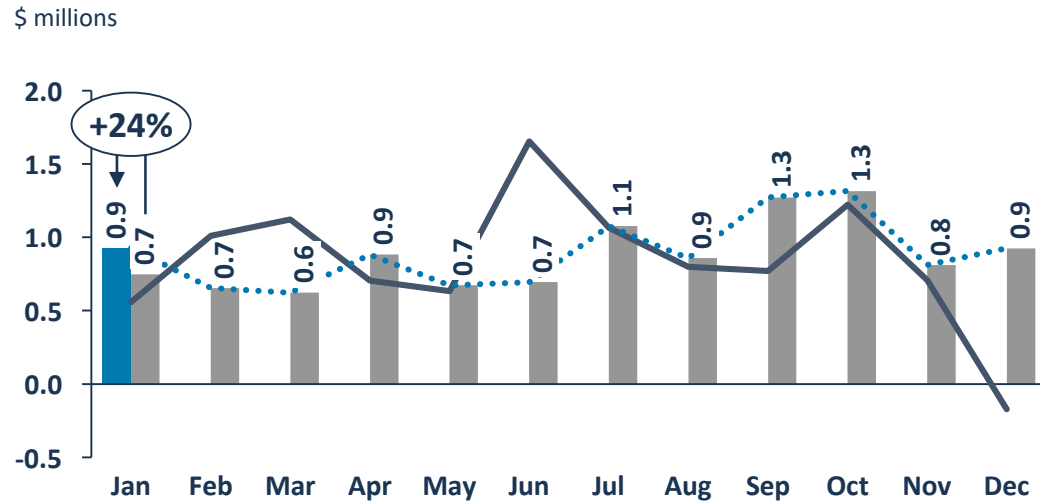
January MTD



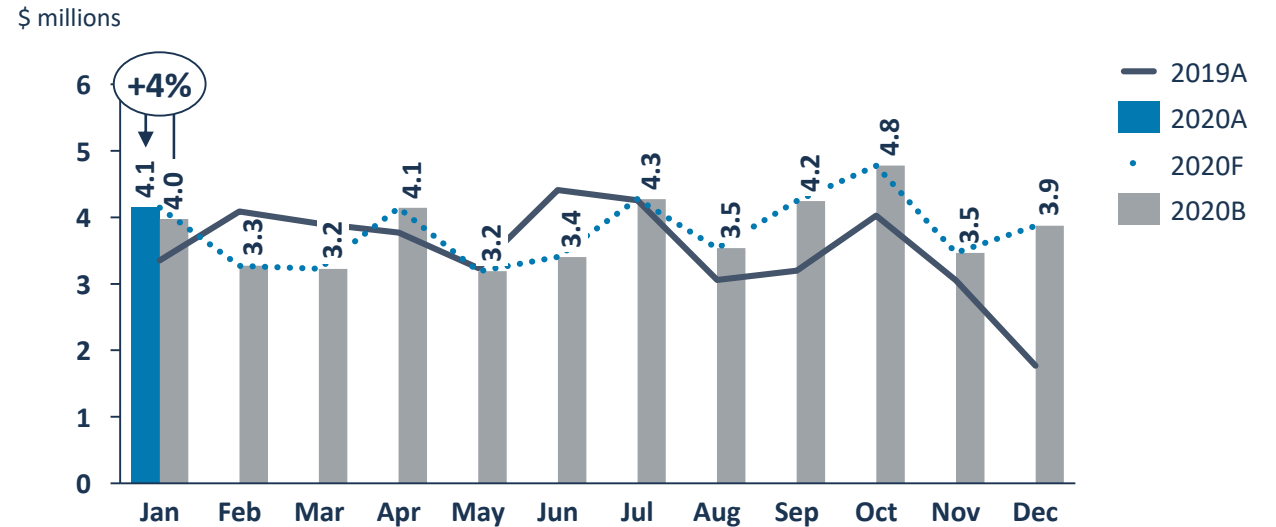
January YTD



Monthly Adj EBITDA

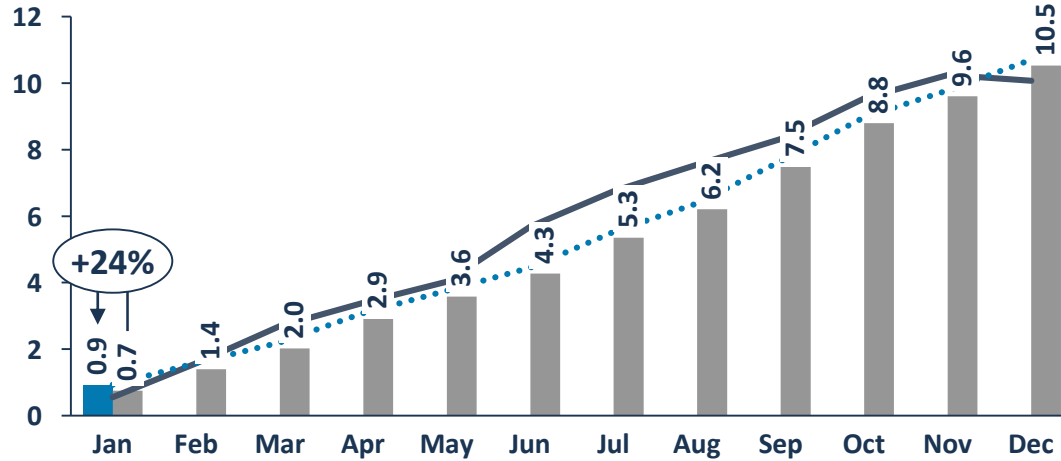


Monthly Net Revenue



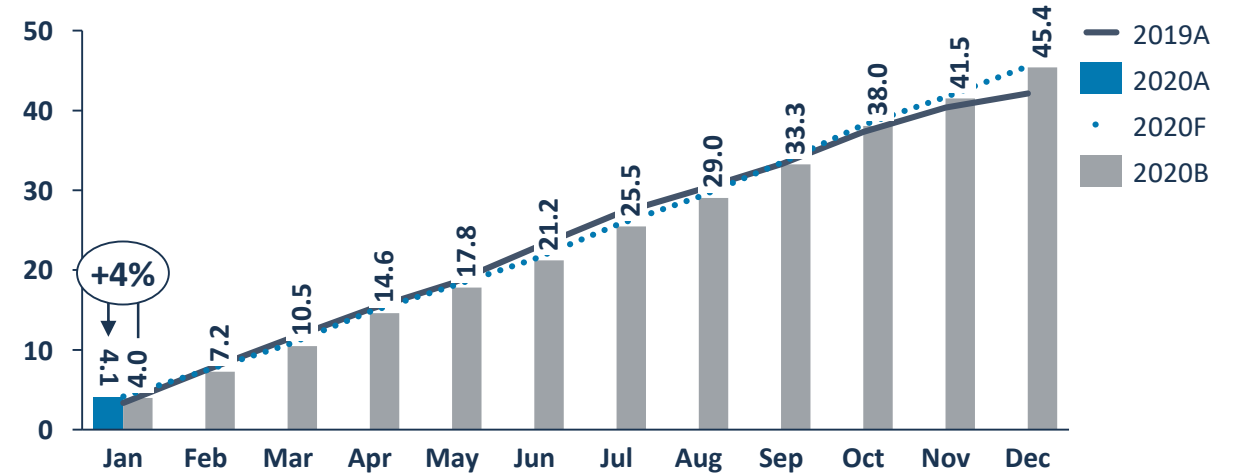
YTD Adj EBITDA

\$ millions



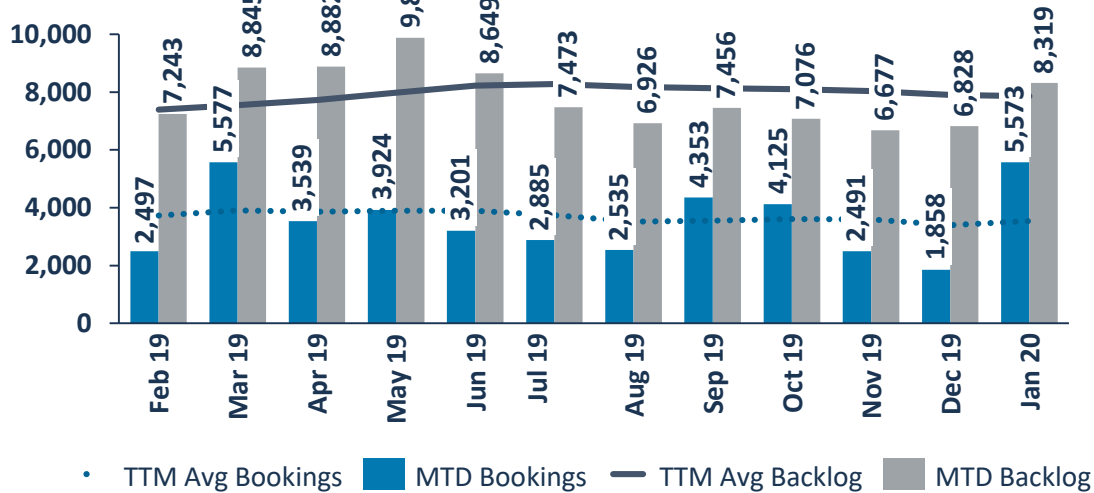
YTD Revenue

\$ millions



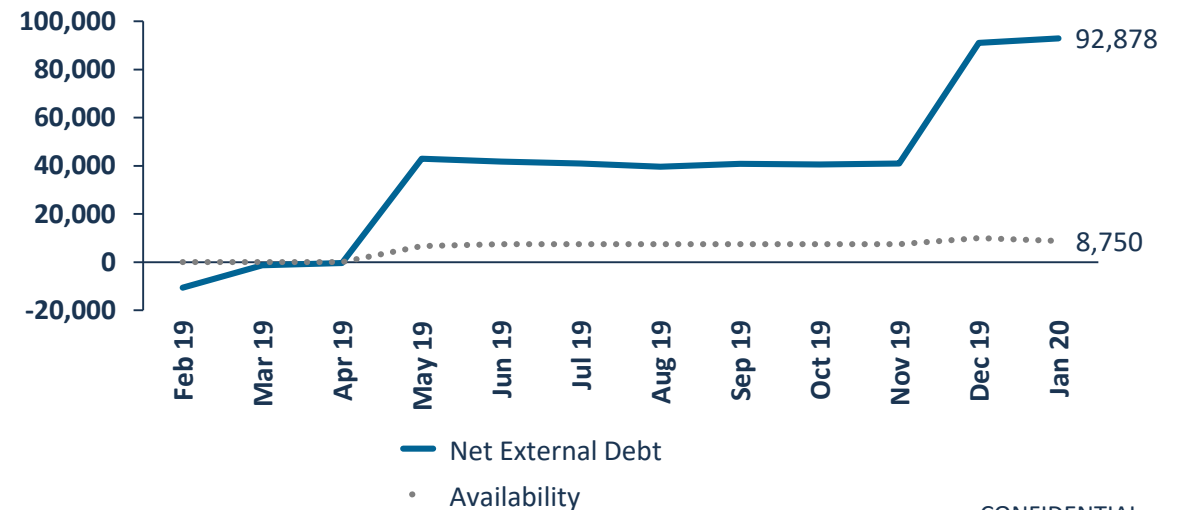
Order Intake

\$ millions



Liquidity

\$ millions



2.f | Delaney & Premier

Strong start to 2020 for Delaney and Premier, with Premier well ahead of Plan and PY on both Revenue and EBITDA; development of Strategic Initiatives complete

Executive Summary

January Results

- Delaney ended Jan 2020 with sales at \$3.4M (100% of Plan, 94% of PY) and EBITDA at \$0.5M (99% of Plan, 89% of PY)
- Premier ended Jan 2020 with sales at \$1.8M (117% of Plan, 124% of PY) and EBITDA at \$0.5M (158% of Plan, 184% of PY)
- At 2/25 (85% through the month), Delaney Feb MTD sales were at \$2.9M (90% of Plan, 126% of PY MTD) and Premier Feb MTD sales were at \$1.2M (77% of Plan, 93% of PY MTD)
- 7 Delaney and 2 Premier executives completed yellow belt training Mon 2/3 – Wed 2/5 and 4 additional Delaney executives to complete yellow belt training Mon 3/9 – Wed 3/11; white belt training scheduled for Thu 2/27 – Fri 2/28 at Delaney Cumming and Premier Austell, Tue 3/17 – Wed 3/18 at Premier Monroe, and Thu 3/19 at Premier Houston
- Delaney and Premier have completed all workplans and kicked off regular biweekly Steering Committee meetings on Thu 2/20
- On Tue 2/18, AF met with Michael OBryan (former Delaney Board Director) to build relationship in advance of potential future advisory role
- **OGx:** supporting remaining Delaney multifamily smart lock product development






Risks / Challenges to the Business and Plan

- **Delaney COVID-19 impact:** No supplier factories located within the affected region, but experiencing ~3-week delay in receiving inventory due to 2-week government extension of Chinese New Year; Delaney carries fairly heavy inventory, which creates additional buffer; no negative impact expected
- **Premier COVID-19 impact:** No immediate / quantifiable issues, but potential risk if OEM accounts experience delays in receiving components from China that might delay building timing and, therefore, Premier's ability to ship product for those projects




Status Update: Project Details

Project		Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
				Projected	Actual
A. Launch Delaney multifamily smart lock (Libby Zappala, Kathryn Towns, Devon Ratliff, OGx)		• Devon (S&G Engineering Mgr) working with Delaney and third-party developers to finalize launch schedule	Jun 2020 launch Sep 2020 initial sales	\$275K (Sep-Dec 2020)	TBD
B. Define NPD process and develop new product roadmap (Libby Zappala)		• Delaney has finalized updated Delaney NPD process for new products and product updates • NPD team meeting weekly to review new product opportunities	Mar 2020 process Jun 2020 roadmap	TBD	TBD
C. Develop eCommerce growth strategy (Donald Smith, Kathryn Towns)		• Kathryn pulling together projected growth, opportunities, promotion options, and first projects to tackle for the eCommerce specialist after his Mon 3/2 start date	Apr 2020	TBD	TBD

Status Update: Project Details

Project		Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
				Projected	Actual
D. Develop strategy to increase share of wallet with current Delaney multifamily dealers <i>(Mike Norris)</i>		<ul style="list-style-type: none"> Mgmt pulling data to identify and prioritize account opportunities for which to develop penetration strategies 	Apr 2020	TBD	TBD
E. Develop strategy to increase share of wallet with current Delaney national accounts / buying groups <i>(Steve Grimsley)</i>		<ul style="list-style-type: none"> Initial list of 6 prioritized accounts identified In process of completing SWOT analysis and developing penetration strategy for each 	Apr 2020	TBD	TBD
F. Develop strategy to increase share of wallet with current Delaney regional customers <i>(Dick Fitzgerald, Donn Bland, Outside Sales Reps)</i>		<ul style="list-style-type: none"> Mgmt pulling data to identify and prioritize account opportunities for which to develop penetration strategies 	May 2020	TBD	TBD
G. Develop strategy to penetrate select regional and national home-builders with Delaney product <i>(Steve Grimsley, Dick Fitzgerald, Donn Bland, Outside Sales Reps)</i>		<ul style="list-style-type: none"> Mgmt developing database of homebuilders to identify and prioritize account opportunities to pursue Mgmt developing process for onboarding new homebuilder accounts 	Jun 2020	TBD	TBD
H. Develop strategy to drive growth in Delaney Bravura product <i>(Donn Bland, Dick Fitzgerald, Outside Sales Reps)</i>		<ul style="list-style-type: none"> Mgmt will be gathering initial input on potential avenues to drive Bravura growth at Forte conference Tue 2/25 – Thu 2/27 	May 2020	TBD	TBD
I. Update Delaney Sales Incentive Program (SIP) <i>(Dick Fitzgerald, Donn Bland, Mark LeMire)</i>		<ul style="list-style-type: none"> Project kicking off on Fri 2/28 with in-depth review of S&G SIP with Delaney mgmt 	May 2020	TBD	TBD

Status Update: Project Details

Project		Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
				Projected	Actual
J. Pursue Delaney sourcing savings (Dennis James, Libby Zappala)		<ul style="list-style-type: none"> Mgmt has compiled list of top 100 SKUs by spend and associated supplier, pricing, and payment terms in order to prioritize which SKUs to target Mgmt will be working through Mar to identify potential alternative supplier(s) for each top SKU 	May 2020	TBD	TBD
K. Pursue Delaney freight and logistics savings (SmartVentures, Dennis James, Milan Vora, Andrew Martinez)		<ul style="list-style-type: none"> Kick off call completed Mon 2/24 Focused on identifying and executing on logistics savings identified during diligence 	Jun 2020	\$250K	TBD
L. Conduct Delaney SKU rationalization (Dennis James)		<ul style="list-style-type: none"> Mgmt pulling list of slow-moving items, low profit items, and high MOQ items to prioritize for SKU rationalization consideration 	Jun 2020	TBD	TBD
M. Premier capacity and sales growth plan (Andrew Martinez, Joey Meggs, Dale McGarrah)		<ul style="list-style-type: none"> AM spent Wed 2/12 at Premier with Joey (President) and Dale (VP Manufacturing) mapping out preliminary 4-year investment and growth plan, which shows opportunity to grow EBITDA from ~\$4.5M in 2019 to ~\$8.8M in 2023 with ~\$3.7M in growth capex in 2020-2022 AM working with Joey and Dale to gather further data to validate and refine analysis 	2020-2023	\$4.5M	TBD

(\$ in thousands)	Jan-20							
	Delaney Actual	Premier Actual	Elim Actual	Consol. Actual	AOP	Actual 2019	Δ to AOP	Δ to 2019
Gross Sales (\$)	3,360	1,799	(88)	5,072	4,777	4,745	295	326
% Chg							6.2%	6.9%
Net Sales (\$)	3,240	1,790	(88)	4,942	4,652	4,587	290	355
% Chg							6.2%	7.7%
Gross Margin (\$)	1,529	720	0	2,249	2,093	1,952	155	297
% of Sales	47.2%	40.2%	0.0%	45.5%	45.0%	42.6%	51 bps	295 bps
SG&A (\$)	1,051	274	0	1,325	1,333	1,209	7	(117)
% of Sales	32.5%	15.3%	0.0%	26.8%	28.6%	26.3%	183 bps	-47 bps
Operating Income (\$)	477	446	0	923	761	743	163	180
% of Sales	14.7%	24.9%	0.0%	18.7%	16.3%	16.2%	233 bps	248 bps
Adjusted EBITDA (\$) (per A&M QofE)	513	458	0	971	809	824	162	146
% of Sales	15.8%	25.6%	0.0%	19.6%	17.4%	18.0%	225 bps	167 bps

Delaney and Premier will be reflected within the S&G Core Model beginning with Feb results next month

2.g | InRule

Executive Summary



InRule Jan results

- **ARR:** \$9.9M in ARR which represents a 21% increase over January 2019
- **Revenue/Adjusted EBITDA:** Net revenue \$1027k vs budget of \$877k (117% of plan) vs \$745k 2019A (136%); Adjusted EBITDA of \$133k vs budget of (\$106k) (115% of plan) vs (\$119k) 2019A
- **New business acquisition:** New logos: The Saudi Investment Bank (\$10), Upsells: Shell (\$58K)
- Refreshing strategic planning this month, working with M&A to redesign Tech Core Model
- Feb pipeline looks strong and projecting inline to January







Risks / Challenges to the Business and Plan:

- **Pipeline:** Upper level funnel metrics weak for Jan, marketing qualified leads down ~24% vs plan, likely to impact the business end of Q2
- **Cost control:** Hosting cost increase due to new SaaS customers – IT manager is working on efficiencies to reduce costs
- **Hiring:** Hiring fast enough to meet product goals/delay in outsourced development team (budgeted to be onboard on 1/1) may also impact product delivery
- **COVID-19:** APAC business is rather small with little exposure to China (no customers). No outsourced development as well

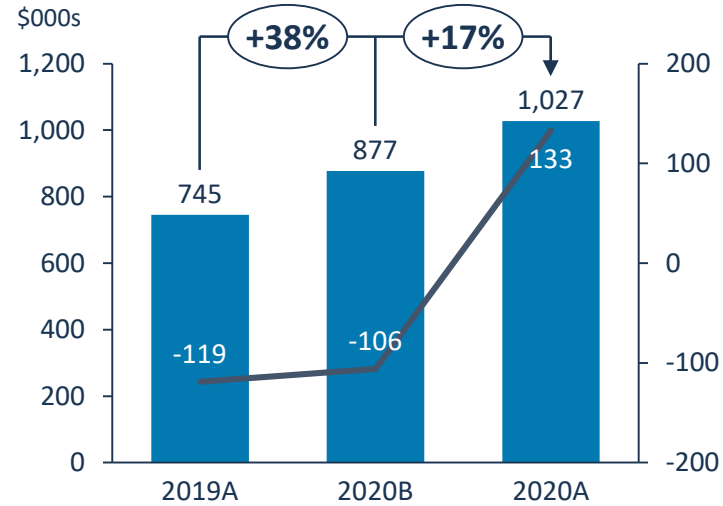
Status Update: Project Details

Project		Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
				Projected	Actual
A. Restructure the product machine organization <i>(Loren Goodman)</i>		<ul style="list-style-type: none"> • New product machine organization documentation finalized Thu 11/7 and presented to the full company Thu 11/14 • Chief Product Officer has verbally accepted offer as of Tue 12/10 	Dec 2019	TBD	TBD
B. Deliver decision services product feature <i>(Dan Reynolds)</i>		<ul style="list-style-type: none"> • Released Tue 12/10 	Dec 2019	TBD	TBD

