



**OPENGATE CAPITAL**

A GLOBAL PRIVATE EQUITY FIRM

# OPENGATE OPERATIONS MONTHLY PORTFOLIO REVIEW

MAY 27<sup>TH</sup> 2020



# 1 | Operations Enablement OG<sup>x</sup> and Portfolio Wide Initiatives

## OG<sup>x</sup> operations deployments

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


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

## OG<sup>x</sup> M&A deployments

### Active engagements

Opportunity Name	Current Status	Outside Resources
1 <b>Projection Horizon</b>	<ul style="list-style-type: none"><li>• Focus Areas: Technology Disruption</li><li>• Evaluate viability of hardware vs software solutions in mobile sim card space, and the speed of IOT adoption</li><li>• Coordination of IoT expert and supporting executive interviews / engagement</li></ul>	<ul style="list-style-type: none"><li>• Matt Pearlson / MIT</li><li>• Mark Wise / Wise Strategies</li></ul>
2 <b>Project Clingman</b>	<ul style="list-style-type: none"><li>• Focus Areas: Technology conversion / reapplication to alternate products</li><li>• Evaluate feasibility of converting existing assets to emerging technology scaled production</li><li>• Evaluate implementation potential for automation and operational enhancements / processes to optimize resources and production / distribution footprint during sunset period of lifecycle</li></ul>	<ul style="list-style-type: none"><li>• Matt Pearlson / MIT</li><li>• Mark Wise / Wise Strategies</li></ul>
3 <b>Project Horn</b>	<ul style="list-style-type: none"><li>• Focus Areas: Technology sustainability and product differentiation in federal market</li><li>• Technology assessment evaluating alternative / emerging products and determining product differentiation</li><li>• Market assessment and competitive landscape tailored to federal secure / intelligence communications segment and contracting</li></ul>	<ul style="list-style-type: none"><li>• Matt Pearlson / MIT</li><li>• Mark Wise / Wise Strategies</li></ul>

## 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

## Workbench deployment













iLevel & financial reporting: Exchange Lodge	Exchange lodge ETL from ilevel now active						
1. Mapping of data	Sirius timeline and roadmap has been accepted, CoreMedia and InRule will develop their platform inhouse						
2. Identification of needs	Complete		Complete	Complete	Not started	Preliminary	Not Started
3. Construction of on prem solution	Complete for EU/NA	Sirius Contract received	InRule to assess if they can do it	Mapping ETL next week	Not started	NA	Not Started
4. Mirroring to the cloud	Complete for EU/NA	New ERP solution in-progress	Contracts from Sirius received, on pause due to COVID will reevaluate in 2 weeks				
5. Dashboard development	Financial reporting dashboards using exchange lodge & ilevel data to be live by end of May						

- Focus on financial reporting dashboarding, including monthly summary of iLevel data and in-month analysis based on standardized collection templates
- Feedback from management / key users starting in late May
- OpenGate analytics website expected to go-live next week; beta testing in June including iPad user experience

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## 2 | North America Portfolio Update

## 2.a | Energi



April revenue and EBITDA were both behind Plan and prior year due to lower demand as a result of COVID-19; April's focus shifted to liquidity management



## Executive Summary

### April results

- **Revenue:** 43% behind plan and 39% behind prior year due to lower volume levels, caused by stay-at-home orders and declining construction activity. Volume reductions were experienced in both the USA and Canada markets; Quebec and Ontario customers were most impacted as they faced more stringent restrictions which required many customers to fully shut-down.
- **EBITDA:** \$1.7mm behind plan and \$1.1mm behind prior year driven by lower volumes and underutilization of plants, including unfavorable yields in Woodbridge and Everett due to several starts and set-ups during the month
- **OGx:** No updates on Matt Pearlson / additive manufacturing. Deprioritized due to COVID-19.

### Risks / Challenges to the Business and Plan:

- Significant pause in market activity due to shelter-in-place orders continued into April, delaying deals in development and reducing overall demand in US and Canada
- 1<sup>st</sup> of half of May revenue and bookings are soft; revenue is projected to be ~35% down for the month vs. plan

### Outlook

- **Liquidity 5/15 projection:** Over the 13-week period we are projecting liquidity to decline by \$14.3mm (69%); driven by catching up on deferred A/P. Also finalizing application for Canadian Wage Subsidy program and filing for Canada-backed loans which are not included in the liquidity projection.
- **Reforecast:** Projecting 2020 full year revenue at \$126mm (80% of PY) and EBITDA at \$3.3mm (33% of PY); expected to meet our minimum availability covenants and maintain sufficient liquidity for operations through remainder of the year. Projecting May revenue to finish at \$9.5mm (61% of PY), and (\$170k) in EBITDA (-116% of PY)

## Status Update: Project Details

Project	Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
			Projected	Actual
<b>A: Project Panther / 2020 Sales Process</b>	<ul style="list-style-type: none"> <li>• Broad marketing / outreach remains on hold</li> <li>• Targeted discussions for select assets continue</li> </ul>	Jan – May 2020	N/A	N/A
<b>B: Commercial / GTM turnaround</b>	<ul style="list-style-type: none"> <li>• Most major pipeline / sales activity on hold in market due to COVID, however 1 large deal in development</li> <li>• One major customer (\$1mm annually) which Energi lost in 2019, and was in end of life cycle, decided to return to normal volume levels with Energi to quality issues with competitor (Vision)</li> </ul>	March 2020 – December 2020	TBD	TBD
<b>C: Woodbridge Ops Improvement</b>	<ul style="list-style-type: none"> <li>• DB&amp;A project indefinitely on hold; project team has been re-assigned to other assignments as if/when the project restarts remains highly uncertain</li> </ul>	On Hold Indefinitely	\$1mm	TBD



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● Complete ● Just started ● On Track ● At Risk ● Behind Schedule

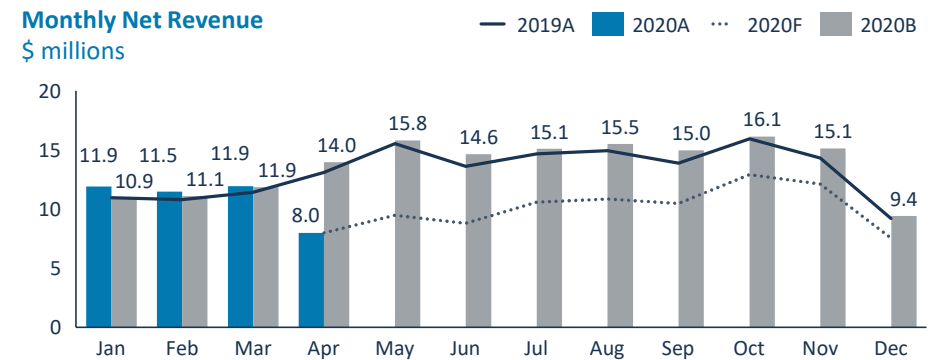
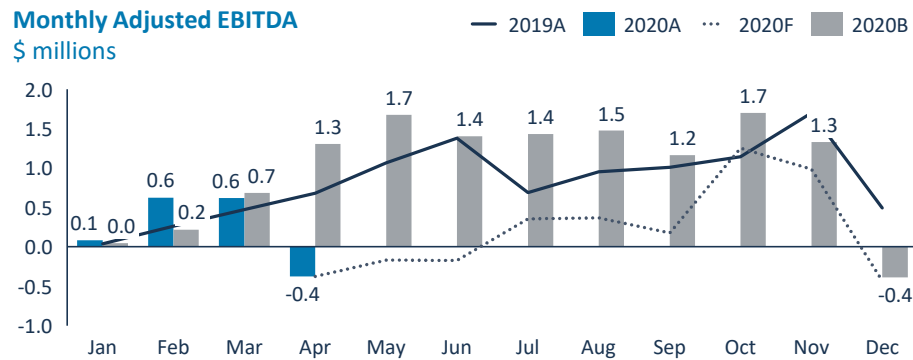
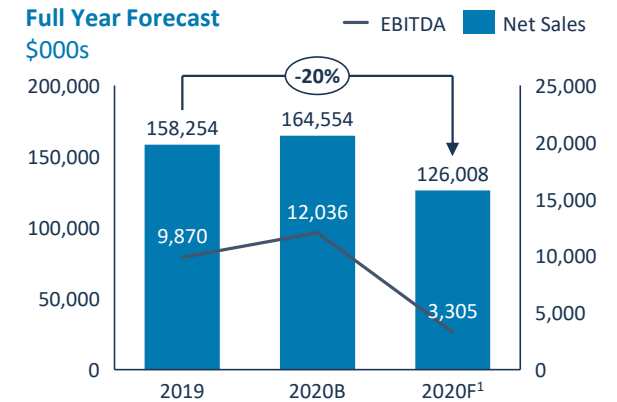
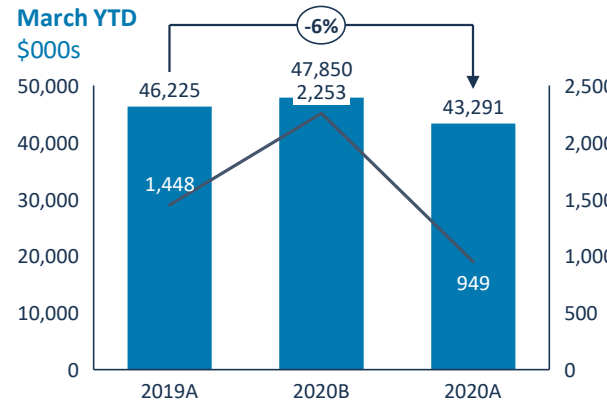
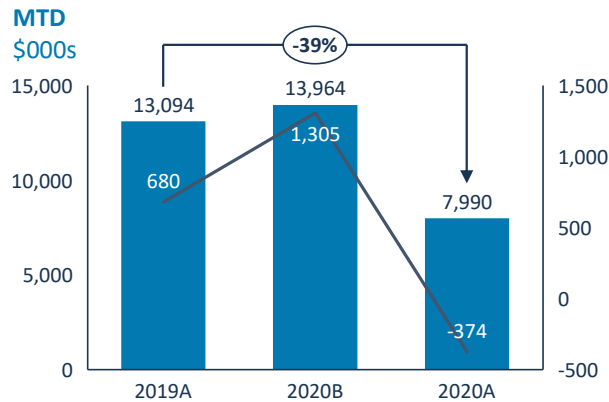
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## Status Update: Project Details (cont.)

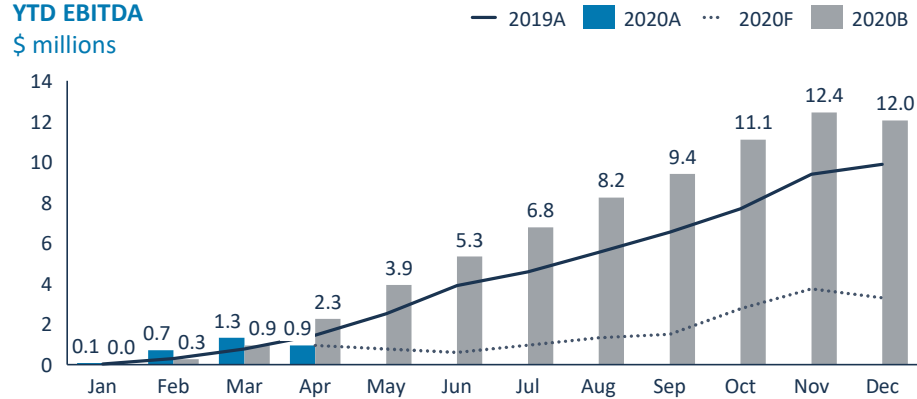
Project	Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
			Projected	Actual
D: Freight & Logistics Cost Reduction	<div>●</div> <ul style="list-style-type: none"> <li>Rate negotiations for LTL / FTL / rail largely complete and flowing through P&amp;L however actual savings not expected to meet projections due to lower demand levels</li> <li>Savings calculation in-progress</li> </ul>	February 2020	<ul style="list-style-type: none"> <li>FTL: \$367K</li> <li>Railcar storage: \$90k</li> <li>ECS supply: \$300k</li> </ul>	TBD
				TBD



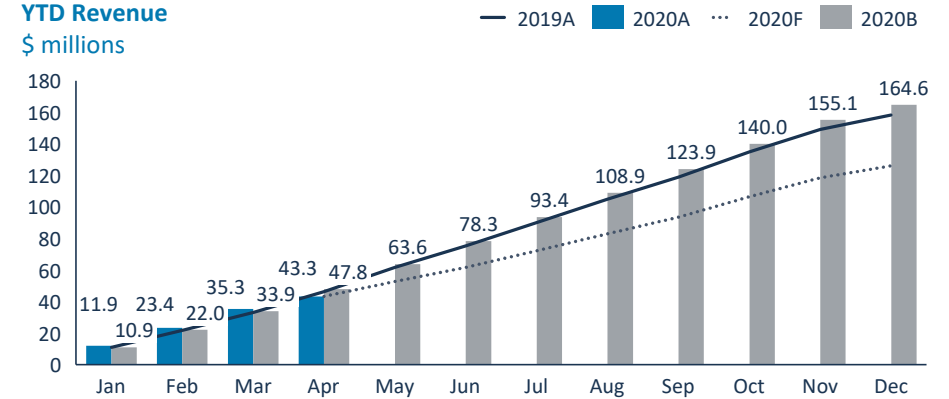


1. YTD actuals + remaining year forecast

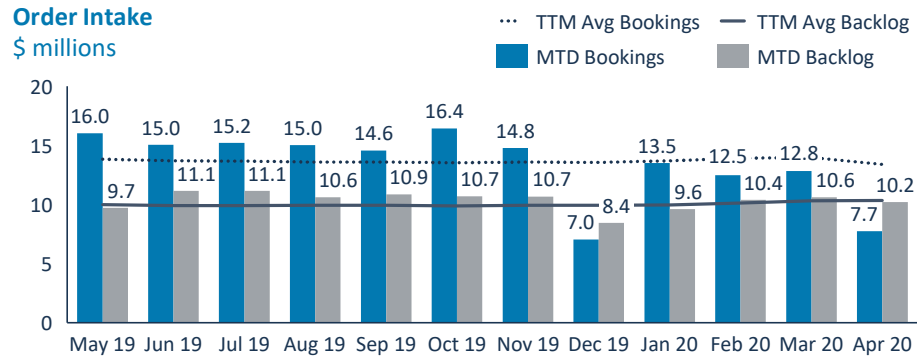
### YTD EBITDA \$ millions



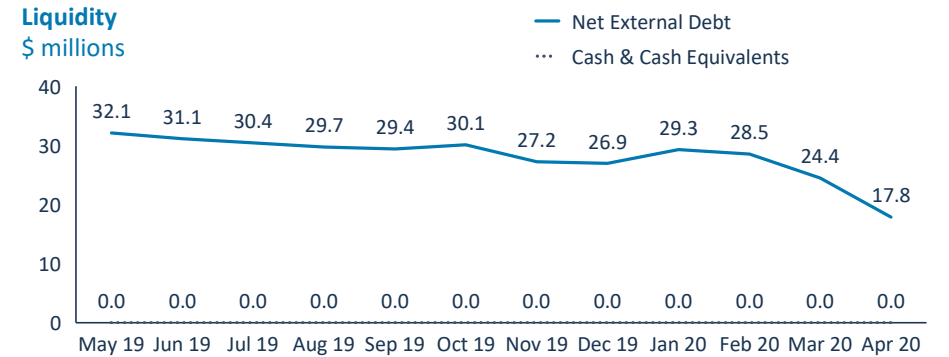
### YTD Revenue \$ millions



### Order Intake \$ millions



### Liquidity \$ millions



1. YTD actuals + remaining year forecast

2.b | Hufcor

April had a significant miss vs plan and prior year due to COVID which caused production limitations in the USA, a full shutdown in Malaysia, and reduced production in Germany



## Executive Summary

- April results**
- **Revenue/EBITDA:** \$8.9mm vs \$13.8mm AOP; \$10.8mm 2019A. Proforma Adj EBITDA of (\$0.15mm) vs \$1.3mm AOP; \$1.3mm 2019A.
  - **Operations:** April underperformance was driven by COVID. In North America the facility ran at ~50-60% production due to a split shift, in Malaysia the facility was shut down due to government regulations, China while improving was below plan after a six week shut down in Feb/March, and Germany's revenue was down due to closed borders. Management continues to leverage furloughs to control costs.
    - Summer peak season is fully scheduled, bookings remain high. However, quotes and pipeline are dropping with the first two weeks of May 37% behind prior year.
  - **Gross Margin:** Consolidated GM Jan Feb 26.4%; March 19.1%; April 22.3%, improvement due to cost and efficiency efforts
  - **OGx:** Restarted IoT sensor project; working with management and Teranalytics to identify a machine learning project to be executed on the workbench targeting scheduling and inventory optimization. MIT to kick off engagement 2H to improve sound performance of walls using a new foam product

### Risks / Challenges to the Business and Plan:

- **COVID-19:** Significant business impact in April with large production declines. Malaysia was shut down for the month

### Outlook

- **Liquidity 5/15 projection:** Over the 13-week period we are projecting liquidity to decline by \$3.5mm (30%); driven by increased production, and the \$660k LBC ECF fee
- **Reforecast:** Projecting 2020 full year revenue to be \$133mm (89% of PY) and EBITDA to be \$5.3mm (62% of PY); expected covenants breach end of Q2 but sufficient liquidity for operations for the remainder of the year. Projecting May revenue to finish at \$11.4mm (87% of PY), and \$54k in EBITDA (11% of PY)

## Status Update: Project Details

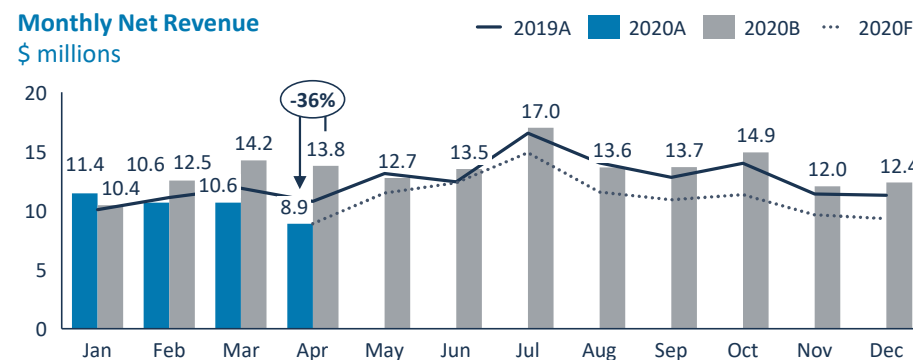
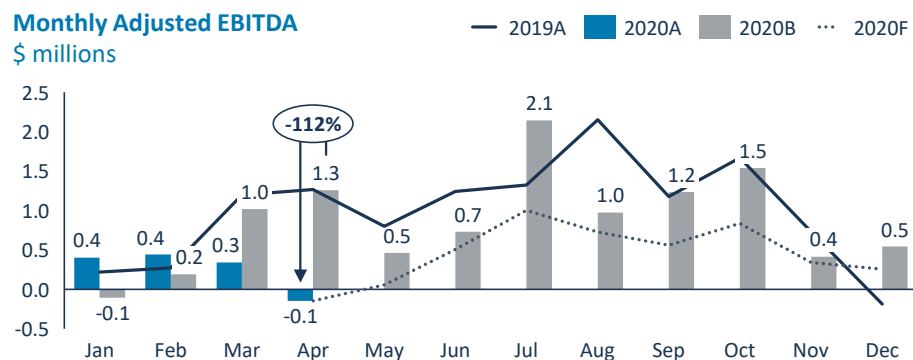
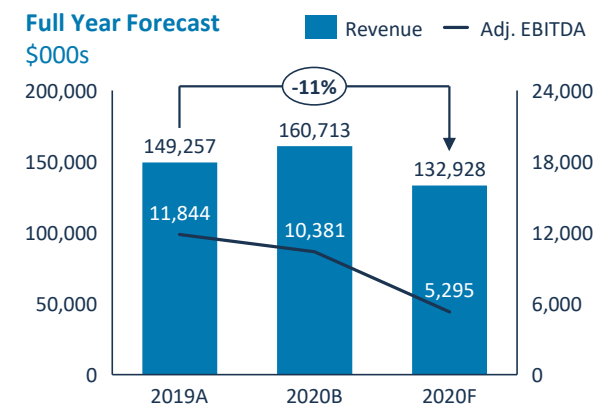
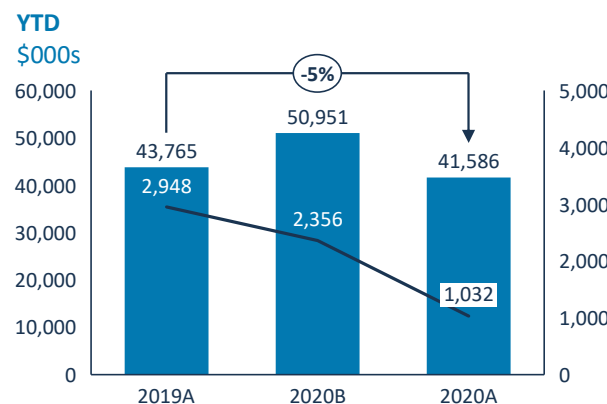
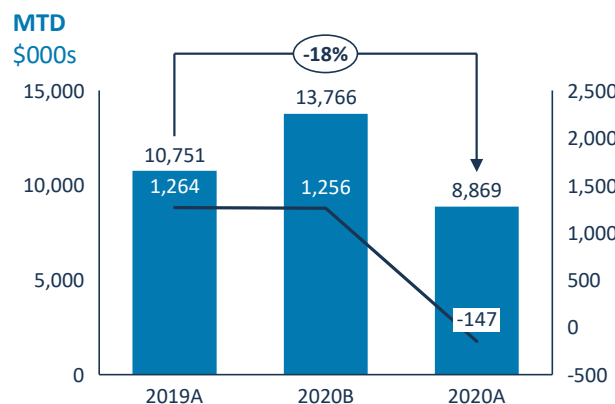
Project	Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
			Projected	Actual
<b>A: Production Efficiency</b>	<ul style="list-style-type: none"> <li>• Labor Productivity stands at 0.94 for the current week with one production day left despite poor absenteeism rate and worker movement for training purposes</li> <li>• Projected units output ~1800 (+9%) from prior peak average in first week back to "new normal" staffing</li> <li>• <u>ME Blitz ongoing, tentatively scheduled to conclude beg-mid June before sustainment effort begin</u></li> <li>• Positive trends for both DpK and TCAR%</li> </ul>	Full year 2020	\$1.0mm (2020 impact)	In Process
<b>B: Quality</b>	<ul style="list-style-type: none"> <li>• The culture change around quality has been noticeable in recent weeks; the floor has caught and stopped an abundance of defective product from leaving the JVL facility (which has had a negative effect on productivity)</li> </ul>	Full year 2020	\$400k (2020 impact)	In Process
<b>C: Inventory</b>	<ul style="list-style-type: none"> <li>• Greg Leonhardt has accepted the offer of Supply Chain Director starting Tuesday, May 26<sup>th</sup></li> <li>• Master Schedule has been reset (as of last week) to reflect new, improved weekly volume plans by production</li> </ul>	Full year 2020	N/A	N/A



