



OPENGATE CAPITAL

A GLOBAL PRIVATE EQUITY FIRM

OPENGATE OPERATIONS MONTHLY PORTFOLIO REVIEW

SEPTEMBER 30TH 2020



1 | Global Portfolio Update

OGC Fund I & Fund II: Performance At-A-Glance

Currency

USD

Aug 2020

	MTD Revenue vs. Prior Year	MTD EBITDA vs. Prior Year	YTD Revenue vs. Prior Year	YTD EBITDA vs. Prior Year
FUND I	120M! 2019: 127M (-5.12%)	1M✓ 2019: 0M (+1157.42%)	1,091M! 2019: 1,314M (-17.02%)	50M! 2019: 63M (-21.6%)
FUND II Industrials	66M✓ 2019: 60M (+10.02%)	7M✓ 2019: 5M (+39.02%)	529M! 2019: 633M (-16.56%)	44M! 2019: 48M (-8.59%)
FUND II Global Tech	3M✓ 2019: 3M (+21.17%)	31M✓ 2019: 26M (+18%)	23M✓ 2019: 22M (+7.02%)	1,645K✓ 2019: -122K (+1444.58%)



2

Fund 1

Portfolio Update

Fund I Summary: August Net Revenue

Currency

USD

Include Realized Investments

No

MTD

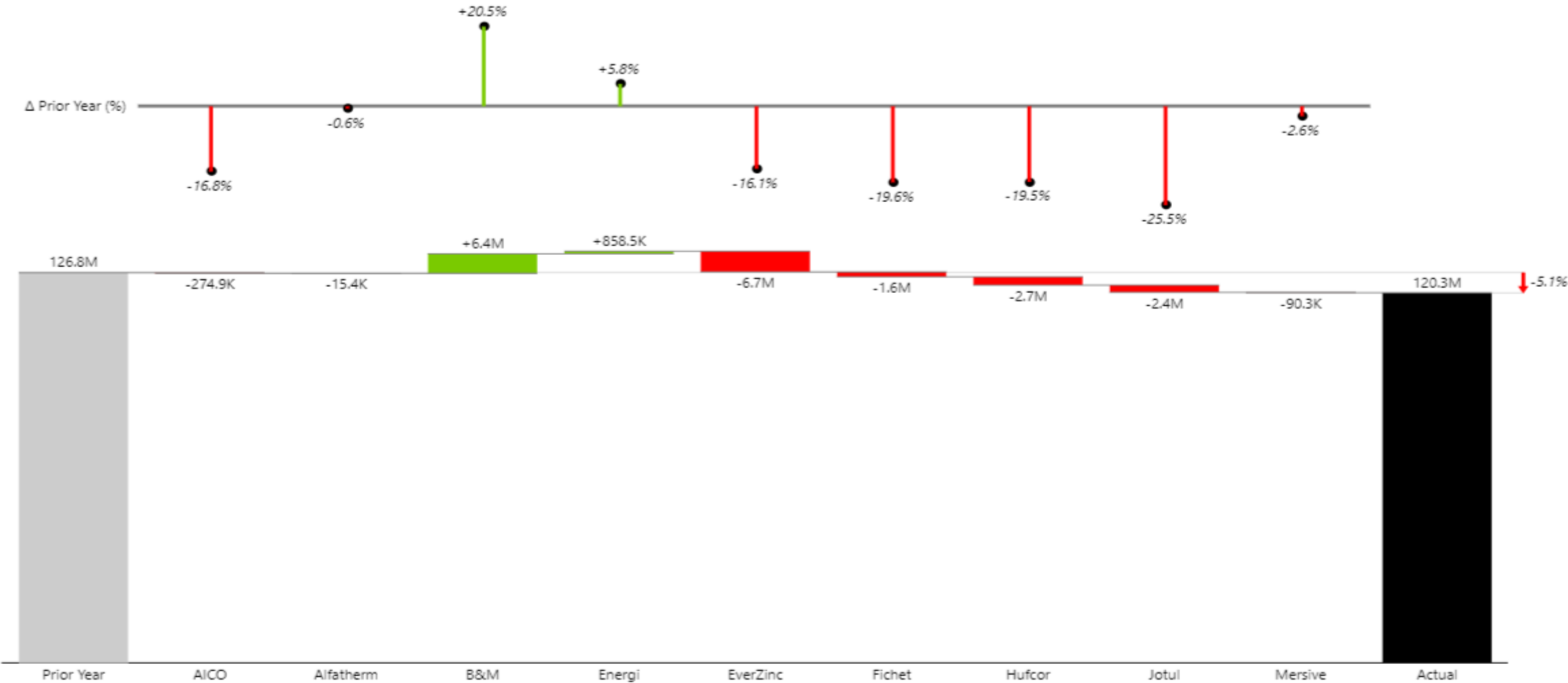
QTD

YTD

TTM

Aug 2020

Prior Year and Actual Net Revenue by Asset



Fund I Summary: August EBITDA bridge



* OGC EBITDA defined as Adjusted EBITDA for US assets and Reported EBITDA for EU assets

Prior Year and Actual EBITDA by Asset

Δ Prior Year (%)

+22.9%

-23.5%

+54.5%

+132.2%

-48.1%

+40.2%

-42.7%

-115.6%

+321.3%

+1.3M

-827.2K

+475.5K

-714.7K

-1.7M

+180.0K

65.7K

+127.9K

-79.7K

+2.0M

826.1K

Prior Year

AIICO

Alfatherm

B&M

Energi

EverZinc

Fichet

Hufcor

Jotul

Mersive

Actual

+1,157.4%




2.a | B&M

August EBITDA outperformed PY and budget by +€2M due to strong sales volume coupled with a higher margin rate; exit process to resume for PNF by end September with two parties

Executive Summary

- **August Sales** with €31.6M was +11.6% above PY (same days of sales) and +8.7% above budget; positive activity trend as observed since mid May continues without any signs of slowdown despite uncertainties over the mid term outlook; the commercial margin rate with 21.8% was above PY at 21.1% and budget at 19.9% due to better pricing and sales force effectiveness as well as favorable market conditions
- **YTD Sales** with €361.6M was -14% below PY and -15% below budget due to COVID-19 implications
- **August EBITDA** with €-1.4M was +€1.9M above PY (including IFRS16) and +2.2M above budget; outperformance generated by higher sales volume and a stronger gross margin rate while OPEX were grossly in line with PY
- **YTD EBITDA** with €23.5M was +€2.1M above PY (including IFRS16) and +€2.5M above budget
- **2020 EBITDA outlook** remains at €36.6M which is €1.6M above 2020 budget and €4.1M higher than PY due to a quicker recovery from covid19 effects and more cost savings;
- **Current trading:** Sales in September after 19 days out of 22 is at € 49.8M which is +0.4% above PY while -3.2% below budget; Commercial margin level at 19.7% versus 19.0% in PY and 19.1% in budget
- **Exit process** Panofrance process resumed on September 21 with SIG and Labbabois (buyer of Guimier subsidiary in 2017) with opening the dataroom for due diligence; standstill with BME/Blackstone remains

Status Update: Project Details

Project	Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
			Projected	Actual
A: Exit process	 <ul style="list-style-type: none"> • Panofrance process resumed on September 21 with SIG and Labbabois (buyer of Guimier subsidiary in 2017) with opening the dataroom for due diligence • Standstill with BME/Blackstone remains 	Year-end 2020	TBD	TBD
B: Split of PanoFrance network to increase exit options	 <ul style="list-style-type: none"> • Carve out finalized by May 31st, 2020 	May 2020	TBD	TBD
C: OGx initiatives	 <ul style="list-style-type: none"> • Pricing: Implementation of proprietary Big Data solution to optimize; 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 	Ongoing	TBD	TBD

2.b | Energi

August revenue and EBITDA were both ahead of Plan and prior year due to continued strong demand levels

Executive Summary

August results

- **Revenue:** \$15.8MM, 2% ahead of plan, 6% behind prior year, and 8% higher than reforecast, primarily due to increased volumes in Woodbridge and Delmont; revenue at Terrebone was behind plan due to lower production output and labor issues (e.g., higher turnover, increased temporary workers, and union negotiations)
- **EBITDA:** \$2.2MM, 49% ahead of plan, 132% ahead of prior year, and 136% ahead of reforecast, driven by higher volume resulting in favorable labor productivity and absorption
- **OGx:** No updates on Matt Pearson / additive manufacturing. Deprioritized due to COVID-19.




Risks / Challenges to the Business and Plan:

- Past due backlog remains high vs. prior year since COVID-19 as bookings have remained stronger than expected throughout Q3
- Resin pricing: August CDI resin index was increased by 3 cpp; September CDI resin index was also increased by 5.5 cpp due to tight inventory supply and increased domestic demand

Outlook

- **Liquidity 9/25 projection:** Over the 13-week period we are projecting liquidity to decline by \$10mm (46%); driven by catching up on \$3mm in deferred A/P, \$1.1mm in bank interest / term loan / monitoring fees, \$1.7mm reduction in the borrowing base due to lower inventory levels, and increase in production and material costs due to increased demand
- **September commercial performance:** September bookings continue to be strong (+22% vs. PY); revenue expected to be at or near plan

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">• Project Panther preparation efforts have re-started with marketing re-starting on 9/28• 1st round bids due pre-Thanksgiving (45 days post launch)	Q4 2020	N/A	N/A
B: Improved Sales Management	 <ul style="list-style-type: none">• Reviewing product options for “platform” sales strategy; benchmarking competitive landscape	July – December 2020	Enabler	Enabler
C: Continue Ops Discipline	 <ul style="list-style-type: none">• Yield has been on-target across Everett, Laval and Delmont• Focus improvement areas include Woodbridge scrap (0.9% below target due to short-runs with significant changeovers) and regrind use in Everett / Laval / Woodbridge	July – December 2020	TBD	TBD

Status Update: Project Details (cont.)