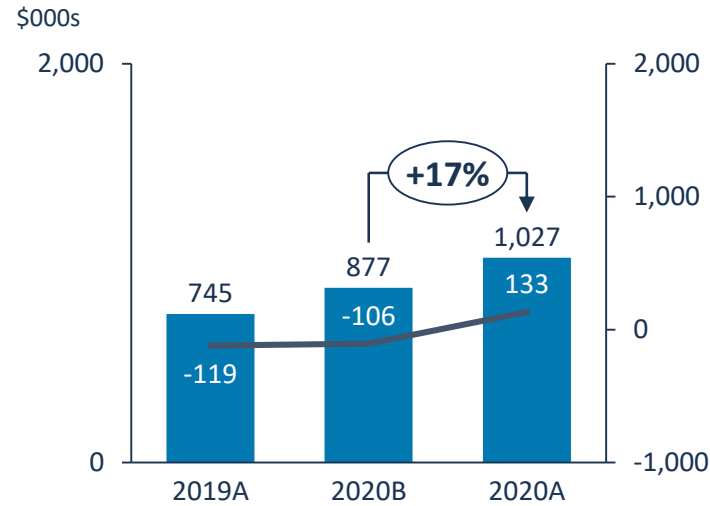
Status Update: Project Details

Project		Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
				Projected	Actual
C. Deliver centralized authentication capability <i>(Dan Reynolds)</i>		<ul style="list-style-type: none"> Released week of 10/21 	Oct 2019	TBD	TBD
D. Develop integrations team strategy and roadmap <i>(Mark Lonsway, Dan Reynolds)</i>		<ul style="list-style-type: none"> Beginning proof of concept research for Microsoft Dynamics PowerApp Portal integration; factoring in feedback from American Airlines Signed Microsoft AppSource ISV (Independent Software Vendor) contract; avoided InRule being removed from AppSource platform; management expects revenue share agreement to cost us ~\$30-60K/year for existing customers, and increase to ~\$100-200K/year by the end of 2020 (reflecting additional customer growth) 	Mar 2019	TBD	TBD
E. Develop services strategy <i>(Mark Lonsway)</i>		<ul style="list-style-type: none"> Setup tracking process in CRM Early prototype of Time Entry in segmentation in PowerBI Next steps: Establish back office reporting, utilization, and metrics tracking 	Dec 2019	TBD	TBD
F. Develop recruiting strategy to fill key ongoing positions <i>(Beth Worthem, Functional Leaders)</i>		<ul style="list-style-type: none"> Accounting Manager: Candidate started Tue 11/12 IT Manager: IT Mgr started on Mon 12/9 Sales Development Rep: First new SDR started Mon 12/2; moving forward with second new SDR hire Chief Product Officer: Verbal offer acceptance received as of Tue 12/10 	Acct Mgr: Nov 2019 IT Mgr: Dec 2019 SDR: Dec 2019 CPO: Jan 2020	TBD	TBD
G. Develop embedded authoring services <i>(Dan Reynolds)</i>		<ul style="list-style-type: none"> In process of iterating on usability and UI; working through the bug list Loren and Dan are incorporating feedback from demo to Microsoft On track to release by mid- to late-Dec 	Dec 2019	TBD	TBD
H. OGx		<ul style="list-style-type: none"> Investigating opportunity to include InRule technology into the workbench 	Q2	TBD	TBD

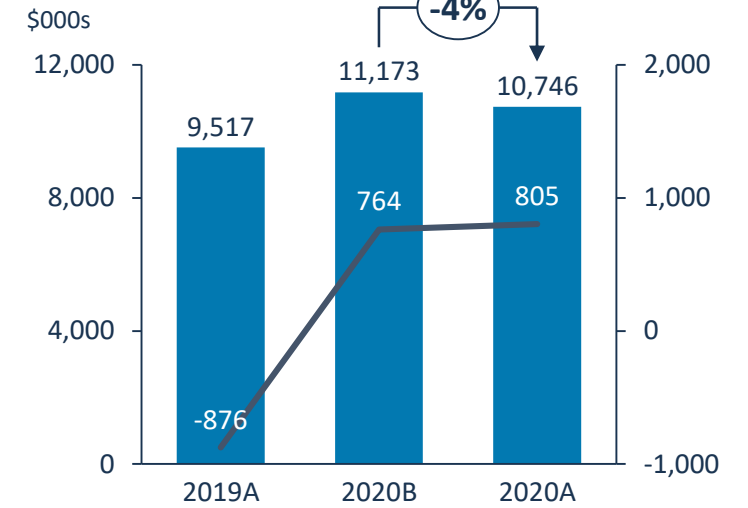
Jan MTD



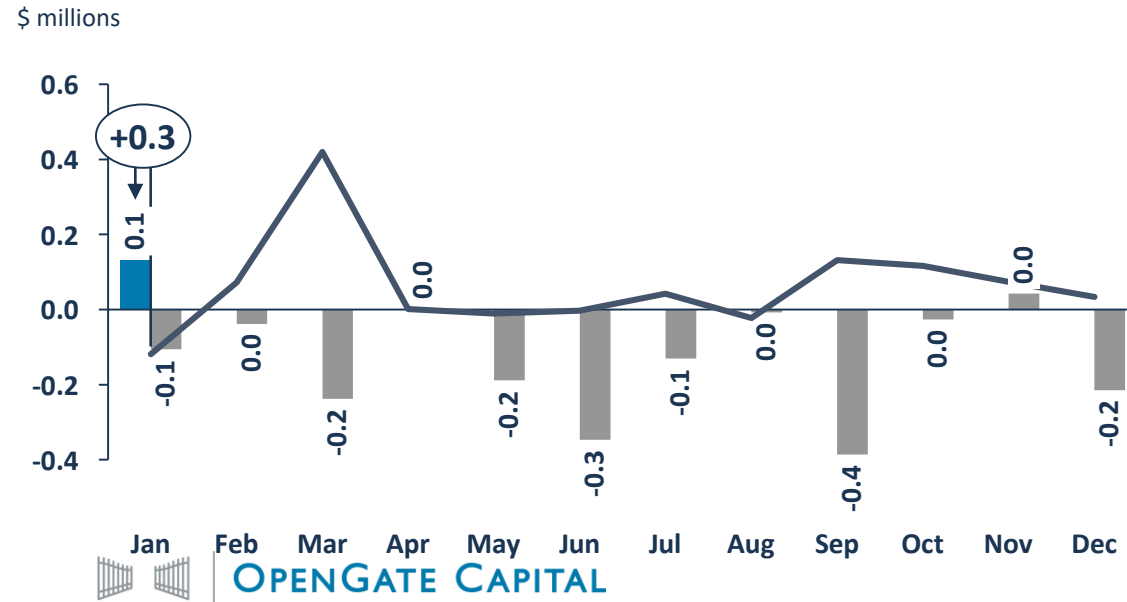
2020 YTD



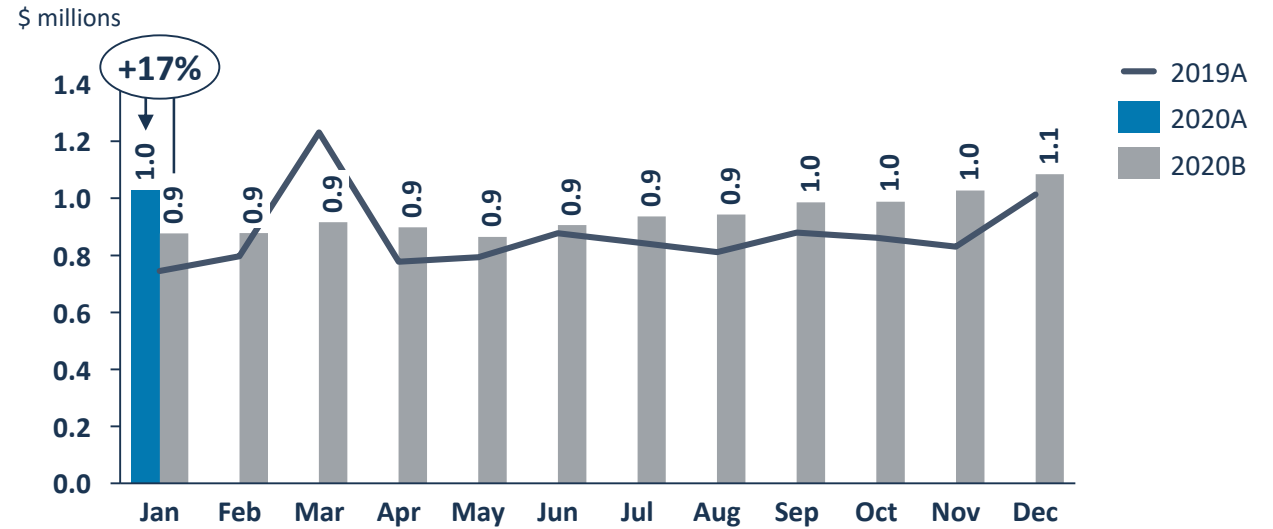
TTM



Monthly EBITDA

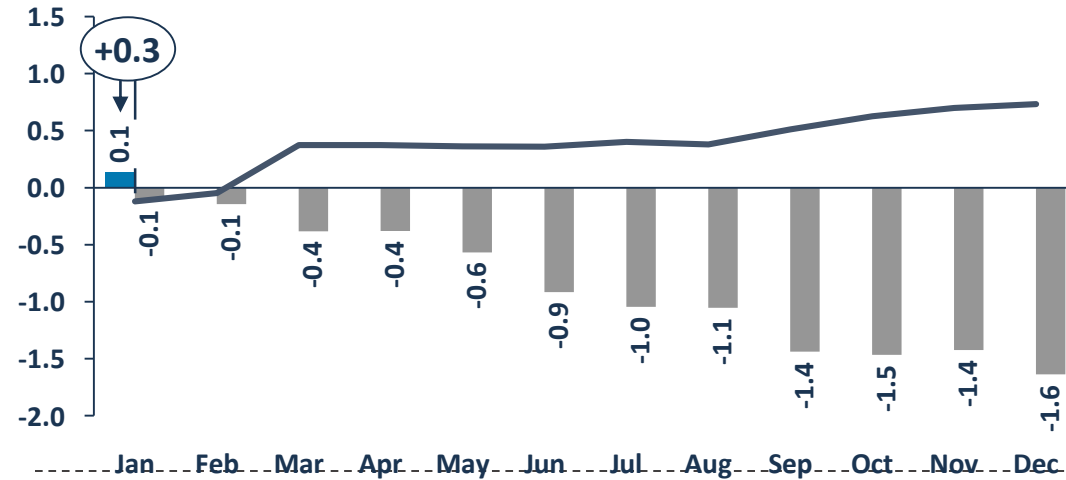


Monthly Net Revenue



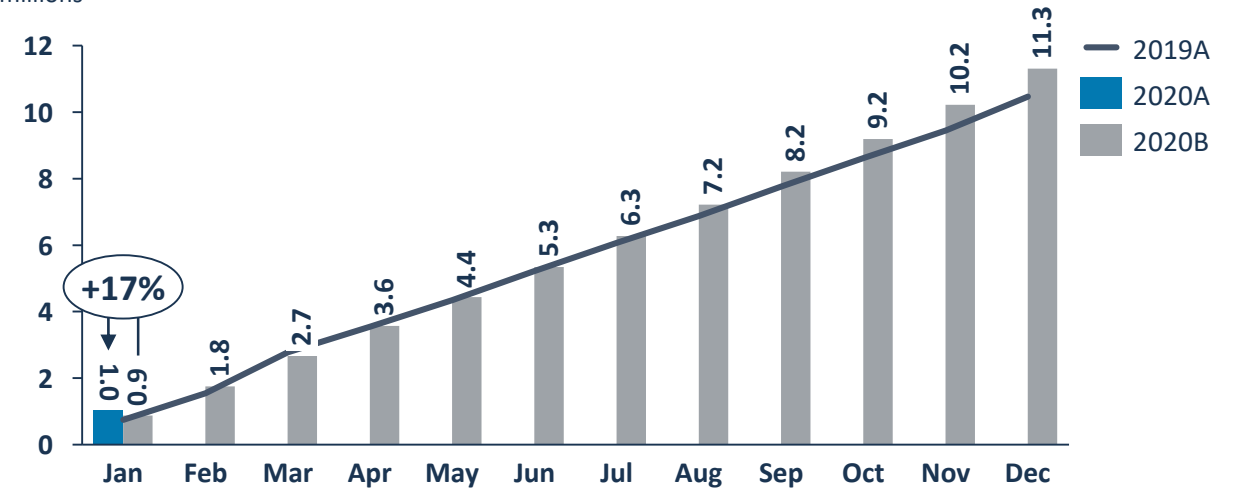
YTD EBITDA

\$ millions



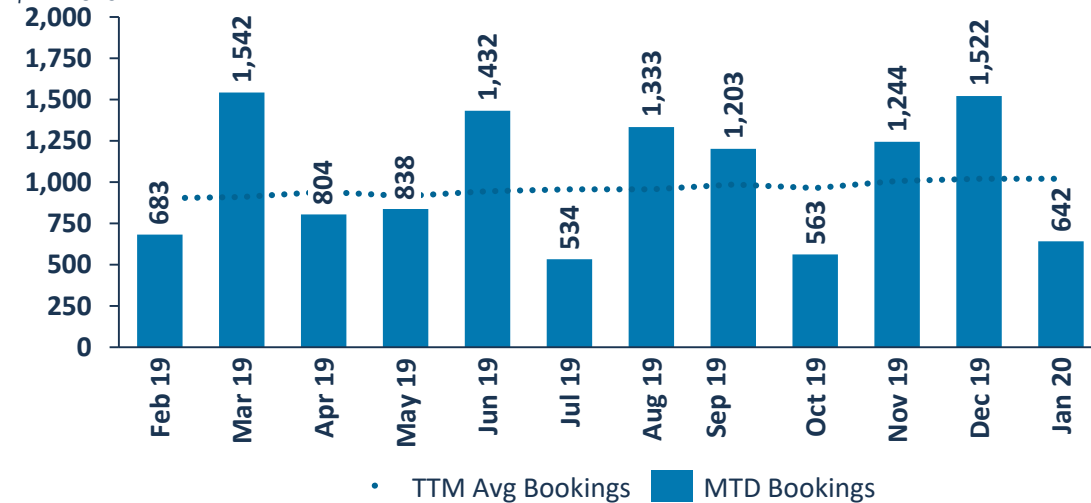
YTD Revenue

\$ millions



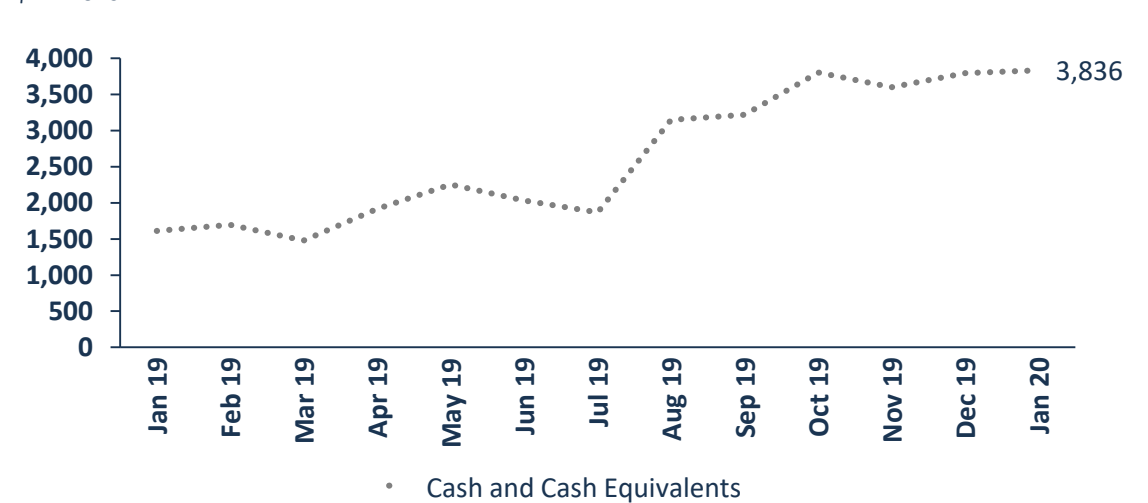
Bookings

\$ millions



Ending Cash

\$ millions



2.h | CoreMedia

January on plan with strong ARR growth of 112% year over year. Focus on prioritization of efforts for investment to sustain and accelerate growth

Executive Summary

Jan results

- **ARR:** €15.4mm vs €15.4mm 2020 AOP and €14mm Jan 2019 (112%); VF Corp in pipeline that has potential to be \$1mm in ARR
- **Revenue/Reported EBITDA:** Gross Revenue: €1.583mm vs €1.583mm 2020B vs €1.702 2019A; Reported EBITDA of (€173k) vs (€173k) AOP vs (€125k) Jan 2019A.
- 2019 adjustments are not completed as 13th period has not been closed. Adjusted EBITDA will be reported after PWC completes their IFRS transition which is scheduled to be completed end of April. May report out will be on IFRS and will restate 2019

Risks / Challenges to the Business and Plan:

- **Hiring/Talent:** Florian former head of Sales is still an unknown, UK sales rep Jay has resigned, and we have lost a key resource in marketing. Current recruiting for CMO is underway and three candidates are being interviewed.
- **Finance team:** Finance team is not staffed to meet reporting needs and also lacks key expertise. A restructuring is needed
- **COVID-19:** No direct exposure in Asia, however outbreaks in Europe are concerning and have resulted in multiple events in Europe and the US being cancelled (World Mobile Conference, partly Milan Fashion Show, Facebook conference, Carnival in Venice etc) that are leveraged to generate leads and pipeline. Interactions with prospects and customers in affected areas like Milan might be restricted (VF Corp, Luxottica, YNAP).

Status Update: Project Details

Project		Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
				Projected	Actual
A. 2020 Budget and strategy (Soren, Jim, Klemens)	At Risk	<ul style="list-style-type: none"> • Strategy workshop complete, preliminary 2020 focus on product features/cost, sales capability/cost • AOP flash proposed this week, finalizing investment and priorities for 2020 	Jan-Feb 20	TBD	TBD
B. Implementation of reporting (Klemens, Patrick)	Behind Schedule	<ul style="list-style-type: none"> • Finance team is understaffed to meet reporting requirements and are having difficulty due lack of expertise. Beckway is supporting however it will take a 1-2 months of dedicated work to finalize standard reporting 	Q1 2020	TBD	TBD
C. Sales restructuring (Jim)	On Track	<ul style="list-style-type: none"> • Sales team kick off was completed, CRO has presented his roadmap and restructuring plan which he is currently executing. Next targets are setting regular pipeline reporting and refinement of the commissions 	Ongoing Q1	TBD	TBD
D. Workbench deployment (Karsten)	On Track	<ul style="list-style-type: none"> • Hardware ordered for on prem solution expecting it to arrive in 1-2 weeks • Sirius proposal accepted to support upload to the cloud \$35k 	Mar-Apr	TBD	TBD

Note 1: 13th period include: Calculation and booking of development costs to be capitalized as well as amortization, adjustments of depreciations, corporate and sales tax, deferred taxes (assets & liabilities), appropriation of net income, accruals for; outstanding invoices, accumulated vacation



Complete



Just started



On Track

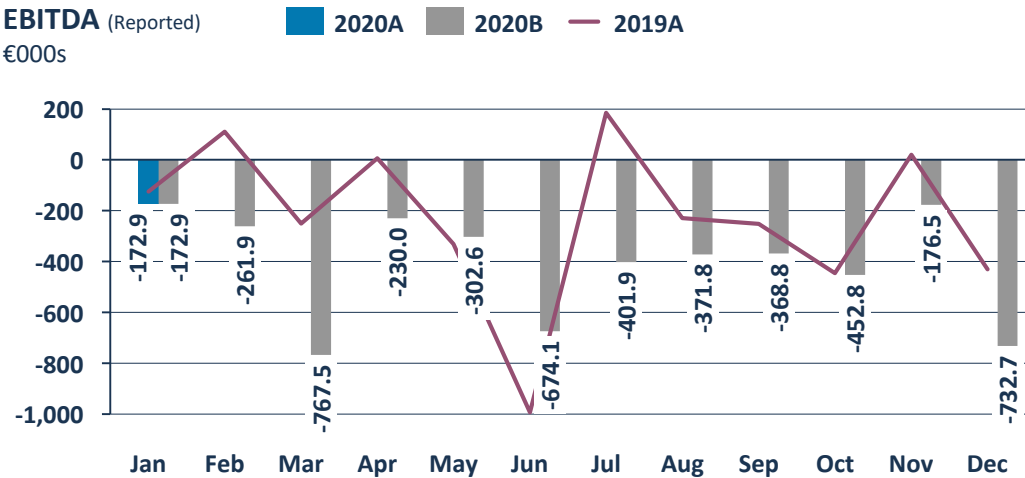
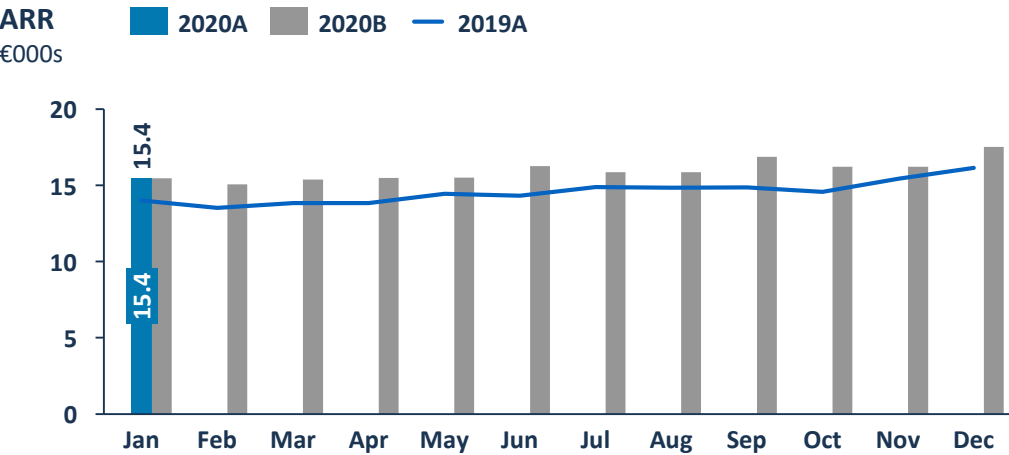
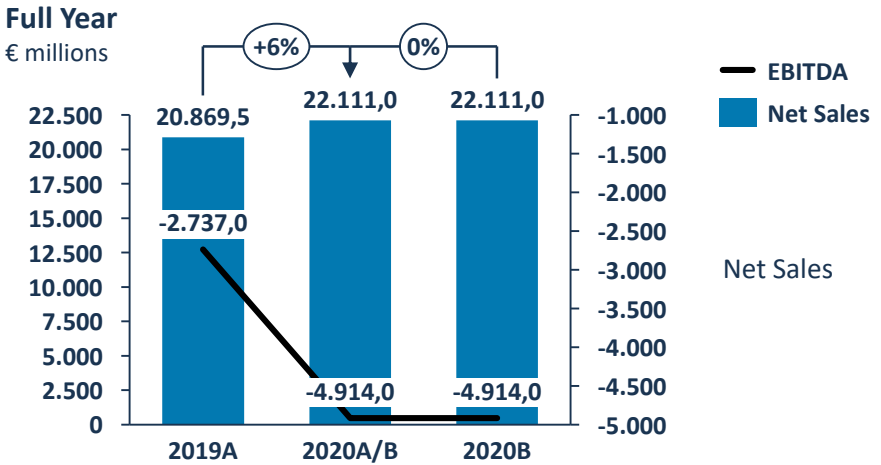
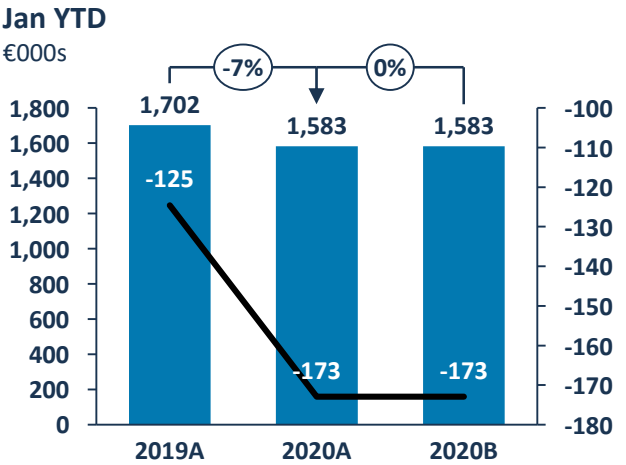
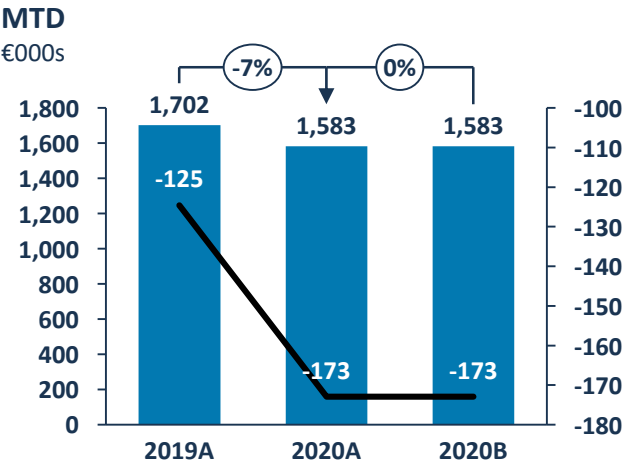