## Status Update: Project Details (cont.)

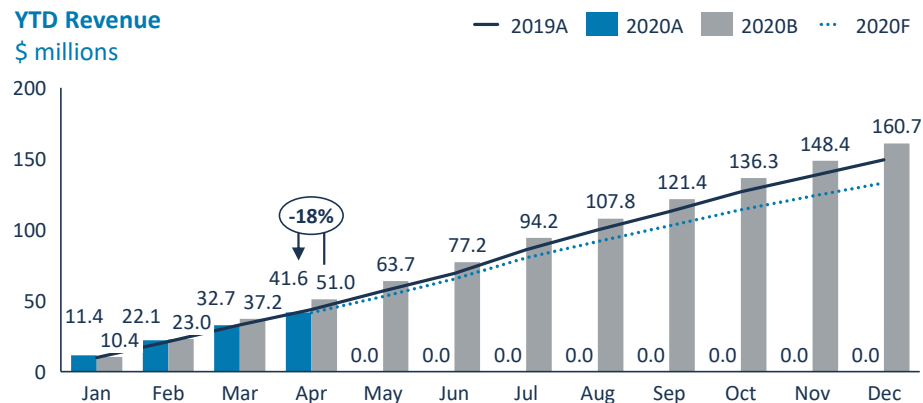
Project	Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
			Projected	Actual
D: Safety	<ul style="list-style-type: none"> <li>Offer extended to new EHS Director on Thursday, May 21</li> <li>Tim Schramm leading COVID Compliance effort during the interim</li> </ul>	Full year 2020	\$200k	In Process
E: IT	<ul style="list-style-type: none"> <li>Focused on CRM data in USA</li> <li>Integration of Australia</li> </ul>	Full year 2020	In Process	In Process



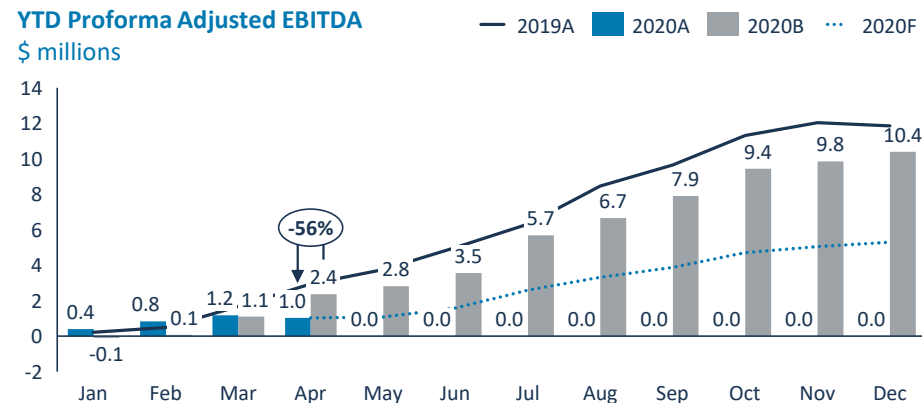




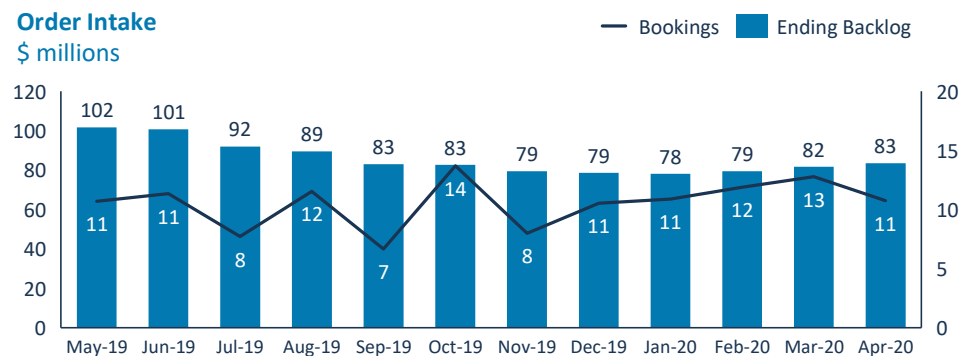
### YTD Revenue \$ millions



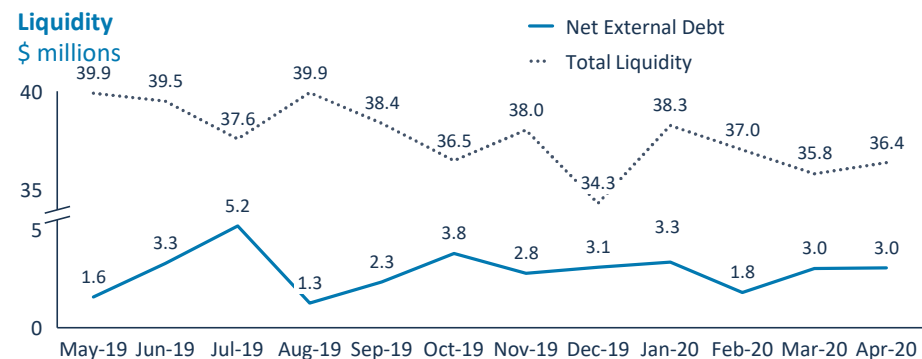
### YTD Proforma Adjusted EBITDA \$ millions



### Order Intake \$ millions



### Liquidity \$ millions



2.c | Mersive

Mersive experienced a trough in early April, followed by improved performance later in April and into May



## Executive Summary

- April results**
- Mersive ended Apr 2020 with ARR at \$12.6mm (88% of Plan, 168% of PY), revenue at \$2.7mm (59% of Plan, 101% of PY) and Adj EBITDA at (\$21k) vs. Plan of (\$47k) due to cost reduction measures
  - OGx: No involvement
- Risks / Challenges to the Business and Plan:**
- Seasonal growth in sales to education market could be at risk given potential school closures due to COVID-19
  - COVID-19 impact:**
    - 4 employees have contracted COVID-19; all have recovered
    - All US and international employees working from home except 5 Logistics staff shipping pods from Denver HQ
    - Conducting all marketing and sales activity virtually
    - Engineering / product development have maintained productivity while working remotely
- Outlook**
- Liquidity 5/15 projection:** Over the 13-week period we are projecting liquidity to decline by \$1.6mm (18%); assumes \$500k per week in cash collections and ~\$625k in operating cash outflows
  - Reforecast:** Projecting 2020 full year revenue to be \$41mm (98% of PY) and EBITDA to be \$2.3mm (182% of PY); sufficient liquidity for operations for the remainder of the year. Projecting May revenue to be at \$3.0mm (79% of PY), and EBITDA to be (\$32k) (vs. \$371k in PY)

## Status Update: Project Details

Project	Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
			Projected	Actual
<b>A: Expand Product Offering</b>	<ul style="list-style-type: none"> <li>Solstice Conference release has been delayed from Apr to Jun 30, due to challenging R&amp;D requirements; will also allow for additional feature development (e.g., third party device management)</li> </ul>	Jun 2020	TBD	TBD
<b>B: Expand Sales Coverage</b>	<ul style="list-style-type: none"> <li>Sales hiring has been frozen, but total sales headcount currently on-plan</li> </ul>	Ongoing	TBD	TBD
<b>C: Drive Recurring Revenue</b>	<ul style="list-style-type: none"> <li>Apr 2020 subscription revenue of \$1.1mm vs. \$1.2mm 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 (although may be delayed due to COVID-19)</li> </ul>	Ongoing	TBD	TBD




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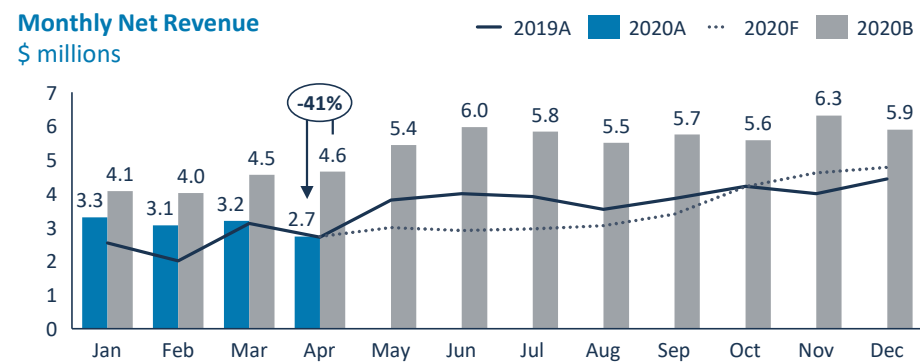
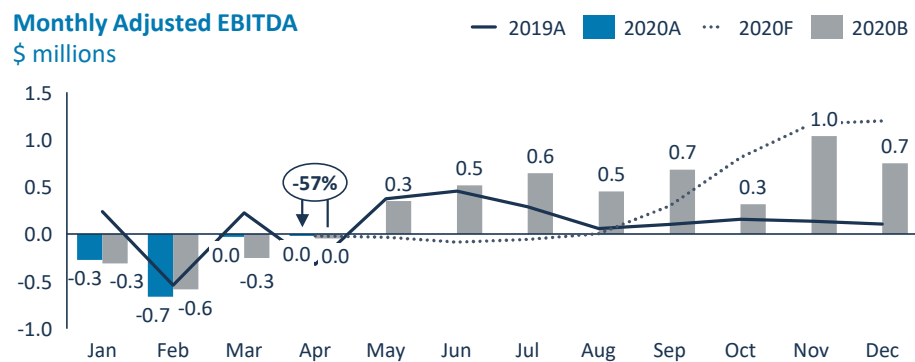
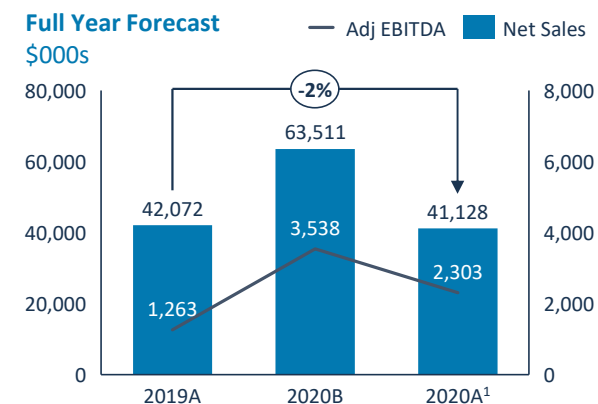
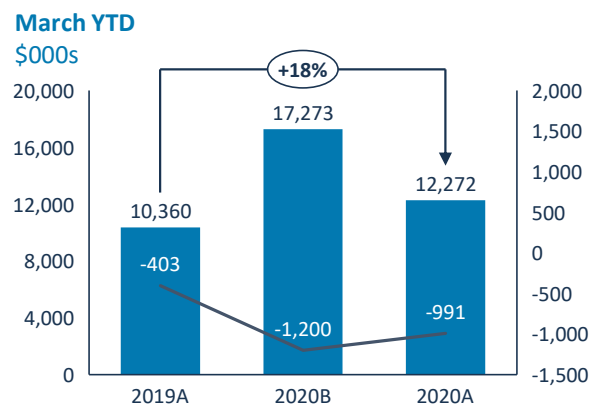
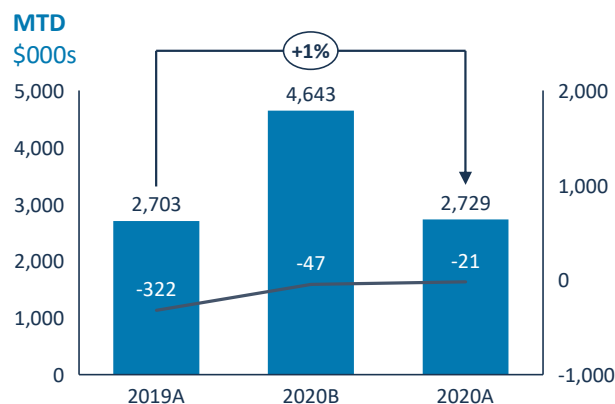
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## Status Update: Project Details (cont.)

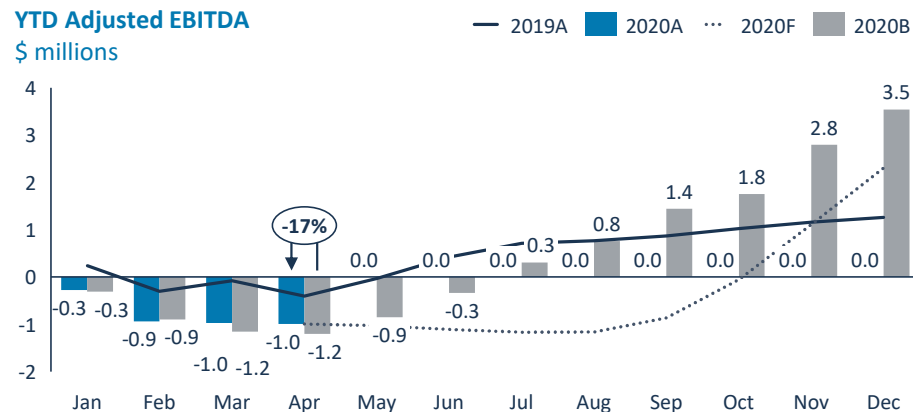
Project	Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
			Projected	Actual
E: Enable Recurring Revenue Reporting	 <ul style="list-style-type: none"> <li>OGC to work with mgmt. to refine</li> </ul>	Ongoing	Enabler	Enabler



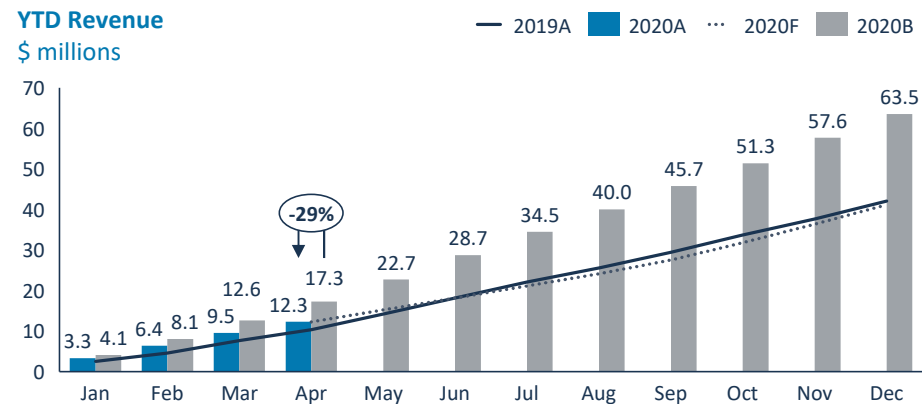


1. YTD actuals + remaining year reforecast

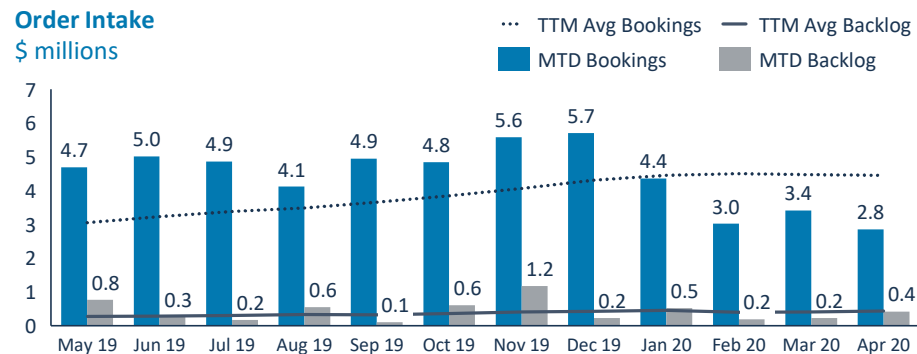
### YTD Adjusted EBITDA \$ millions



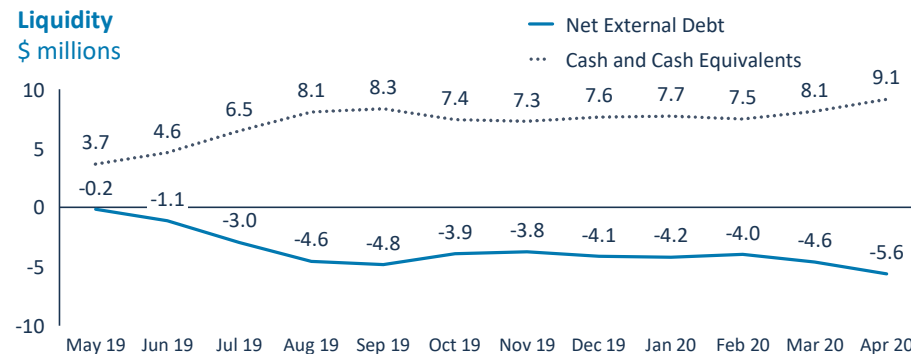
### YTD Revenue \$ millions



### Order Intake \$ millions



### Liquidity \$ millions



2.d | Duraco

# April financial results were behind plan and prior year due to lower PoP and Appliance demand, modestly offset by growth in Infinity Tapes



## Executive Summary

### April results

- **Revenue:** Consolidated revenue was 11% behind prior year and 13% behind Plan. Duraco revenue was 20% behind Plan and 19% behind prior year driven by softness in PoP (27% behind plan) and Appliance (47% behind plan) sectors due to COVID-19. Infinity Tapes revenue was 31% ahead of Plan and 37% ahead of prior year due to increase demand from transit packaging customers.
- **EBITDA:** Consolidated EBITDA was 23% behind prior year and 35% behind Plan, largely due to lower PoP volume offset by cost savings actions
- **OGx:** No updates on product development discussions with MixTiles due to COVID-10

### Risks / Challenges to the Business and Plan:

- Lower demand levels are continuing into May. Through 1<sup>st</sup> half of May, revenue projected to be 33% down vs. Plan for Duraco driven by continued PoP and Appliance softness
- Cost reduction plan executed in April (furloughs, salary cuts, production staff hours reduction, etc.) has continued into May

### Outlook

- **Liquidity 5/15 projection:** Over the 13-week period we are projecting liquidity to decline by \$0.9mm (17%) driven by lower collections offset by cost reduction measures
- **Reforecast:** Projecting 2020 full year revenue to be \$45.5mm (88% of PY) and EBITDA to be \$6.2mm (67% of PY); covenants will be breached in Q3/Q4 but sufficient liquidity for operations for the remainder of the year. Projecting May revenue to be at \$2.9mm (71% of PY), and EBITDA to be \$167k (23% of PY)

## Status Update: Project Details

Project		Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
				Projected	Actual
A: Commercial growth – inside sales	●	• Next phase focuses on account planning and inside-outside collaboration; to be augmented by BWG project but temporarily on hold while VP of Sales search is finalized	On Hold	10 customer engagements / day	TBD
B: Commercial growth – outside sales	●	• Project shifting to highly granular / account specific regional territory plans (w/external support) with daily / weekly / monthly governance cadence; project temporarily on-hold while VP of Sales search is finalized	On Hold	Enabler	Enabler
C: Sales compensation model	●	• New compensation model deployed	February 2020	Enabler	Enabler