Project	Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
			Projected	Actual
D: Improve Inventory Planning	<ul style="list-style-type: none"> Plants currently in “make & ship” mode; minimal inventory build Supply chain and finance assessing finished goods stocking programs and raw materials min/max levels to determine “new normal” inventory levels going forward 	July – December 2020	TBD	TBD
E: Extrusion Pricing	<ul style="list-style-type: none"> Discussions have started in last week of September to pass on resin price increase; customers will have option to get on index pricing as part of discussions 	Feb 2020 ¹	TBD	TBD
G: Terrebone Pricing	<ul style="list-style-type: none"> Phase I implemented in Q1 2020 and continues tracking towards \$700k Phase II price increase negotiations have started in late September; targeting 4% increase on standard doors, 7% increase on custom doors; and 2% increase on bulk products 	Q4 2020	Phase I \$700k Phase 2: TBD	Phase I: \$700k Phase 2: TBD

2.C | Alfatherm

Good activity in August as sales only -8% vs PY and -5% vs Budget EBITDA +47% above forecast and +14% vs PY Liquidity is expected to last until **first week of October**

Executive Summary

- **August Sales** reached €2.1mm, slightly lower than both Budget (-5%) and PY (-8%), Good activity level (+63% vs last month forecast) thanks to the inventory build up in July, allowing furniture (+13,8%) to offset Metal lamination (-18%)
- **YTD Sales** is €40.6mm, -11% lower than both Budget and PY due to Furniture (-14% or €-3.0mm), Sleeves (-11% or €-1.5mm, Metal Lamination (-8% or €-0.8mm)
- **EBITDA in August** is €-0.4mm, above PY (+14%) but below Budget (€-0.5mm), Results supported by the stock build up in July and the 3 weeks plants closure allowing casa integration subsidies (€0.1mm)
- **YTD EBITDA** is €3.4mm which is -38% vs Budget (€5.5 mm) and -26% vs PY (€4.6mm). Gap vs Budget and PY mostly due to reduced demand and unvariabilized fixed costs
- **FY 2020 Sales** forecasts raised to €59.8mm which is €-8.5mm or -12% vs both Budget and PY
- **FY 2020 EBITDA** forecast is maintained at €4.9mm, which reflects an impact of €-3.4mm or -41% vs Budget and €-2.3mm or -32% vs PY
- Credit lines: Initially phased out by BPM and ISP. Still €2mm maintained with GF. Request submitted to the court on 21st September to allow GF to expand to €11mm. The current level of liquidity is expected to last until **first week of October**
- Factoring: answering the request sent early August, the court accepted on 21st September to reinstate factoring with MB Facta, allowing Alfatherm term to withdraw €1.9mm out of €7mm authorized limit.
- Pre-concordato status should expire 9th October. Request to be submitted to the court end of September for a 2 months extension
- Banks offered to finance the turnaround plan if granted Superpriority status by the Court at the end of the Pre-Concordato
- On-going negotiation with suppliers in order to reach a 182bis agreement and asking for a 40% haircut
- Management focused on finding potential investors: Strategic: Mondo Plastico(Gallarate only but not the full site); PE: Pillarstone not interested, New Swiss investors club interest introduced by Fante, Brightwater.

Status Update: Project Details

Project	Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
			Projected	Actual
A: Legal Process	<ul style="list-style-type: none"> • Pre Concordato filed on 21st April and approved by the Court on 22nd April • 2 months extension to be requested to the court end of September 	TBD	TBD	TBD
B: Financial Turnaround	<ul style="list-style-type: none"> • Negotiation with KemOne to get a 40% haircut (Monday 31st August) • Banks supportive of additional financing (€4.5mm) if granted superpriority status • Management focused on finding potential investors 	TBD	TBD	TBD
C: ST Credit lines + Factoring	<ul style="list-style-type: none"> • Phasing out of the current credit line by BPM and ISP due to the Pre Concordato status • Currently €2mm credit line with General Finance. Unfavorable Court decision avoiding increased facility • MB facta (Italy, c. €5.5mm) and Banca Ifis (International, €1.5mm) withdrawing their factoring facilities due to the financial situation. Court's favorable decision on 21/09/20 to reinstate MB facta factoring 	TBD	TBD	TBD

2.d | EverZinc

August performance impacted by the lower volumes and a very negative FX variance, but FY EBITDA forecast was confirmed at €25M

Executive Summary

- **August sales** of €29.4M (-22% VPY) was mostly impacted by the lower volumes / LME, despite the recent LME increase observed during August (\$2.5k by the end of the month versus the YTD average of \$2.1k)
- **YTD sales** of €265.1M (-24% VPY) reflects the same trend, with the lower volumes (113.3k tons vs. 128.1k PY) and the lower LME (\$2.1k vs. \$2.64 PY) accounting for most of the variance
- **August EBITDA** of €0.8M (-52% VPY) was severely impacted by a FX variance of €-0.6M and would have been at 85% of PY if that variance did not occur (CFO is assessing alternatives for the implementation of foreign currency hedging)
- **YTD EBITDA** amounted to €14.9M vs. €18.2M PY and €24.9M in budget, with the lower volume / LME being equally responsible for most of the deviation, despite the efforts on OpEx reduction (€+1.7M impact as of August and additional €1.1M expected until year-end)
- **Full-year EBITDA** was confirmed at €25M (versus €30M in PY and €37.9M in budget), but uncertainties are still in place regarding the ZANO volumes in Q4
- **Cash position** of €17.3M by the end of August was tight, but the new factoring line in North America was implemented by mid-September (additional €4M), which will bring the cash position back to an adequate level to address the business needs
- **Current Trade** continues to improve with order intake currently at the level of 84% of PY (4-weeks average) vs. 78% in August and 71% in July (ZBM performance remains strong and ZNO in North America is ramping-up), but concerns still exist around ZANO for Q4

Status Update: Project Details

Project	Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
			Projected	Actual
A: ZANO Development	<ul style="list-style-type: none"> • Project Hercules: missing parts received and tests progressing in North America and Europe • Plastics application: product development continues, with trial tests scheduled • Contract review: engaged litigation lawyers in Belgium to review the Umicore contract 	H2 2021	>€2MM	n/a
B: Add-ons	<ul style="list-style-type: none"> • Gunther: on hold waiting for sellers to contact us in early October • Grilo: list of questions sent on September 14th. Waiting feedback 	Q4 2020	>€1MM	n/a
C: Commercial Excellence	<ul style="list-style-type: none"> • Kick-off meeting held on September 11th • SKP currently working on data collection and management/customers interviews • Diagnostic completion expected for mid-October, with "quick-wins" to be identified by the month-end 	Q4 2020	€2-7MM	n/a

2.e | Hufcor

While Aug Revenue was 19% below 2019, tight cost controls and favorable timing of production at the end of Aug resulted in an over achievement of EBITDA by 9% vs 2019.



Executive Summary

Aug results

- **Revenue/EBITDA:** \$11.3mm vs \$13.8mm reforecast; \$14.0mm 2019A. Proforma Adj EBITDA of \$0.96mm vs \$0.88mm reforecast; \$1.7mm 2019A.
- **Operations:** Aug revenue underperformance was driven by COVID macro conditions, Australia 61% of reforecast due to Melbourne and state of Victoria shut down for COVID. Asia 80%; EU 87%; USA 89%
- **Commercial:** Bookings in Aug improved from July, with the month globally 95% of prior year, due to large end of month bookings in USA and Australia.
 - Forecasted contraction of bookings is expected to impact Q4 and full year 2021 revenue with a forecasted revenue decline from 2020F of \$136mm to \$128mm; collections remained strong on a weekly basis at \$2mm
- **Gross Margin:** Consolidated GM 31% vs 2019 of 28% due to improvements in efficiency and production
- **OGx:** MIT / Matt Pearson kicked off engagement to 3D print new acoustic films. Expecting pilot results in Q4, target commercialization late 2021 if successful

Risks / Challenges to the Business and Plan:

- **COVID-19:** Significant business continuity risk with JVL. No current infections

Outlook

- **Liquidity 9/18 projection:** Over the 13-week period we are projecting liquidity to decline by \$3.3mm (-29%); due to \$3.2 investment into project Red and a \$250k reduction in borrowing base, with a \$400k net improvement in labor and inventory spend, with the remainder due to changes in NWC
- **Reforecast:** Projecting 2020 full year revenue to be \$135mm (-9.4% vs 2019) and EBITDA to be \$5.2mm (-38% vs 2019); expected covenants breach end of Aug. 2021 projected to decline to \$128mm in Revenue; management kicking off an additional cost cutting effort.
- **Sep 9/25:** Bookings vs 2019 are soft through Sep with Asia 123%; Australia 80% Europe 162%, and USA 82%

Status Update: Project Details

Project	Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
			Projected	Actual
A: Production Efficiency	<ul style="list-style-type: none"> Realizing drop-off in work demand and overall productivity in September due to complexity of jobs (product mix) and hours management challenges in partial-production weeks August Unit Output Weekly Avg: 1932 units; September (MTD) Unit Output Weekly Avg: 1444 units August Gross Pay Per Unit Avg: \$82.21; September (MTD) Gross Pay Per Unit Avg: \$86.27 2020 Rework & Warranty run-rate is ~\$45K favorable on a per month basis vs. 2019; total expected Rework & Warranty savings expected to be in the \$450K-\$600K range 	Full year 2020	\$1.0mm (2020 impact)	\$1.4mm TTM
B: Quality	<ul style="list-style-type: none"> Quality BI Report getting refresh with the release of Production Board 2.0 (in process) expected in mid-Oct; ProdBoard is the way in which we track and analyze internal (DpK) and external (TCAR) quality data 	Full year 2020	\$400k (2020 impact)	\$400
C: Inventory	<ul style="list-style-type: none"> Current focus is on project Red and supply chain development in LATAM 	Full year 2020	N/A	N/A

Status Update: Project Details (cont.)