At Risk



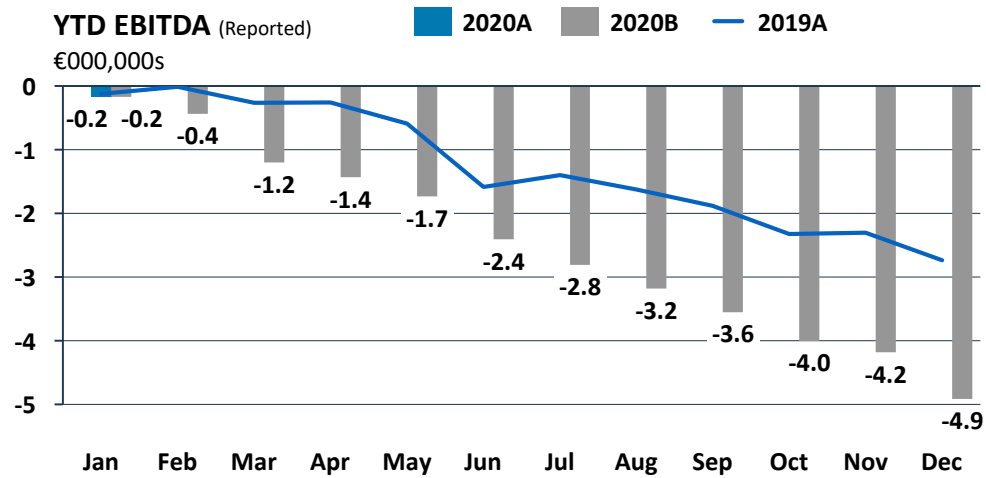
Behind Schedule

CONFIDENTIAL



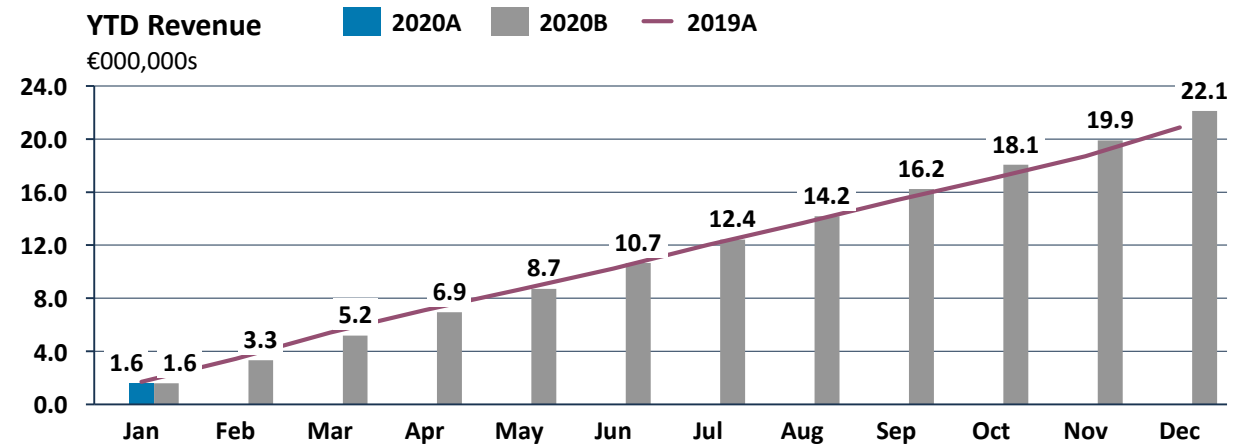
YTD EBITDA (Reported)

€000,000s



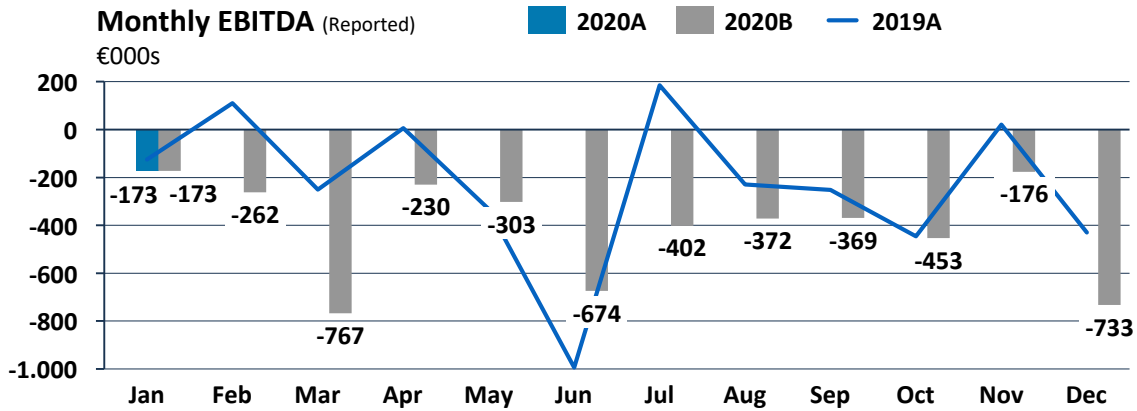
YTD Revenue

€000,000s



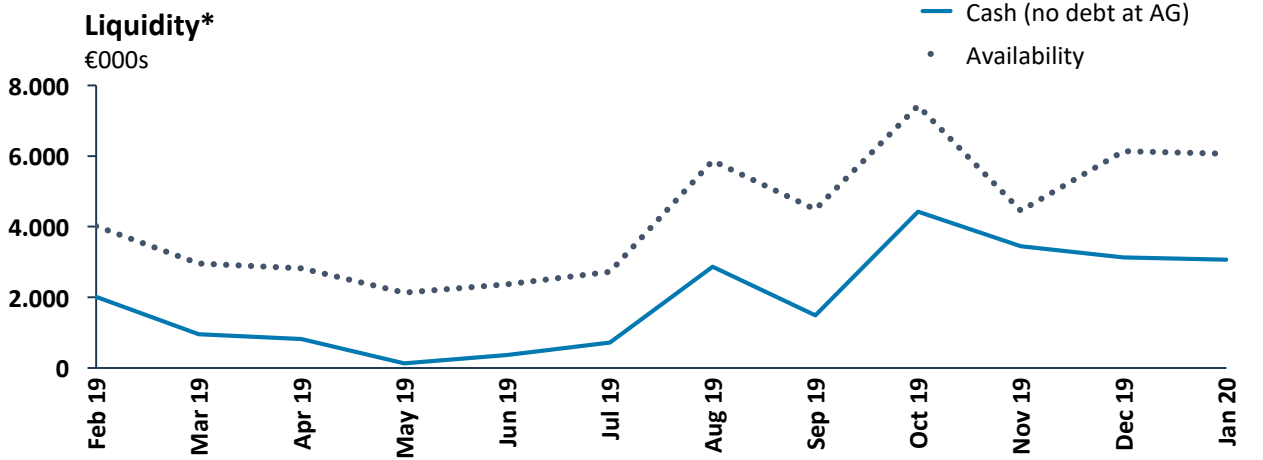
Monthly EBITDA (Reported)

€000s



Liquidity*

€000s



3 | Europe Portfolio Update

3.a | Alfatherm

Executive Summary: January 2020

- January Sales reached €5.1M which is better than Budget (+3%) but below PY (-7%), despite a poor performance on Capsules & Sleeves (-32% vs. Budget and -45% vs PY) but which is offset with increase in Metal Lamination (+16% vs. Budget and +14% vs PY)
- EBITDA in January is €0.3M, compared to €0.2M in Budget (+31% or €+68k) and €0.2M in PY (+38% or €+79k). Improvements are led by favorable sales mix, progress in operational performance (with the lowest monthly scrap rate achieved in the last 18 month) and lower SG&A costs
- FY 2020 EBITDA is forecasted in line with budget at €8.1M or 12% of sales vs PY at €7.1M (10% of sales)
- Cashflow in line with AlixPartners plan although Suppliers overdue and inventory are slightly higher than the plan but are offset with higher invoicing used in short term credit lines
- Operational turnaround activity is on-going with a focus on Quality, Operators Multiskilling and SMED workshops
- Management team and external advisors (Fante, Willkie Farr) progressing on potential Pre Concordato (forecasted to be filed beginning of March)
- Advanced discussion with General Finance to replace short term credit lines
- Profit Velocity: next workshop still to be scheduled

Status Update: Project Details

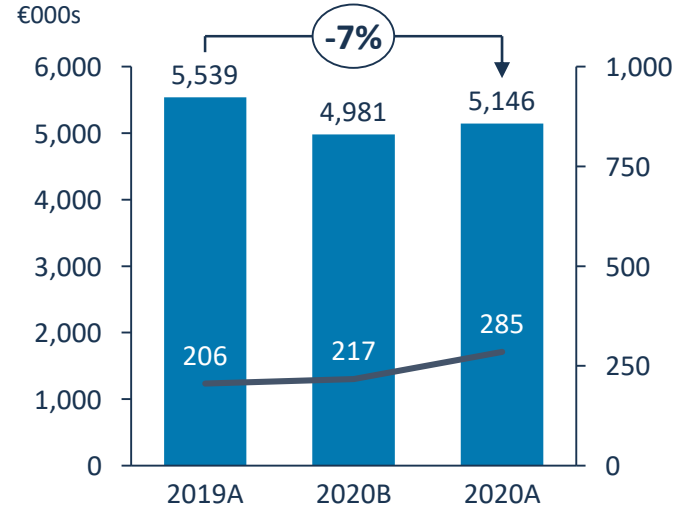
Project		Current Status & Next Steps	Annualized EBITDA Impact (€MM)	
			Projected	Actual
A. Operational Turnaround	●	<ul style="list-style-type: none"> On-going SMED activities Quality record analysis 		
B. Financial Turnaround	●	<ul style="list-style-type: none"> Pre Concordato forecasted to be filed beginning of March Next meeting 28th January including contact 		
C. Factoring + ST Credit lines	●	<ul style="list-style-type: none"> General Finance currently analyzing Alfatherm customers ledger 		
D. Production efficiency	●	<ul style="list-style-type: none"> 2 new plant managers (Gorla 1&2) in operations and 1 production consultant for Gallarate 		
E. OGx initiatives	●	<ul style="list-style-type: none"> Next pricing workshop still to be scheduled with Profit Velocity 		