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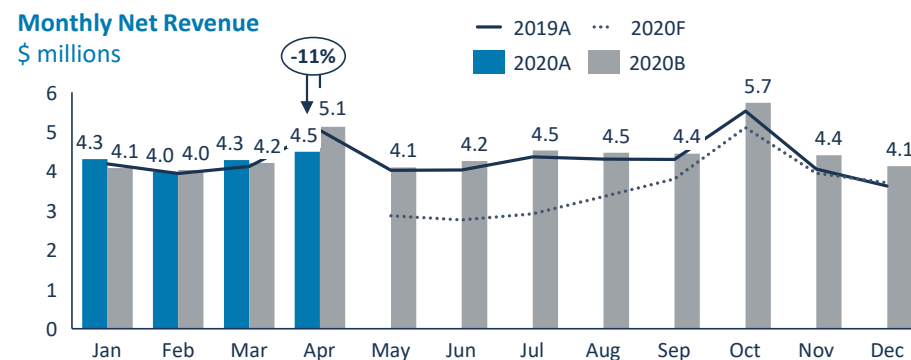
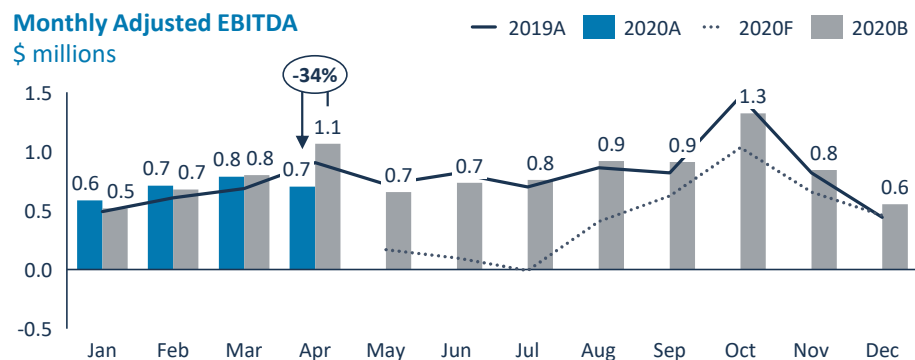
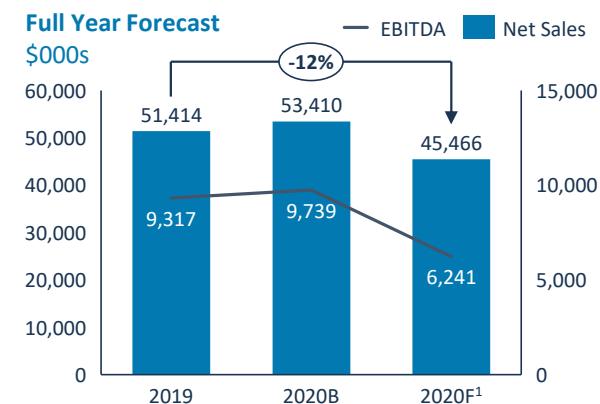
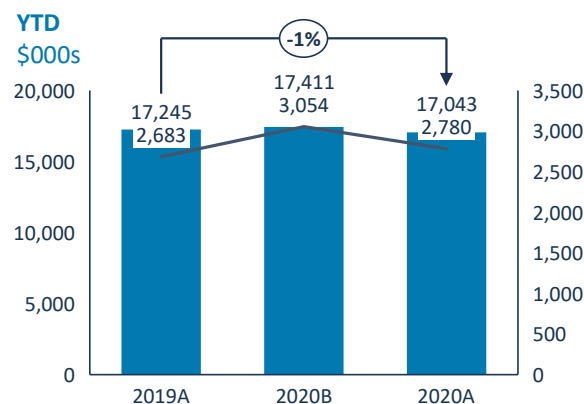
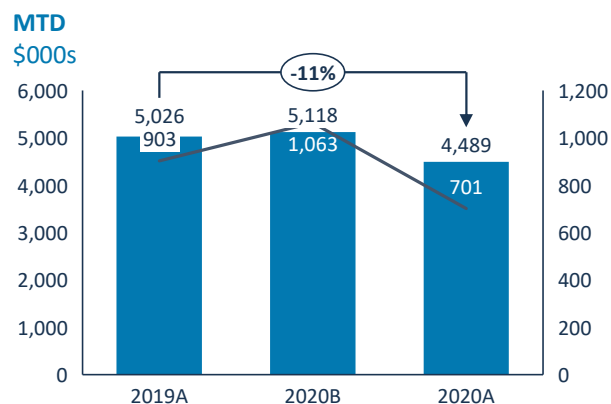
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## Status Update: Project Details (cont.)

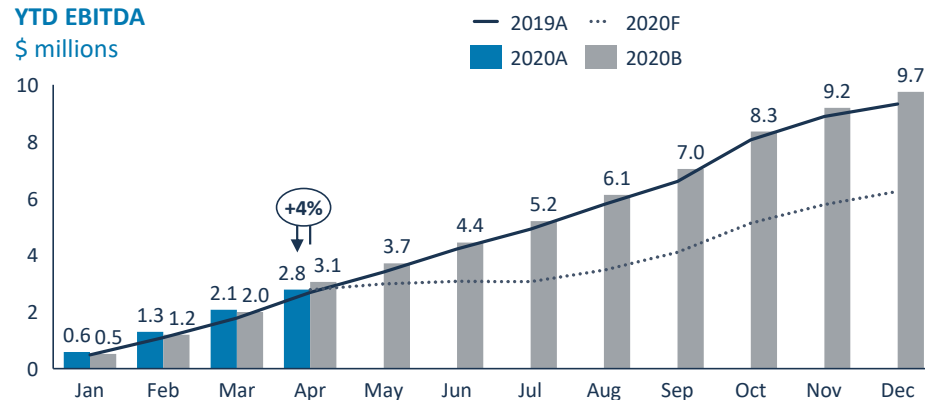
Project	Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
			Projected	Actual
D: New Market Entry	 <ul style="list-style-type: none"> <li>Team implementing go-to-market strategy with account level planning and execution to break into key growth verticals (transit packaging, windows, truck/trailer, appliance)</li> </ul>	April – December 2020	TBD	TBD
E: Continuous Improvement	 <ul style="list-style-type: none"> <li>Continue to work through monthly Kaizen events</li> </ul>	February – October 2020	Enabler	Enabler
F: Sourcing / Spend Reduction	 <ul style="list-style-type: none"> <li>April spend reduction cost savings program behind plan due to lower volumes (66% of savings are through direct materials)</li> </ul>	Timing dependent by project	\$509k	\$209k
G: Marketing effectiveness	 <ul style="list-style-type: none"> <li>Digital marketing spend paused until new website launched in June; DTC is engaged to support spend / ROI optimization for new website launch</li> </ul>	June – September 2020	\$200k	TBD



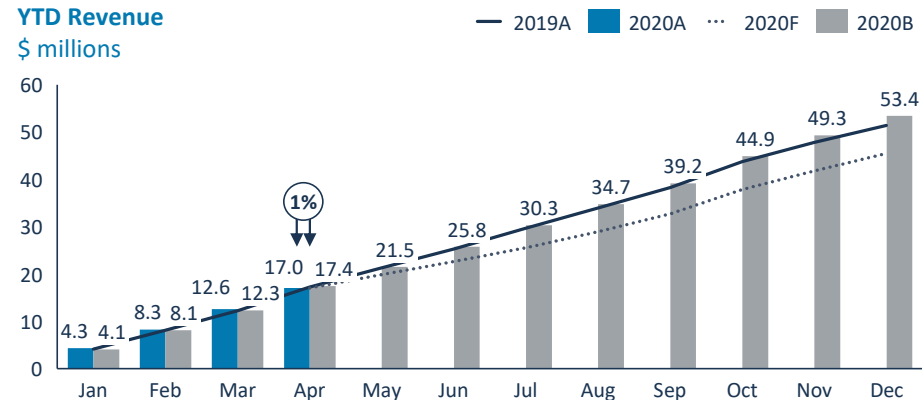


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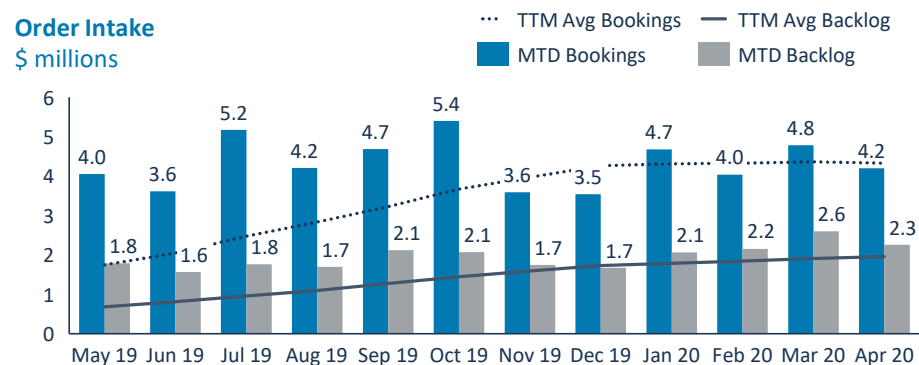
### YTD EBITDA \$ millions



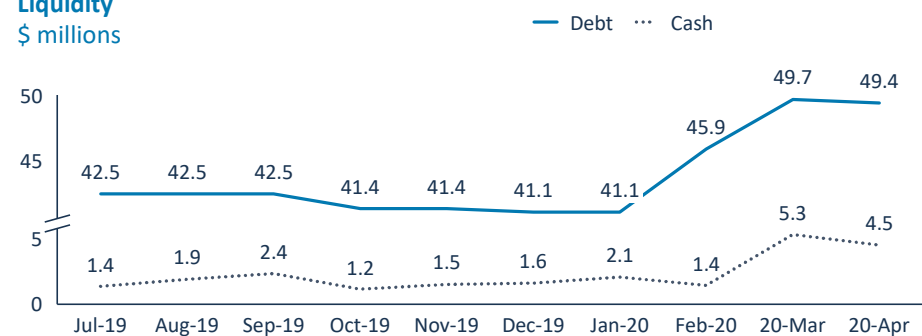
### YTD Revenue \$ millions



### Order Intake \$ millions



### Liquidity \$ millions



1. YTD actuals + remaining year forecast

2.e | S&G, Delaney, and Premier

Strong Q1 bookings trend has reversed in April, and sales continued to suffer from customer shipment delays; \$0.6mm/month cost reduction measures remain in place



## Executive Summary

### April results

- S&G ended Apr 2020 with sales at \$2.8mm (67% of Plan, 73% of PY), PF Adj EBITDA at \$0.2mm (19% of Plan, 24% of PY), bookings at \$2.5mm (41% of Plan, 65% of PY), and backlog at \$10.8mm (109% of PY)
- CRM and ERP conversion to NetSuite completed on Sun 5/3; S&G now fully independent from Stanley Black & Decker business systems (key standalone milestone)
- OGx:** supporting firmware development on new keypad

### Risks / Challenges to the Business and Plan:

- Border closures continue to delay some shipments, although S&G was able to ship \$0.5mm to India due to reopening of some transportation lanes
- Mgmt forecast for May sales is \$2.4mm (75% of Plan, 74% of PY), up from Apr sales at 67% of Plan
- COVID-19 impact:**
  - S&G deemed an essential business and remains in operation despite KY shutdowns
  - Next 1-week production staff furlough scheduled for week of Mon 6/1
  - Mgmt. has introduced 1-week/month furlough of non-essential salaried staff and temporary suspension of 401k match to all participants

### Outlook (consolidated for S&G, Delaney & Premier)

- Liquidity 5/15 projection:** Over the 13-week period we are projecting liquidity to decline by \$0.8mm (6%) driven by lower collections offset by cost reduction measures
- Reforecast:** Projecting 2020 full year revenue to be \$94mm (98% of PY) and PF Adj EBITDA to be \$20.8mm (102% of PY); expected to meet our financial covenants and maintain sufficient liquidity for the remainder of the year. Projecting May revenue to be at \$6.7mm (83% of PY), and PF Adj EBITDA to be \$1.4mm (85% of PY)

## Status Update: Project Details

Project		Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
				Projected	Actual
<b>A: Address quality issues</b>	●	<ul style="list-style-type: none"> <li>Aaron Olmsted and Rick Melito are nearing completion of the Quality Mgmt System project, targeting June launch for Quality Dashboards</li> <li>Postponing final handoff until Quality Mgr hired (currently on-hold due to hiring freeze)</li> </ul>	Jun 2020 project completion (Quality Mgr handoff TBD)	\$290K	TBD
<b>B: Establish globally consistent pricing strategy</b>	●	<ul style="list-style-type: none"> <li>Price increases recommended as part of pricing project went into effect on 4/1</li> <li>In Q2, goal is to develop globally consistent pricing model, to be used as the basis for quarterly price adjustments going forward</li> </ul>	Jul 2020	\$275K	TBD
<b>C: Launch refreshed brand and digital market presence (i.e., website)</b>	●	<ul style="list-style-type: none"> <li>New logo has been approved by the US trademark office</li> <li>Website copy finalized and support documents loaded to the website; finalizing user testing</li> <li>Continuing to update marketing materials with new branding</li> </ul>	6/15/2020	Enabler	Enabler



OPENGATE CAPITAL

● Complete    ● Just started    ● On Track    ● At Risk    ● Behind Schedule

CONFIDENTIAL

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## Status Update: Project Details (cont.)

Project	Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
			Projected	Actual
<b>D: Develop new platform digital keypad with updated industrial design</b>	 <ul style="list-style-type: none"> <li>PQD (manufacturing partner) has delivered Tier 1 working keypad prototypes</li> <li>PQD supplier quality validation plan to be executed week of 5/25</li> <li>Full production level new keypads to be manufactured in Taiwan for delivery in Sep 2020 (delayed from July 2020)</li> </ul>	Sep 2020	\$1.3mm	TBD
<b>E: Develop new core products</b>	 <ul style="list-style-type: none"> <li>New product development efforts on track for planned commercialization dates</li> <li>In Q2, mgmt will begin identifying and developing business cases for potential 2021 product development pipeline</li> </ul>	Commercialization dates through Dec 2020	2020: \$0.5mm 2022: \$1.7mm	TBD
<b>F: Freight and logistics project</b>	 <ul style="list-style-type: none"> <li>Focused on determining optimal freight setup once S&amp;G moves off the Stanley TSA freight service in Nov 2020</li> <li>SmartVentures focusing on small parcel savings opportunity</li> </ul>	Jun 2020	TBD	TBD



## Delaney and Premier's strong start to 2020 continued in April, with both divisions ahead of Plan and prior year



### Executive Summary

- Delaney ended Apr 2020 with sales at \$3.3mm (106% of Plan, 108% of PY) and Adj EBITDA at \$0.7mm (133% of Plan, 153% of PY)
- Premier ended Apr 2020 with sales at \$1.6mm (101% of Plan, 106% of PY) and Adj EBITDA at \$0.4mm (128% of Plan, 118% of PY)
- Both divisions expected to end May near or at Plan
- Premier booked the largest order in its history (\$444k) on 4/24, and then broke the record again with a >\$2mm order from the same customer on 5/7
- Premier has had major issues with four different presses and a shear in the last 60 days; in addition to repairs, investing in a newer press to replace significantly aged equipment that cannot be repaired
- **OGx:** No involvement
- **Delaney COVID-19 impact:** No current employee infections; will be easing work-from-home staff back into the facility over the next 15-30 days; extended factory shutdowns are creating backorder situations (potential impact to revenue in May/Jun ~\$50k-75k); starting to see slowdown in housing market
- **Premier COVID-19 impact:** No immediate / quantifiable issues, but current construction projects are increasingly being delayed, paused, or canceled, which could affect future revenue; steel mill demand declining, causing some production to be idled, which could be challenging if the market faces a quick rebound

### Status Update: Project Details

Project		Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
				Projected	Actual
<b>A: Launch Delaney multi-family smart lock</b>	●	<ul style="list-style-type: none"> <li>• Launch schedule finalized; delayed from July to Oct 2020, which is only expected to allow ~1 month of sales in 2020 (Dec)</li> <li>• In progress on UL testing with samples</li> <li>• Have sent samples to Stratis developers to finalize app integration</li> </ul>	Oct 2020 launch Dec 2020 initial sales	\$100k (Dec 2020)	TBD
<b>B: Define NPD process and develop new product roadmap</b>	●	<ul style="list-style-type: none"> <li>• Delaney has finalized updated Delaney NPD process for new products and product updates</li> <li>• Mgmt planning to hire a Residential Product Mgr to lead NPD process across S&amp;G and Delaney residential products, and lead S&amp;G new keypad, Delaney Bravura brand, and Delaney multi-family smart lock</li> </ul>	Jun 2020 roadmap	TBD	TBD
<b>C: Develop eCommerce growth strategy</b>	●	<ul style="list-style-type: none"> <li>• Working to identify opportunities with each e-Commerce partner and create 2020 growth plan to include: ideal catalog per partner, optimize merchandising, optimize images, copy &amp; lifestyles images, start partner page (sponsored advertising), create a cross-channel promotion plan</li> </ul>	TBD	TBD	TBD

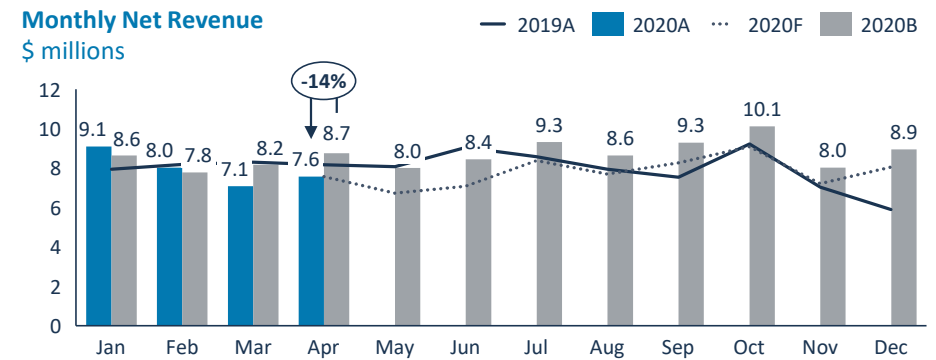
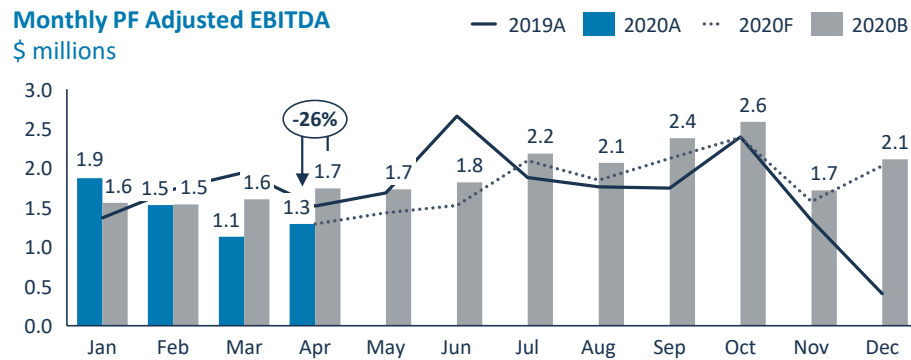
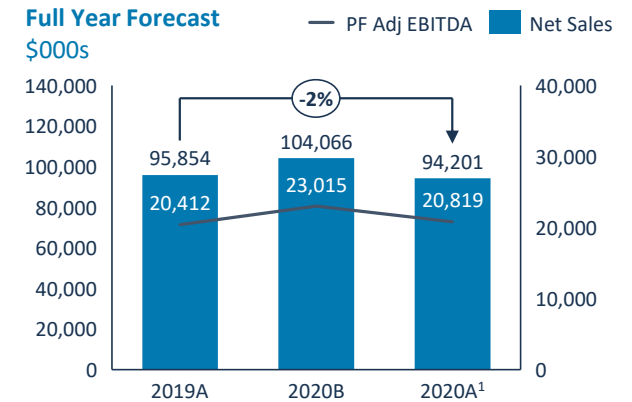
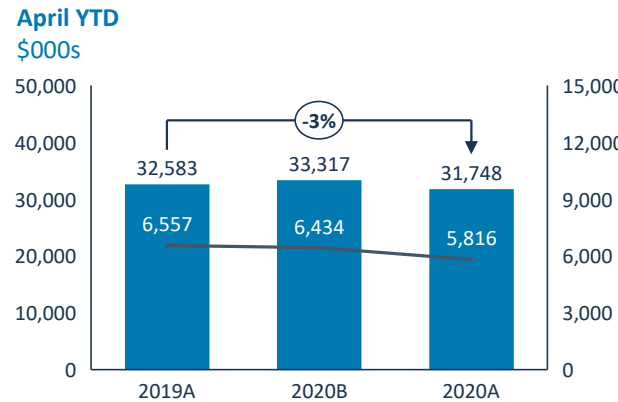
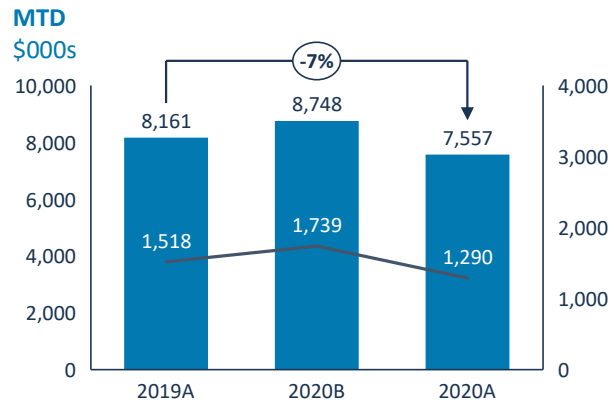