Project	Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
			Projected	Actual
D: Project Red	<ul style="list-style-type: none"> Site: new site has been identified; however, voltage and existing tenant timing is an issue. Back up site feedback expected tomorrow 50% of CAPEX / equipment spend has signed POs. Prodensa agreement signed this week to run RFQs in Mexico (2000 SKUs) kicking off 1 Oct 	2H 2020	\$10mm	\$0
E: IT	<ul style="list-style-type: none"> Partition studio 5 released Pivoting focus to a project Red build out. ERP conversion expected 2022 	Full year 2020	NA	NA
F: Commercial	<ul style="list-style-type: none"> Consultants are wrapping up phase I and mapping out potential opportunities Strategy session 10 Sep Converted SoCal to distributor, gained new distributor in West PA/Ohio/Kentucky 	Aug/Sep	In Process	In Process
G: ASIA	<ul style="list-style-type: none"> Kicked off overall strategy including commercial growth and manufacturing Hiring BD resource in China Randy Tao identifying China distributor 	Aug/Sep	In Process	In Process

2.f | Mersive

Mersive's commercial performance has remained stable through August and September; mgmt. developing strategy around "Return to Work" Solstice Cloud Management Module



Executive Summary

August results

- Mersive ended August 2020 with revenue at \$3.4mm (94% of Rfc, 97% of PY), ARR at \$13.0mm (99% of Rfc, 140% of PY), and Adj EBITDA at \$236k vs. Rfc of \$160k and PY of \$56k
- OGx: No involvement

Risks / Challenges to the Business and Plan:

- COVID-19 impact:
 - 1 employee infection/quarantine
 - All US and international employees working from home except 5 Logistics staff shipping pods from Denver HQ, and max of 15 other employees per day
 - Continuing to conduct some sales activity in-person, and engineering / product development have maintained productivity while working remotely

Outlook

- Liquidity 9/18 projection:** Over the 13-week period we are projecting liquidity to increase by \$0.4mm (4%)
- Updated reforecast:** Projecting 2020 full year revenue to be \$45mm (100% of Rfc, 108% of PY) and EBITDA to be \$3.6mm (123% of Rfc, 323% of PY); sufficient liquidity for operations for the remainder of the year.
- September commercial performance:** On track to meet or exceed \$4.2mm bookings target, but ability to meet \$4.2mm invoiced sales target depends on whether Exertis will accept shipment of their full \$1.0mm order this month; Rfc reflects Sep revenue of \$4.0mm (105% of PY) and EBITDA of \$429k (416% of PY)

Status Update: Project Details

Project		Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
				Projected	Actual
A: Expand Product Offering	●	<ul style="list-style-type: none"> Solstice Conference launched on Aug 5; fast follow up releases 5.01 and 5.02 are out and address performance, stability a few bugs; 5.1 to be released in October, expanding compatibility with older versions of Windows and wider range of cameras Mgmt. planning to develop Windows product for deployment in Zoom Rooms in Q4 	Q4 2020	TBD	TBD
B: Expand Sales Coverage	●	<ul style="list-style-type: none"> Onboarded three field salespeople New sales hiring remains frozen, but total sales headcount currently on-plan 	Ongoing	TBD	TBD
C: Drive Recurring Revenue	●	<ul style="list-style-type: none"> Aug 2020 subscription revenue of \$1.1mm vs. \$1.15mm Rfc and \$0.8mm PY Solstice Active Learning to be sold as a separate recurring revenue stream, although will likely be several months before customer interest translates into initial revenue 	Ongoing	TBD	TBD

2.g | Jotul



Despite strong order intake, August sales suffered from low production output in July and August; EBITDA underperformed accordingly; main focus remains the production volume increase in Poland



Executive Summary

- **August Sales** with NOK 60.6M were -28% below PY and -31.6% below budget; underperformance caused lower sales in all markets due to delayed deliveries as a function of lower production output in Poland and the US facility; August Order Intake at NOK 82.3M which was +8% up vs PY; Order backlog by end August increased to NOK 97.5M, being almost double as the prior year
- **YTD Sales** with NOK 473.4M were -7% below PY and -17% below budget as a result of covid19 implications
- **August EBITDA** with NOK -2.0M below PY by -15.2M vs PY and below budget by -18.4M; lower sales coupled with continuing stock builddown resulted in large negative deviation vs PY; production efficiency improved vs July but is still below PY level (60% up from 40% in June)
- **YTD EBITDA** with NOK 1.0M below PY by -57.6M of which -45.7M are attributed to the negative effect of the stock builddown on indirect cost capitalization while the remaining underperformance resulted from lower sales and production inefficiencies
- **2020 EBITDA outlook** remained at NOK 81.0M, a reduction of NOK -58M vs PY and NOK -85M vs budget; we believe there is some downside risk on the September, but we expected a catchup in November and December to make the FY forecast as currently projected
- **Current trading:** Sales in Sept after 19 days out of 22 at NOK 95.4M being -23% below PY; Order Intake at NOK 131.3M, being +6% below PY; Order backlog at NOK 137.5M vs NOK 57.4M in PY (+140%)
- **Productivity:** Production output in Poland by end of September at 75% vs plan still generating additional order backlog. Main issues solved now labor capacity remains the last bottleneck (onboarding additional people to increase shifts, high turnover observed, learning curve of new workers etc.) Output KPIs improve weekly. Full output potential to be reached within 4 weeks, starting to reduce backlog as of November.
- **AICO integration:** Second production batch underway. In September, the Polish plant will produce in total 350 pellets stoves (38% of monthly production for Ravelli). 2 production lines operating. Adding 2 additional lines in November and the last, most complex production line in December. By year end all production capabilities will be transferred to Poland, with more than 60% of volumes produced by Poland. Full stop of Italian production by March 2021

Status Update: Project Details

Project	Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
			Projected	Actual
A: Polish plant ramp up	 <ul style="list-style-type: none"> • Production output in Poland by end of September at 75% vs plan still generating additional order backlog. Output KPIs improve weekly. Full output potential to be reached within 4 weeks, starting to reduce backlog as of November. 	October	N/A	N/A
B: AICO integration	 <ul style="list-style-type: none"> • Second production batch underway. In September, the Polish plant will produce in total 350 pellets stoves (38% of monthly production for Ravelli). 2 production lines operating. Adding 2 additional lines in November and the last, most complex production line in December. By year end all production capabilities will be transferred to Poland, with more than 60% of volumes produced by Poland. Full stop of Italian production by March 2021 	March-2021	N/A	N/A



2.h | Ravelli

Lower sales due to reduced production output as main focus shifted to transfer of production to Poland; 350 pellet stoves produced in Poland (38% of total production volume)

Executive Summary

- **August Sales** at €1.1M were -23% below PY and -30% below budget; deliveries negatively impacted by lower production output of new stove range given focus on the startup of the pellet stove production in Poland; Order intake -8.3% vs prior year and order backlog €5.7M, -7.9% vs prior year
- **YTD sales** at €9.1M were -36% below PY and -46% below budget due to COVID-19 and production transfer efforts
- **August EBITDA** at -361k, losses reduced significantly versus PY which was at €-506k but underperformance versus budget by -79k; lower sales volume in the month negatively impacted EBITDA, while business focus was somewhat distracted by the transfer of production from Italy to Poland which started in August
- **YTD EBITDA** at -2.4M, being +1.8M less losses than PY due to the reduced cost base;
- **2020 EBITDA outlook** reduced to €-3.2M, which is +€1.8M lower losses vs PY but – 2.7M worse than budget due to COVID19 implications. Deterioration of -800k vs prior focus due to some double cost during the production transfer phase. A more in-depth analysis on non recurring items within this EBITDA will follow on the coming months.
- **Current trading:** Sales in September after 19 days out of 22 at € 2.2M which was -38% below PY; Order Intake at € 2.4M, being -42% versus PY; Order backlog at €5.9M vs €6.2M PY (-5%)
- **Liquidity:** remains very tight throughout August and September however 1.5M cash buffer at holding level ensures the business continuity if needed.
- **Jotul integration:** Second production batch underway. In September, the Polish plant will produce in total 350 pellets stoves (38% of monthly production for Ravelli). 2 production lines operating. Adding 2 additional lines in November and the last, most complex production line in December. By year end all production capabilities will be transferred to Poland, with more than 60% of volumes produced by Poland. Full stop of Italian production by March 2021