Monthly Financial Metrics

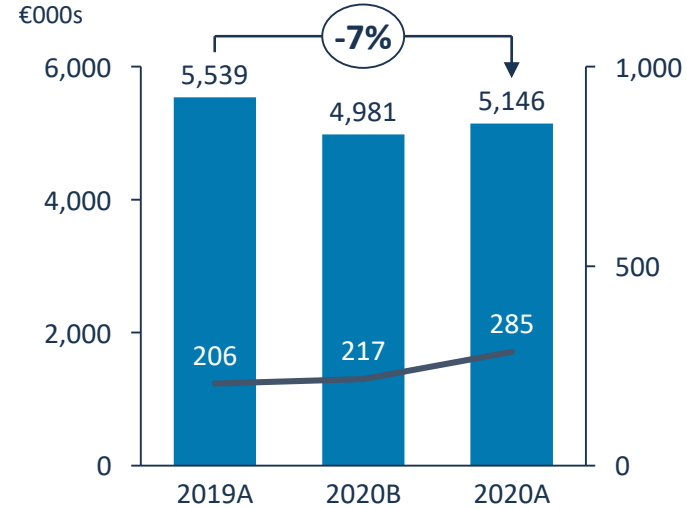
Jan MTD

€000s



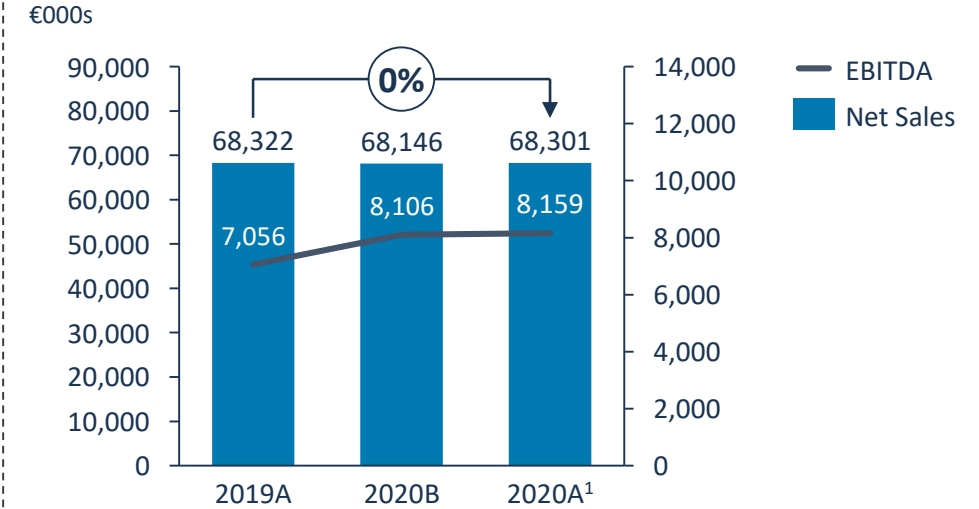
Jan YTD

€000s



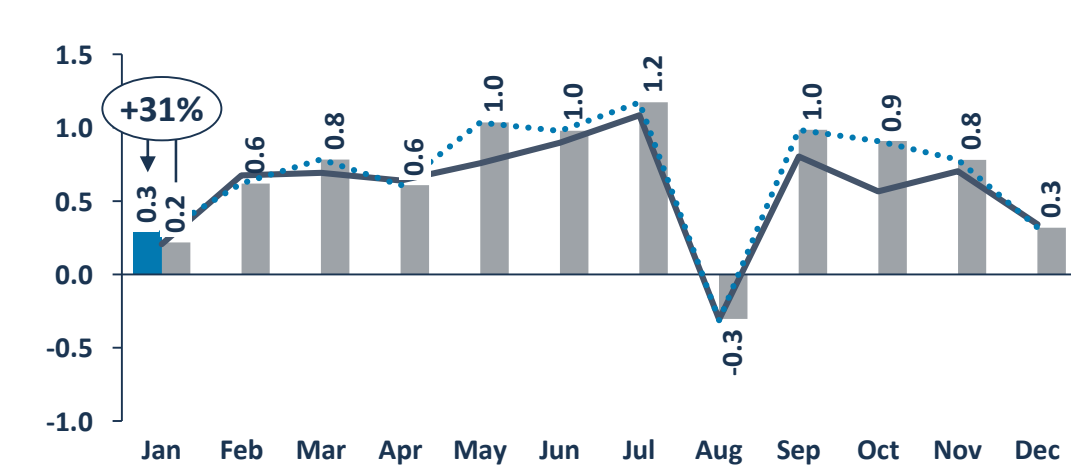
Full Year

€000s



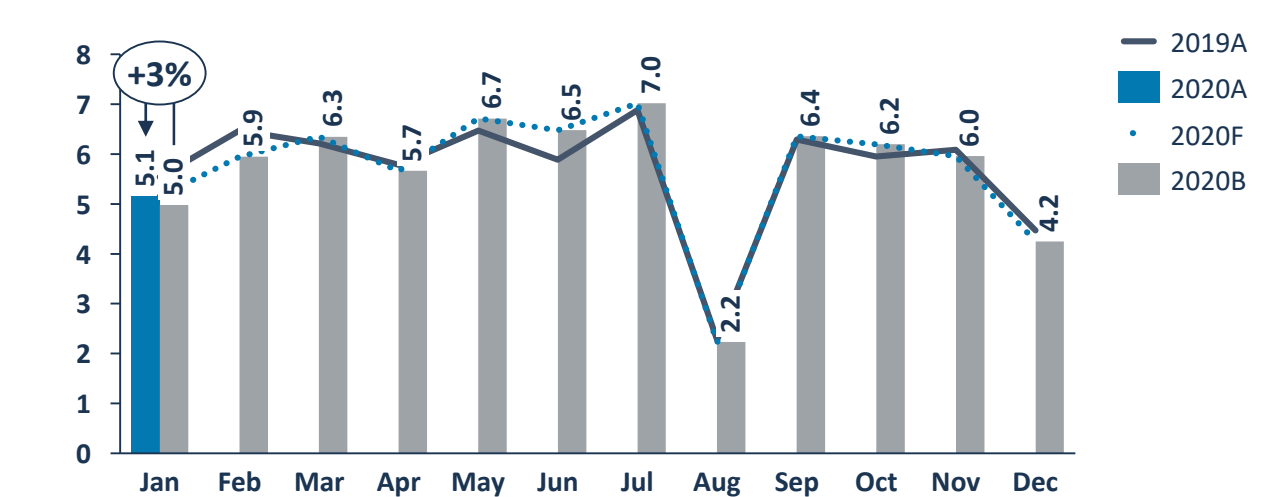
Monthly EBITDA

€ millions



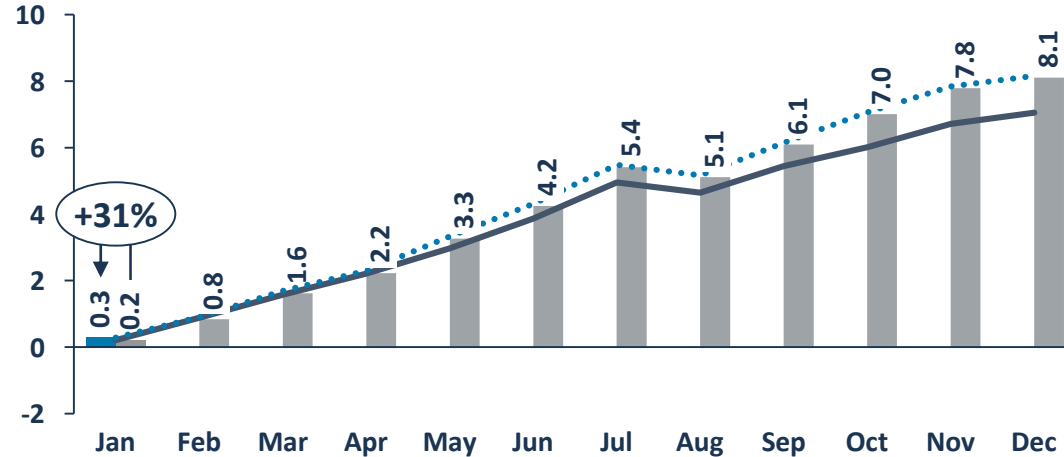
Monthly Net Revenue

€ millions



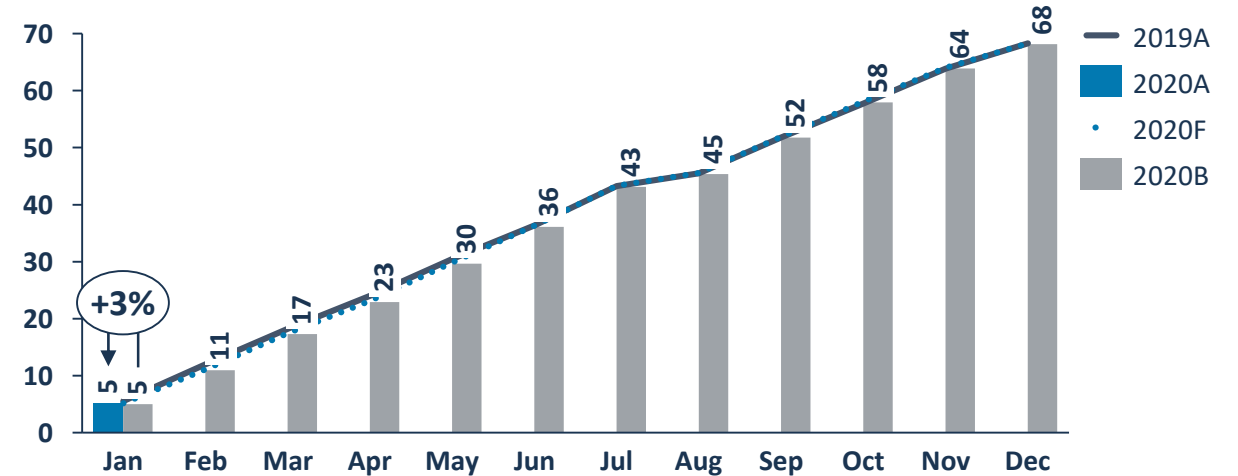
YTD EBITDA

€ millions



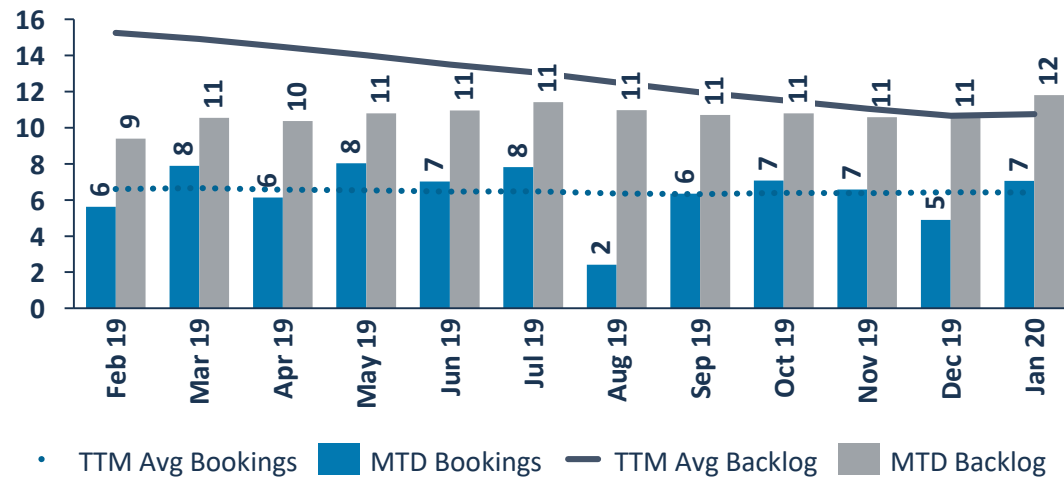
YTD Revenue

€ millions



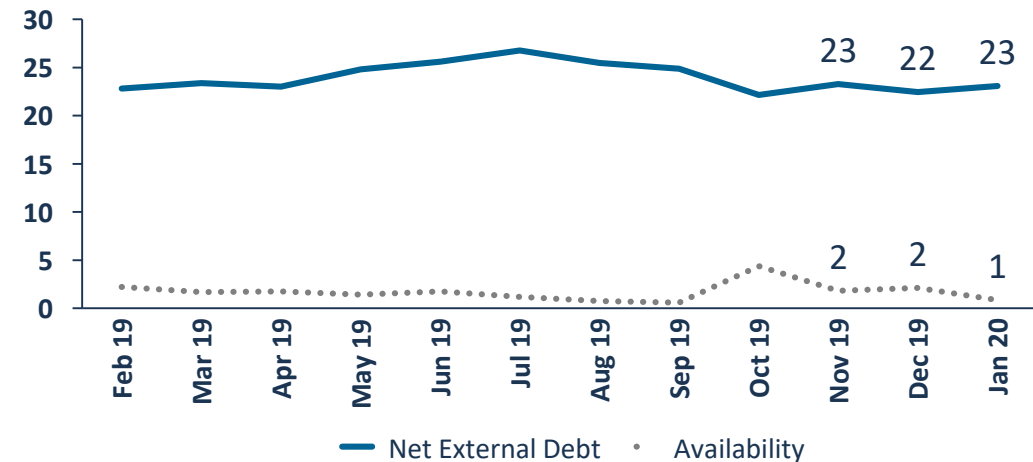
Order Intake

€ millions



Liquidity

€ millions



• TTM Avg Bookings • MTD Bookings — TTM Avg Backlog — MTD Backlog



OPENGATE CAPITAL 1. YTD actuals + remaining year forecast




3.b | B&M

Significant outperformance versus PY and budget achieved through strong sales volume coupled with a strong margin rate

Executive Summary: January 2020

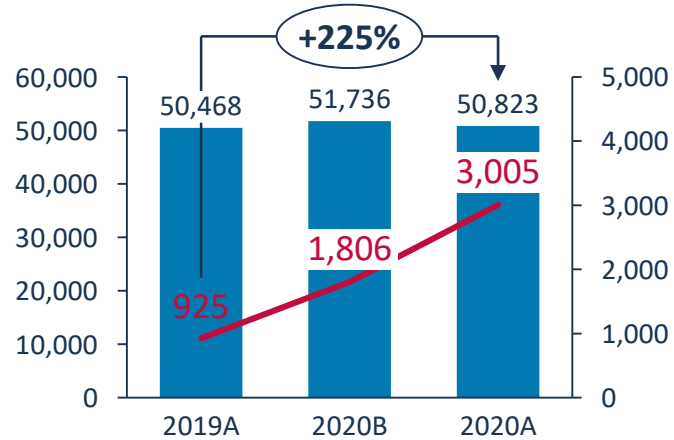
- Jan Sales with €50.8 was +0.7% above PY and -1.8% below budget; Improvements versus last year due to sales initiatives implemented on pricing (bid data) and sales force efficiency
- Jan EBITDA with +€3.0M was +€1.0M above PY (including IFRS16) and +1.2M better than budget; outperformance driven by strong sales volumes coupled with a better margin rate mainly due to pricing and sales force efficiency; cost of organization lower than budget due to less headcount
- Current trading: Sales in February after 14 days out of 20 is at € 36.5M which is +5.6% above PY and +2.4% above budget; Commercial margin level at 19.9% versus 19.1% in PY and 19.3% in budget
- Exit: Management presentation with Blackstone on March 3rd, binding offer requested for end of March

Status Update: Project Details

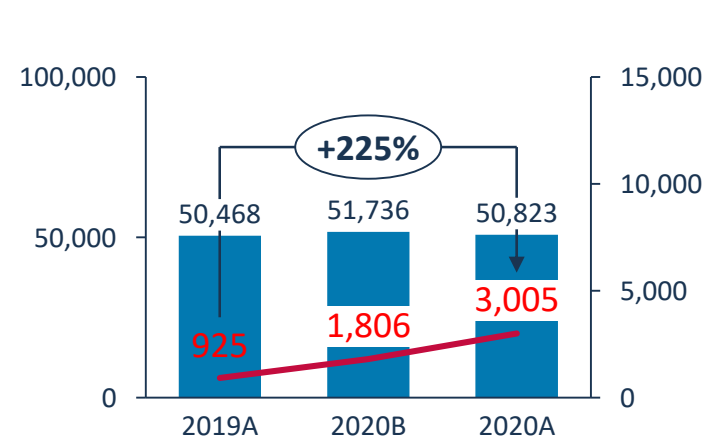
Project		Current Status & Next Steps	Annualized EBITDA Impact (\$MM)	
			Projected	Actual
A. Exit process		<ul style="list-style-type: none"> • 4 non binding offers received: Blackstone for B&M, St Gobain for PNF, Barillet and Lababois for PNF • Management presentation with Blackstone on March 3rd 	TBD	TBD
B. Split of PanoFrance network to increase exit options		<ul style="list-style-type: none"> • Announcement done on October 31 without major issues; workers council requested an external specialist to analyze the carve out implications • workers council provided a positive response on the carve out project; project progressing as per plan • Legal carve out expected for May 31st, 2020 	TBD	TBD
C. OGx initiatives		<ul style="list-style-type: none"> • Pricing: Implementation of proprietary Big Data solution to optimize pricing of 20/80 products at branch level; Optimal pricing proposal based on the combination of past transactions & price sensitivity levels; Solution implemented in 80 branches by year end 2020 • Digitalization: Search engine & web traffic optimized (+40% natural referencing); Online catalog with real-time product availability; cross-selling & alternative product functionalities 	TBD	TBD

Monthly Financial Metrics

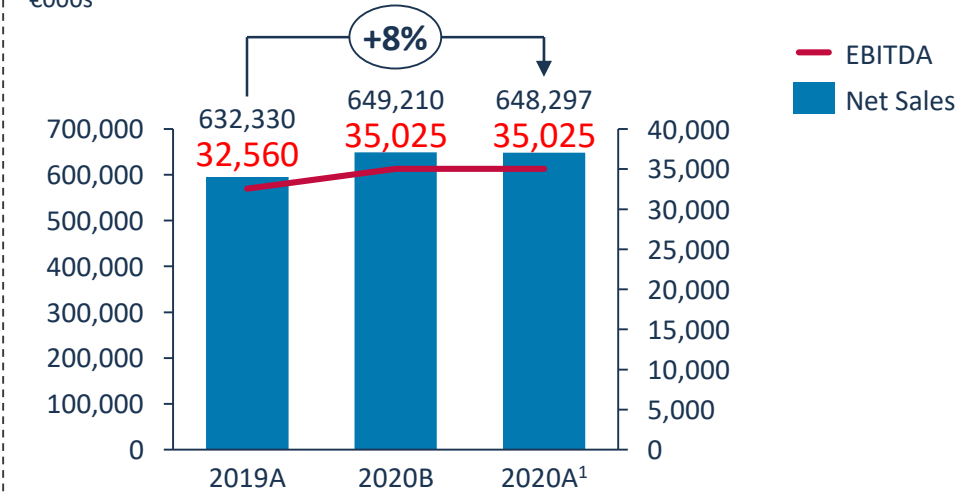
MTD
€000s



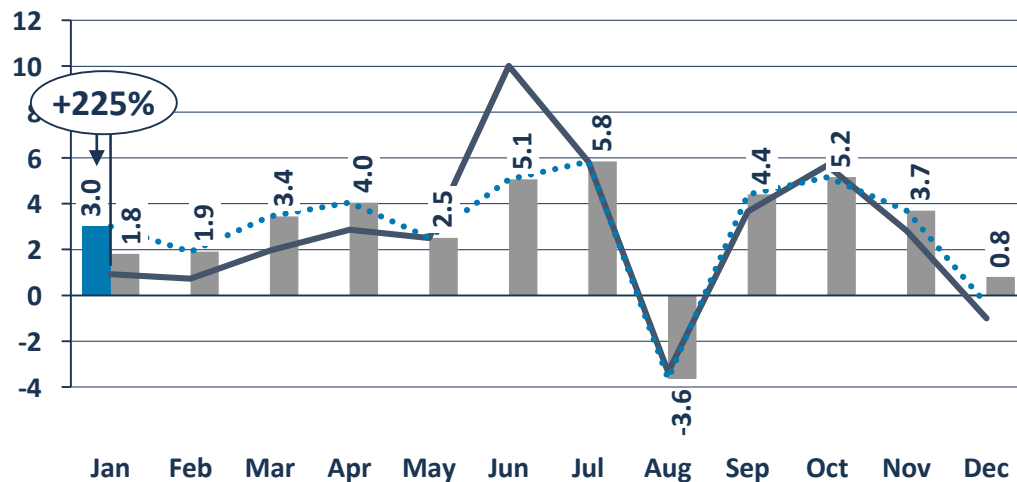
YTD
€000s



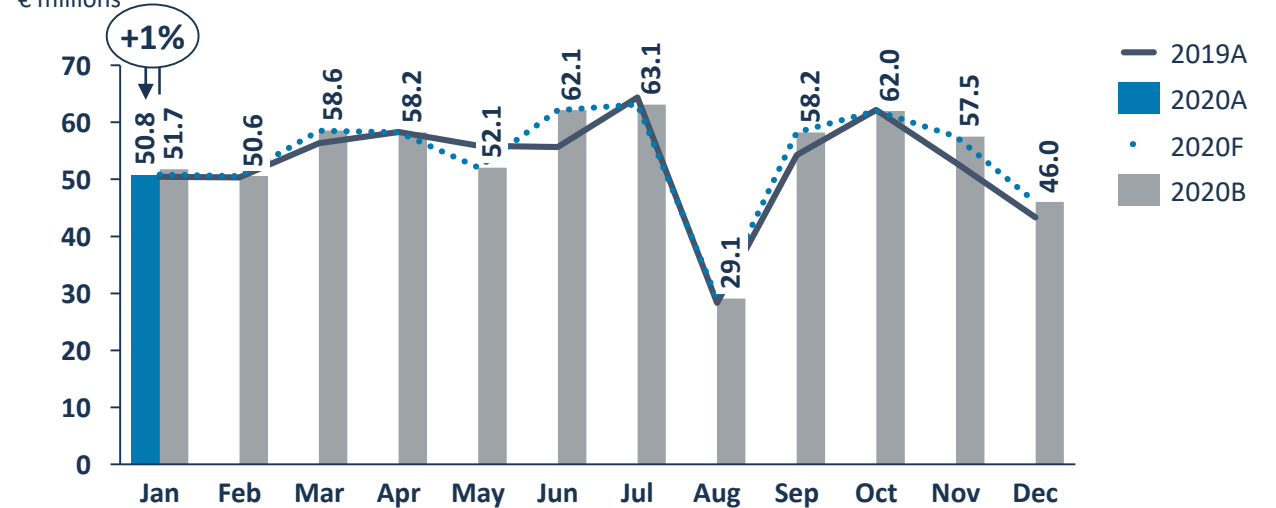
Full Year
€000s



Monthly EBITDA
€ millions

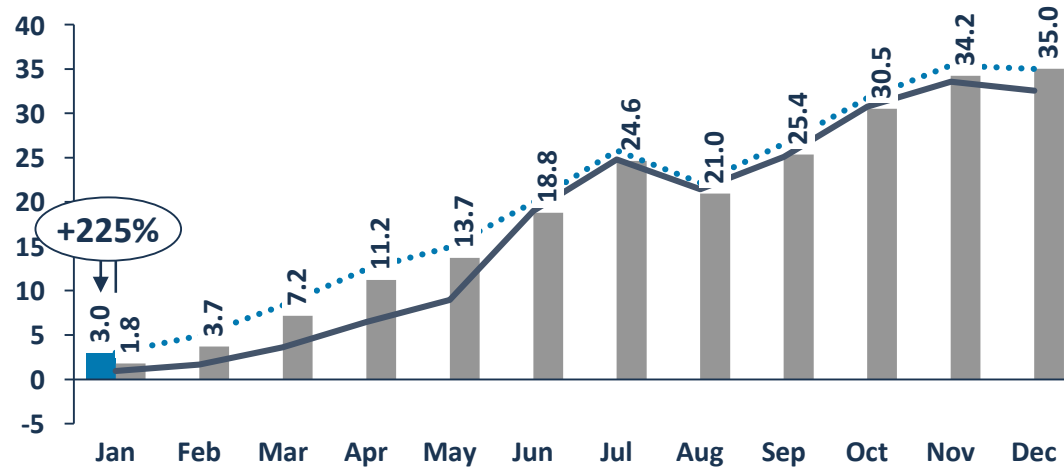


Monthly Net Revenue
€ millions



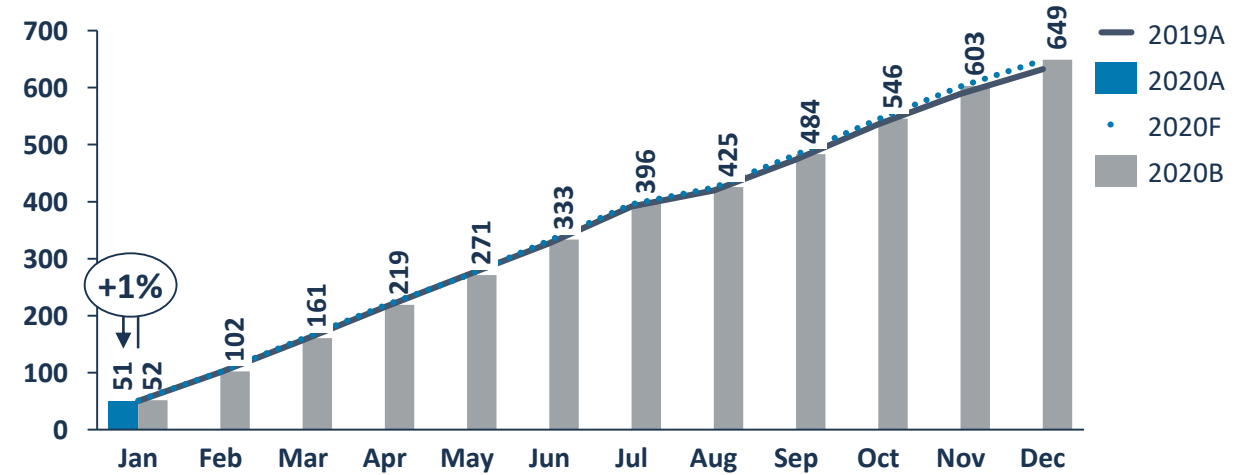
YTD EBITDA

€ millions



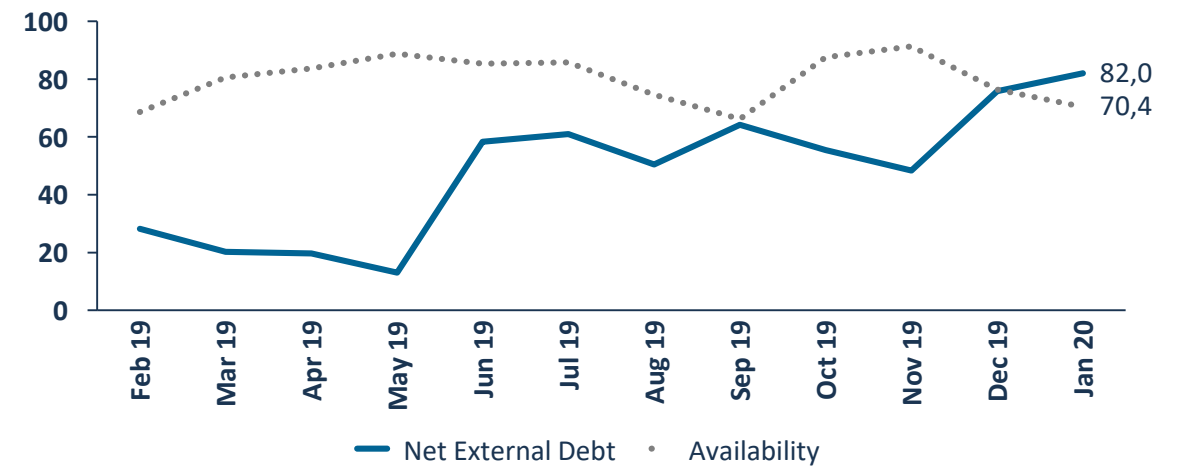
YTD Revenue

€ millions



Liquidity

€ millions



3.c | Everzinc

Lower volumes/LME reduced EBITDA in the month, but cost reduction initiatives partly offset it. Order intake continues to improve and Corona situation in China has been closely monitored

Executive Summary: January 2020

- January sales reached €39.8M vs. BP of €45.5M and LY of €43.2M. This was driven by lower volumes (15.4kt vs. 16.6kt in budget and 15.9kt LY) as well as by the lower LME (\$2.4k/ton vs. \$2.6k in budget and LY). Despite the lower volumes, order intake continues to improve for the 5th consecutive month. Corona situation in China has been closely monitored and the negative impacts in Q1 are expected to be recovered during the year
- EBITDA reached €2.3M vs. BP of €2.6M and LY of €2.4M, being mostly affected by the lower LME (-€224k on the zinc recycling business), while the lower volumes were offset by lower costs (lower SG&A related to headcount reduction in the HQ)
- Full year EBITDA forecast maintained at €37.9M, in line with expectations and €7.9M higher than FY2019
- Cash position reached €14.5M and reflected the wind-down of overdue payables, as well as the end of the reverse factoring. Q1 liquidity expected to remain under pressure, particularly in Belgium, but no issues are anticipated
- Refinancing discussions are progressing in a slower pace than anticipated due to the release of a revised BP to the banks, but the approvals from all the 4 banks' credit committees were received. Final negotiations on commercial items are close to completion and funding should take place by the end of February
- Exchanges between OGC and Aterian's legal counsel progressing for the potential acquisition of Everzinc's core business, with all the requested data provided for the antitrust assessment. Next steps to be defined based on the assessment results. Meanwhile, discussions with Jefferies continue, with a follow-up meeting scheduled for March 11th in Paris

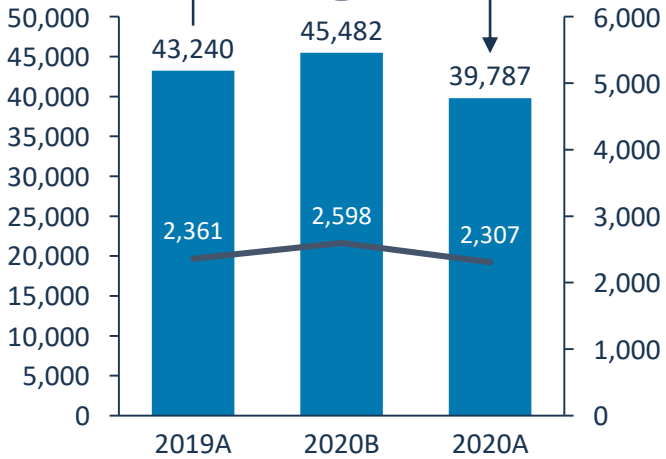
Status Update: Project Details

Project		Current Status & Next Steps	Annualized EBITDA Impact (\$MM)	
			Projected	Actual
Refinancing	●	• Credit committee approval received from all the 4 banks. Final negotiations in progress
Zano Carve-Out	●	• Carve-out completed in BE and NL. Final step (sale to US entity and to Everzinc Holding) to be completed within Q1
OGx Initiatives	●	• Operational Excellence: ZANO industrialization tests progressing. New trials expected in Q1 and Q2 2020 with O2 injection in the crucibles to accelerate oxidation prior to cool-down
	●	• Workbench/Data Analytics: data request received, completed and provided to Sirius. Waiting for the revised scope and next steps in order to progress with the initiative		
	●	• MIT collaboration kicked-off with a meeting with Matt Pearson to discuss opportunities to accelerate Evercare's development in North America		