## Status Update: Project Details (cont.)

Project		Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
				Projected	Actual
<b>D: Develop sales growth strategies among existing and new customers</b>	●	<ul style="list-style-type: none"> <li>Sales reps to present penetration strategies for current SF and MF customers and new Western accts.</li> <li>Targeting National Accounts &amp; Buying Groups with specific high-volume programs</li> <li>Developed Builder Playbook with target list of Top Builders (250+ homes/annually); Sales Directors are dividing Builder List by Region, by rep; will begin to develop programs by June 1</li> </ul>	Jun 2020	TBD	TBD
<b>E: Develop strategy to drive growth in Delaney Bravura product</b>	●	<ul style="list-style-type: none"> <li>Bravura action plan and detailed milestones developed</li> <li>Working to provide ROI data to support suggested investments (website, catalog, product enhancements, specialized sales reps</li> <li>Ultimately need Residential Product Mgr to effectively drive the growth plan</li> </ul>	May 2020	TBD	TBD
<b>F: Pursue Delaney sourcing savings</b>	●	<ul style="list-style-type: none"> <li>Mgmt has identified potential alternative supplier(s) for each of top 100 SKUs by spend</li> <li>Mgmt will be kicking off conversations with existing and alternative suppliers to identify potential cost reduction opportunities</li> </ul>	TBD	TBD	TBD
<b>G: Pursue Delaney freight and logistics savings</b>	●	<ul style="list-style-type: none"> <li>Focused on identifying and executing on logistics savings identified during diligence</li> <li>Currently focused on small parcel savings opportunity</li> </ul>	Jun 2020	\$250k	TBD
<b>H: Conduct Delaney SKU rationalization</b>	●	<ul style="list-style-type: none"> <li>Mgmt has completed list of slow-moving items, low profit items, and high MOQ items to prioritize for SKU rationalization consideration; in process of identifying how to dispose of the remaining inventory</li> </ul>	Jun 2020	TBD	TBD
<b>I: Premier capacity and sales growth plan</b>	●	<ul style="list-style-type: none"> <li>AM has worked with Joey (President) and Dale (VP Manufacturing) to further refine and validate 4-year investment and growth plan, which shows opportunity to grow EBITDA from ~\$4.5mm in 2019 to ~\$8.8mm in 2023, with ~\$3.7mm in growth capex in 2020-2022 (incl. ~\$1.1mm Phase 1 originally planned for 2020). Pushing ~50% of Phase 1 growth capex to late 2020 and the balance to early 2021</li> </ul>	2020-2023	\$4.5mm	TBD

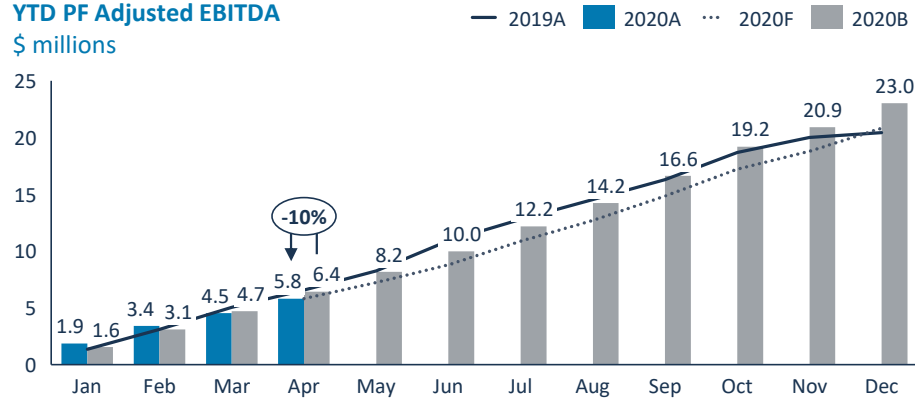




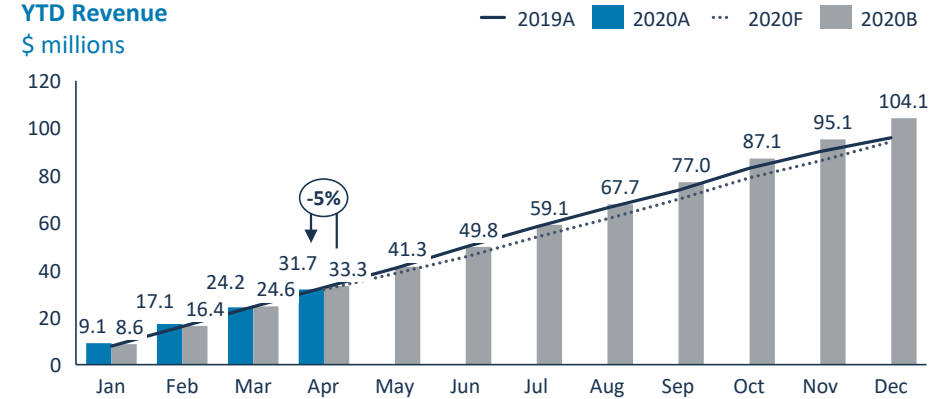


1. YTD actuals + remaining year reforecast

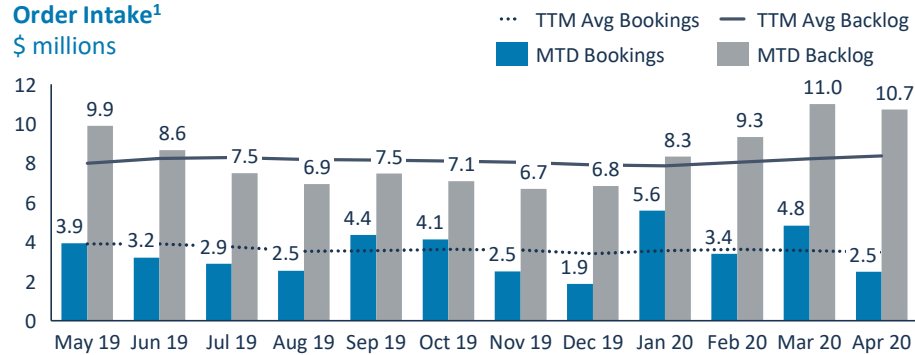
### YTD PF Adjusted EBITDA \$ millions



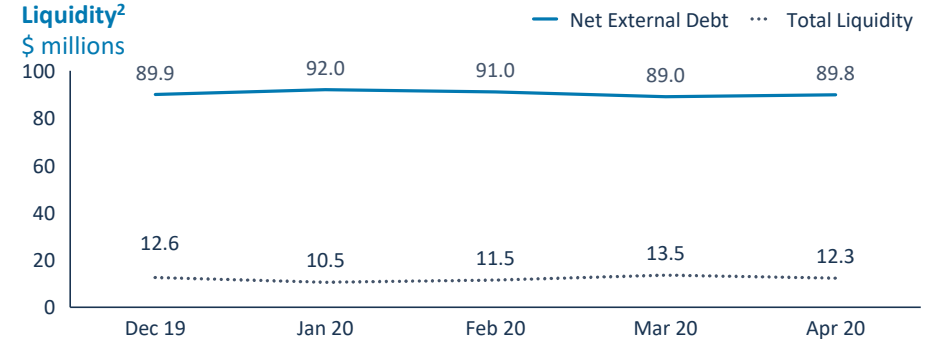
### YTD Revenue \$ millions



### Order Intake<sup>1</sup> \$ millions



### Liquidity<sup>2</sup> \$ millions



1. S&G only (Delaney/Premier don't maintain backlog)

2. Liquidity begins in Dec 2019, following the recapitalization associated with the Delaney add-on

## 2.f | InRule

Strong performance in April with ARR at 126% of prior year and 104% of AOP.  
Team continues to advance strategy initiatives while managing response to COVID-19

## Executive Summary

### April results

ARR: \$10.7mm (104% of April AOP, 126% of PY)

- **Revenue/Adjusted EBITDA:** Net Revenue: \$765k (\$573k 2020 AOP, \$788k PY); EBITDA of (\$154k) vs (\$347k) AOP; \$11k 2019A
  - New ARR pipeline for Q2 supports original AOP targets pre COVID
  - 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.
- Overall solid funnel progression and coverage for Q2, despite final approval slow-down - may impact H2
- Difficult to identify new avenues for marketing program dollars due to COVID restraints
- Delay product feature delivery; Scenario B COVID-19 capacity in place (backfills and partial new hires)

### Outlook

- **Liquidity 5/15 projection:** Over the 13-week period we are projecting liquidity to decline by \$0.8mm (6%) driven by lower collections offset by cost reduction measures
- **Reforecast:** Projecting 2020 full year ARR to be \$11.5mm (110% of PY) and EBITDA to be (\$0.6mm) vs. (\$1.3mm) in PY; expected to meet our financial covenants and maintain sufficient liquidity for the remainder of the year. Projecting May ARR to be at \$10.6mm (125% of PY), and EBITDA to be (\$577k) vs. (\$180k) in PY

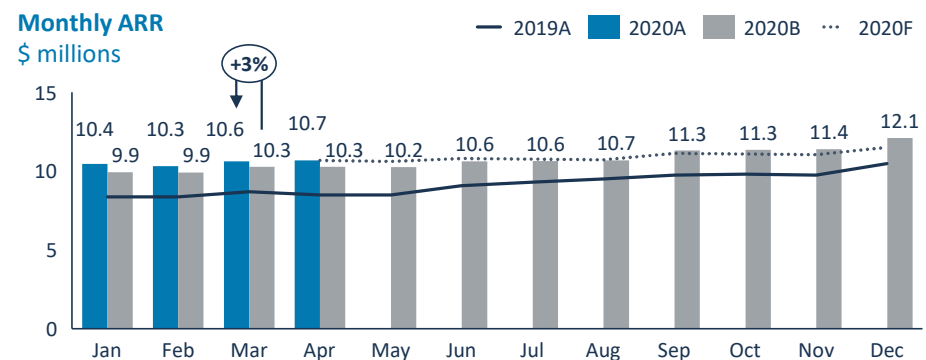
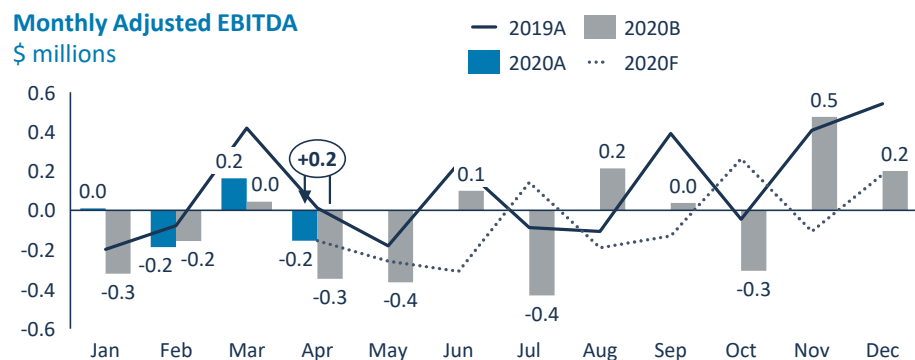
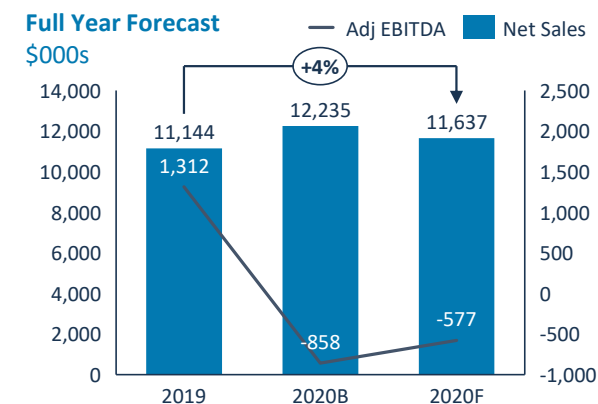
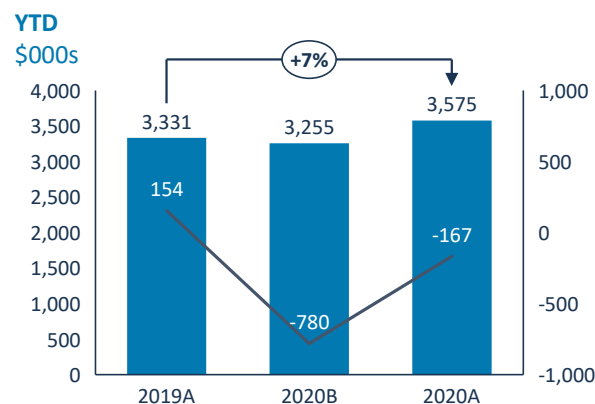
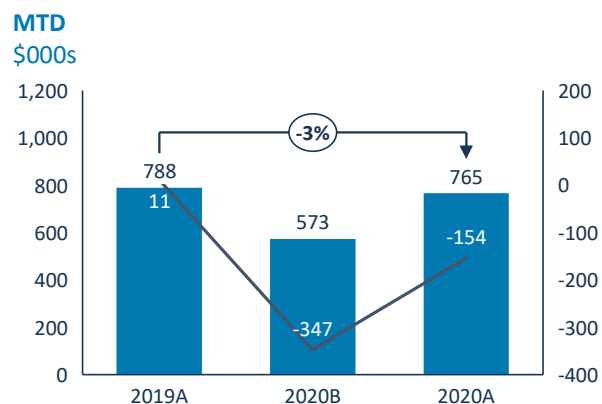
## Status Update: Project Details

Project	Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
			Projected	Actual
<b>A: Build SaaS Platform</b>	<ul style="list-style-type: none"> <li>• Preparing SOC II pre-examination system documentation</li> <li>• Targeting MVP for Web Authoring by mid-June</li> <li>• Extending portal functionality for multiple environments</li> </ul>	Q1-Q4 2020	TBD	TBD
<b>B: Commercial strategy</b>	<ul style="list-style-type: none"> <li>• Submitted approval for Salesforce AppExchange</li> <li>• Actively recruiting Channel Manager</li> <li>• Engaged with consultants to obtain GSA Schedule to prepare for 2021 Federal Expansion</li> </ul>	Q1 2020	TBD	TBD
<b>C: Customer experience, customer success program</b>	<ul style="list-style-type: none"> <li>• Identified key competencies for VP of Services hire</li> <li>• Continuing to improve on metrics and reporting for services utilization</li> </ul>	Q2 2020	TBD	TBD

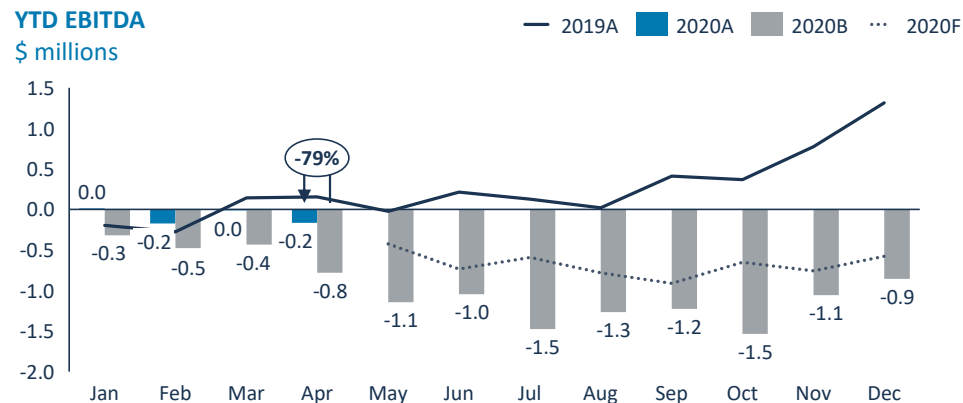


Status Update: Project Details (cont.)

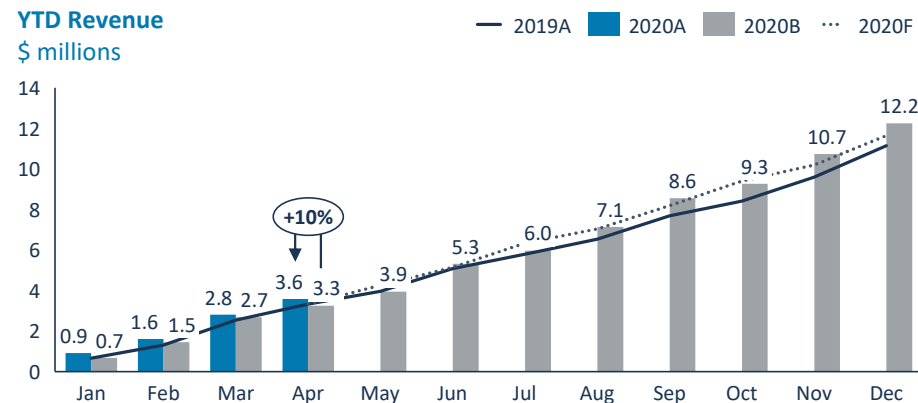
Project		Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
				Projected	Actual
D: Operational excellence	●	• Completion of ASC 606 conversion and shift of P&L structure to new tech core model	Q2	TBD	TBD
		• Selected Workato as ESB between NetSuite and CRM			
		• Preparing for Alpha Testing/Process Walkthrough of NetSuite			
		• Preparing v1 of Managment Guide			



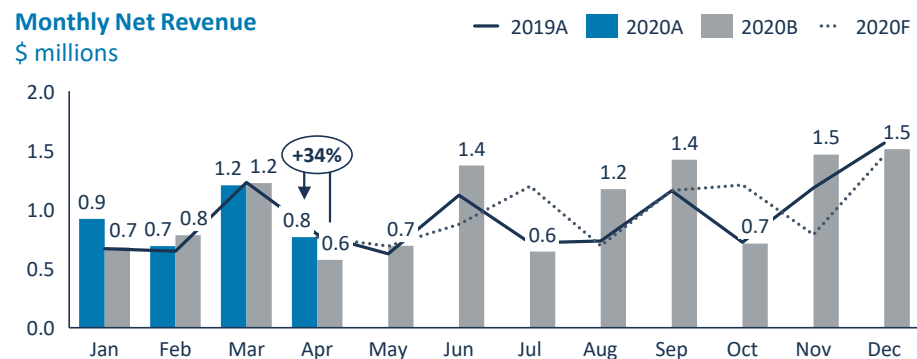
## YTD EBITDA \$ millions



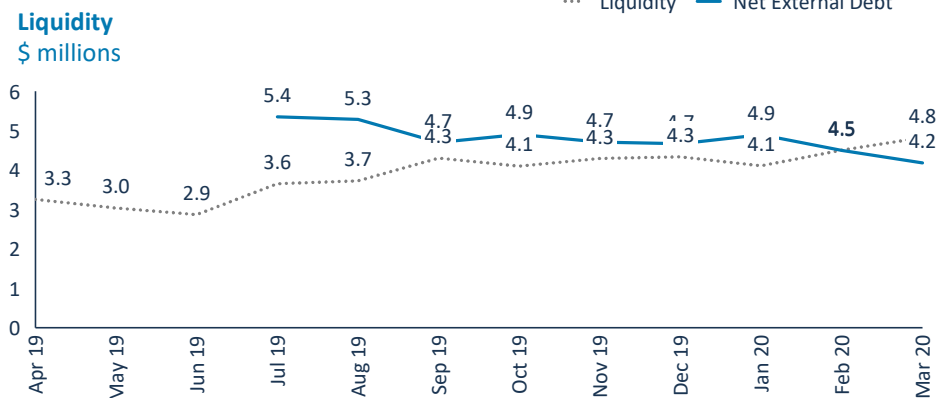
## YTD Revenue \$ millions



## Monthly Net Revenue \$ millions



## Liquidity \$ millions



2.g | CoreMedia



April finished ahead of plan for ARR, Revenue and EBITDA; management is focusing on preserving liquidity while pursuing targeted hiring in product and finance

## Executive Summary

### April results

- **ARR:** €15.6mm vs €15.2mm 2020 AOP, €13.8mm Apr 2019; VF Corp is in commit and we expect it to close in May (potential to be \$1mm in ARR)
- **Revenue/Adjusted EBITDA:** Net Revenue: €1.7mm vs €1.6mm 2020 AOP vs €1.7 2019A; EBITDA of (€102k) vs (€199k) AOP, €6k prior year
- **OGx:** CRM is connected to workbench, will test data and build dashboards second half of June

### Risks / Challenges to the Business and Plan:

- **Hiring/Talent:** Florian has agreed to stay on with CoreMedia
- **Finance team:** Interim controller has started, however, significant issues with finance reporting remain and Egon Zehnder has been retained for a CFO search
- **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 is needed to develop MTT solution, this will be multi-year effort, kicking off a search for a new head of product

### Outlook

- **Liquidity 5/15 projection:** Over the 13-week period we are projecting liquidity to decline by € 0.6mm (13.5%) driven by investments in growth and targeted hiring
- **Reforecast:** Projecting 2020 full year ARR to be €16.4mm (104% of PY) and EBITDA to be (€0.4mm) vs. (€2.6mm) in PY; expected to meet our financial covenants and maintain sufficient liquidity for the remainder of the year. Projecting May ARR to be at €16.1mm (115% of PY), and EBITDA to be (€28k) vs. (€332kk) in PY


## Status Update: Project Details

Project		Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
				Projected	Actual
<b>A: Management &amp; Organization</b>	●	<ul style="list-style-type: none"> <li>Established CRO office and aligned Sales, Consulting, Partner Management and Marketing</li> <li>Postponed CMO hire, installing Ben Mooney as Global VP Marketing &amp; Partner Ecosystems</li> <li>Restructuring financial organization</li> </ul>	2Q 2020	N/A	N/A
<b>B: Sales &amp; Marketing</b>	●	<ul style="list-style-type: none"> <li>Upgraded Sales processes, training and tooling to increase sales productivity</li> <li>Established Strategic Account Planning to drive Customer Success &amp; Upselling</li> <li>Established lead generation as a shared responsibility, onboarded new US SDR</li> </ul>	4Q 2020	N/A	N/A
<b>C: Process Improvements</b>	●	<ul style="list-style-type: none"> <li>15% reduction in cloud costs over the last three months</li> <li>Implementing developer time tracking</li> <li>Next steps: Further cost reductions &amp; automation</li> </ul>	4Q 2020	TBD	TBD