Status Update: Project Details

Project	Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
			Projected	Actual
A: Integration into Jotul	<div><div></div><div>• Second production batch underway. In September, the Polish plant will produce in total 350 pellets stoves (38% of monthly production for Ravelli). 2 production lines operating. Adding 2 additional lines in November and the last, most complex production line in December. By year end all production capabilities will be transferred to Poland, with more than 60% of volumes produced by Poland. Full stop of Italian production by March 2021</div></div>	Q1 2021	€2.3M	0

2.i | Fichet

August Order Intake at €5.5mm, -15% vs 2019, Sales -26% behind 2019




New strategy finalized end of September

Cost reduction program launched to reach breakeven in 2021

Executive Summary







- **August sales** reached €5.5mm, -32% below Budget, -26% vs PY and -4% vs July forecast, mainly due to SD&P -76% and Services -24%
- **YTD Sales** of €59.5mm is -29% vs both Budget and PY due to Covid19 crisis since mid-March mainly impacting the banking sector with Safe&Vaults -44%, SD&P -39%, Electronic Security -23%, and Service -22%
- **EBITDA in August** is €-0.6mm which is +23% vs Budget (€+0.2mm) and +45% vs PY (€+0.5mm). Results is improved due to Partial activity subsidies (€+0.2mm) and a one-off bonus provision cleansing (€+0.7mm)
- **YTD EBITDA** reached €-8.1mm which is €-9.9mm vs Budget and €-7.1mm vs PY. To mitigate the Covid19 impact and a poor past projects performance (€-0.6M, delayed completion and product quality) the management team is rolling out a cost cutting plan to generate €2.3mm saving during H2 20.
- **FY 2020 Sales** maintained at €100.3mm (-25% vs Budget and -21% vs PY) to reflect current market trend and postponed projects
- **FY 2020 EBITDA** also maintained at €-6.3mm (€-12.3mm vs Budget and €-7.7mm vs PY)
- Current level of liquidity expected to last beyond end of year thanks to €14mm received from State backed loans (in May €10mm from BNP and in June €4mm from LBP)
- Significant contingency plan (€2.3mm savings) being deployed targeting €0.5mm on Q3 and additional €1.4mm on Q4
- New strategy being defined (presentation on 30th September) and new organisation to be drawn accordingly
- SKP workshop to be concluded in October
- Negotiation with employees' representatives about a Performance agreement (APC) to be started in October

Status Update: Project Details

Project	Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
			Projected	Actual
A: Recruitment	 <ul style="list-style-type: none"> • Recruitments on hold • Replacement of the Group HRD 	H2 2020	TBD	TBD
B: Purchasing savings	 <ul style="list-style-type: none"> • Focus on Direct and indirect purchasing saving plan 	December	€0.2MM	TBD
C: Legal organization	 <ul style="list-style-type: none"> • Transfert of Fichet Belgium and Fichet Luxembourg under Fichet France to get a sole company reporting to the LuxCo and ease statutory consolidated accounts • Project to merge FSSF and Fichet Technologies (Baldenheim) being aborted 	September	N/A	N/A

August Order Intake at €5.5mm, -15% vs 2019, Sales -26% behind 2019
 New strategy finalized end of September
 Cost reduction program launched to reach breakeven in 2021

Status Update: Project Details (cont.)

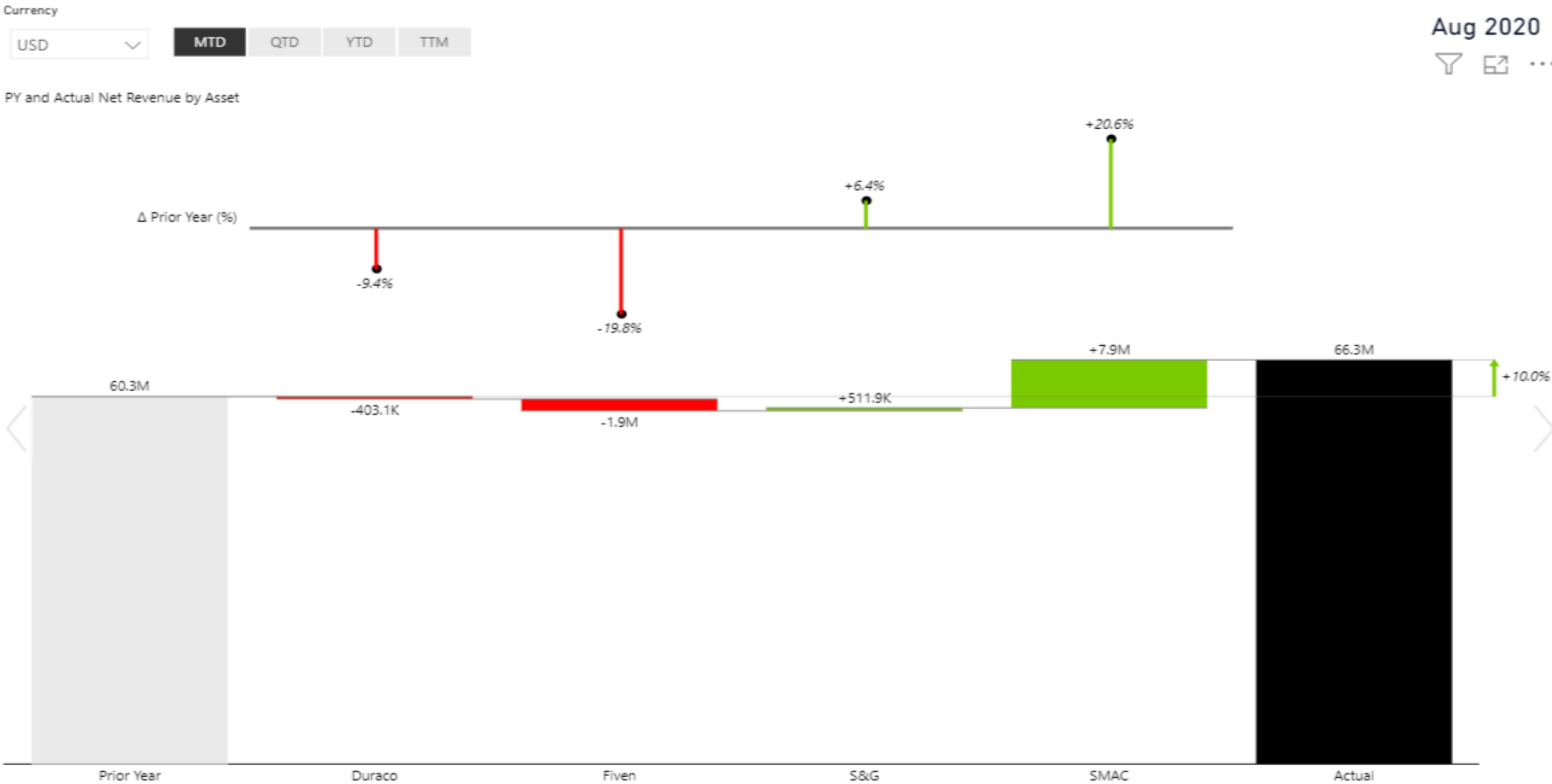
Project	Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
			Projected	Actual
D: New commercial strategy implementation/transformation	 <ul style="list-style-type: none"> New commercial strategy definition Reducing the number of regions from 7 to 3 	September November	TBD	TBD
E: Contingency plan	 <ul style="list-style-type: none"> Bonus accrual reversal (€0.7mm) - Done Partial activity measures (imposed holidays and subsidized layoffs (€0.8M) – on- going (€0.2mm) Price increase (€0.3M) (SKP projects) Low performers/retirement + new Work/Payroll agreement (APC) (€0.2M) 	H2 2020	2.1MM	0.9MM
F: OGx initiatives	 <ul style="list-style-type: none"> Implementing digital processes (geolocation, Asset QR, E-procurement, ProFi, Anatrade), Contacts in Germany and France about 3D printing solutions (Metal and mineral)- 5 prototypes to test 	TBD	TBD	TBD
G: Liquidity	 <ul style="list-style-type: none"> Received €10m for the BNP PGE in May and €4M PGE from La Banque Postale. Factoring terms temporary enhancement €2M - negotiation to extend terms 	March-December	XXXX	XXXX
H: Overdue	 <ul style="list-style-type: none"> Maintained focus on overdue collection. Contracting Sidetrade to support overdue collection for invoices below €2k (total €1M over 990 accounts) 	On-going	XXXX	XXXX
I: Downpayment	 <ul style="list-style-type: none"> Promote customer downpayment on order (€2.2mm collected YTD equating to 59% of 2019 FY amount) 	On-going	XXXX	XXXX