Monthly Financial Metrics

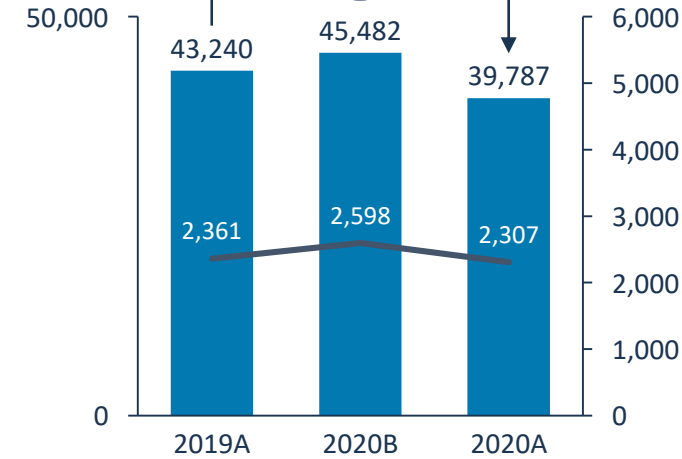
Jan MTD

€000s



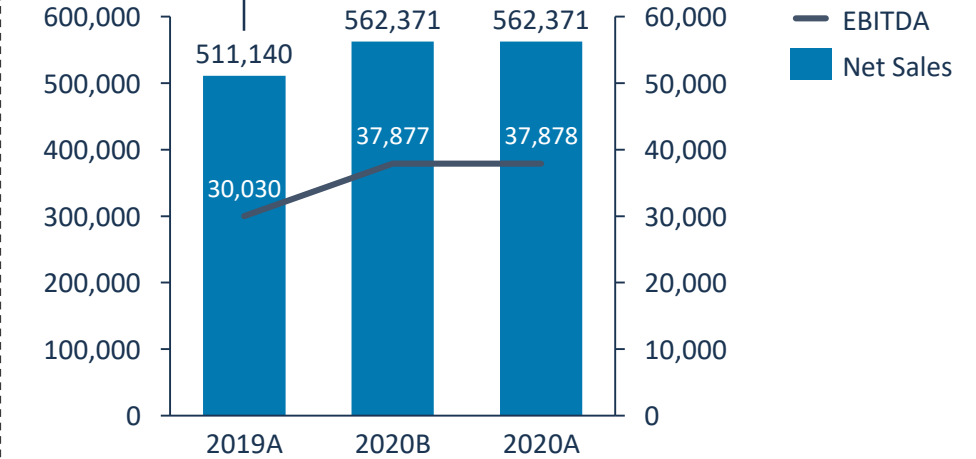
Jan YTD

€000s



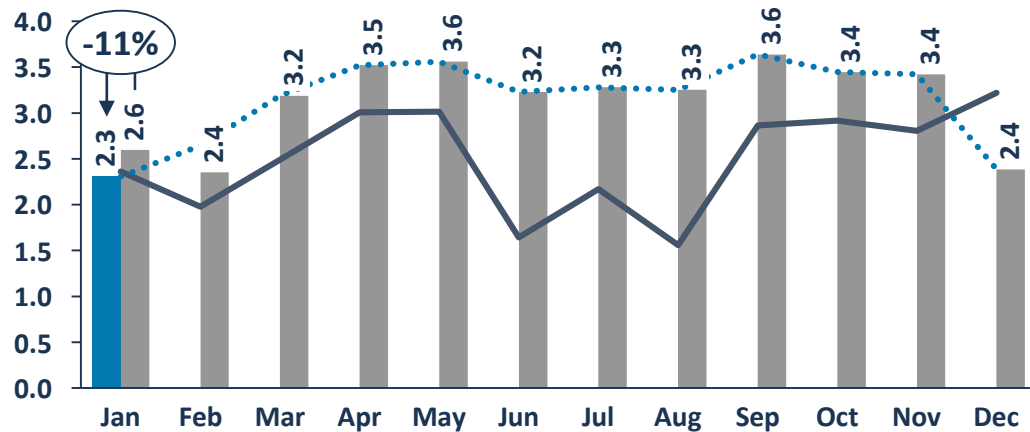
Full Year

€000s



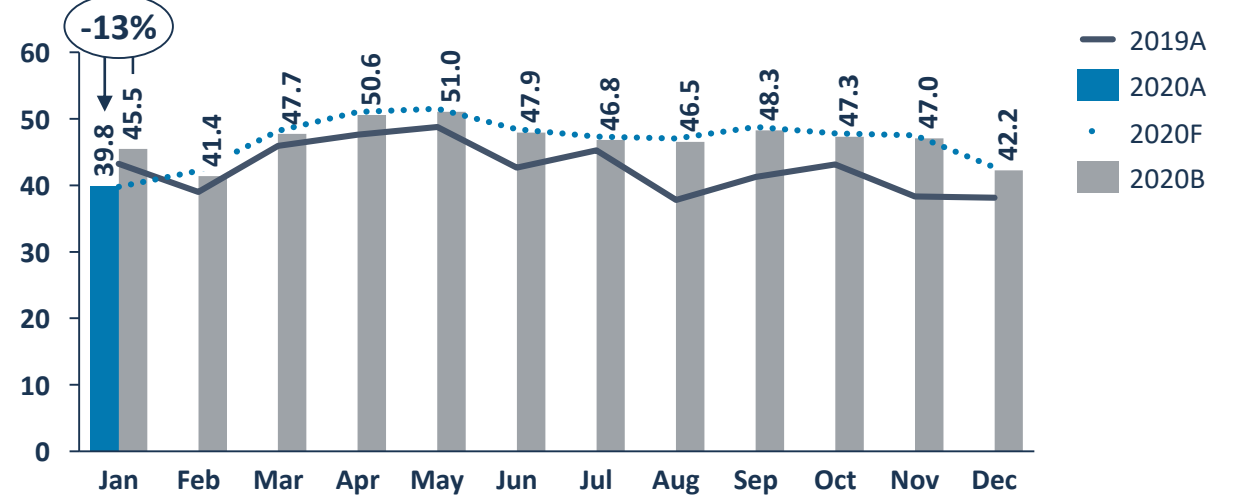
Monthly EBITDA

€ millions



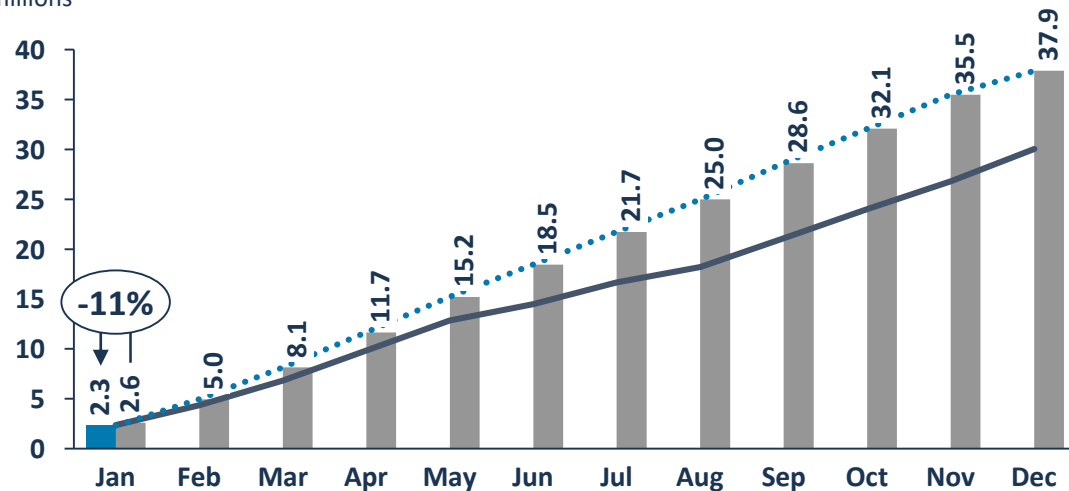
Monthly Net Revenue

€ millions



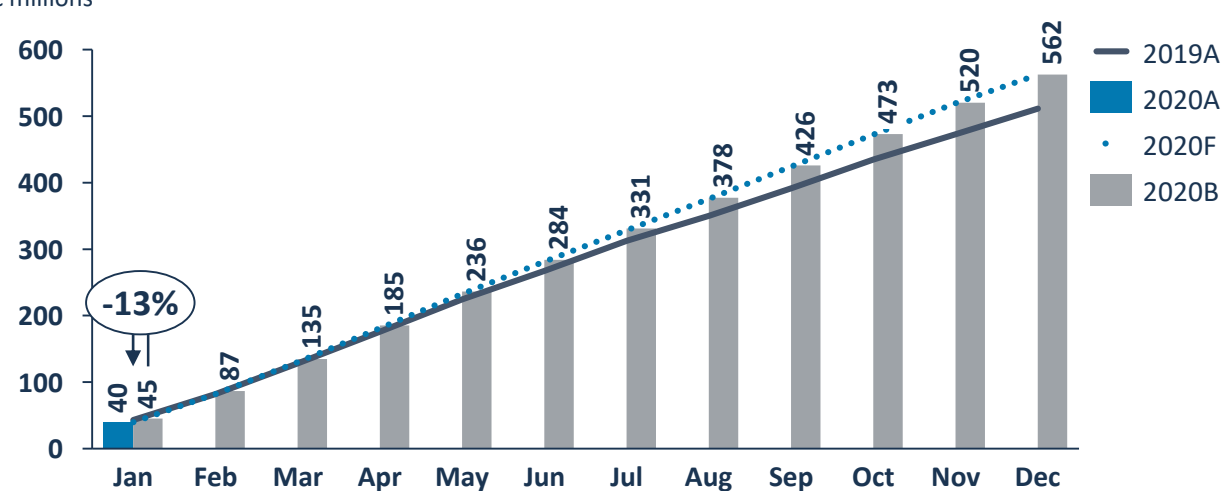
YTD EBITDA

€ millions



YTD Revenue

€ millions

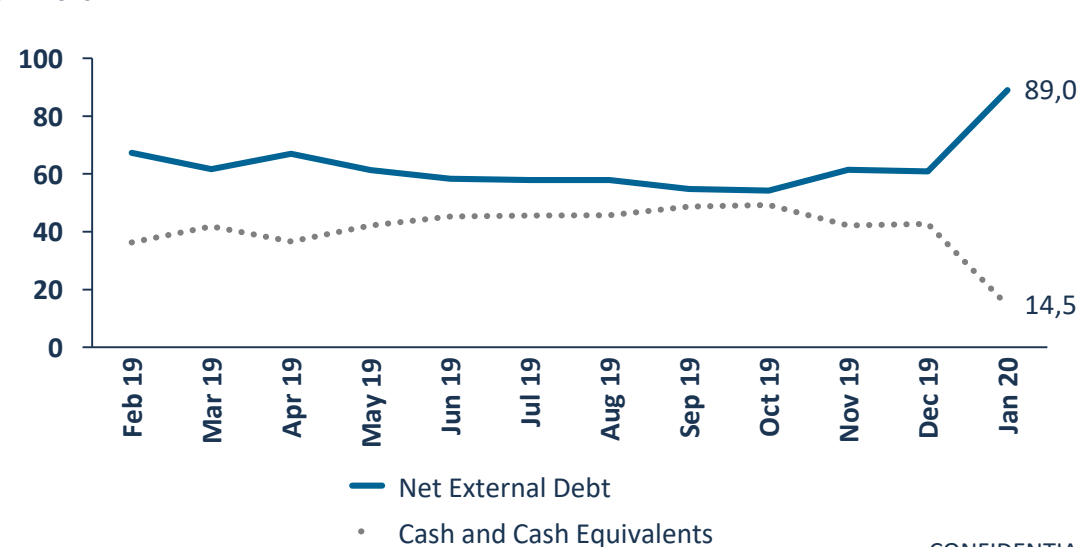


Order Intake

€ millions

Liquidity

€ millions



3.d | Jotul



Depressed market conditions lead to underperformance; Q2 production plan revised downwards

Executive Summary: January 2020

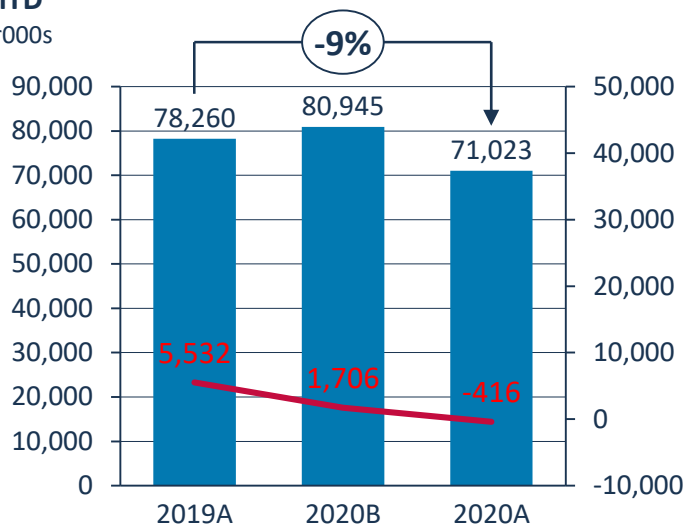
- Jan Sales with NOK 71.0M were -9% below PY and -12% below budget; Warm weather coupled with low energy prices throughout Europe depressed the market and lead to an underperformance; only US market conditions have been improving
- Order Intake in January amounted to NOK 97M, -11% below PY
- Gross margin at 20% below PY at 28% and in line with; lower margin due to low sales volume and inventory build-down effects
- Jan EBITDA with NOK -0.4M below PY by -9.7M and lower than budget by NOK -1.7M due to lower sales and lower margin from inventory build down; cost saving effects from the production relocation only visible as of June 2020 due to sell out of old stock at 2019 cost levels
- As a consequence of the weak market conditions management is planning to reduce production (Norway foundry) in Q2 versus initial plan; a revised sales forecast will be prepared by mid March
- Liquidity is tightening due to the slow sales and high inventory levels; several inventory initiatives have been launched to improve the liquidity situation in the next 4-5 months
- Biggest industry fair took place on Feb 19-21 in Verona, Italy; Jotul and AICO presented their new product range in a back-to-back booth with positive market response
- Polish factory: public opening on February 26th

Status Update: Project Details

Project		Current Status & Next Steps	Annualized EBITDA Impact (\$MM)	
			Projected	Actual
A. Polish plant ramp up		<ul style="list-style-type: none">• Production levels in January have been 20% below plan• February production is improving but still lagging behind plan	NA	NA
B. AICO integration		<ul style="list-style-type: none">• IT working session held in February to get AICO product tree into Jotul system• First production (one model) pellet stoves in Polish factory planned for June 2020	NA	NA