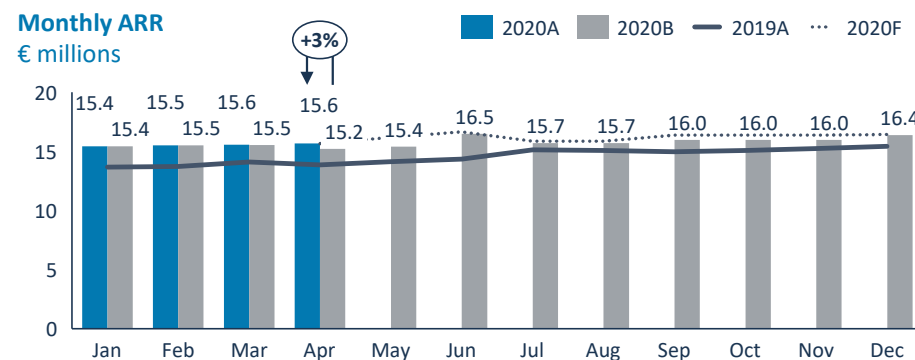
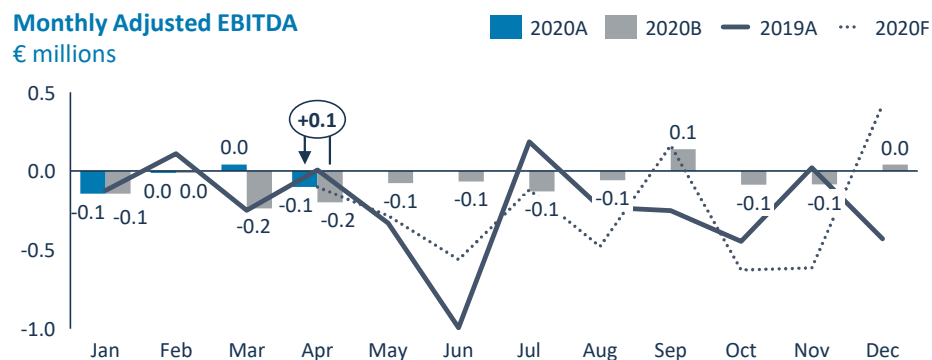
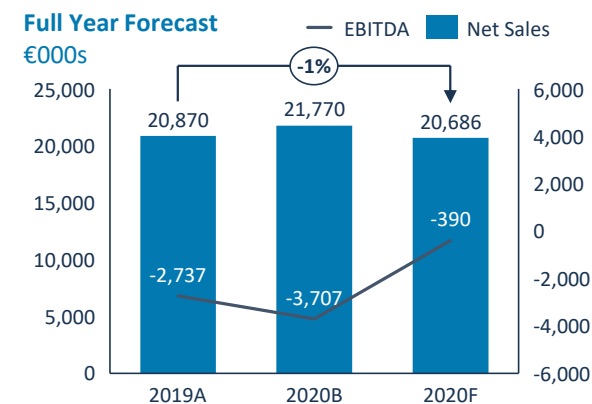
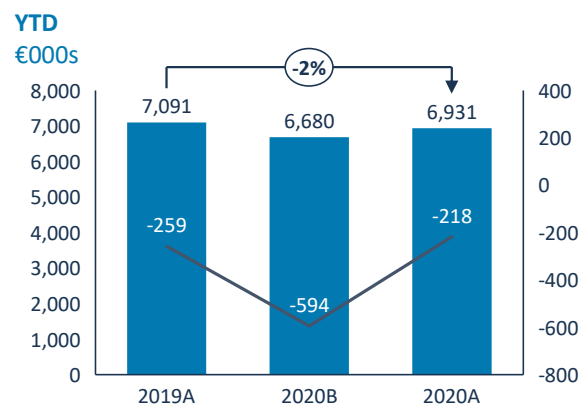
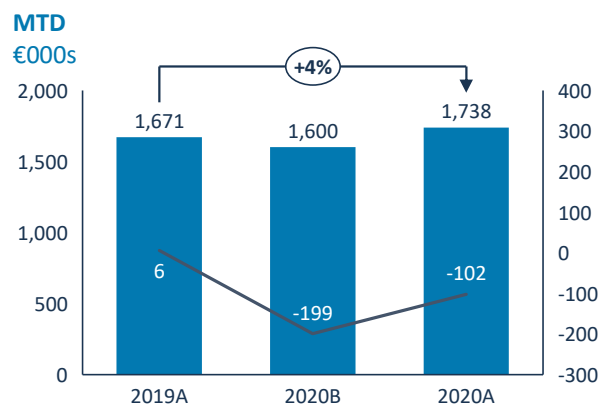
Note 1: 13th period include: Calculation and booking of development costs to be capitalized as well as amortization, adjustments of depreciations, corporate and sales tax, deferred taxes (assets & liabilities), appropriation of net income, accruals for; outstanding invoices, accumulated vacation



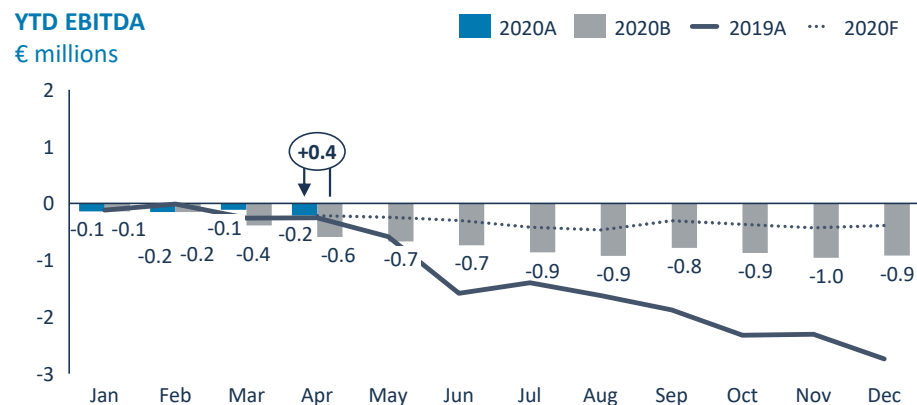
## Status Update: Project Details (cont.)

Project		Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
				Projected	Actual
D: Product Innovations		<ul style="list-style-type: none"><li>GraphQL: Expanded support for headless architectures through Headless Server</li><li>Personalization: Exploring advanced personalization capabilities with and without third party vendors</li><li>Campaign Management: Consolidated learning from customer projects to be transferred to the product</li></ul>	4Q 2020	TBD	TBD
E: Execution of Cash Preservation Measures		<ul style="list-style-type: none"><li>Announced measures to preserve cash defined in RC on April 9</li><li>Plan to reduce expenses by €4m in 2020 compared with AOP</li><li>Reduced headcount, postponed salary increases and cut payroll by €1.407k</li></ul>	2Q 2020	TBD	TBD

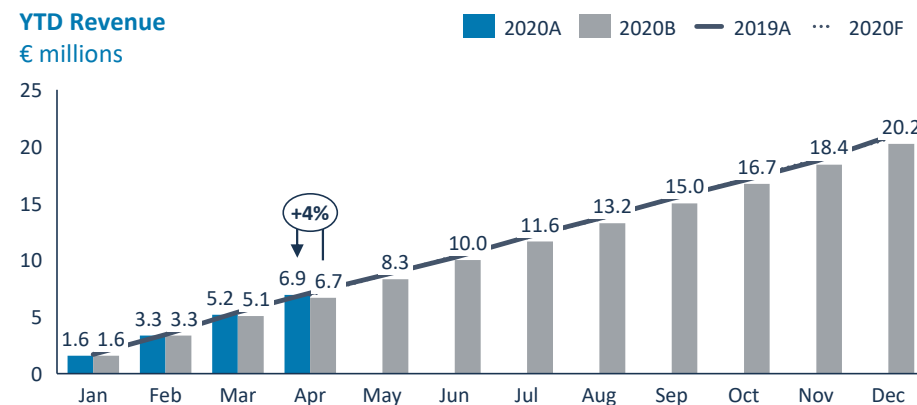




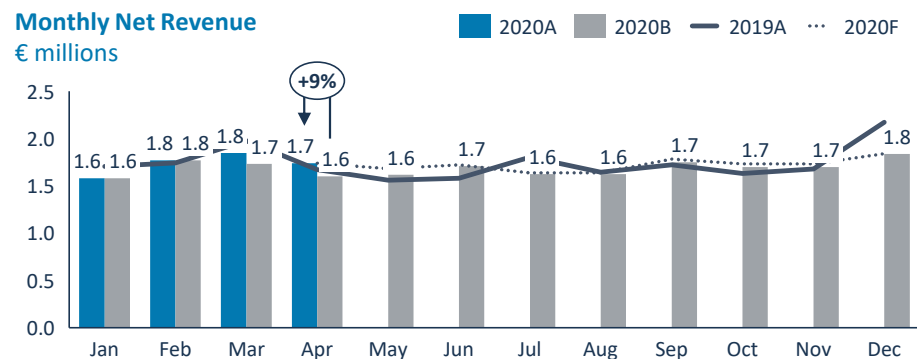
### YTD EBITDA € millions



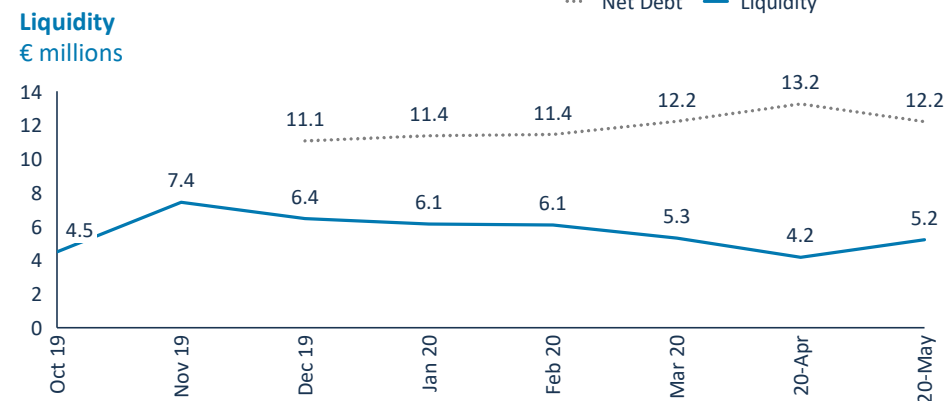
### YTD Revenue € millions



### Monthly Net Revenue € millions



### Liquidity € millions



### 3 | Europe Portfolio Update

### 3.a | Alfatherm

## Good preformance in April despite Covid19 imposed lockdown in most of Europe but still ALFATHERM significant impact expected in Q2 due to lockdown of Italian customers


### Executive Summary

- April Sales reached €6.1M, better than both Budget (+7%) and PY (+5%), with higher sales on Capsules & Sleeves (+47%) and Metal Lamination (2%) balancing with Furniture (-18%)
- YTD Sales is €23.8M and better than Budget (+3%) and almost in line with PY (-1%) thanks to strong sales on Capsules (+32%), Metal lamination(+7%) and furniture (+4%) offsetting Sleeves (-23%) and Technical products (-22%) sales drop
- EBITDA in April is €0.8M, +17% vs Budget and +16% vs PY. EBITDA is supported by lower resin (-4% vs Dec19), reduced utility tariffs and sustained Operations efficiency improvements vs PY and Budget
- YTD EBITDA is €2.6M which is -5% vs Budget (€2.7M) but improving +16% vs PY (€2.2M). Until April , strong resilience of the activity with a maintained operational performance and raw material price decrease
- Forecasted loss of turnover: May -48% / June -41% / July -23% due to italian customers lockdown. Total yearly sales impact is assessed at €-12.1M or -18% vs both Budget and PY.
- Therefore, FY 2020 EBITDA reforecast ends up at €2.6M, which reflects an impact of €-5.6M or -68% vs Budget and €-4.5M or -64% vs PY
- Current level of liquidity expected to last until **END OF MAY**
- Pre-concordato filed on 21<sup>st</sup> April and approved by the Court on 22<sup>nd</sup> April. Phasing out of the current credit lines, which should be replaced in couple of days by General Finance pending court decision
- Requirement for a cash injection End of May - early June 2020 >> New BP received 14<sup>th</sup> May – to be discussed in IC




### Status Update: Project Details

Project	Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
			Projected	Actual
<b>A: Operational Turnaround</b>	● Activities on hold	TBD	TBD	TBD
<b>B: Financial Turnaround</b>	● Pre Concordato filed on 21 <sup>st</sup> April and approved by the Court on 22 <sup>nd</sup> April ● Negotiation with Banks initiated and aiming at -70% LT debt haircut	TBD	TBD	TBD
<b>C: Factoring + ST Credit lines</b>	● General Finance approved opening €11M credit lines once granted super priority status by the Court, but €2M already available ● Phasing out of the current credit line by BPM and ISP due to the Pre Concordato status	TBD	TBD	TBD




Good performance in April despite Covid19 imposed lockdown in most of Europe but still  ALFATHERM significant impact expected in Q2 due to lockdown of Italian customers

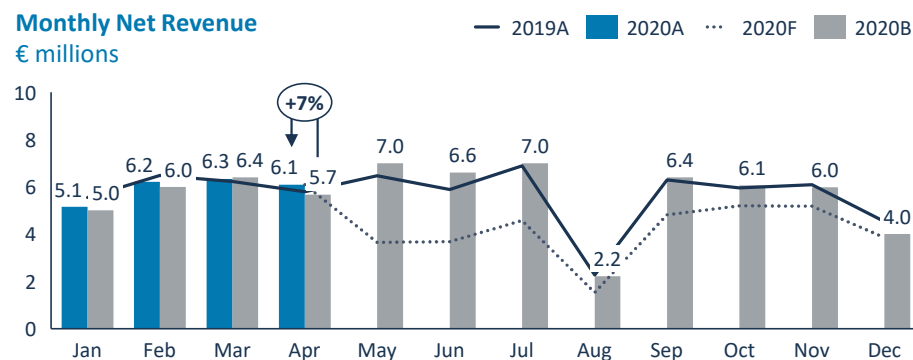
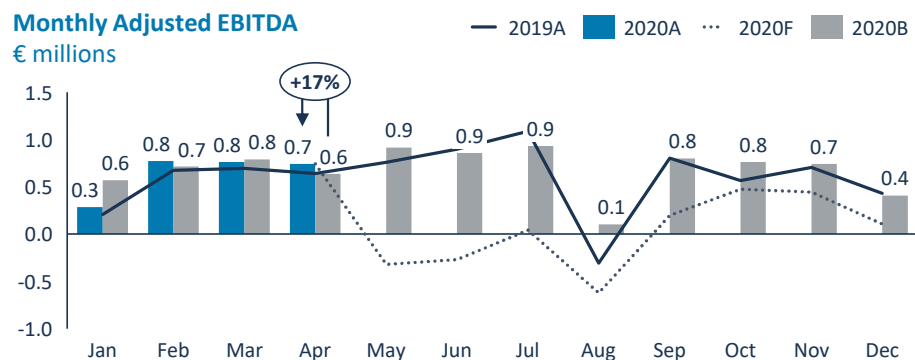
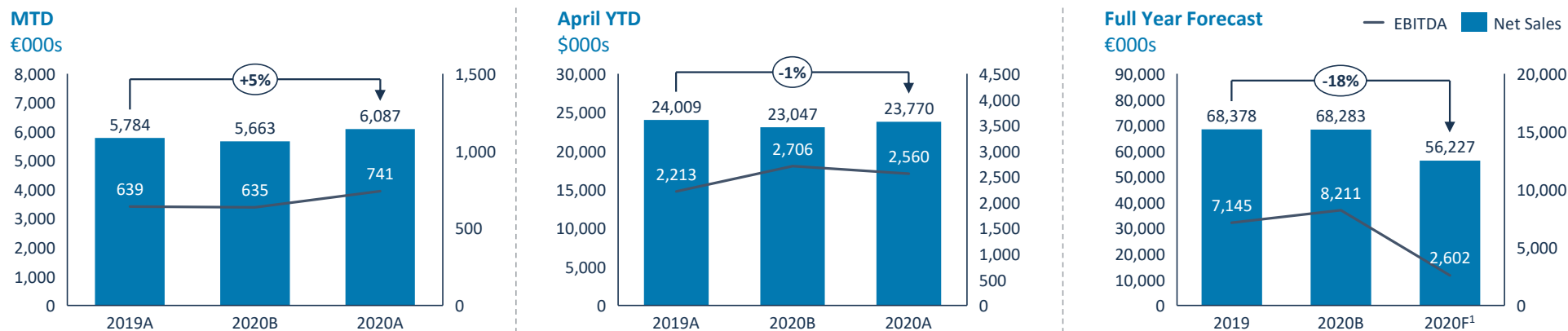
#### Status Update: Project Details (cont.)

Project	Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
			Projected	Actual
D: Production efficiency	 <ul style="list-style-type: none"> <li>Scrap performance is stable at Budget target</li> <li>Kaizen improvement on hold due to Capex freeze</li> </ul>	TBD	TBD	TBD
E: OGx initiatives	 <ul style="list-style-type: none"> <li>Activities on hold (Pricing review with Profit Velocity)</li> </ul>	TBD	TBD	TBD
F: HR	 <ul style="list-style-type: none"> <li>N/A</li> </ul>	XXX	XXX	XXX
XXX	<ul style="list-style-type: none"> <li>XXX</li> </ul>	XXX	XXX	XXX
XXX	<ul style="list-style-type: none"> <li>XXX</li> </ul>	XXX	XXX	XXX
XXX	<ul style="list-style-type: none"> <li>XXX</li> </ul>	XXX	XXX	XXX






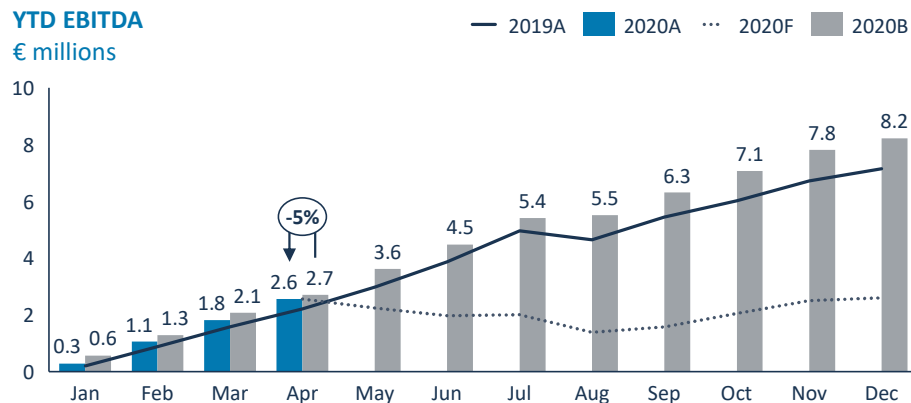
Good performance in April despite Covid19 imposed lockdown in most of Europe but still  ALFATHERM significant impact expected in Q2 due to lockdown of Italian customers



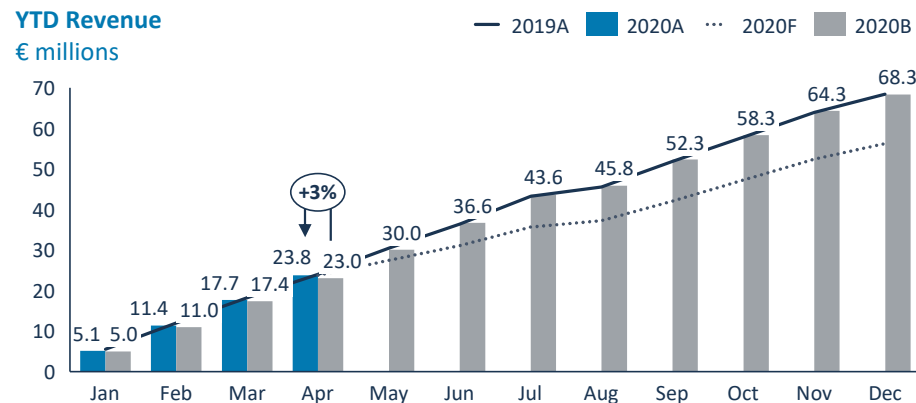
1. YTD actuals + remaining year forecast

Good performance in April despite Covid19 imposed lockdown in most of Europe but still  ALFATHERM significant impact expected in Q2 due to lockdown of Italian customers

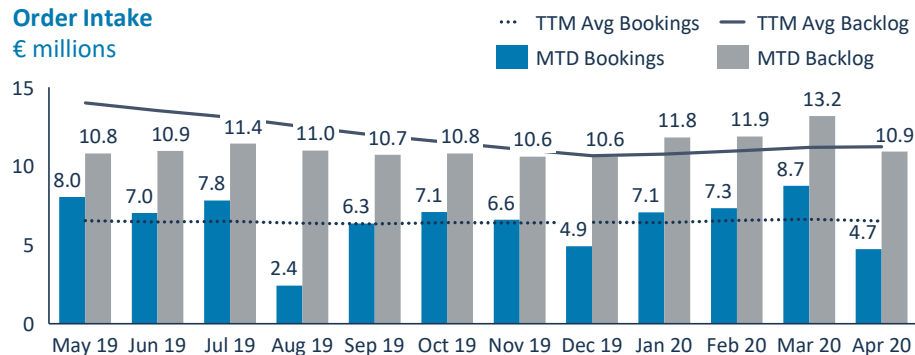
**YTD EBITDA**  
€ millions



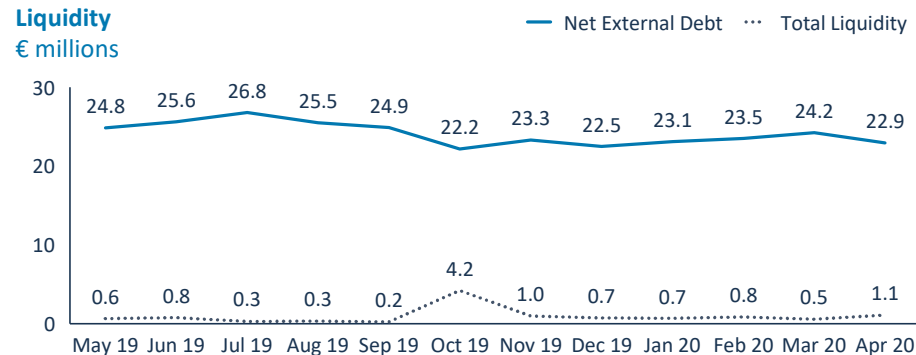
**YTD Revenue**  
€ millions



**Order Intake**  
€ millions



**Liquidity**  
€ millions



1. YTD actuals + remaining year forecast




3.b | B&M

## April results heavily impacted by Covid-19 with -57% in sales and -€5.9M EBITDA vs prior year; break-even EBITDA expected in May