3

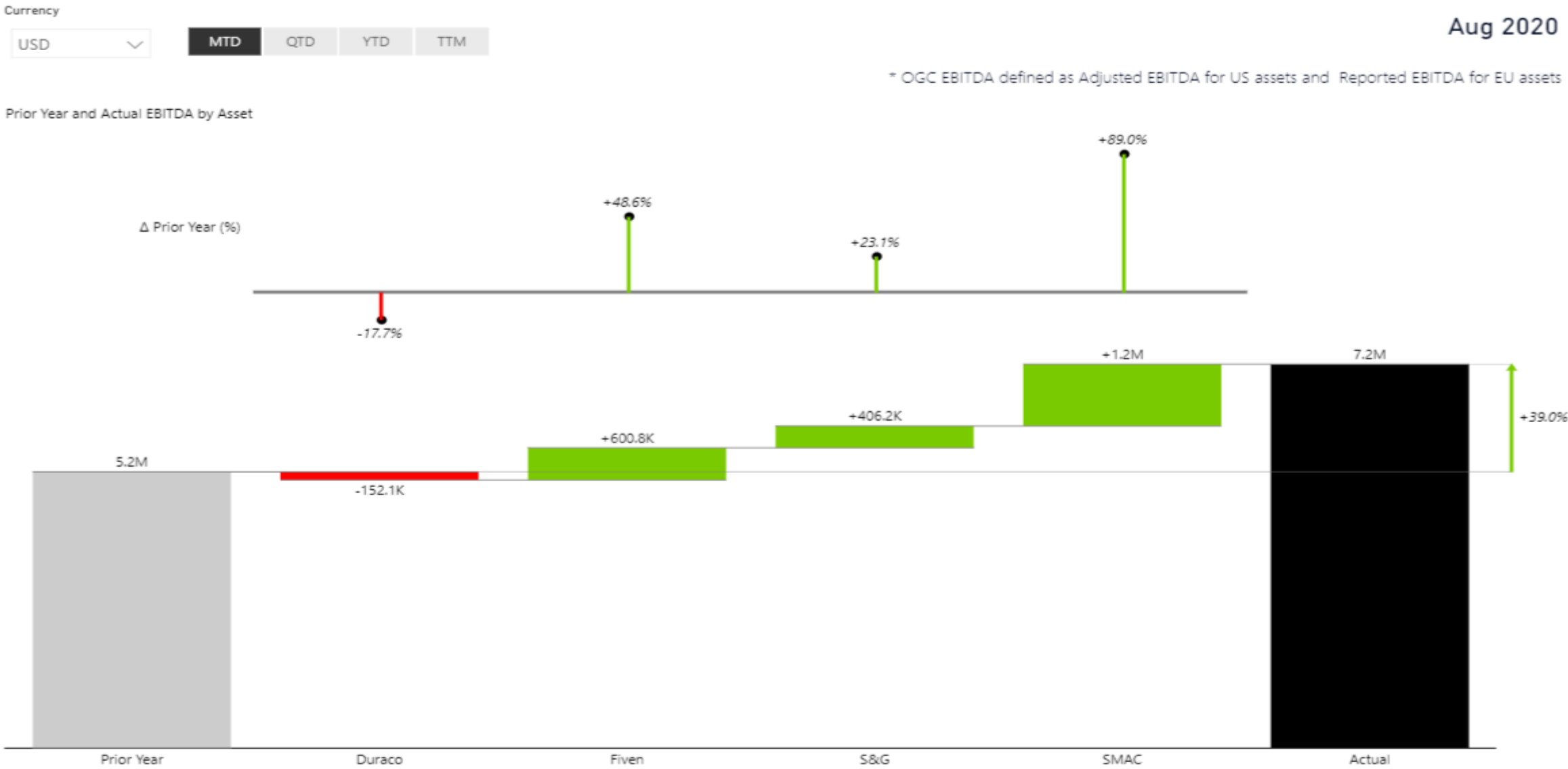
Fund 2

Portfolio Update

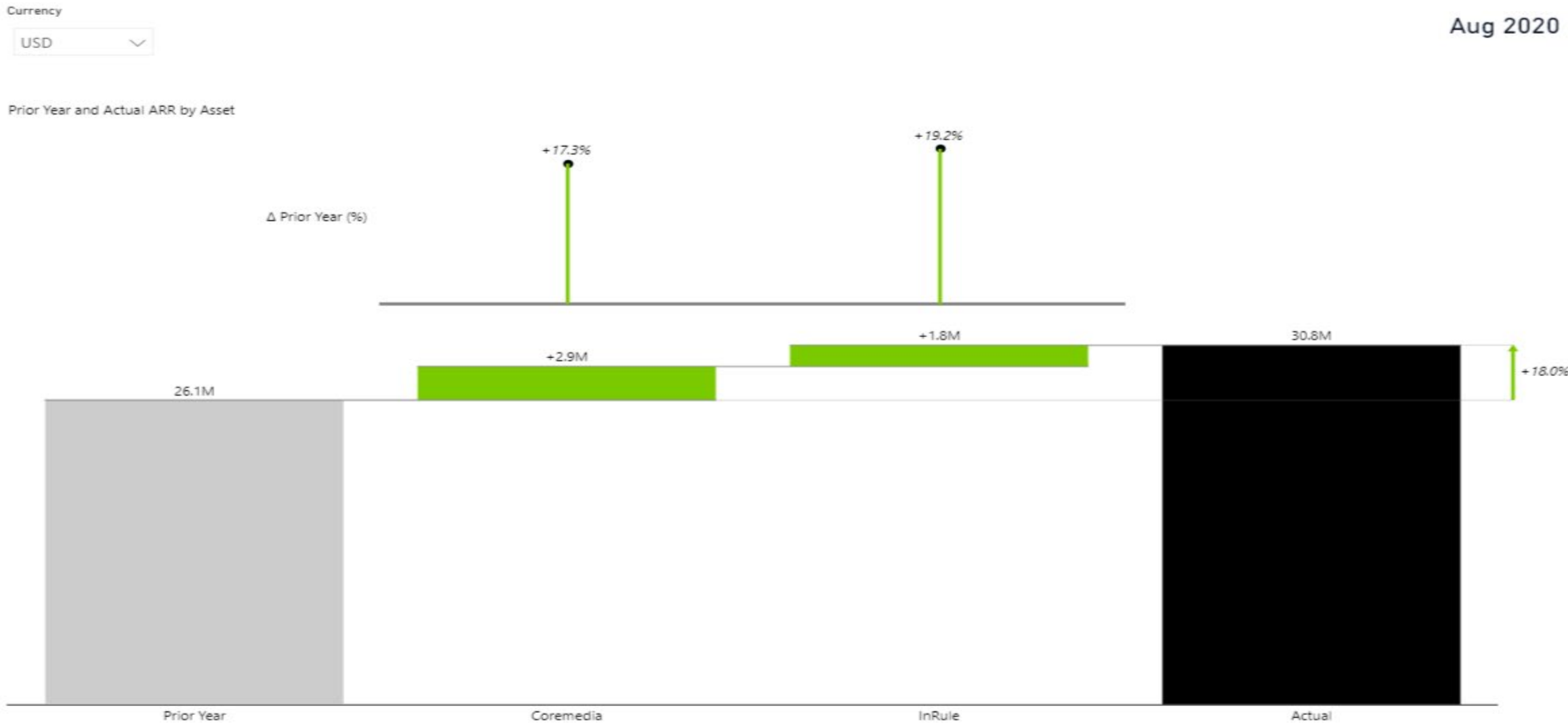
Fund II Industrials Summary: August Net Revenue



Fund II Industrials Summary: August EBITDA bridge



Fund II Technology Summary: August ARR bridge



3.a | Fiven

August 2020 EBITDA at €1.5mm above forecast in a context of -26% sales decrease vs. 2019.

YTD EBITDA at €13.4mm still higher than PY by 6% despite COVID effects since March.

Reforecast FY 2020 at €18.3mm fueled by a €2.8mm action plan launched to mitigate sales decrease

Executive Summary

- Order intake at € 5.8 mm in August, 64% of August 2019 level.
- **August 2020 net sales** at € 6.6 mm were -40% vs. budget, -26% vs. 2019, and -4% vs. forecast as a result of COVID impacts on the SIC industry. Vs 2019, organic variation is mainly driven by sales decrease on standard products by -38% (of which decrease in prices by -11% and -31% in volumes) partly compensated by specialties products that increased by +4.4% of which -0.2% on prices and +4.6% on volumes).
- August 2020 YTD net sales at € 67.6mm, -21% vs. budget and -19% vs. 2019. Vs 2019, organic variation is mainly driven by the decrease in sales on standard products by -32.1% (of which decrease in prices by -6.5% and -27.5% in volumes) partly compensated by specialties products increasing by +16.8% of which +17.3% on volumes and decrease in prices by -0.5%.
- **EBITDA in August** at €1.5mm is lower than budget (-15%), higher than PY (+38%) and higher than latest reforecast post COVID by 32%. Vs. 2019, significant organic decrease in top line (-26%) compensated by favorable mix effect pushed by specialties, lower raw materials costs and decrease in SG&A vs. last year by 15%.
- Like-for-like YTD EBITDA in August at €13.4mm is now lower than budget (-4%) but still higher than LY (+6%). Vs. 2019, organic decrease in top line (-19%) is compensated by the decrease in raw materials costs (petcoke mainly) and decrease in SG&A by -€1.2mm (of which lack of SG management fees).
- EBITDA reforecast still at €18.3mm (-€3.3mm vs. budget, -€0.8mm vs. last year and flat vs. previous reforecast). Q3 sales : -29% vs. 2019 and -41% vs. budget / Q4 sales : -17% vs. 2019 and -35% vs. budget.
- Action plan included in forecast for €2.8mm(see below)

Status Update: Project Details

Project	Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
			Projected	Actual
A: Cost savings Plan	<ul style="list-style-type: none"> • €2.8mm plan expected of which €2.1mm on labor costs and €0.7mm on other OPEX. • 125 headcounts decrease of which 86 in Norway and Brazil and rest in Venezuela which represent an overall decrease by 20% of total headcounts. Expected 500 HC end of Dec 2020. 	Dec 2020	€2.8mm	0
B: Add-ons	<ul style="list-style-type: none"> • Aluchem : on hold despite contacts taken with one of the 3 existing shareholders. • ESK Germany (€50mm of revenues) : stopped since no agreement with the Seller on main terms • W Mills : no willingness to sell. Navarro : preliminary talks ongoing 	Dec 2020	N/A	N/A
C: Pricing project	<ul style="list-style-type: none"> • Project close to completion with Simon Kucher. • Detailed competition map done and implementation roadmap under completion. • Pricing tool under completion • Expectations of EBITDA yearly run-rate gains up to €2.6mm. 	Oct-2020	N/A	N/A

August 2020 EBITDA at €1.5mm above forecast in a context of -26% sales decrease vs. 2019.
 YTD EBITDA at €13.4mm still higher than PY by 6% despite COVID effects since March.
 Reforecast FY 2020 at €18.3mm fueled by a €2.8mm action plan launched to mitigate sales decrease



Status Update: Project Details (cont.)