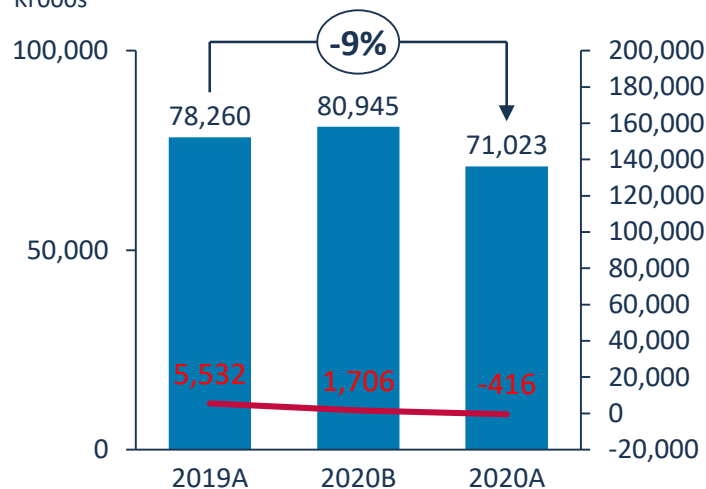
MTD

Kr000s



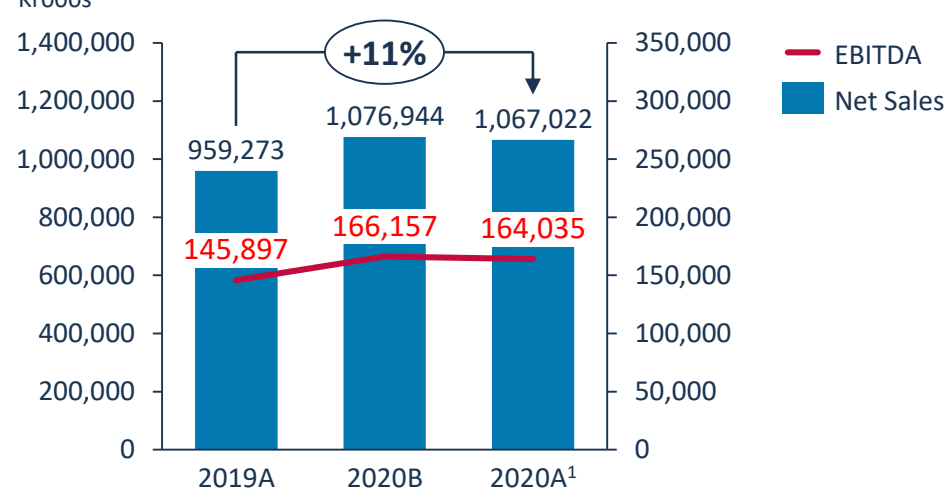
YTD

Kr000s



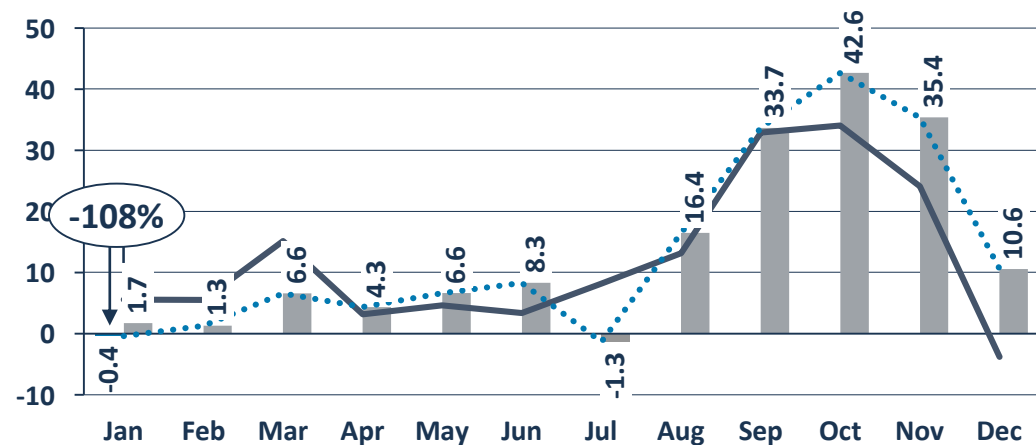
Full Year

Kr000s



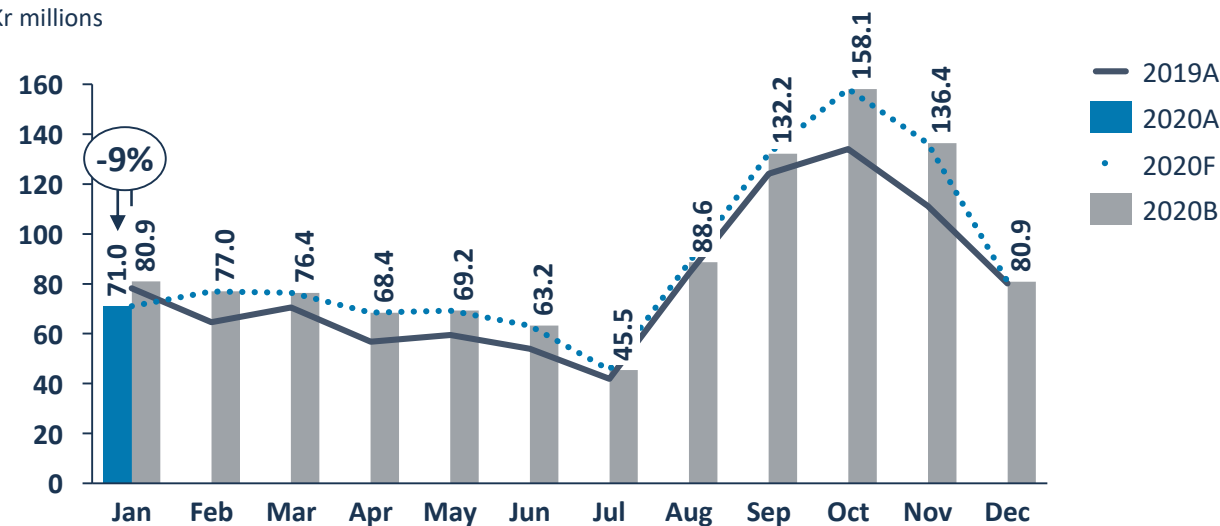
Monthly EBITDA

Kr millions



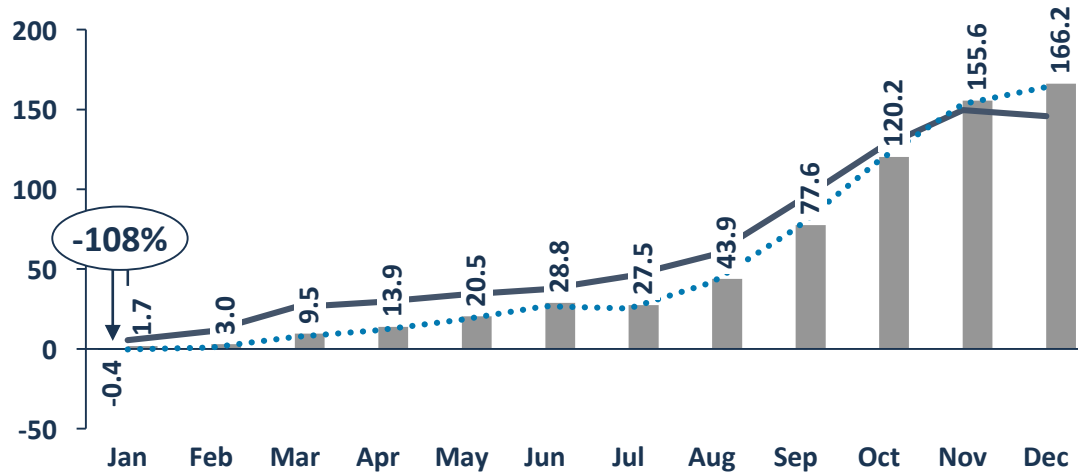
Monthly Net Revenue

Kr millions



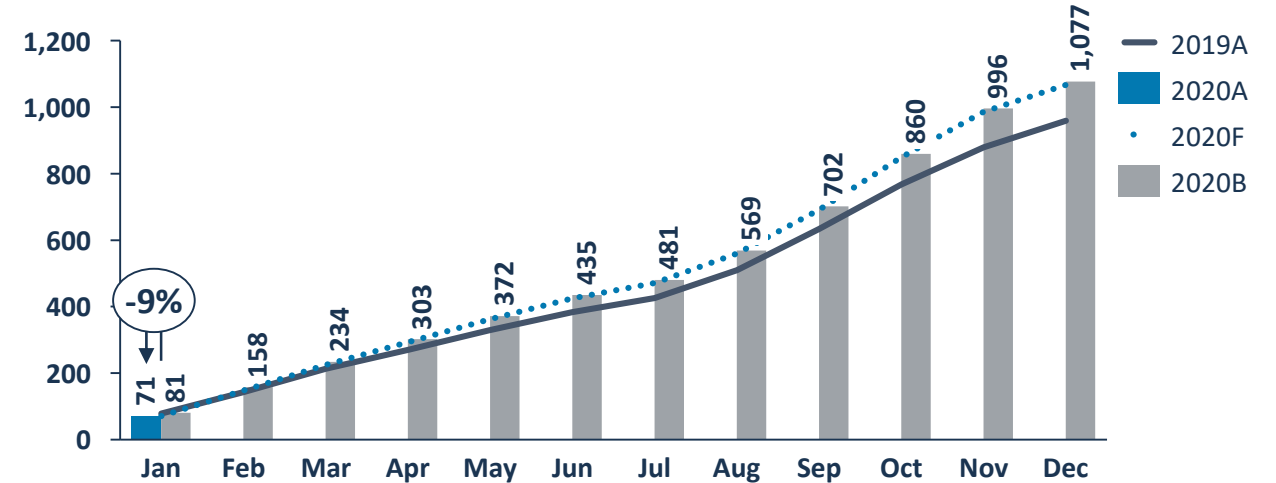
YTD EBITDA

Kr millions



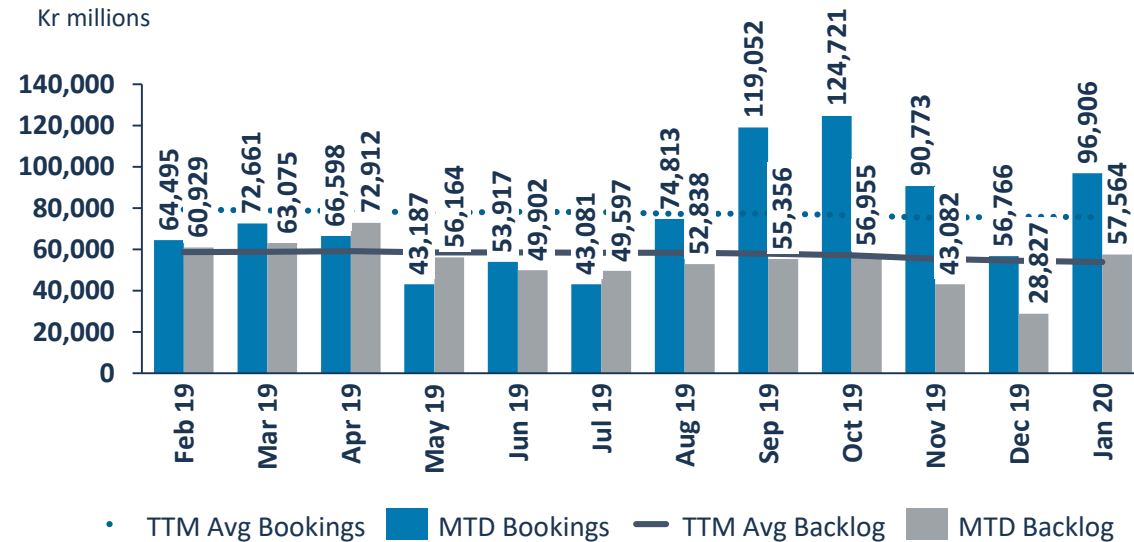
YTD Revenue

Kr millions



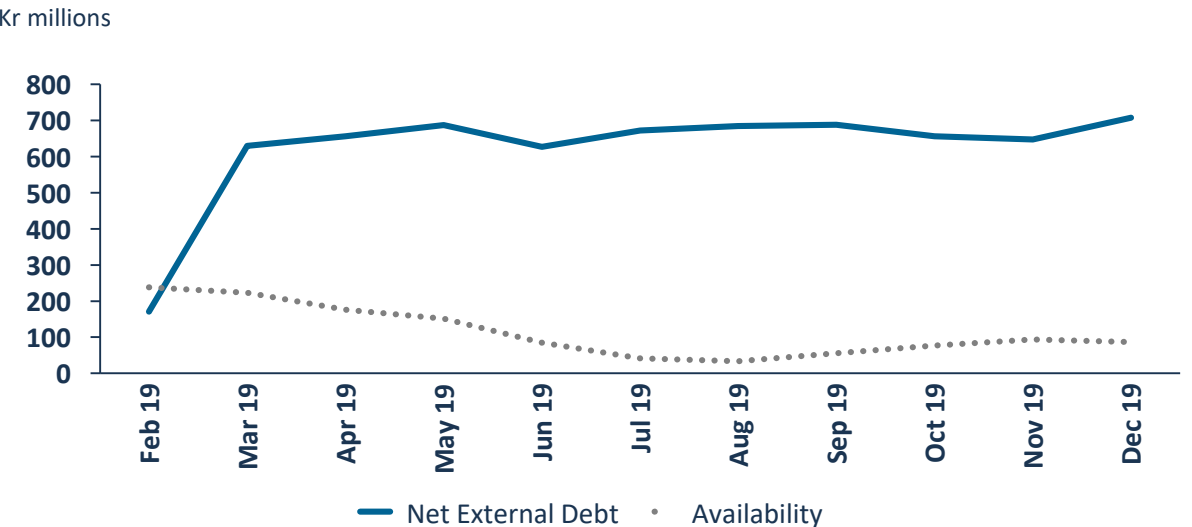
Order Intake

Kr millions



Liquidity

Kr millions



• TTM Avg Bookings • MTD Bookings — TTM Avg Backlog — MTD Backlog

— Net External Debt • Availability

3.e | Ravelli

Cost savings and productivity improvements decreased monthly losses by 40% versus PY despite depressed market conditions

Executive Summary: January 2020

- January results show significantly lower losses than PY due to cost saving measures and higher production efficiencies
- Jan net sales at €1.9M were -8.5% below PY and +5% below budget; lower sales vs PY due to depressed market conditions (warm weather and low energy cost)
- EBITDA at -0.3M, 40% lower losses versus PY due to lower operating cost as a result of the headcount reduction exercise in December '19
- Headcount at 113 versus 157 in PY
- Liquidity is tightening due to weak market conditions and therewith lower sales, similar to Jotul an action plan is being developed to reduce liquidity risks for spring time (low season)
- Presentation of full integration plan by early March with detailed actions and timelines
- Verona fair: Ravelli and Jotul presented their 2020 product portfolio at the Verona industry show on Feb 19-21 as one group with positive market reaction
- Coronavirus: On February 24 Northern Italy called for emergency state, production and business travel at AICO is heavily impacted. Management is tightly monitoring the situation.

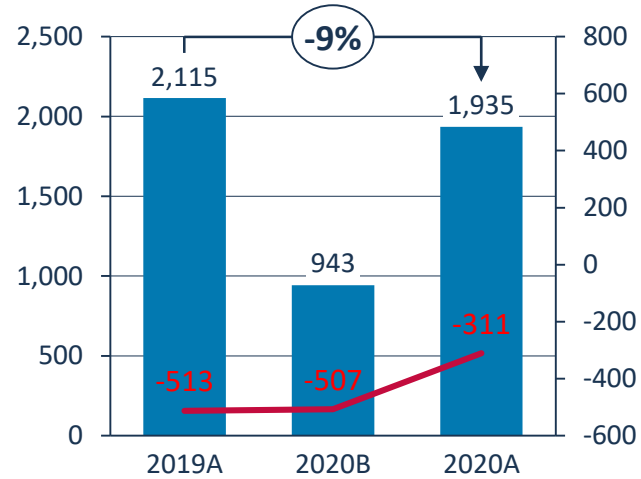
Status Update: Project Details

Project		Current Status & Next Steps	Annualized EBITDA Impact (\$MM)	
			Projected	Actual
A. Integration into Jotul		<ul style="list-style-type: none"> • Presentation of full integration plan by early March with detailed actions and timelines • Project budget to be derived from the integration plan by mid March • IT working session held in February to get AICO product tree into Jotul system • First production (one model) pellet stoves in Polish factory planned for June 2020 	€2.3M	TBD

Monthly Financial Metrics

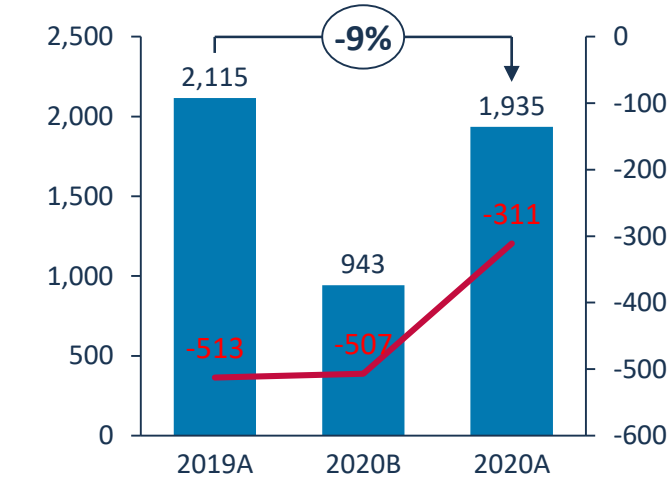
MTD

€000s



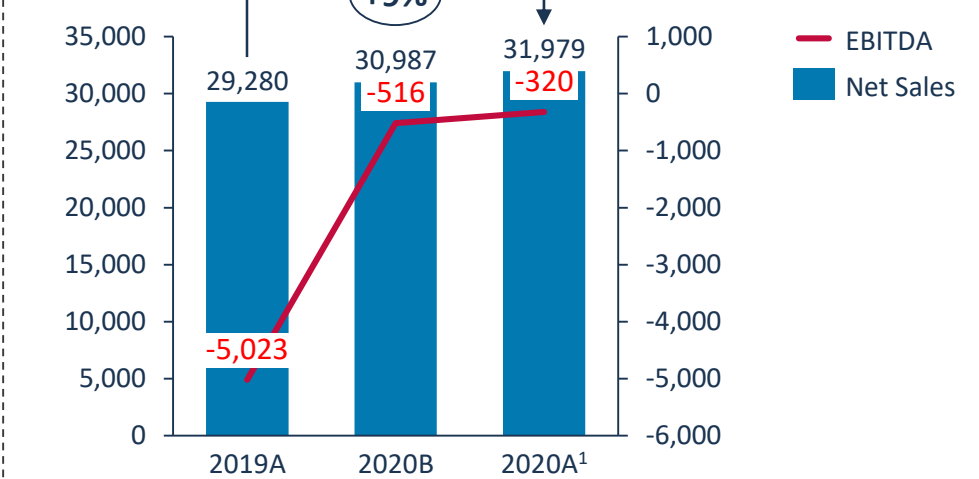
YTD

€000s



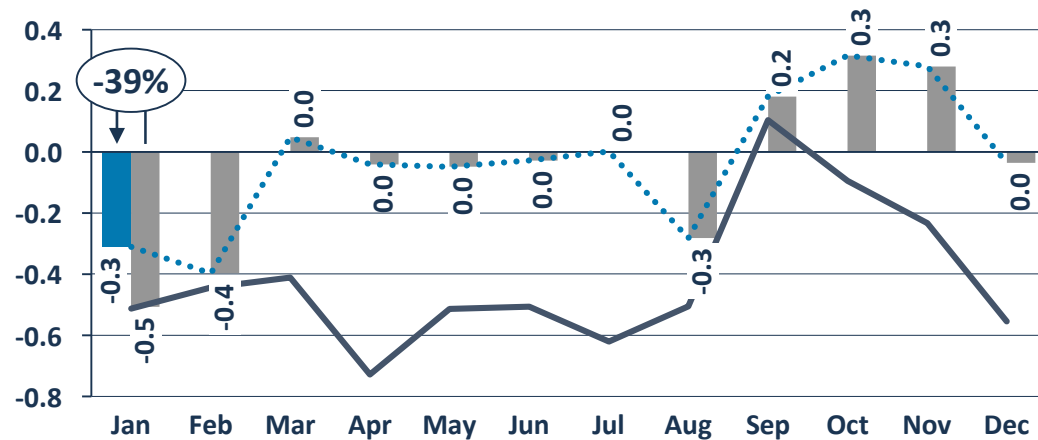
Full Year

€ 000s



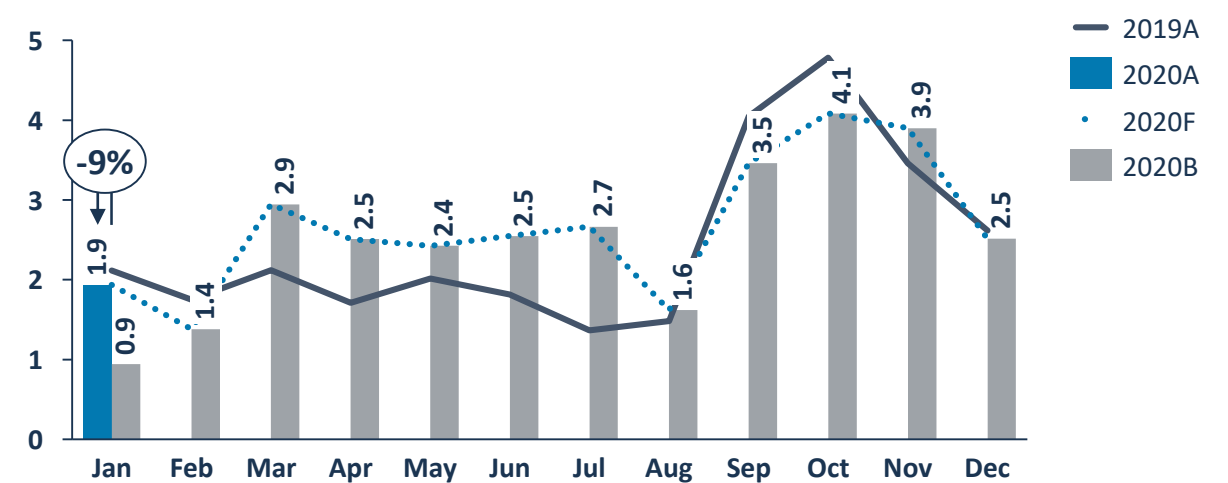
Monthly EBITDA

€ millions



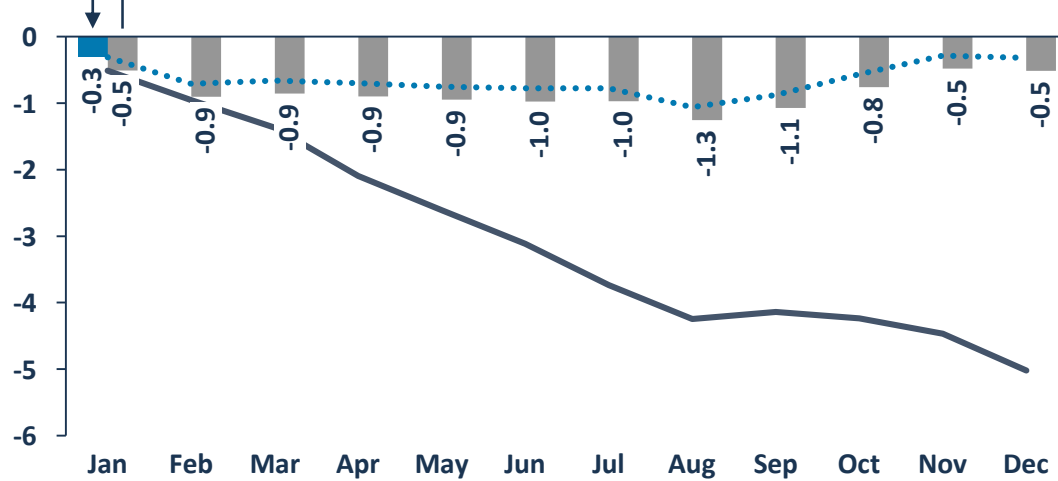
Monthly Net Revenue

€ millions

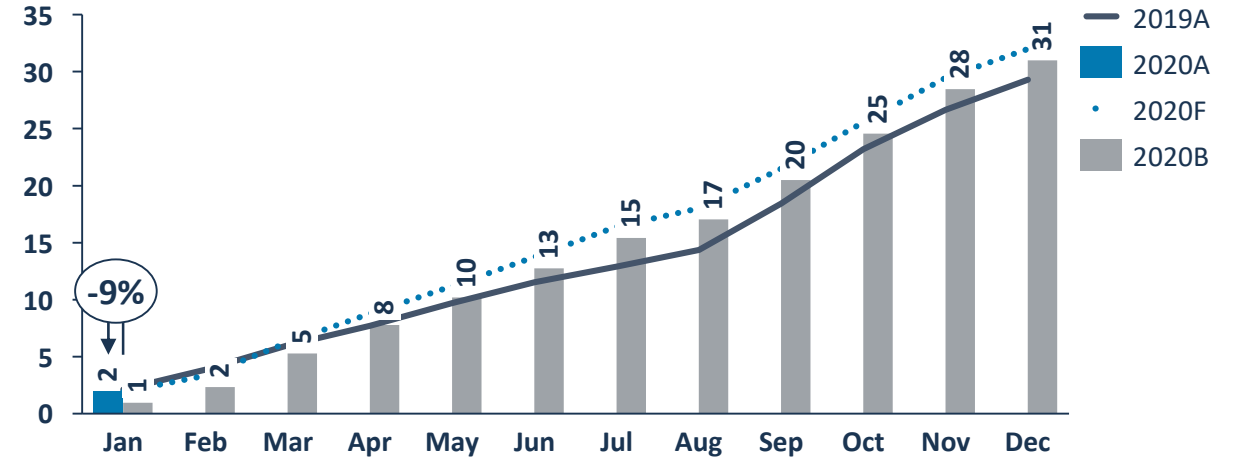


Monthly Financial Metrics

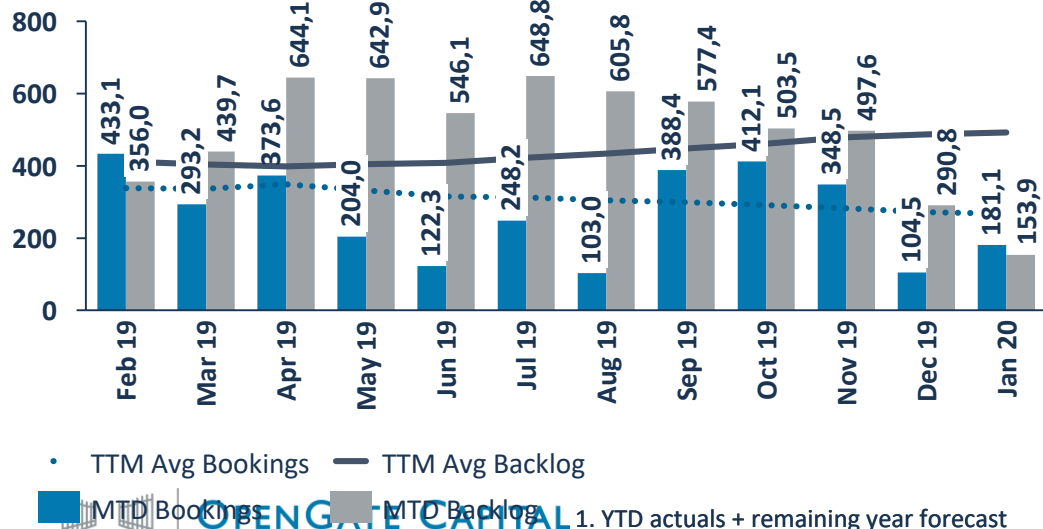
YTD EBITDA
€ millions



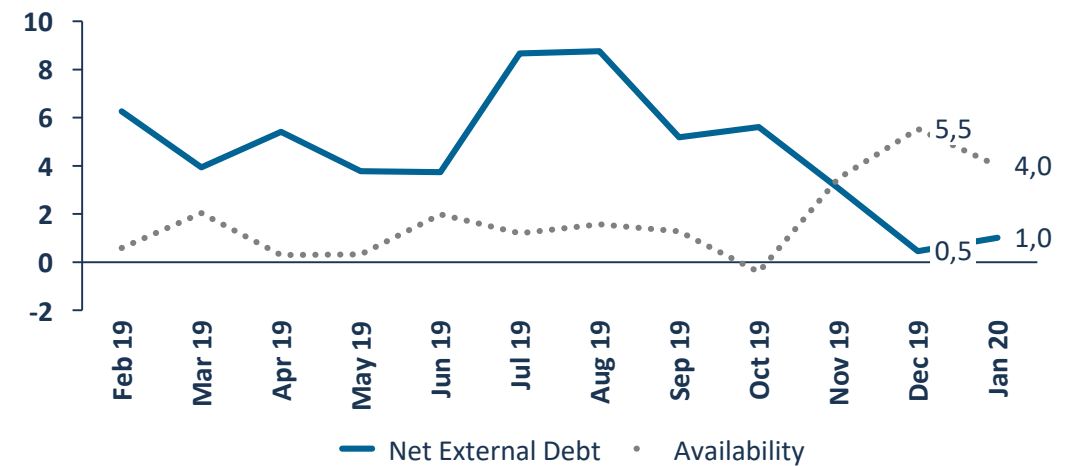
YTD Revenue
€ millions



Order Intake
€ millions



Liquidity
€ millions



3.f | Fichet

Executive Summary: January 2020

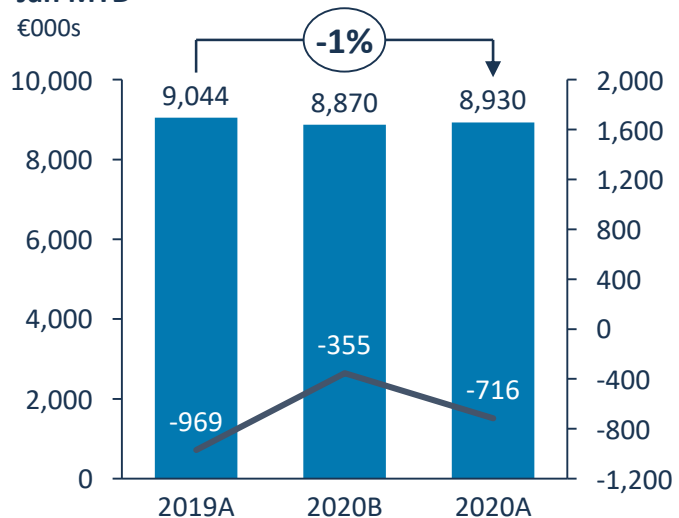
- January sales reached €8.9M in line with Budget and PY. Lower performance on Safe&Vaults (-25% vs Budget) and Service (-2% vs Budget) offset by strong sales on Security Doors & Partition (+23% vs Budget) and Electronic security (+15% vs Budget)
- EBITDA in January was €-0.7M which is lower than both Budget (-101%) and PY (-26%) and explained by €-0.2M projects shortfall (€-0.1M Servier and €-0.1M SNCF) and €-0.2M cost non absorption in Fichet Bauche due to the low activity in January
- FY 2020 EBITDA is forecasted in line with Budget at €6.0M compared to €1.5M in 2019 and supported by a 5% sales increase and favorable impact from 2019 redundancy plan
- “Fichet Next”: R&D and Markets Roadmaps to be presented beginning of March. R&D processes and Markets roadmaps, manufacturing KPI definition and saving plan
- On going recruitment of a Service Business Unit Director
- Final interviews for the CEO positions before end of February
- Project planning to merge FSSF and Fichet Technologies (Baldenheim) already announced to employees' representatives (CSE) expected to be concluded in June 20
- Exploration of 3D printing solutions (Metal and mineral)