### Executive Summary

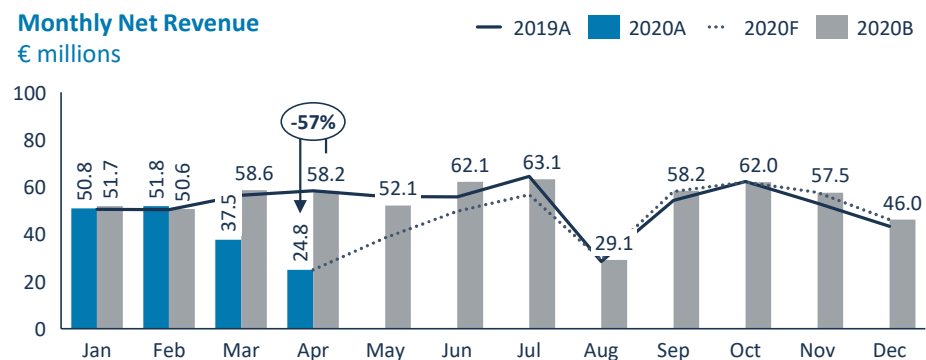
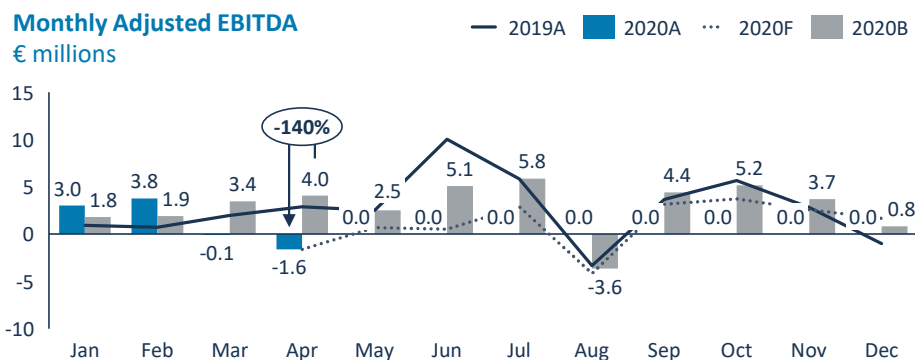
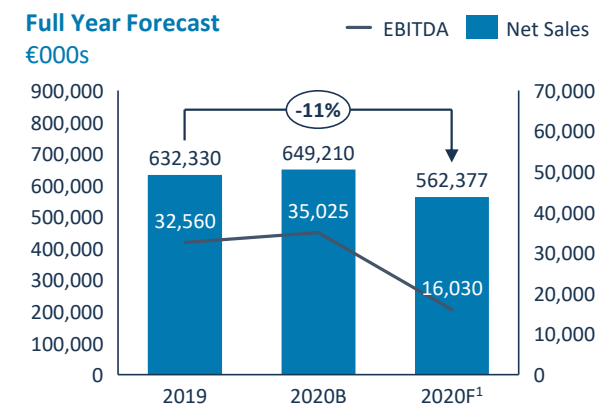
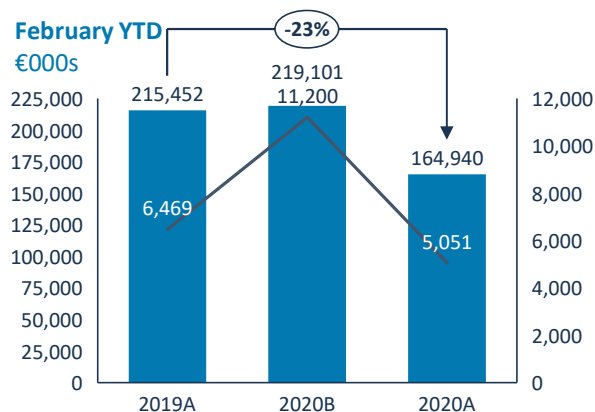
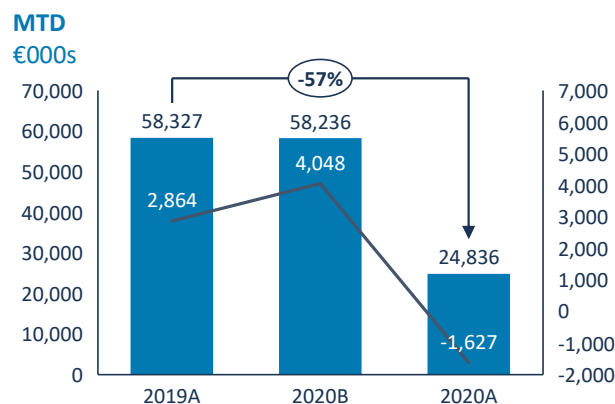
- April Sales with €24.8M was -57% below PY and -57% below budget; loss of sales entirely due to COVID19 outbreak in Europe and related restrictions on free movement and business conduct by the French government as of March 18<sup>th</sup>
- YTD Sales with €164.9M was -23% below PY and -25% below budget due to COVID-19 implications
- April EBITDA with -€1.6M was -€5.6M below PY (including IFRS16) and -5.6M below budget as a result of lower sales volume while the margin rate was better and OPEX were lower.
- YTD EBITDA with €5.1 was -€5.9M below PY (including IFRS16) and -6.1M below budget
- **2020 EBITDA outlook** at €16.0M, a reduction of -16.5M vs PY and -19.0M vs budget as a consequence of COVID16 and related lower sales volume; this forecast is however 6M better than the prior forecast due to a quicker recovery expected post COVID-19
- **Current trading:** Sales in May after 8 days out of 18 is at € 9.9M which is -17% below PY and -20% budget as a result of reduced activities due to Covid-19; Commercial margin level at 20.7% versus 19.4% in PY and 19.2% in budget
- **COVID-19:** all 133 branches open but operating with lower customer visits; strict social and physical distancing requirements implemented in the operating procedures, in May 25% of workforce on temporary unemployment
- **Exit process** paused for all parties
- **Carve out PNF** in preparation for end of May and timing is confirmed by management. Factoring contract carve out resolved.

### Status Update: Project Details

Project	Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
			Projected	Actual
<b>A: Exit process</b>	 <ul style="list-style-type: none"> <li>• 4 non binding offers received: Blackstone for B&amp;M, St Gobain for PNF, Barillet and Lababois for PNF</li> <li>• Process paused since March due to COVID19</li> </ul>	Year-end 2020	TBD	TBD
<b>B: Split of PanoFrance network to increase exit options</b>	 <ul style="list-style-type: none"> <li>• Legal carve out expected for May 31st, 2020</li> <li>• Timing is confirmed by management.</li> <li>• Factoring contract carve out resolved.</li> </ul>	May 2020	TBD	TBD
<b>C: OGx initiatives</b>	 <ul style="list-style-type: none"> <li>• Pricing: Implementation of proprietary Big Data solution to optimize; Optimal pricing proposal based on the combination of past transactions &amp; price sensitivity levels; Solution implemented in 80 branches by year end 2020</li> <li>• Digitalization: Search engine &amp; web traffic optimized (+40% natural referencing); Online catalog with real-time product availability; cross-selling &amp; alternative product functionalities</li> </ul>	Ongoing	TBD	TBD



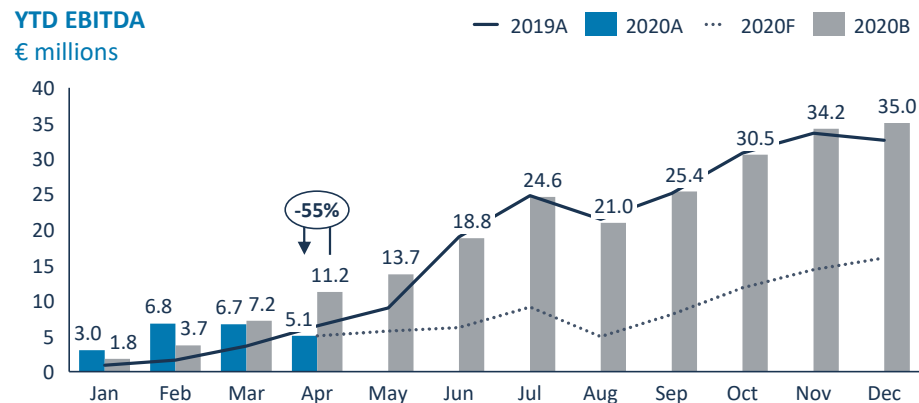
April results heavily impacted by Covid-19 with -57% in sales and -€5.9M EBITDA vs prior year; break-even EBITDA expected in May



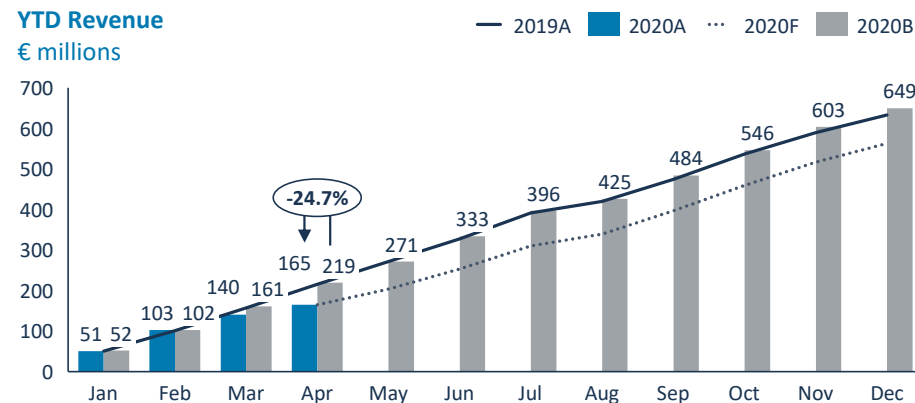
1. Note: March 19 numbers shown without IFRS due to consistency with LP reports in Q1 2019

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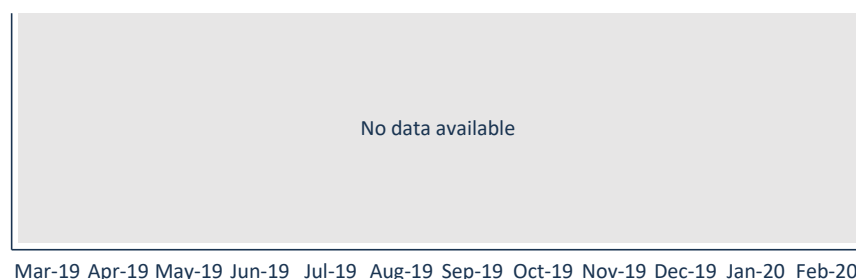
**YTD EBITDA**  
€ millions



**YTD Revenue**  
€ millions

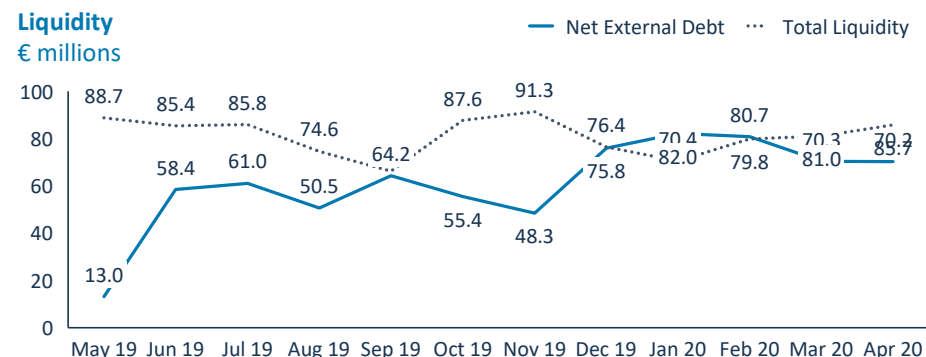


**Order Intake**  
€ millions



Note: January 19 numbers shown without IFRS due to consistency with LP reports in Q1 2019

**Liquidity**  
€ millions



### 3.c | Everzinc

## Negative impacts of Covid-19 in April led to the poor EBITDA performance in the month and triggered another downward review of the full year forecast

### Executive Summary

- April sales of €32.4M strongly impacted by Covid-19, being €-15.2M below PY (LME: €-9.8M / Volume: €-6.2M / Price: €+0.8M price) and €-18.2M below budget (LME: €-7.1M / Volume: €-10.3M / Price: €-0.7M)
- YTD sales of €144.4M was €-31.4M below LY (LME: €-23.4M / Volume: €-10M / Price: €+1.9M) and €-40.8M below budget (LME: €-20.4M / Volume: €-19.5M / Price: €-0.8M)
- April EBITDA of €1.6M reflected the poor sales performance and, likewise, was below PY of €3M and budget of €3.5M, driven by the lower LME and volumes
- YTD EBITDA amounted to €8.5M vs. €9.8M LY and €11.7M in budget, with the most recent deterioration related to the Covid-19 crisis in March and April
- Full-year EBITDA was further revised to €27M, representing a down case scenario versus the €30M of LY and the €37.9M in budget
  - The most recent deterioration reflects the lower performance in ZANO (resulting from customers' orders cancellation/postponement) and the continued uncertainty about the ramp-up of activities post Covid-19 for the other product families (ZBM performing well, while ZNO and FZP remain significantly below LY and budget)
  - A cost reduction program of €2.8M started to be implemented in May and is already considered within the revised EBITDA forecast of €27M
  - Q2 EBITDA expected to be at 64% / 48% of PY and budget, while Q3 and Q4 are expected to be at 101% / 65% and 95% / 92%, respectively
- Cash position of €26M by the end of April is sufficient to secure business continuity, but the expected deterioration of EBITDA performance puts additional risk in securing covenants' compliance (scenarios being discussed in order to define the best manner to approach the banks: request a review of ratios vs. a holiday period for testing because of Covid-19)

### Status Update: Project Details

Project		Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
				Projected	Actual
A: Project Hércules	●	<ul style="list-style-type: none"> <li>The new ZANO production process continues to be perfected towards industrial scale</li> <li>The prototype line is being assembled with the University of Liege</li> <li>Live tests planned to take place during May in Canada and Belgium (May 25<sup>th</sup>)</li> </ul>	TBD	TBD	TBD
B: Factoring Line Optimization	●	<ul style="list-style-type: none"> <li>Discussions with FactoFrance to release additional funds during the Covid-19 crisis were successfully completed, resulting in €2M additional liquidity to the business (reduction of guarantee fund by 50% from April to July)</li> </ul>	Done	n/a	n/a
C: MIT Collaboration	●	<ul style="list-style-type: none"> <li>Discussions with Matt Pearson progressing well, with 4 potential applications identified and to be further assessed over the next 12 weeks: (1) Electronics and Optoelectronics, (2) Textiles, (3) Biomedical and Pharmaceuticals and (4) Additive manufacturing resins and printing inks</li> </ul>	TBD	TBD	TBD





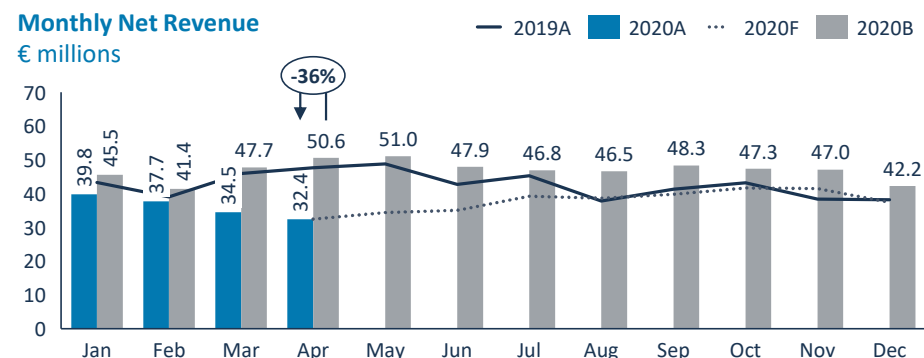
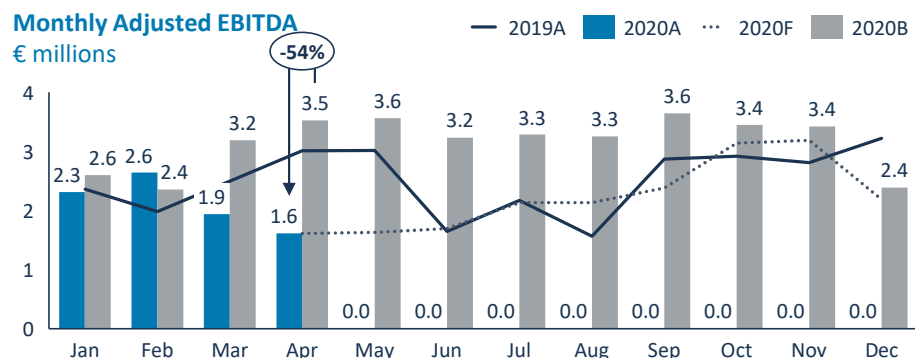
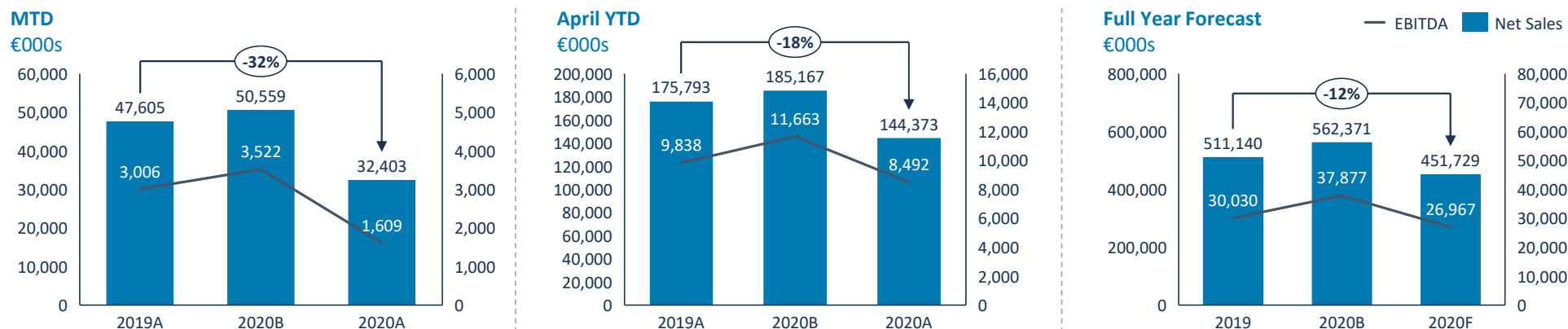
Negative impacts of Covid-19 in April led to the poor EBITDA performance in the month and triggered another downward review of the full year forecast

Status Update: Project Details (cont.)