Project	Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
			Projected	Actual
D: Venezuela	<ul style="list-style-type: none"> Administrative issues with permits on petcoke not solved yet (waiting for signed paper version), Plant closed temporarily as a result of COVID situation and lockdown in Venezuela. Plant to be mothballed if no issue solved by early October. 1200 tons shipped to Europe. But 14300 tons of petcoke still on standby on site. 	Sept-2020	€ x M	N/A
E: OGx initiatives	<ul style="list-style-type: none"> Development of new product (E-SIC with purity at 99.999%). Project taken by new COO as internal 	TBD	+ [x] M€	N/A
XXXXX	<ul style="list-style-type: none"> XXXXX 	xxx	+ [x] M€	+ [x].m€
XXXXXX	<ul style="list-style-type: none"> XXXXXX 	XXXXXX	XXXXXX	XXXXXX
XXXXXX	<ul style="list-style-type: none"> XXXXXX 	XXXXXX	XXXXXX	XXXXXX
XXXXXX	<ul style="list-style-type: none"> XXXXXX 	XXXXXX	XXXXXX	XXXXXX

3.b | Smac

EBITDA in August at €2.1mm, higher than PY and budget due to catch-up effect to compensate covid break in March-May.



YTD EBITDA at €8mm, penalized by covid stop in March-May. RF FY 2020 at €19.1mm.

Executive Summary

- Order intake in August at €31.8mm (-12% vs. August 2019)
- 21 business days in August 2020 vs. 21 in 2019 so no difference.
- **Like for like sales in August 2020** at €38.7mm are +11.7% vs. 2019 (at iso business days) and -0.9% vs. budget. Vs. 2019, Works activity increased by +14.6% (+€4.9mm) on a like-for-like basis. Activity in France increased by 20.4% as a catch-up effect of covid break between March and May but International is -17% down compared to last year (-€0.7mm) especially in Morocco and Peru that are still very much impacted by COVID effects. Industry division increased by +5% compared to 2019 with -6% change in volumes on membranes, +67% change in volumes on skylights and increase in resin volumes by +10%.
- **Like for like YTD sales** at € 315.2mm are -19.5% vs. 2019 and -18.4% vs. budget. Works : YTD sales : €233.8mm, -20.8% vs. 2019 and -18.9% vs. budget. Industry : YTD sales : €100.3mm – 15.8% vs. 2019 and -17.4% vs. budget. Vs. 2019, -18% variation in membranes volumes, -11% variation in skylights volumes, -19% variation in resin volumes.
- **EBITDA in August** at € 2.1mm vs. €1.2mm in 2019 and €0.9 mm in budget and €1.4mm in latest reforecast. Impact of +€0.2mm non-recurring items. Vs. 2019, +€0.9mm of which -€1.2mm on Works (fueled by catch up effect of covid period) and €-0.3mm on Industry. Vs. budget +€1.4mm variation on Works and -€0.2mm on Industry.
- **YTD EBITDA** at €8mm (of which €2.2mm on Works and €5.8mm on Industry) vs. 11.8mm in 2019 and €13.4mm in budget. Vs. 2019, -€3.8mm of which -€5mm on Works and +€1.2mm on Industry. Positive trend in January / February on profitability totally offset by very low performance from March to May following COVID impacts and catch up since June 2020.
- Reforecast at €19.1mm EBITDA (-€6.2mm vs. budget, -€3.3mm vs. 2019 and -€0.3mm vs. previous reforecast). Reforecast does include over € 2mm net savings action plan vs. budget.
- Q3 sales : -3% vs. 2019 and -6% vs. budget / Q4 : +5.3% vs. 2019 and -2% vs. budget.

Status Update: Project Details

Project	Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
			Projected	Actual
A: Social Roadmap	<ul style="list-style-type: none"> • New framework agreements in place for internal mutual fund and social benefits including profit sharing agreement. • Renegotiation to come in relation with with CET (days of holidays not taken savings account). 	TBD	€ + 2m	N/A
B: Operational excellence implementation	<ul style="list-style-type: none"> • COVID has slowed down effective step by step deployment ongoing in all SMAC local branches following standards defined in 2019 and testing done in different proofs of concept led. On top of that standards defined might be revisited due to new H&S Covid requirements. Catching now post COVID. 	TBD	+ [2] m€ min	N/A
C: IT Carve-Out and SAP implementation	<ul style="list-style-type: none"> • IT carve out progressing. All O 365 environment migrated. 51% of PC migrated so far. • SAP ERP project : moving forward, planning under review to make sure deadlines will be achieved. Designed solution presentation on Sept 10. Risk on trainings to end-users. • Industry business carved out from Colas on O365, PC, Servers, ERP Industria (but not on accounting software) 	TBD	+ [x] m€ - TBD	N/A



EBITDA in August at €2.1mm, higher than PY and budget due to catch-up effect to compensate covid break in March-May.



YTD EBITDA at €8mm, penalized by covid stop in March-May. RF FY 2020 at €19.1mm.

Status Update: Project Details (cont.)

Project	Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
			Projected	Actual
D: M&A Sale of Industry Division	<ul style="list-style-type: none"> Put signing with IKO for membranes business on Sept 11. Closing expected in Q1 2021. Spin-off of skylights business as a major subproject to come. Process continues for skylights and resin activities. Restart of tuck-in opportunities review in Paris region for Works activity 	Q1 2021	TBD	N/A
E: OGx initiatives	<ul style="list-style-type: none"> ERP project at the heart of improved productivity expected Pricing project with Simon Kucher on Industry to compensate the future impact of supply agreement with SMAC after the sale of Industry. 	Jan 2021 Sept 2020.	€2.6mm	N/A
F. Liquidity	<ul style="list-style-type: none"> Secured €40mm government backed loan for SMAC Group with 3 banks to face COVID crisis. Liquidity OK as of today. Sale of Industry may trigger early repayment of Industry € 9M loan. (planned in SPA discussions with the the Buyer). Factoring contract renegotiated with Eurofactor decreasing factor fees, improving definancing conditions. 	July 2020	N/A	N/A
G. Savings action plan	<ul style="list-style-type: none"> Action plan to mitigate Covid effects and potential drop in order intake that would impact 2021 P&L 	Dec 2020	€2mm Net of covid costs.	TBD
XXXX	• XXXX	XXXX	XXXX	XXXX
XXXX	• XXXX	XXXX	XXXX	XXXX



3.c | S&G, Delaney, and Premier

S&G's commercial performance was very strong in August but pulled back significantly in September

Executive Summary

August results

- S&G ended August 2020 with sales at \$3.5mm (126% of Rfc, 101% of AOP, 116% of PY), PF Adj EBITDA at \$0.8mm (131% of Rfc, 95% of AOP, 145% of PY), bookings at \$4.7mm (136% of Rfc, 186% of PY), and backlog at \$12.5mm (180% of PY)
- OGx:** supporting firmware development on new keypad

Risks / Challenges to the Business and Plan:

- COVID-19 impact:**
 - Ability to ship product continues to improve, although still experiencing some shipment delays due to customers unable or unwilling to take shipment
- Three recent resignations (Plant Mgr, Marketing Mgr, Product Mgr); Mark has connected with other mgmt members and doesn't feel this is a broader trend; working to backfill those positions, including near-term interim Plant Mgr
- DCSA: In process of adjusting OGC fund structure related to S&G investment to eliminate restrictions on OGC's ability to interact with and manage the business

Outlook

- S&G September commercial performance:** Ended the month with revenue at \$2.5mm (74% of Rfc, 79% of PY) and bookings at \$3.3mm (78% of Rfc, 77% of PY)
- Consolidated liquidity 9/18 projection:** Over the 13-week period we are projecting liquidity to decline by \$2.4mm (13%) driven by S&G Sep underperformance impact on collections and Delaney inventory purchases
- Consolidated reforecast:** Projecting 2020 full year revenue at \$95mm (101% of Rfc, 99% of PY) and PF Adj EBITDA at \$20.9mm (103% of Rfc, 98% of PY); expected to meet our financial covenants and maintain sufficient liquidity for the remainder of the year.
- Consolidated September commercial performance:** Projecting consolidated Sep revenue at \$7.2mm (89% of Rfc, 96% of PY) driven by S&G shortfall

Status Update: Project Details

Project		Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
				Projected	Actual
A: Address quality issues	●	<ul style="list-style-type: none"> Interviewing Quality Mgr candidates Aaron Olmsted and Rick Melito have completed their Quality Mgmt System project, although will be engaged in incoming inspection of new keypad and final handoff to new Quality Mgr 	Jul 2020 project completion Quality Mgr TBD	\$290K	TBD (tracking methodology in development)
B: Establish globally consistent pricing strategy	●	<ul style="list-style-type: none"> Price increases recommended as part of pricing project went into effect on 4/1 Will be working to develop globally consistent pricing model (to be used as the basis for quarterly price adjustments) after new keypad is developed and SKU rationalization / product modularization is complete 	Q1 2021	\$220K	TBD (tracking methodology in development)
C: Develop new platform digital keypad with updated industrial design	●	<ul style="list-style-type: none"> All known hardware issues addressed in latest tooling updates and targeting firmware completion 10/23 Keypad mobile app in testing. Aesthetic improvement under development with input from Marketing Preparing for phase 2 biometric feature addition to base digital keypad 	Phase 1: Nov-Dec 2020 Phase 2: Q1 2021	\$1.7mm	N/A (not yet launched)

Status Update: Project Details (cont.)