Status Update: Project Details

Project		Current Status & Next Steps	Annualized EBITDA Impact (\$MM)	
			Projected	Actual
A. Backlog cleansing	●	<ul style="list-style-type: none"> 1.0M€ identified to be reviewed (2% of the backlog) including 0.5M€ prior to 2018 		
B. Recruitment	●	<ul style="list-style-type: none"> On going recruitment of a Service Business Unit Director CEO: 3 candidates final interview by end of February 		
C. Cost reduction and cash program	●	<ul style="list-style-type: none"> Focus on Overdue reduction and cash culture training 		
D. New commercial strategy implementation / Transformation	●	<ul style="list-style-type: none"> Main focus on Market strategy, R&D roadmaps and Export action plan 		
E. Merger of FSSF and FT	●	<ul style="list-style-type: none"> Announcement made to “CSE” Implementation of ERP merger 		
F. OGx initiatives	●	<ul style="list-style-type: none"> Implementing digital processes (geolocalisation, Asset QR, E-procurement, ProFi), Investigation on 3D printing (metal and mineral) 		

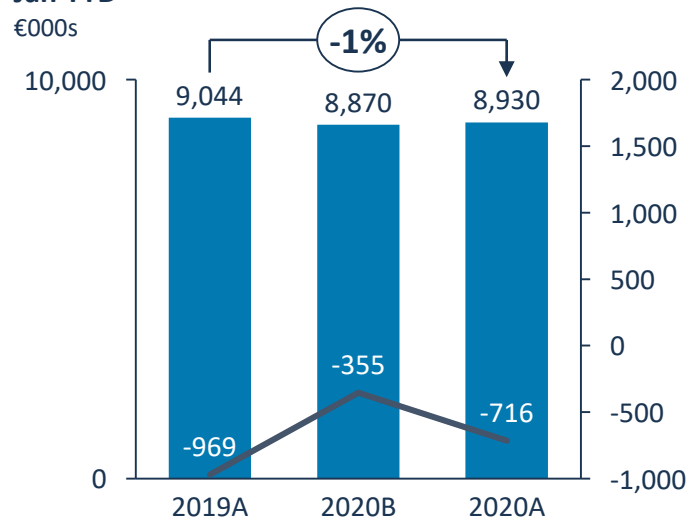
Jan MTD

€000s



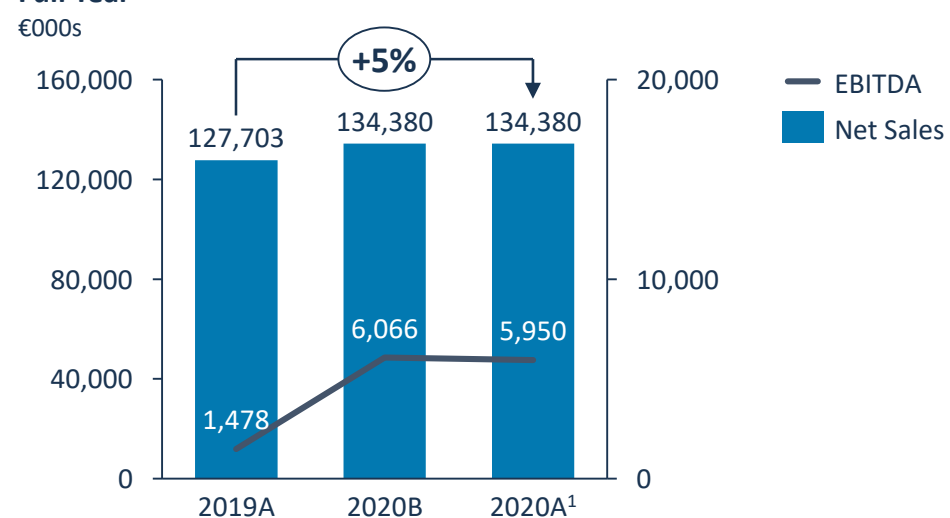
Jan YTD

€000s



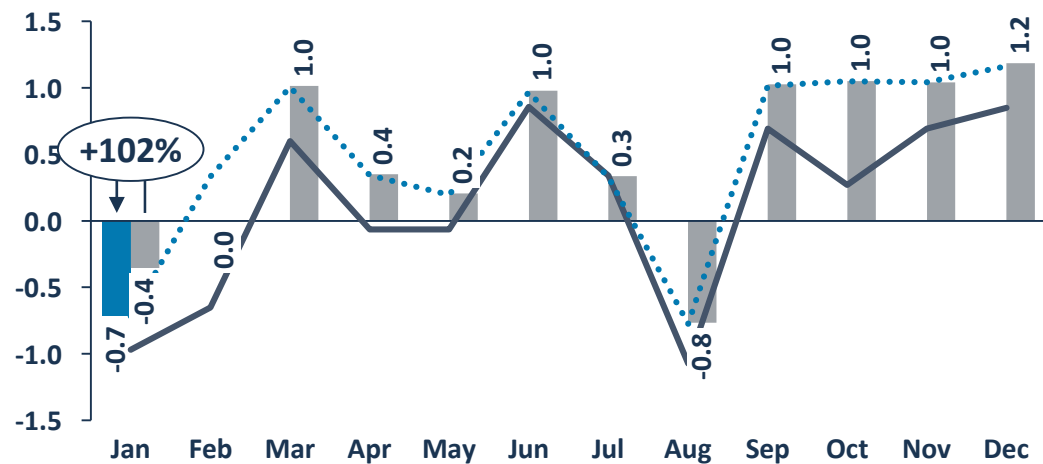
Full Year

€000s



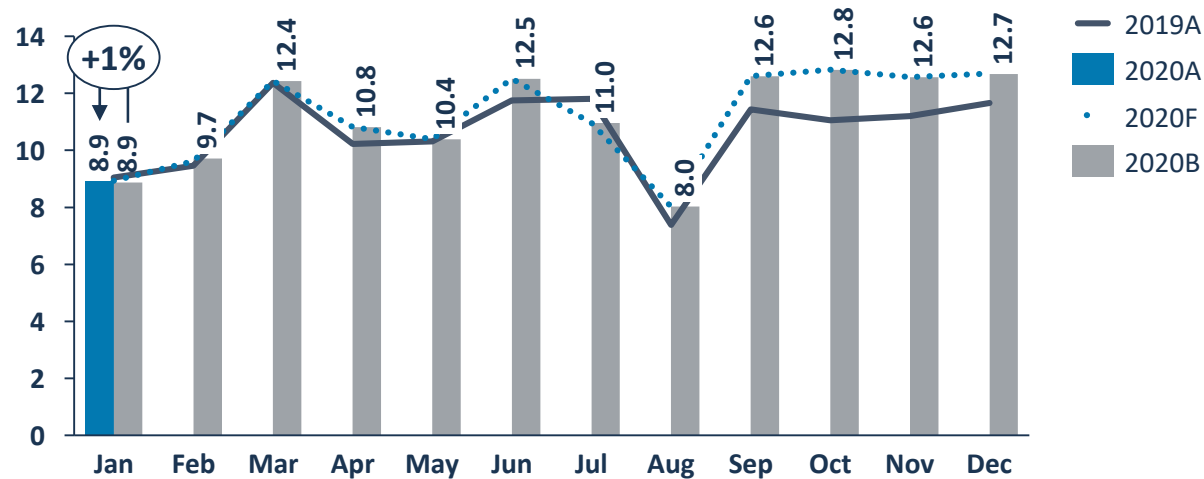
Monthly EBITDA

€ millions



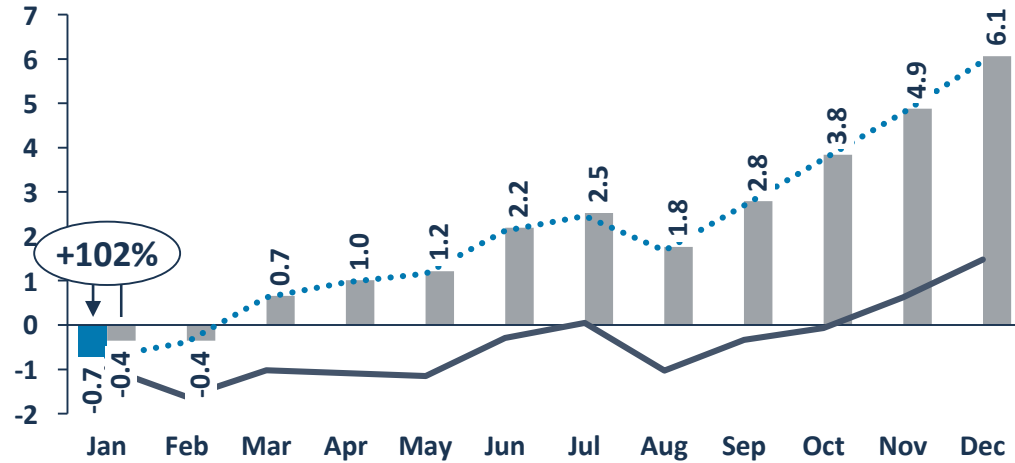
Monthly Net Revenue

€ millions



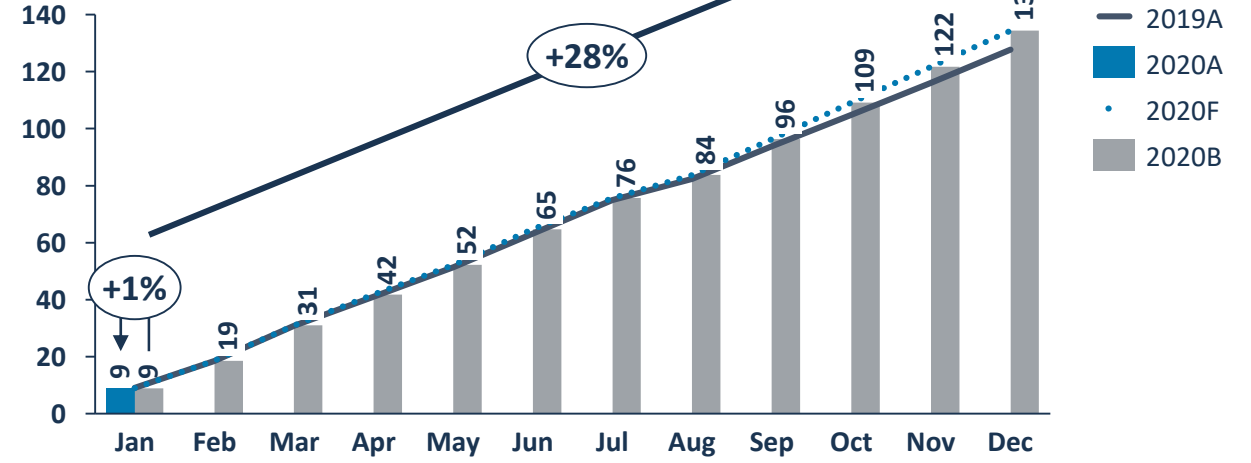
YTD EBITDA

€ millions



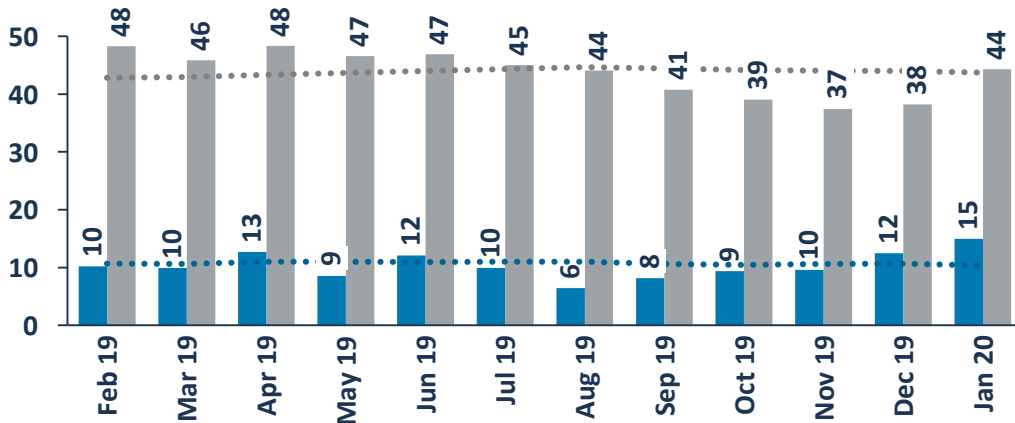
YTD Revenue

€ millions



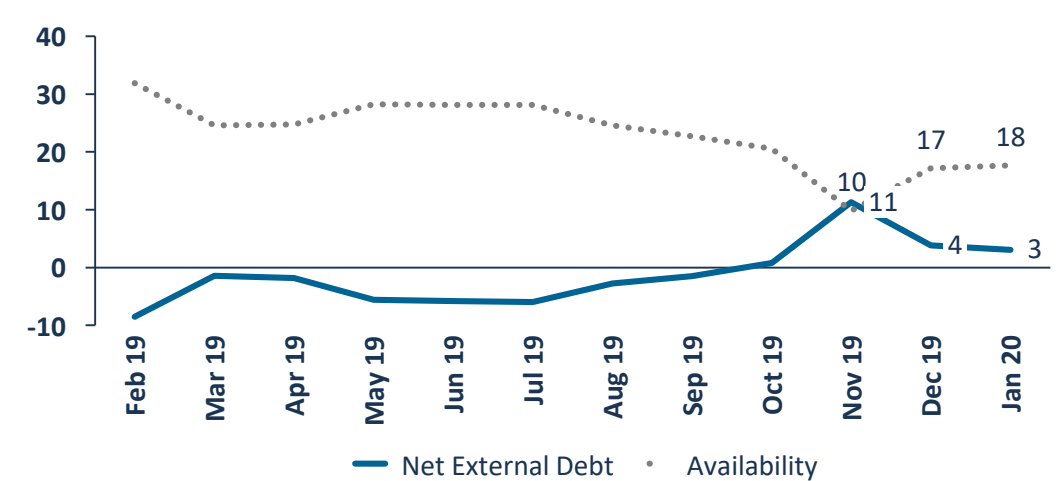
Order Intake

€ millions



Liquidity

€ millions



• TTM Avg Bookings • MTD Bookings • TTM Avg Backlog • MTD Backlog



OPENGATE CAPITAL 1. YTD actuals + remaining year forecast

3.g | SMAC







Executive Summary: January 2020

- Order intake at a very good level in January at € 66.2 m. 22 business days in January 2020 vs. 22 in 2019. (Idem)
- Sales at € 40.9 m are impacted by a € 3 m change in revenue recognition done on Industry business line in December 2019 that make January 2020 sales lower by 3 m€ in comparison with Jan 2019.
- Like for like sales are – 2% vs. 2019 and + 8% vs. budget..
 - Vs 2019, like for like performance amounts to – 5 % on Works Division (equivalent of -1 working day). Weather conditions were relatively favourable in comparison to 2019 without major negative impact on works on site. Industry division grew by +6% compared to last year on like for like basis boosted by skylights activity.
 - Vs. budget, sales are flat on Works activity and +25% on industry division (strong start of year vs. plan + underestimated seasonality of the budget)
- EBITDA at € 0.6 m vs. € - 0.26 m in 2019 and € 0.2 m in budget. Excluding one-offs and cut off issues, like for like performance is down vs. 2019 by € 0.2 m impacted by lower top line effects. (-2% as a whole) on works activity compensated by Industry division and lower SG&A vs. 2019.
- Follow up of accident (fire) during waterproofing works early September 2019. Direct damages and consequential losses estimated now at **€ 12.7 m** fully covered by civil liability insurances except 200 K€ deductible.
- 3 tax or social security audits / controls (2 for SMAC, 1 for Axter) have started or will start in February 2020. No conclusion at this stage.

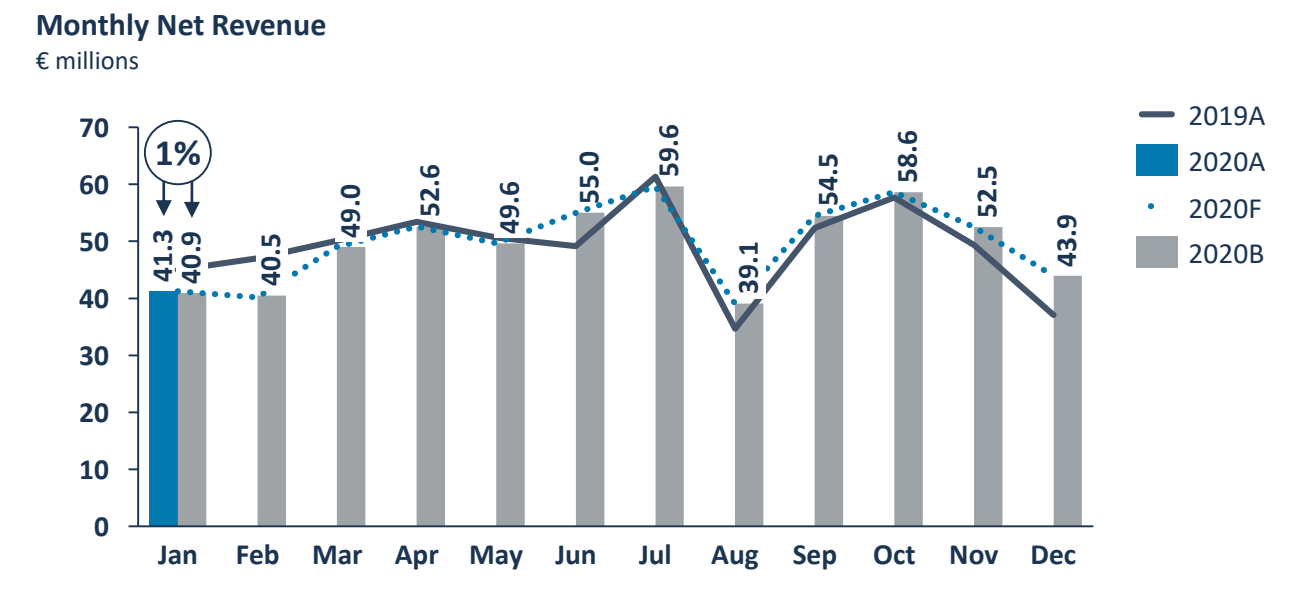
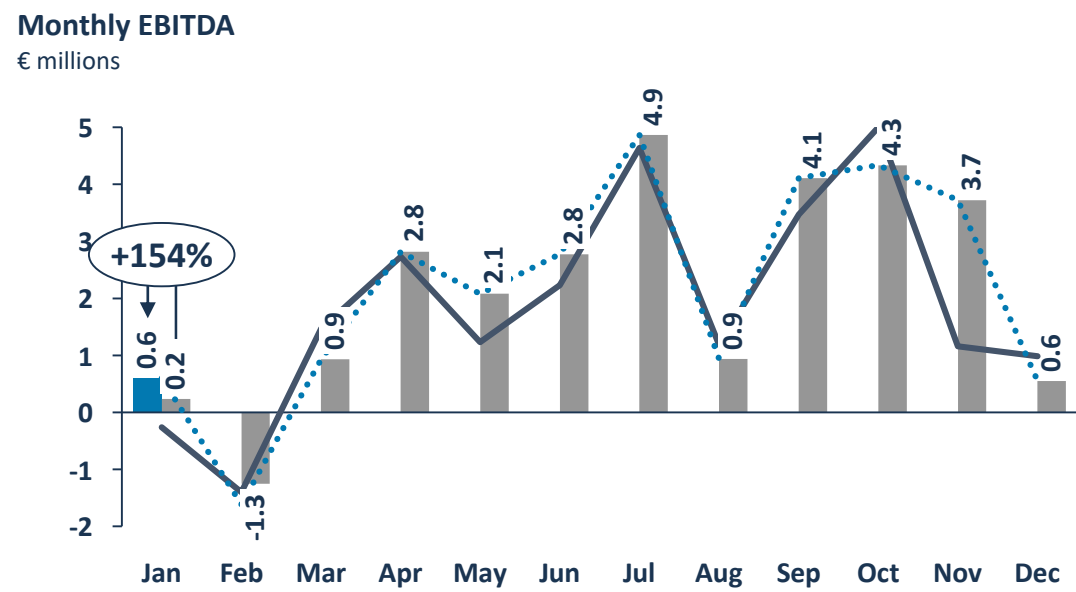
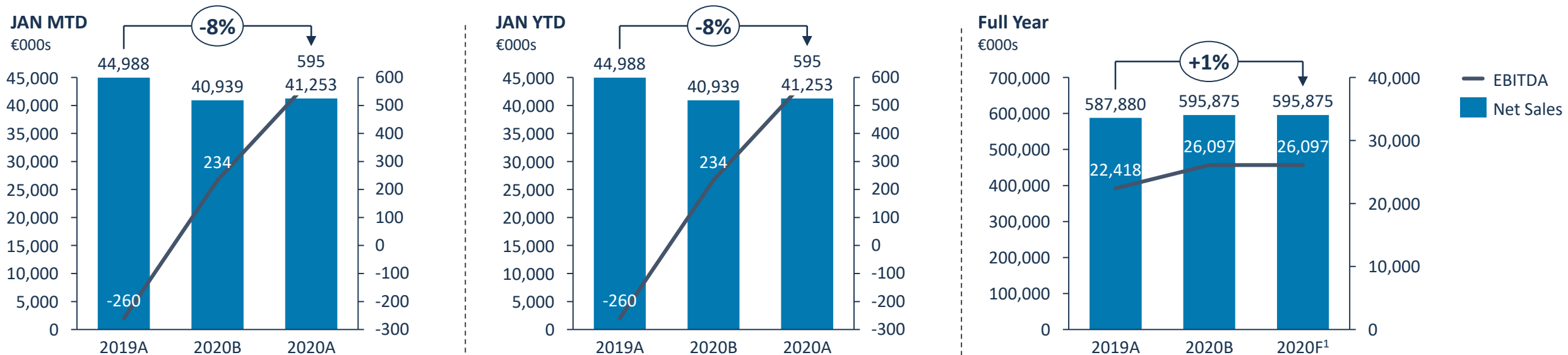
Status Update: Project Details