Project	Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
			Projected	Actual
<b>D: Gunther Metall Add-On</b>	<ul style="list-style-type: none"> <li>Due diligence kick-off meeting held on May 12<sup>th</sup> with seller and advisors (Finance, Tax, Legal and SGE)</li> <li>Diligence expected to be completed by mid-June, aiming for a signing towards the end of Q2</li> </ul>	H2 2020	€0.7-3.2M	TBD
<b>E: Group CFO Recruitment</b>	<ul style="list-style-type: none"> <li>Ongoing process with Korn Ferry, but candidates pool is very limited                             <ul style="list-style-type: none"> <li>4 additional interviews completed, but no leading candidate identified</li> <li>OGC-proposed candidate (former CFO of Nakan) under discussion with EverZinc CEO</li> </ul> </li> </ul>	Q3 2020	n/a	n/a
<b>F. Restructuring Plan</b>	<ul style="list-style-type: none"> <li>Implementation of plan started in May, targeting labour and discretionary spending at the HQ and the plants, with a target to generate €2.8M in savings within 2020</li> </ul>	May-Dec 2020	€2.8M	TBD
XXX	<ul style="list-style-type: none"> <li>XXX</li> </ul>	XXX	XXX	XXX
XXX	<ul style="list-style-type: none"> <li>XXX</li> </ul>	XXX	XXX	XXX
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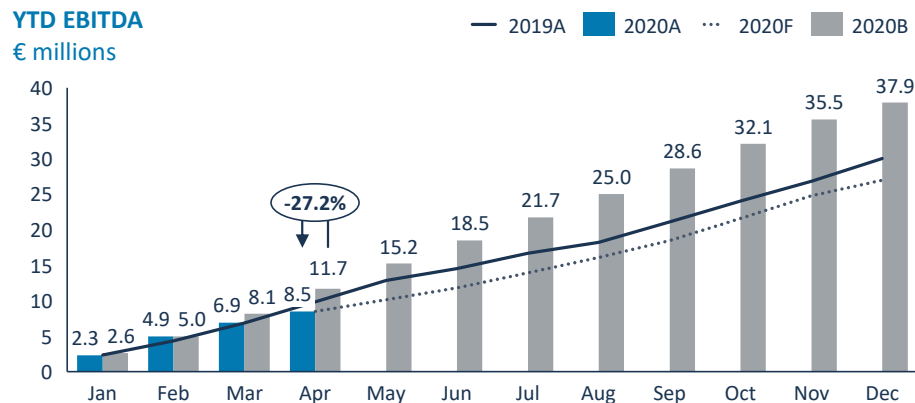


Performance has been impacted by the lower Zinc LME and most recently by lower volumes, while liquidity benefits from lower working capital. Full-year forecast revised downwards

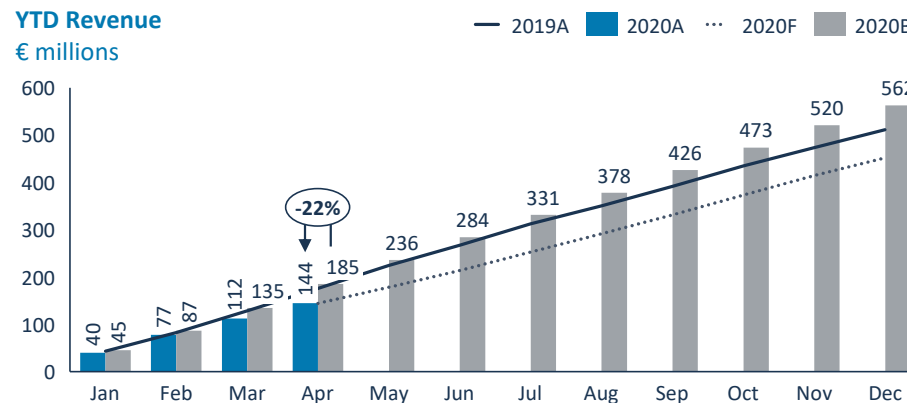


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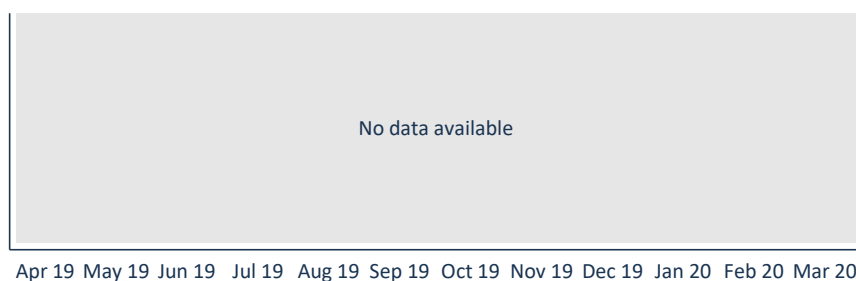
**YTD EBITDA**  
€ millions



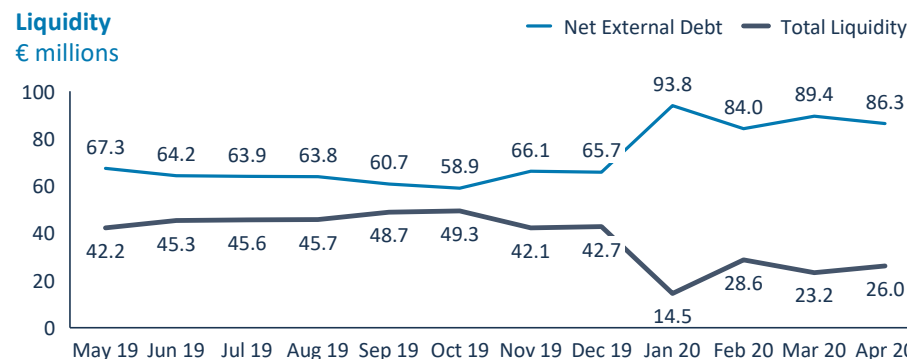
**YTD Revenue**  
€ millions



**Order Intake**  
€ millions



**Liquidity**  
€ millions



3.d | Jotul

## April sales and EBITDA negatively impacted by COVID-19, full year outlook remains stable



### Executive Summary

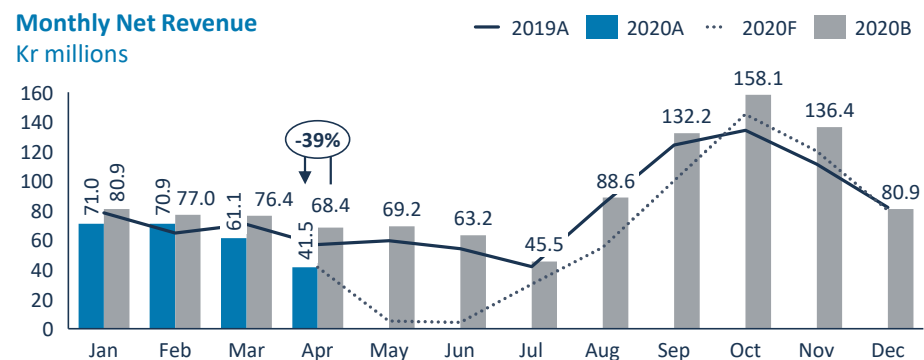
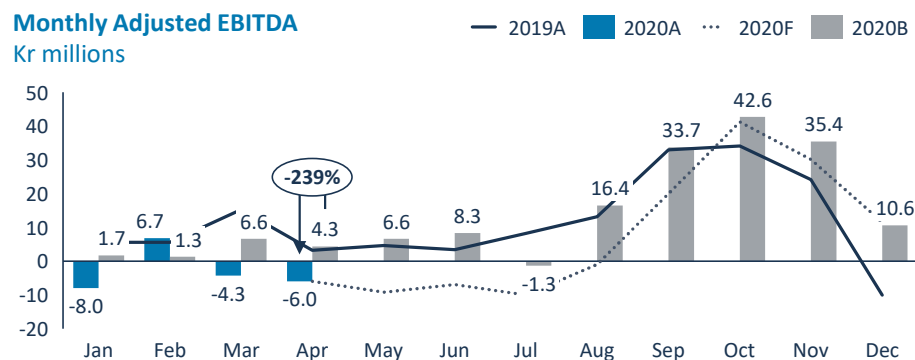
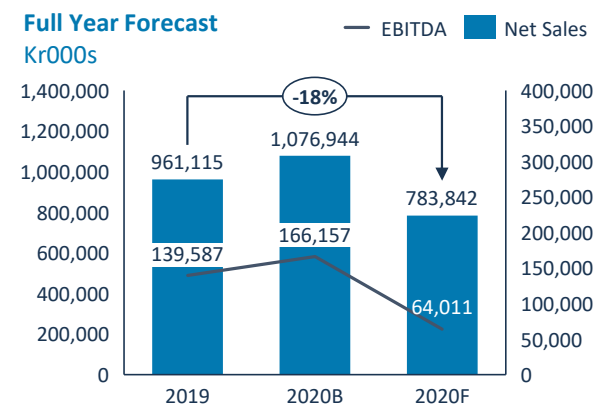
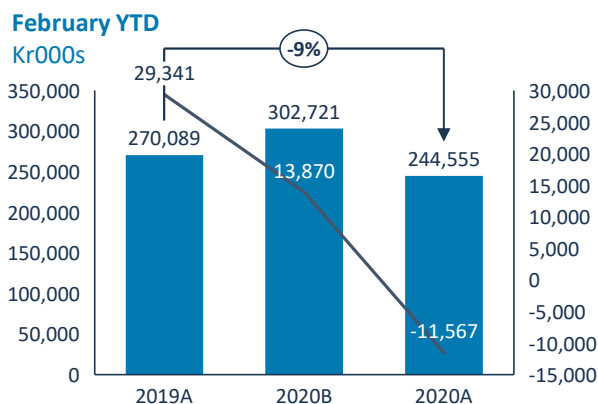
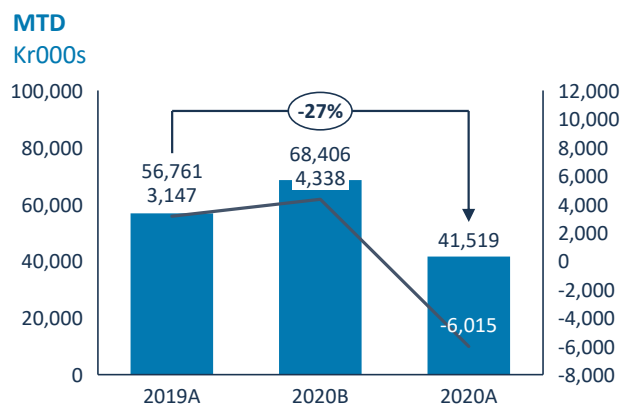
- April Sales with NOK 41.5M were -27% below PY and -39% below budget; lower performance in all countries except for Scandinavia mainly as a result of COVID19
- YTD Sales with NOK 244.6M were -9% below PY and -19% below budget
- April EBITDA with NOK -6.0M below PY by -9.2M mainly due to depressed sales
- YTD EBITDA with NOK -11.6M below PY by -40.9M due to lower sales, higher OPEX due to ramp up of production in Poland and the stock builddown affect on margin
- **2020 EBITDA outlook** at NOK 64M, a reduction of -75M vs PY and -103M vs budget as a consequence of COVID16 and related lower sales volume
- **Current trading:** Sales in May after 5 days out of 20 is at NOK 9M which is -56% below PY as a result of reduced activities due to COVID19; Order Intake in April at -49% versus PY
- **COVID-19:** US production and shipments stopped since beginning of May until mid June; Production in Norway restarted for two weeks in May and France started shipments since mid May; Poland returned to normal production by mid May (144 employees)
- **AICO integration:** AICO's integration into Jotul in 2020 in preparation, start of production of AICO Stoves in the Polish factory expected for end of July (depending on lifting of travel restrictions throughout Europe)
- **Liquidity:** Jotul's liquidity remains reasonable due to the liquidity support obtained in France of NOK35M. Refinancing will further bolster future liquidity levels.
- **Refinancing:** Refinancing still awaiting bondholders' approval, to be expected by May 18th

### Status Update: Project Details

Project	Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
			Projected	Actual
<b>A: Polish plant ramp up</b>	<div>●</div> <ul style="list-style-type: none"> <li>• March &amp; April production running at 50% of plan (1800 units produced)</li> <li>• Bring in experienced workers from Norway to accelerate learning curve (requires travel possibility)</li> </ul>	TBD	N/A	N/A
<b>B: AICO integration</b>	<div>●</div> <ul style="list-style-type: none"> <li>• AICO's integration into Jotul in 2020 in preparation, start of production of AICO Stoves in the Polish factory expected for end of July (depending on lifting of travel restrictions throughout Europe)</li> </ul>	TBD	N/A	N/A



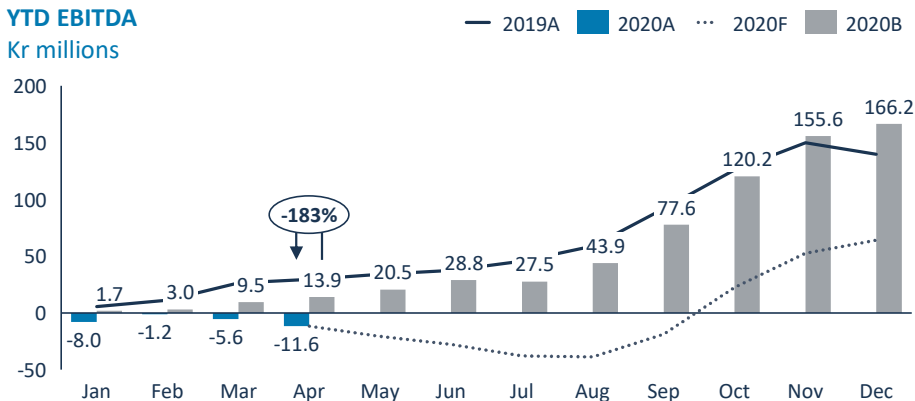
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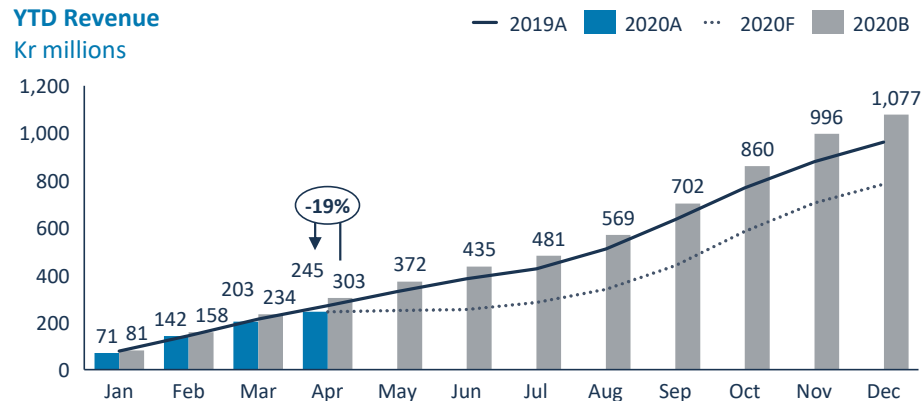
## April sales and EBITDA negatively impacted by COVID19, full year outlook remains stable



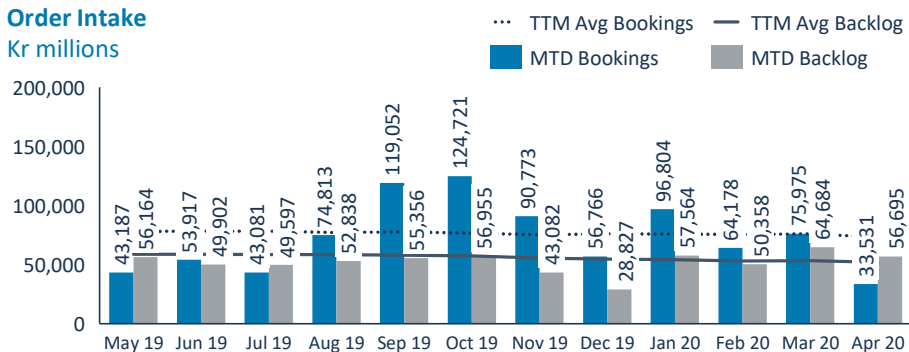
### YTD EBITDA Kr millions



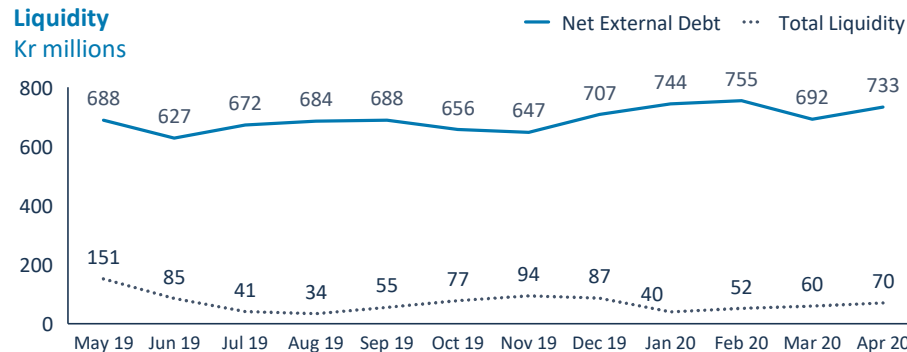
### YTD Revenue Kr millions



### Order Intake Kr millions



### Liquidity Kr millions



Note: January 19 numbers shown without IFRS due to consistency with LP reports in Q1 2019



OPENGATE CAPITAL

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3.e | Ravelli



## Covid-19 impact hit AICO heavily in April, leading to minimal sales and order intake levels large temporary cost reduction reduced cash losses to a minimum



### Executive Summary

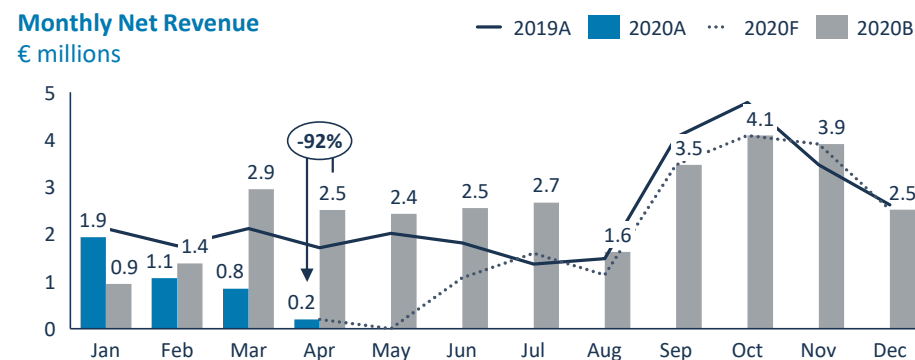
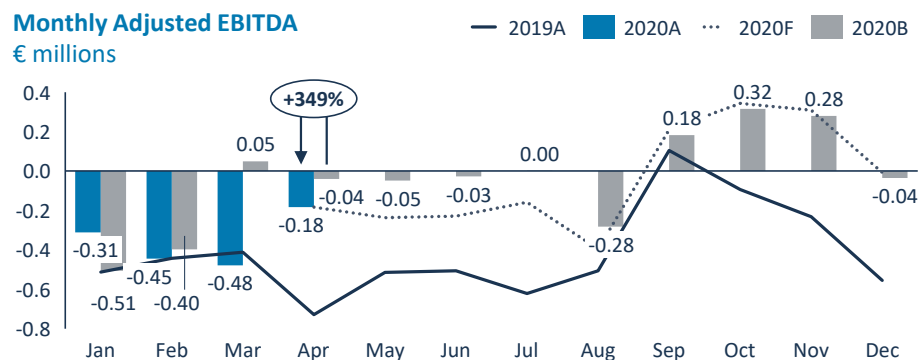
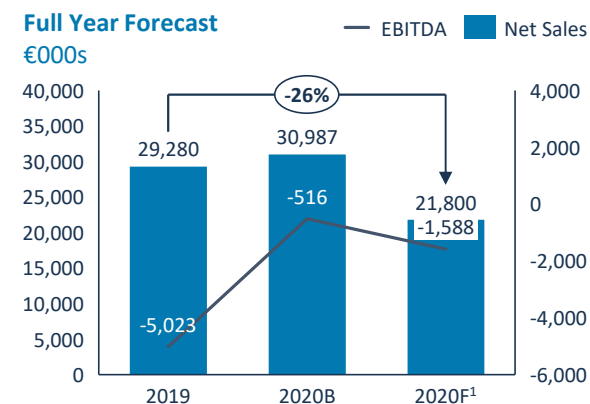
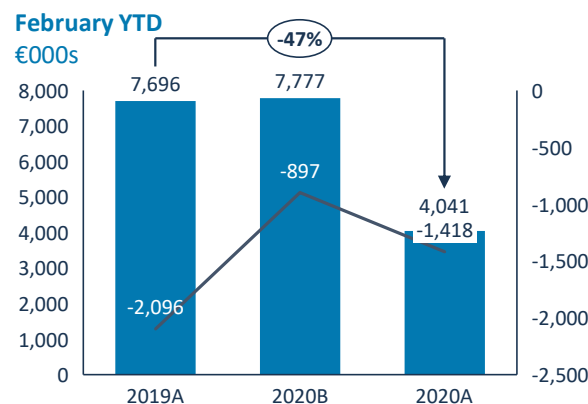
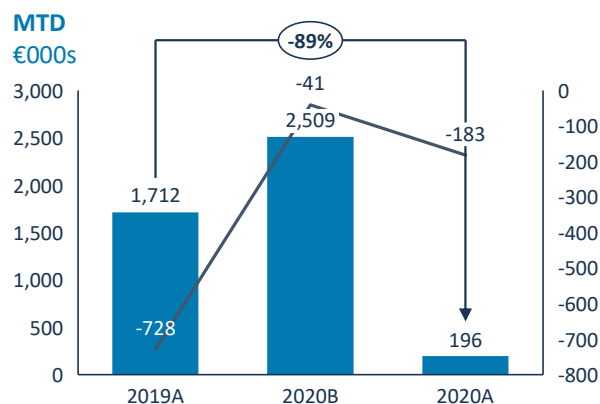
- April activities heavily impacted by the Covid-19 measures in Italy. Production stopped in the second week of March and are not expected to re-open prior to June. Deliveries reduced to a minimum. Order intake reduced to marginal levels in March and April.
- April net sales at €0.2M were -89% below PY and -92% below budget; lower sales resulting from Covid-19 implications in Italy
- YTD sales at €4.0M were -48% below PY and -48% below budget as a consequence of COVID-19
- EBITDA at -0.2M had losses less than PY by €0.5M but -0.1M worse than budget; despite lower sales levels cost saving measures reduced additional bottom line impact vs prior year. As of April 85% of employee base on government paid unemployment reduced cash spending
- YTD EBITDA at -1.4M +678k less losses than PY due to restructuring exercise at year end 2019;
- **2020 EBITDA outlook** at €-1.6M, which is +€3.4M lower losses vs PY but – 1.1M worse than budget due to COVID19 implications
- **Current trading:** Sales and order intake by mid month May very low; sales after 10 days out of 20 @ €332k, -74% vs PY and -31% vs budget, OI @ €486k, --65% vs PY
- **COVID-19:** Production stopped early March. Most deliveries stopped in April and May. It is planned that production resumes in June but depending Order Intake in May.
- **Liquidity:** government support not accessible due to bad credit rating of AICO. Despite low liquidity levels no injection foreseen beyond the €1.5m cash reserves on holding level
- **Jotul integration :** preparation to start transfer production batches to Poland by end July 2020 and gradual reduction of production in Italy by end of 2020