Project	Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
			Projected	Actual
D: Develop new core products	<ul style="list-style-type: none"> Ideation and prioritization frameworks in development to focus product evaluation and pursuit In Q4, mgmt will begin identifying and developing business cases for potential 2021 product development pipeline 	TBD	TBD	N/A (not yet launched)
E: Freight and logistics project	<ul style="list-style-type: none"> SmartVentures has quantified LTL and small parcel savings opportunity Also focused on determining optimal freight setup once S&G moves off the Stanley TSA freight service in Nov 2020 	Nov 2020	LTL: \$25k Small parcel: \$40k	TBD (tracking methodology in development)
F. Europe Footprint Analysis	<ul style="list-style-type: none"> Broader analysis shows that ~80% of volume viable for direct ship from Nicholasville and ~15% of volume viable for dropship Moving forward with shutting down SA facility, targeting May 2021 Will be reinvesting ~\$70k of savings in local APAC sales support HC with expanded time zone coverage 	May 2021	\$250-400k	N/A (not yet executed)

Delaney's strong YTD performance continued through Aug and Sep; Premier missed Rfc and PY slightly in Aug and into Sep due to operational challenges, despite strong demand



Executive Summary

August results

- Delaney ended August 2020 with sales at \$3.4mm (109% of Rfc, 97% of PY) and Adj EBITDA at \$0.8mm (134% of Rfc, 112% of PY)
- Premier ended July 2020 with sales at \$1.7mm (98% of Rfc, 98% of PY) and Adj EBITDA at \$0.6mm (116% of Rfc, 113% of PY)
- **OGx:** No involvement

Risks / Challenges to the Business and Plan:

- **COVID-19 impact:**
 - **Delaney:** No current employee infections/quarantines; low inventory continues to create backorder situations, but new product is on its way from factories in Asia, and we expect the inventory position to improve by Oct; customer demand remains strong, and major competitor lead times remain extended at 8-12 weeks
 - **Premier:** Employee infections and quarantines remain under control with only 1 quarantine, and COVID situation improving in LA; market demand remains strong, although mgmt continuing to monitor construction climate.
- Libby (President of Delaney) resignation effective Wed 9/30; will remain part-time through year-end to facilitate transition; engaged JM Search for her replacement – first check-in call to review candidates scheduled for Wed 9/30

Outlook:

- **Delaney September commercial performance:** On-track to significantly exceed Rfc sales of \$3.2mm (115% of PY)
- **Premier September commercial performance:** Could miss Rfc sales of \$1.6mm (100% of PY) due to continued production challenges

Status Update: Project Details

Project	Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
			Projected	Actual
A: Launch Delaney multi-family smart lock	<ul style="list-style-type: none"> • Launch expected in February • Developed bottom-up financial model with Delaney sales reps showing 2021 revenue of ~\$900k, growing by 2023 to revenue of ~\$2.2mm, with additional upside from channel partners • In process of recruiting Residential Product Mgr to lead MF smart lock, Bravura brand, and NPD 	Feb 2021 launch	2021: \$125k 2023: \$525k	N/A (not yet launched)
B: Define NPD process and develop new product roadmap	<ul style="list-style-type: none"> • Delaney has finalized updated Delaney NPD process for new products and product updates • Residential Product Mgr will lead NPD process 	TBD, pending Residential Product Mgr hire	TBD	TBD
C: Develop eCommerce growth strategy	<ul style="list-style-type: none"> • August eCommerce sales of \$335k (117% of AOP, 163% of PY) • Lowes: secured bi-weekly meetings with buyer to continue support and brand recognition, successfully loaded and went live with 15 products, & identified new 5 pack bundle product options • Secured large bulk orders with Amazon and Build.com builder segment 	Dec 2020	2020 FY: \$1.8mm	Aug 2020 YTD: \$1.4mm

Status Update: Project Details (cont.)

Project		Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
				Projected	Actual
D: Develop strategy to drive growth in Delaney Bravura product	●	<ul style="list-style-type: none"> Management finalizing refreshed catalogue, developing Bravura sales playbook (with customer service and sales rep training to be conducted in Q4), and targeting new website completion in Q4 Mgmt has identified \$280k in product display investments expected to drive \$1.0mm in Yr1 sales Working to understand inventory requirements to drive further growth 	Dec 2020	\$300k	N/A (to be tracked after investing in displays)
E: Pursue Delaney freight and logistics savings	●	<ul style="list-style-type: none"> Focused on identifying and executing on logistics savings identified during diligence SmartVentures has quantified LTL and small parcel savings opportunity 	Sep 2020	LTL: \$150k Small parcel: \$150k	TBD (tracking methodology in development)
F: Premier capacity and sales growth plan	●	<ul style="list-style-type: none"> Mgmt has ordered all equipment as part of the ~\$1.6mm capex to address recent equipment failures and capacity constraints; key piece of equipment (Salvagnini bender) delivery date has been delayed ~3 months to late Nov, with installation and training in Dec, and benefit to capacity beginning in Jan Increased capacity expected to enable ~\$6mm incremental revenue (~\$2.4mm incremental EBITDA) 	2020-2022	\$2.4mm	N/A (equipment not yet installed)

3.d | Duraco

August financial results were ahead of reforecast, but behind prior year and plan due to primarily due to lower demand



Executive Summary

August results

- **Revenue:** \$3.9MM, 9% behind prior year, 12% higher than reforecast, and 13% behind plan. Revenue performance driven by continued growth in transit packaging and Infinity Tapes, offset by softness in PoP, Appliance, and Industrial segments. However, bookings were 106% of plan due to large orders in wall hangings which shipped in September.
- **EBITDA:** \$0.71MM, 19% behind plan, 12% behind prior year, 41% higher than RFC; underperformance largely driven by lower volumes
- **OGx:** No material updates

Risks / Challenges to the Business and Plan:

- Key segments (PoP, Appliance) continue to be soft; however daily sales rate continues to improve in PoP vs. June / July (+23%)
- ERP go-live in mid-August caused some shipment issues early on; impacting OTIF and customers

Outlook

- **Liquidity 8/21 projection:** Over the 13-week period we are projecting liquidity to increase by \$1mm (18%) as collections increase due to improved performance vs. reforecast
- **September commercial performance:** September bookings and revenue have been strong; revenue expected to exceed plan and prior year

Status Update: Project Details

Project	Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
			Projected	Actual
A: Project ADAPT	<div><div></div><ul style="list-style-type: none">• New Southwest RSM hired and starting in September• New streamlined lead management process implemented; 81 sales leads generated in 2H of August• Assessing CRM vendors; selection expected in early October</div>	July – December 2020	Sales Leads: TBD Target (currently baselining)	Sales Leads: 81
B: New Market Entry	<div><div></div><ul style="list-style-type: none">• Top 20 pipeline increased \$736k from June’s total pipeline value of \$4.1; packaging and decorative opportunities remain most promising• “Virtual” full sales team strategy meeting in October to re-assess strategy / opportunity in other verticals</div>	April – December 2020	\$5mm top 20 pipeline target	\$4.8mm top 20 pipeline value
C: Operational Cost Savings Program	<div><div></div><ul style="list-style-type: none">• June cost savings delivered \$42k vs. AOP plan of \$43k driven by savings from UPS, LTL and liner savings programs• 2H 2020 RFC cost savings program target is \$220k for 2H based on expected lower volume levels</div>	January – 2020 December	\$440k	\$340k

Status Update: Project Details (cont.)