Project		Current Status & Next Steps	Annualized EBITDA Impact (\$MM)	
			Projected	Actual
A. Social Roadmap		• New framework agreements in place for internal mutual fund and social benefits including profit sharing agreement	€ + 2m	NA
B. Operational excellence implementation		• Step by step deployment ongoing in all SMAC local branches following standards defined in 2019 and testing done in different proofs of concept led.	+ [2] m€ min	NA
C. IT Carve-Out and definition of new ERP		• IT carve out on time as of today. No red flag. SAP ERP project : Work in Progress. Decision taken not to carve out totally the industry business line (part will be left to the potential buyer)	+ [x] m€-TBD	NA
D. M&A Sale of Industry Division		• Work in progress on all VDD streams. Announcements to employees on Nov 18 • IM sent to more than 25 potential buyers including buyers for part of the business. LOI expected early March 2020. • At the same time, willingness to explore tuck-in opportunities in Paris region for Works activity.	TBD	NA
E. OGx initiatives		• Actions ongoing to capture the growth potential of major development of Paris area (new subways line / Olympics 2024) • Reinforcement of sales team to boost export sales of industry division.	NA	NA

 Complete  Just started  On Track  At Risk  Behind Schedule



Monthly Financial Metrics





Monthly Financial Metrics

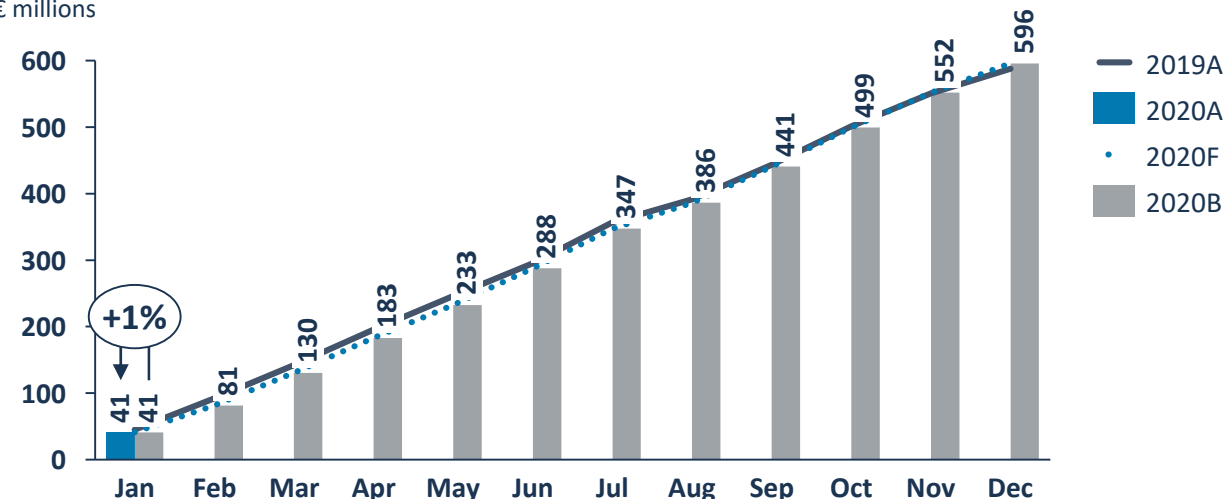
YTD EBITDA

€ millions



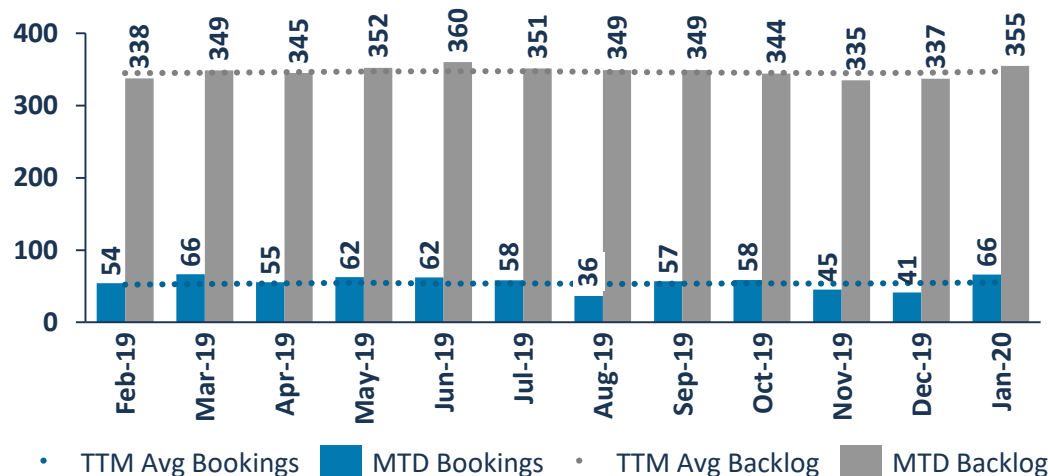
YTD Revenue

€ millions



Order Intake

€ millions



Liquidity

€ millions



OPENGATE CAPITAL 1. YTD actuals + remaining year forecast

Availability = cash + undrawn lines from factoring (impact since closing May June 2019) CONFIDENTIAL

Net External Debt = Debt to bank (including factor debt) + IFRS 16 debt (14,3 m€) + Seller Note (8m€) - CASH

3.h | Fiven

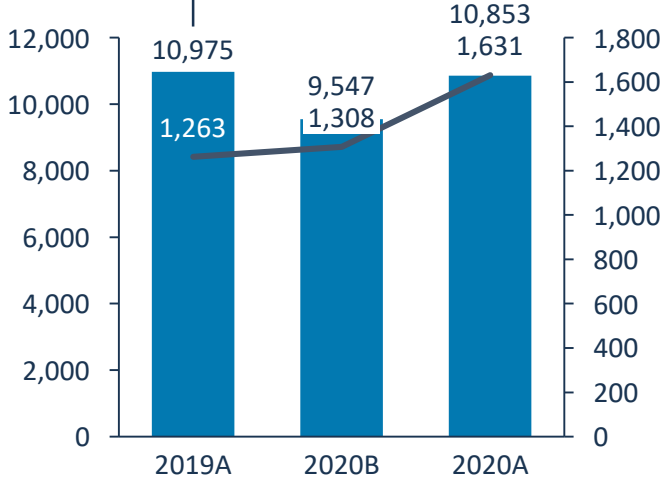
Executive Summary: January 2020

- January 2020 sales at € 10.9 m were +14% above Budget , -1% vs. 2019. Vs 2019, decrease is mainly driven by standard products (-9% of which +1% of volumes and – 10% on prices) whereas sales on specialty products did increase by 14% (of which -7% on prices and +23% on volumes) of which +91% on Diesel Filters (DPF). On DPF, increase seems to be a timing effect with some Q4 2019 sales postponed to 2020. DPF to be monitored in the next month.
- Sales with Saint Gobain decreased by 25% vs. 2018. Action to be taken to launch an audit as per the supply agreement in the coming weeks.
- Like-for-like EBITDA in January at € 1,6 m is higher than budget (+25%) and higher than LY (+29%). Vs. 2019, decrease in top line (-1%) including decrease in ASP on both standard and specialty products is compensated by major decrease in raw materials costs (petcoke) by € 0.4m and decrease in SG&A by € 0.3 m (of which lack of SG management fees).
- Preparation for Bond listing in Nasdaq Stockholm in April 2020 ongoing.
- M&A opportunities under review : Visit in the US of Aluchem planned on March 2-3-4.

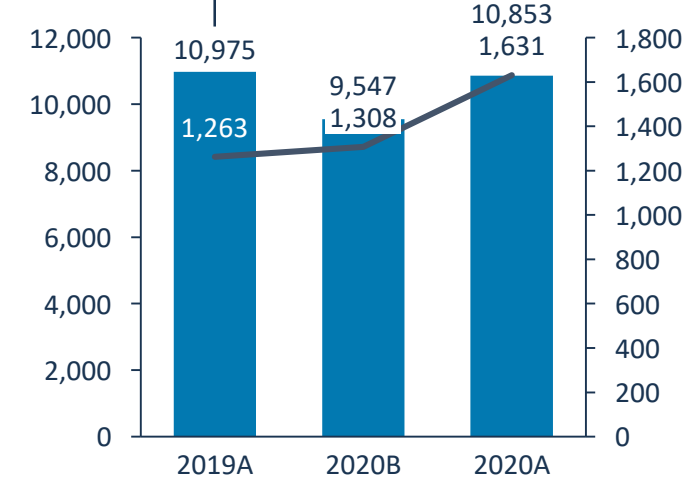
Status Update: Project Details

Project		Current Status & Next Steps	Annualized EBITDA Impact (\$MM)	
			Projected	Actual
A. Closing Accounts	●	<ul style="list-style-type: none"> Independent Expert to issue his draft report on Feb 25. OGC feedback by March 10. Final Report to be issued on March 25. 	TBD	NA
B. Management and HQ	●	<ul style="list-style-type: none"> COO : Fernando Miquel, ex senior manager at INEOS Group will join Fiven early April as new Group COO. He will relocate with his family in Oslo, Norway => Management team will be then complete. 	NA	NA
D. IT Carve-Out	●	<ul style="list-style-type: none"> TSA extended by one month with expected end in March 2020. All migrations on going and no red flag so far expect in Venezuela which take a bit longer than expected. 	NA	NA
E. Strategic Roadmap	●	<ul style="list-style-type: none"> Final Report issued by Nexant end of December. CEO presentation done on Feb 24 Analysis on going of different M&A opportunities (Aluchem / Miller etc) 	TBD	NA
F. Venezuela	●	<ul style="list-style-type: none"> Difficulties once again locally with the issuance of permit by local authorities to use petcoke. 	+ [x] M€	NA
G. OGx initiatives	●	<ul style="list-style-type: none"> Review of pricing policy to be engaged in Q1 with Simon Kucher. Meeting in Koln on Feb 27. Development of new product (e-SIC with purity at 99.999%). Investment of €1 m in 2020. Interruption of cooperation with Xponential. Opportunity with MIT explored. 	+ [x] M€	-1.m€

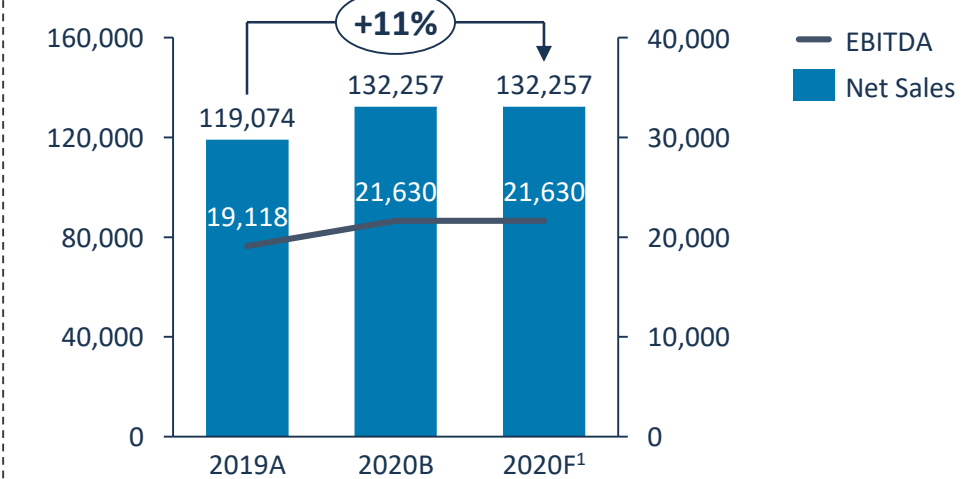
JAN MTD
€000s



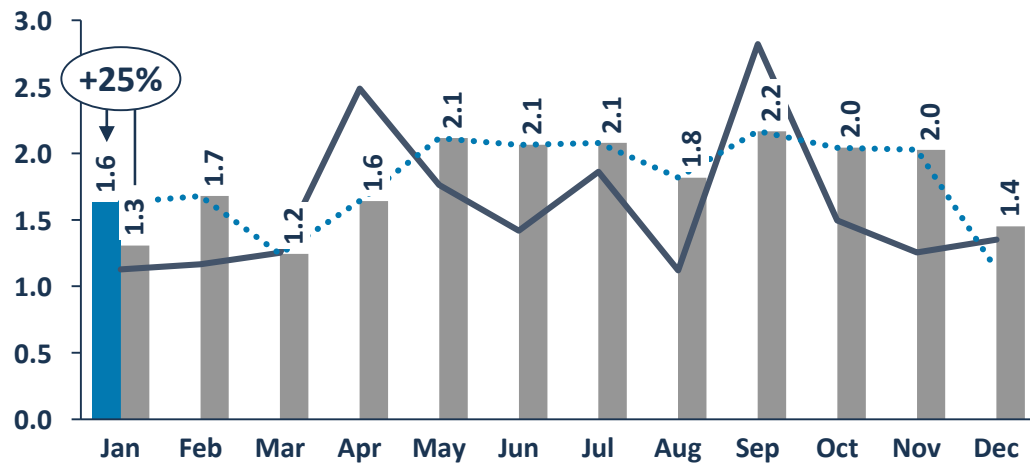
JAN YTD
€000s



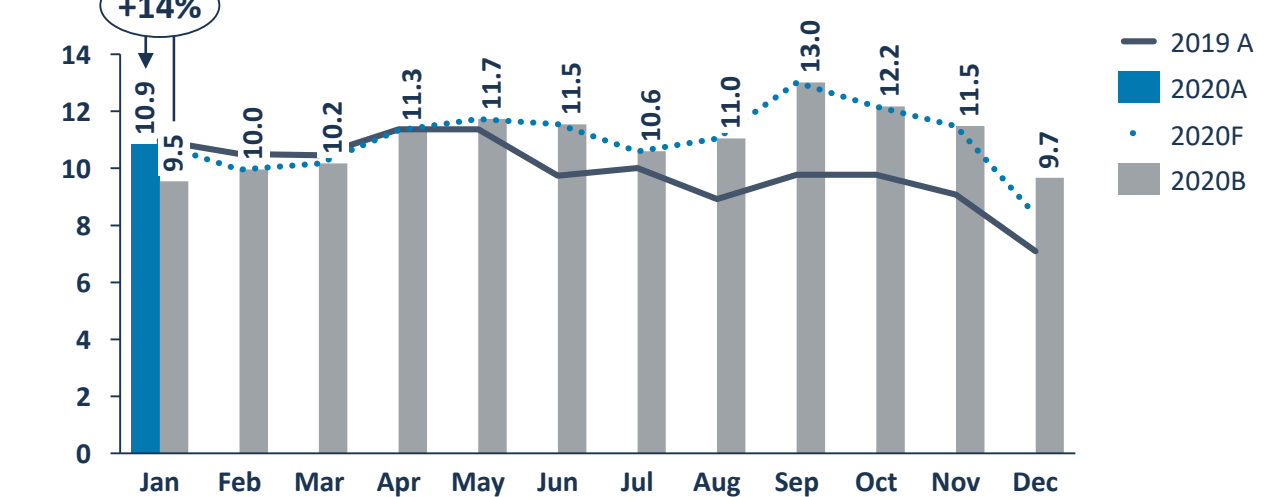
Full Year
€000s



Monthly EBITDA
€ millions

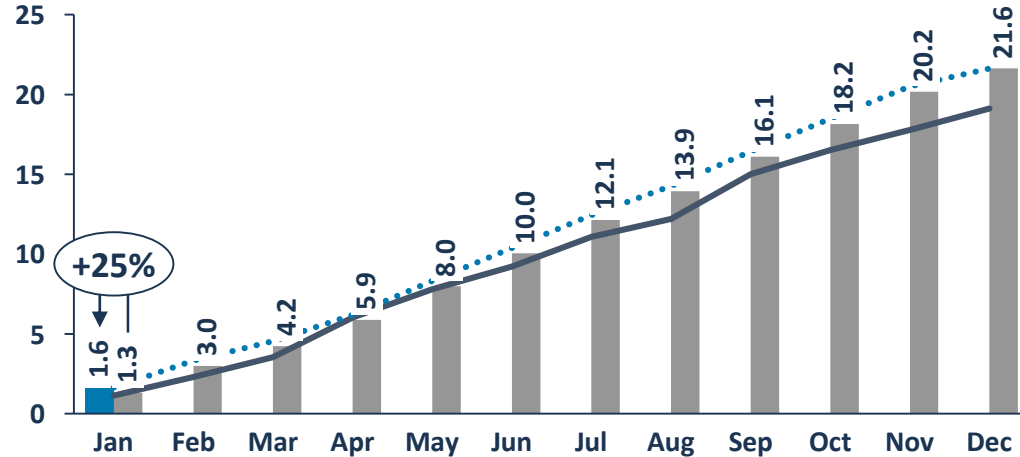


Monthly Net Revenue
€ million



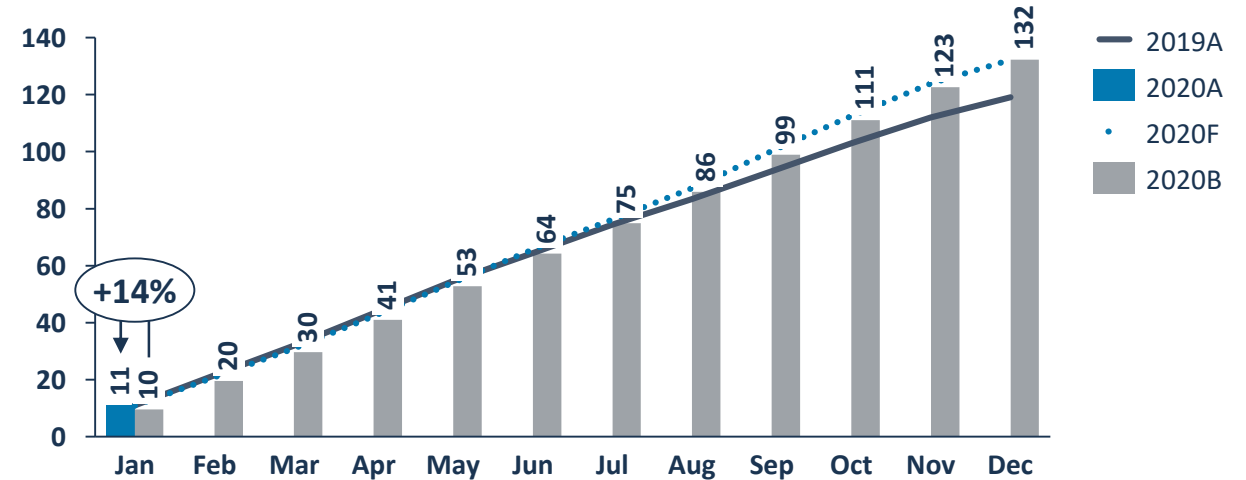
YTD EBITDA

€ millions



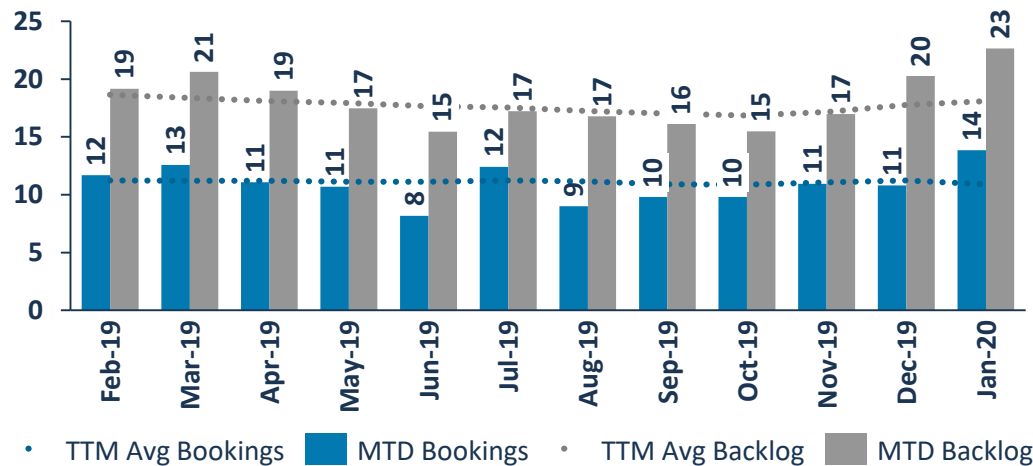
YTD Revenue

€ millions



Order Intake

€ millions



Liquidity

€ millions