Project	Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
			Projected	Actual
D: Infinity Tapes Value Creation	<ul style="list-style-type: none"> Identified value creation path for \$896k in EBITDA savings through SG&A cost reductions, material purchase synergies and capex projects. Savings already flowing through P&L from elimination of continuous improvement role. 	April – December 2020	\$896k	\$144k
E: Digital Marketing Strategy	<ul style="list-style-type: none"> E—commerce sales have doubled vs. July due to increased paid search, new website and seasonality Churn reduction continues to pace well with \$131k clawed back YTD vs. \$140k annual target 	February – October 2020	Churn: \$140k revenue clawed back FY	Churn: \$131k revenue clawed back YTD
F: Pricing Review	<ul style="list-style-type: none"> Stage I price increased implemented on low industrial contribution margin products; expected to yield \$75-125k Additional opportunities (improved discounting controls, rounding MSRPs, additional increase on other non-industrial low CM% products) expected to yield additional upside; finalizing analysis 	Q4 2020	\$300k	TBD

3.e | InRule

Strong performance in August, ARR was +19% of prior year and +8% vs revised forecast

Executive Summary

August results

ARR: \$11.3mm vs \$10.6mm reforecast (+8%); \$9.5mm 2019 (+19%)

- **Revenue/Adjusted EBITDA:** Net Revenue: \$986k (\$1.2mm 2020 reforecast, \$0.7mm PY); EBITDA of \$46k vs \$111k prior year. Delta in net revenue is due to timing of services and maintenance contracts
 - Projecting Q3 ARR AOP target to be met
 - Renewal rate continues to be strong with minimal customer churn

Risks / Challenges to the Business and Plan:

- **COVID-19 impact:** Further cancellation of 2020 trade-shows has continued to focus marketing activities on digital. Top of funnel pipeline continues to over perform vs prior year, however, rate of qualifying leads is constricting resulting in a smaller bottom of the funnel. Overall close rate has remained strong.
- Difficult to identify new avenues for marketing program dollars due to COVID restraints

Outlook

- **Liquidity 9/18 projection:** Over the 13-week period we are projecting liquidity to decline by \$0.4mm (7%) driven by increased hiring with alliance manager and VP of services
- **Reforecast:** Projecting 2020 full year ARR to be \$11.6mm vs. April forecast of \$11.3mm and AOP of \$12.1mm.
- **Sep / Q4:** Will exceed Q3 budget, current bookings of \$479k vs \$861k budget as of last week; Q4 pipeline indicates on target finish.

Status Update: Project Details

Project		Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
				Projected	Actual
A: SOC II Certification	●	<ul style="list-style-type: none">• Evidence request turnover started. Penetration/vulnerability testing for SaaS production completed. No Critical or High items. 2 Medium. 4 Lows. Backlog items will be created.• Next milestone: completion of SOC2 audit period Oct 31. SOC2 Type II report issuance by mid-December	15 Dec	TBD	TBD
B: Web Authoring	●	<ul style="list-style-type: none">• End-Oct: 1. Web authoring into Trials supporting the MVP experience. 2. Prospects can edit Decisions that leverage BL and Decision Tables. 3. GA and GTM preps start with tentative final GA release in Feb• Completed work above is production-worthy awaiting remaining work for logical "packaging".• Completed work is hidden by default in Trials but can be activated if the opportunity calls for it	31 Oct	TBD	TBD
C: FY 2020 Digital content	●	<ul style="list-style-type: none">• Finalized Insurance e-book, hired content marketing manager• Submitted press release for Salesforce AppExchange listing• Next Steps: continued planning virtual IUCM; request additional marketing spend for Q4	1 Aug	TBD	TBD

Status Update: Project Details (cont.)

Project	Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
			Projected	Actual
D: Strategic Technology	<ul style="list-style-type: none"> Tested two AutoML products for initial fit and to understand strengths/weaknesses Reviewed DD materials from Project Overture Next Steps: Review information request materials from AutoML companies. Make go, no go decision 	Dec	TBD	TBD
E: Dynamics and Salesforce partnership	<ul style="list-style-type: none"> InRule extension has been published in Salesforce marketplace 	Sep	TBD	TBD
F: Implement ERP system	<ul style="list-style-type: none"> Integration between NetSuite and Dynamics CRM in process-currently testing bi-directional sync Setup of Professional Services module and training for employee time tracking underway Historical balance and open transaction import complete Next Steps: Final tie out, training, dashboard and report creation. NS & QB in parallel for September 	Oct 1	TBD	TBD
G: Services Utilization	<ul style="list-style-type: none"> Completed 2nd round of interviews with top 5 candidates Dropped one of the top 3 candidates from consideration due to family issues CEO met with top 2 candidates for final interview and to determine best fit Next steps: Make offer to top candidate 	Sep	TBD	TBD
H: Obtain GSA Schedule	<ul style="list-style-type: none"> Signed agreement with Centre Law Actively completing proposal, anticipate mid-November submission Anticipate award Q1 2021 	Nov	TBD	TBD
I: Cloud costs	<ul style="list-style-type: none"> 50% reduction in hosting and cloud costs While only saving \$3600/month, savings will scale with growth of SAAS offering which is expected at 30%+ CAGR 	Nov	\$50k annually with current SAAS subscription base	\$11k

3.f | CoreMedia

August finished ahead of prior year on Revenue (+7%); EBITDA (+92%) and ARR (+9%); Increased investment for commercial growth and product innovation has been approved

Executive Summary

August results

- **ARR:** €16.4mm vs €15.8mm 2020 reforecast, €15.1mm 2019;
- **Revenue/Adjusted EBITDA:** Net Revenue: €1.8mm vs €1.8mm reforecast vs €1.6 2019A; EBITDA of €324k vs, (€0.395mm) reforecast; services continue to over perform well and ended Q2 +28% over budget
- **OGx:** CRM is connected to workbench, Dashboards for commercial reporting are complete

Risks / Challenges to the Business and Plan:

- **Hiring/Talent:** CFO has exited, Patrick Loekman is interim CFO.
- **COVID-19:** All employees working remotely from home
 - Two customers (Bild.de, Freenet) have provided notice of termination, which will account for €520k of lost ARR by the end of the year
- **Product:** Investment into MTT and headless offering have been approved

Outlook


- **Liquidity 8/24 projection:** Over the 13-week period we are projecting liquidity to decrease by \$1.1mm (-14%)
- **Reforecast:** Projecting full year 2020 ARR to be €16.6mm EUR, up from €16.4mm EUR in the April forecast, and down from €17.5mm EUR in the original AOP. 12/31 Liquidity projected to be \$5.8mm vs April reforecast of €4.7mm and €2.9mm in original AOP
- **Aug / Q3:** Bookings are well ahead of Q3 target; Commit is €480k vs a target Q3 of €354k

Status Update: Project Details

Project	Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
			Projected	Actual
A: Management & Organization	<ul style="list-style-type: none"> • Klemens stepped down as CFO as planned • Transition from Klemens to Patrick as Interim CFO • Moving quickly to strengthen Controlling and reorganize Finance • Review and strengthen organization for growth in 2021 	2Q 2020	N/A	N/A
B: Sales & Marketing	<ul style="list-style-type: none"> • New Martech tools are now in deployment • UK upsells at Farfetch and Next expand Revenue footprint in UK • Solid showing to Gartner for their new DXP Quadrant review 	4Q 2020	N/A	<ul style="list-style-type: none"> - 217% pipeline increase YTD - August MQLs: 55 - 270% increase in SDR productivity in 2H 2020
C: Process Improvements	<ul style="list-style-type: none"> • Exploring multi-tenant use of components like databases etc. to save costs • Make "dedicated hardware" a premium option • Cost level stable at ~40 USD per day and environment 	4Q 2020	TBD	Reduction of cloud infrastructure cost per instance in the last 18 months: -20%

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


































Status Update: Project Details (cont.)


Project	Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
			Projected	Actual
D: Product Innovations	 <ul style="list-style-type: none">Task Force “Future-roof the platform” is up and runningRolled out new “Editions” pricing structure (for Salesforce ecosystem first)Move up HCL Commerce 9.1 support due to market demand by multiple customers and prospectsLaying groundworks to support multiple apps within Studio	4Q 2020	TBD	TBD
E: Additional Investment	<ul style="list-style-type: none">Kicked of search / internal process for various positions. Identified final candidates for KAM roles in EMEA and US. Identified final candidates for marketing roleSigned consulting agreement with Hanover Research. Hired freelancer for content production and received first draft	2Q 2020	TBD	Preserved additional liquidity of €567k compared with initial AOP

Appendix






















1 | Operations Enablement OG^x and Portfolio Wide Initiatives


Ops enablement deployments

														
1. Process design														
2. Quality improvement														
3. Pricing														
4. Purchasing														
5. Performance Management														
6. Cyber security assessment														


 Greyed out icons are projects that are now suspended due to COVID-19

OG^x operations deployments

														
1. Additive manufacturing														Metal and Mineral 3D printing
2. Robotics														
3. AI/machine learning														
4. New product development														
5. Workbench			OPENGATE CAPITAL											
														

 Greyed out icons are projects that are now suspended due to COVID-19

Workbench deployment

									
iLevel & financial reporting: Exchange Lodge	Complete								
1. Mapping of data	Complete								
2. Identification of needs	Complete		Complete	Complete	Complete	Complete	Not started	Preliminary	Not Started
3. Construction of on prem solution	Complete	Complete		Complete	Complete	Complete	Not started	NA	Not Started
4. Mirroring to the cloud	Complete	Complete		Complete		Complete	Not started		
5. Dashboard development	Complete	Complete	Financial complete	Complete	Financial complete; Operational in process	Financial complete; Operational in process	Financial complete		
6. Weekly dashboarding	Complete								

- iLevel is now live to the workbench
- Management reviews last two weeks on both weekly and monthly financial reports
- OpenGateAnalytics website is live
- Portfolio companies will receive a mirror of the website, targeting end of next week
- Focus is shifting back to operational data / reports for the portfolio companies
- Kicking off development for .xls to platform tools