### Status Update: Project Details

Project	Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
			Projected	Actual
A: Integration into Jotul	<ul style="list-style-type: none"> <li>• Jotul integration kicked off to investigate an acceleration of the integration during the summer months of 2020 versus a delayed scenario of an integration in Q1-2021</li> <li>• preparation to start transfer production batches to Poland by end July 2020 and gradual reduction of production in Italy by end of 2020</li> </ul>	Year end 2020	€2.3M	0



Covid-19 impact hit AICO heavily in April, leading to minimal sales and order intake levels  
large temporary cost reduction reduced cash losses to a minimum

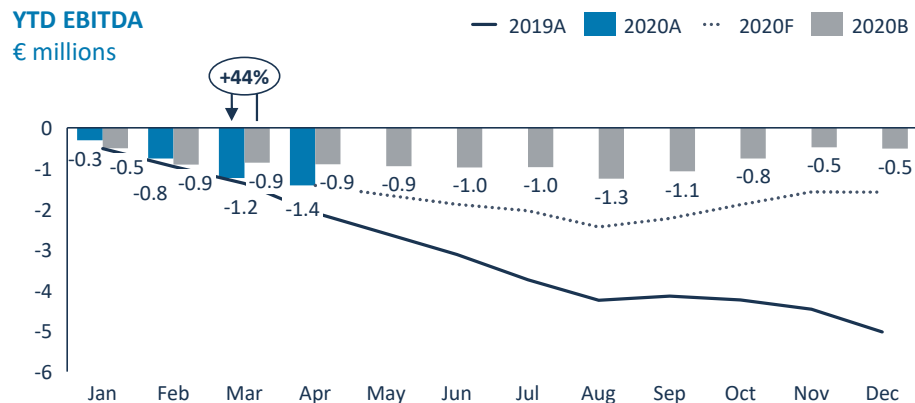


1. YTD actuals + remaining year forecast

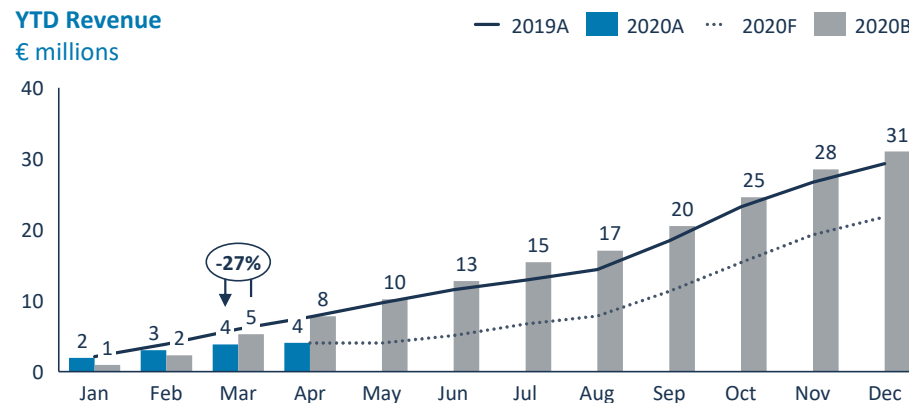
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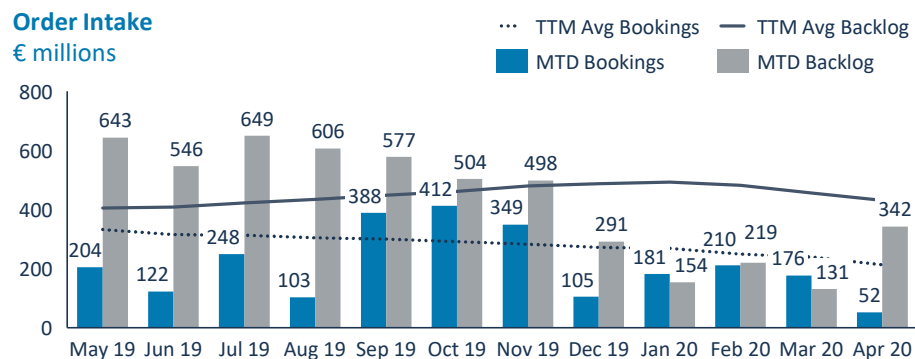
**YTD EBITDA**  
€ millions



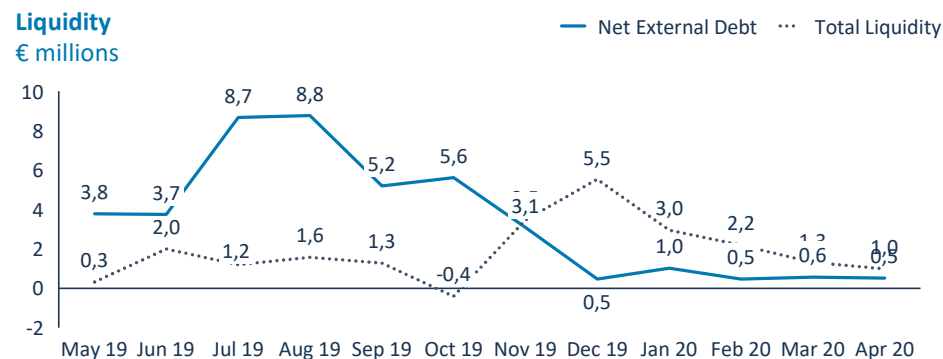
**YTD Revenue**  
€ millions



**Order Intake**  
€ millions



**Liquidity**  
€ millions



## 3.f | Fichet

April results penalized by Covid-19 and the lockdown in France with -63% in sales (although better than the -75% forecasted) and -€1.7M EBITDA vs prior year



### Executive Summary

April sales reached €3.4M, -63% below both Budget and PY. Installation was stopped in April due to Covid19, only allowing for urgent service intervention and emergency repair. Branches, HQ and plants reopened on 27<sup>th</sup> April

- YTD Sales of €30.9M is -26% vs both Budget and PY due to Covid19 since mid-March and lower performance on Safe&Vaults and Service because of delays in yearly contract renewal in Q1
- EBITDA in April is €-1.8M which is €-2.2M vs Budget and €-1.7M vs PY, Activity stopped in April with site closure and staff remotely working from home to reduced fixed costs
- YTD EBITDA dropped to €-4.3M which is €-5.3M vs Budget and €-3.2M vs PY. Besides Covid19 impact, results are penalized by Q1 poor projects performance and a drop in service activity volume.
- Forecasted loss of turnover May -57% / June -20% / July -5% / August -10%. Total yearly sales impact is assessed at €-22.2M or -17% vs and at €-15.5M or -12% vs PY.
- Therefore, FY 2020 EBITDA reforecast ends up at €-5.1M, which reflects an impact of €-11.2M or -184% vs Budget and €-6.6M or -450% vs PY
- Current level of liquidity expected to last beyond end of year
- **Covid-19:** Sites and activity restarted at the end of April ahead of National deconfinement date (11<sup>th</sup> May). Slow ramp up in May: 1<sup>st</sup> week 35%, 2<sup>nd</sup> week 50% with still 21% of the staff in temporary lay offs. Target to reach 90%-100% by end of May.
- Successful agreements for the 90% state guaranteed loans (€14M in total). €10M received in May from BNP and contract signed with La Banque Postale for the remaining €4M.

### Status Update: Project Details

Project	Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
			Projected	Actual
<b>A: Backlog cleansing</b>	● • 0.5M€ identified to be reviewed (2% of the backlog) including 0.1M€ prior to 2018	TBD	TBD	TBD
<b>B: Recruitment</b>	● • Successful recruitment of Service Business Unit Director (starting in June) • New Group HR Director selected, on going negotiation with current HRD • CEO candidate selected, Julien Laforets, expected to start 15 <sup>th</sup> June	June June June	TBD	TBD
<b>C: Cost reduction</b>	● • 21% of employees remaining on subsidized temporary lay offs for the first weeks of May (total: €2.5M), Recruitment freeze (31 positions; €0.6M), Overhead reduction (travel, etc; €0.5M), Utilities reduction (€0.2M) – Management preparing a turn around plan to drive fixed cost down	April - December	3.8	TBD



April results penalized by Covid-19 and the lockdown in France with -63% in sales (although better than the -75% forecasted) and -€1.7M EBITDA vs prior year



#### Status Update: Project Details (cont.)

Project	Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
			Projected	Actual
<b>D: New commercial strategy implementation/ transformation</b>	● • Main focus on Market strategy, R&D roadmaps and Export action plan	TBD	TBD	TBD
<b>E: Merger of FSSF and FT</b>	● • On going project to merge FSSF and Fichet Technologies (Baldenheim) : Net System appointed to run the RFQ for ERPs merger support	TBD	TBD	TBD
<b>F: OGx initiatives</b>	● • Implementing digital processes (geolocation, Asset QR, E-procurement, ProFi), • Contacts in Germany and France about 3D printing solutions (Metal and mineral) – to relaunch post lockdown	TBD	TBD	TBD
<b>G: Liquidity</b>	● • Maintained focus on overdue collection, Payment of €10m for the BNP PGE. Remaining €4M PGE from La Banque Postale expected end of May. Hiring (31 positions) and Capex spending freeze (€1M), Tax, rent and utilities instalment postponed (€4M), Drafting of a fixed cost reduction plan	March-December	XXXX	XXXX
XXXX	• XXXX	XXXX	XXXX	XXXX
XXXX	• XXXX	XXXX	XXXX	XXXX



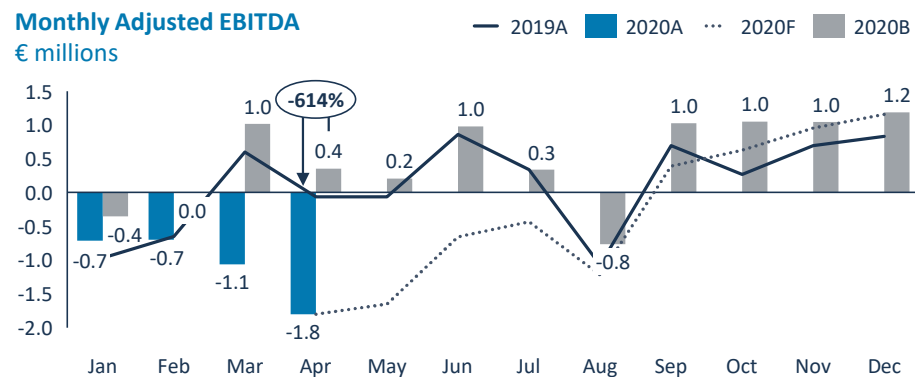
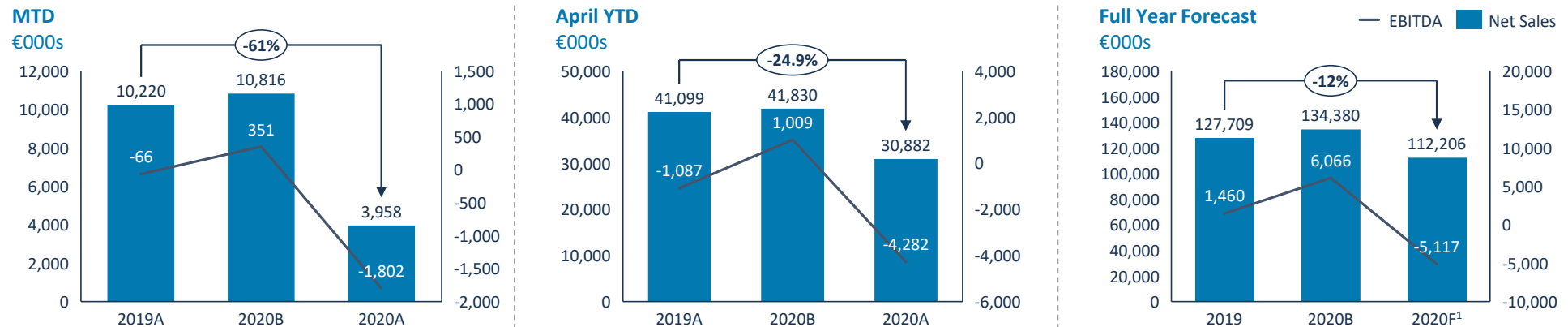
OPENGATE CAPITAL

● Complete    ● Just started    ● On Track    ● At Risk    ● Behind Schedule

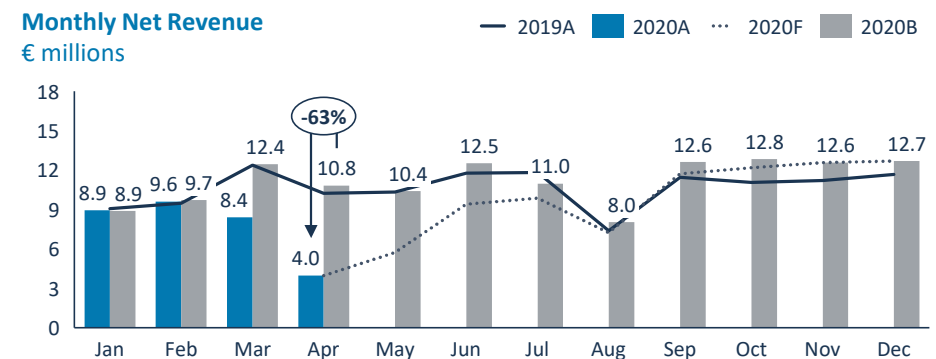
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April results penalized by Covid-19 and the lockdown in France with -63% in sales (although less than the -75% forecasted) and -€1.7M EBITDA vs prior year



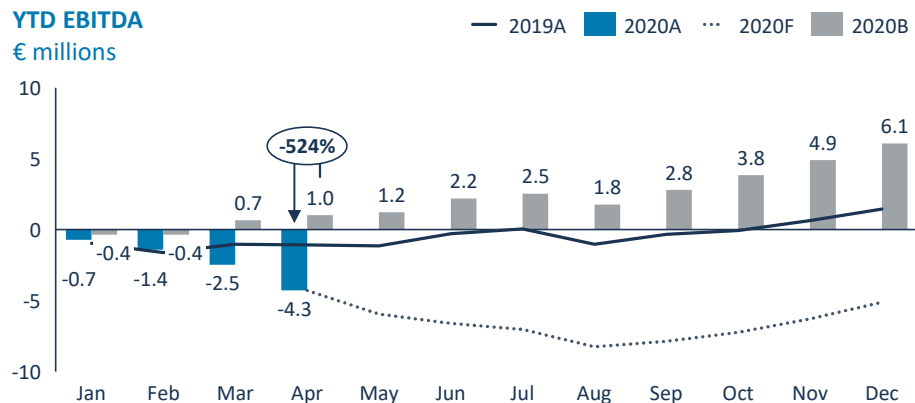
1. YTD actuals + remaining year forecast



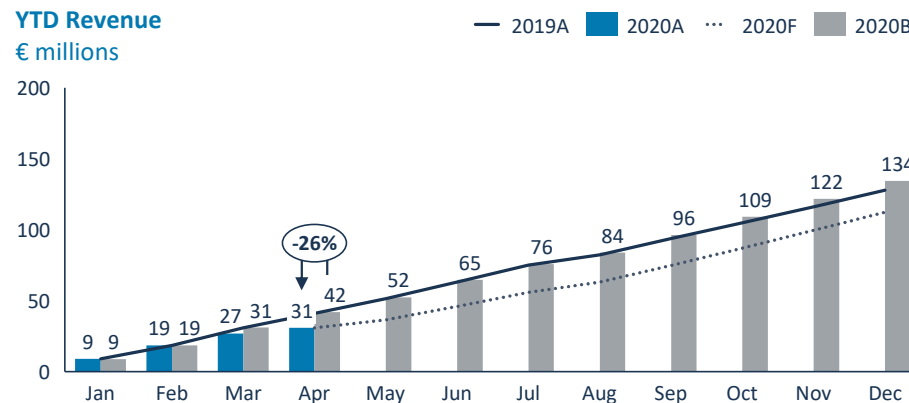
2020 reforecast, considering the Covid19 crisis, shows a full year impact on Sales of €-22.2M or -17% vs Budget and on EBITDA of €-11.2M or -184% vs Budget



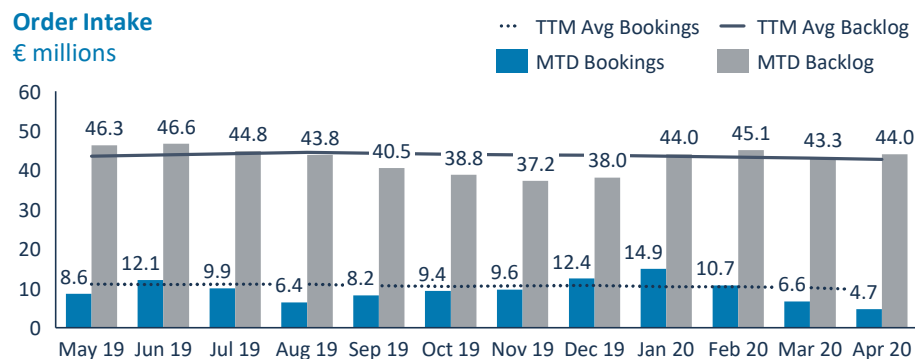
**YTD EBITDA**  
€ millions



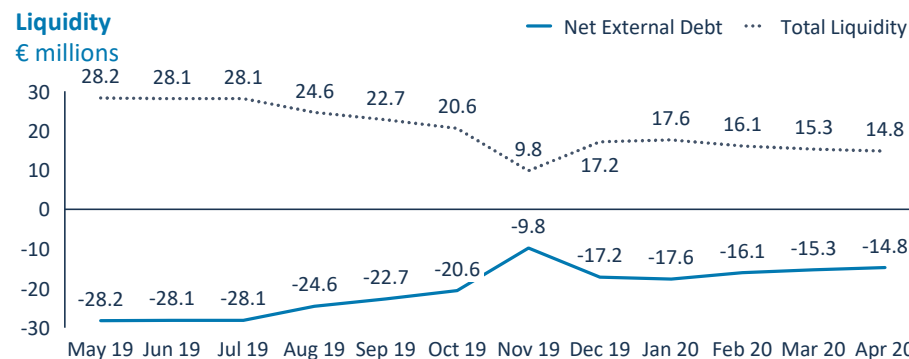
**YTD Revenue**  
€ millions



**Order Intake**  
€ millions



**Liquidity**  
€ millions



1. YTD actuals + remaining year forecast



3.g | SMAC

April very strongly impacted on sales (-70% vs. 2019) due to full month COVID impact generating **SMAC** a € -2.1 m EBITDA loss (nevertheless better than forecast).

May and June expected to evidence progressive back to business as usual on projects.


#### Executive Summary

- Order intake at a much lower level in April at € 31.7 m due to COVID effects (-44% vs. April 2019). 21 business days in April 2020 and in 2019.
- April like for like sales at € 16 m are – 70.1% vs. 2019 and – 69.6% vs. budget. Vs. 2019, Works activity declined by -73.8% on a like for like basis. Industry division decreased by -62% compared to 2019 with –55% variation in volumes on membranes, decrease in skylights volumes by -65% and decrease in resin volumes by –54%.
- Like for like YTD sales at € 132.9 m are -32% vs. 2019 and -27.4% vs. budget. Works : YTD Sales : -28.9% vs. budget and -34.3% vs. PY. Industry : YTD Sales : -24.1% vs. budget. -25.7% vs. PY with -21% variation in volumes on membranes, decrease in skylights volumes by -30% and decrease in resin volumes by -22%.
- EBITDA in April at € -2.1 m vs. € 2.7 m in 2019 and € 2.8 m in budget. Vs. 2019, € -4.8 m of which € -3.6 m on Works and € -1.2 m on Industry. Vs. budget, decrease in gross margin by 86.5% and SG&A by 40% as illustration of difficulty to adapt exactly cost structure to revenue decline (-69.6%). Nevertheless numerous actions taken, interim worked reduced to quasi 0, partial unemployment used savings 3 m€ in April.
- YTD EBITDA at € -2.8 m vs. € 2 m in 2019 and € 2.7 m in budget. Vs. 2019, € -4.8 m of which € -3.8 m on Works and € 1 m on Industry. Positive trend in January / February on profitability totally offset by very low performance in March and April following COVID impacts.
- As of May 15, 66% of Works projects running with the ambition to reach 87% by the end of May.
- Second reforecast under COVID crisis for 2020 at € 18.7 m EBITDA (€ -7.6 m vs. budget but +€ 0.7 m vs. previous reforecast as a result of higher April than expected last month) as a result of Q2 sales at – 32% vs. 2019 (May : activity decrease by -30% vs. 2019 and -29% vs. budget ; June : activity to expected to increase by 8% vs. 2019 and -3.3% vs. budget. H2 2020 : back to budget scenario (assuming limited visibility and necessity to catch up delay on all projects stopped). Action plan to reduce costs under preparation by the management.

#### Status Update: Project Details

Project	Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
			Projected	Actual
<b>A: Social Roadmap</b>	<ul style="list-style-type: none"> <li>• New framework agreements in place for internal mutual fund and social benefits including profit sharing agreement.</li> </ul>	TBD	€ + 2m	N/A
<b>B: Operational excellence implementation</b>	<ul style="list-style-type: none"> <li>• COVID is slowing 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&amp;S Covid requirements.</li> </ul>	TBD	+ [2] m€ min	N/A
<b>C: IT Carve-Out and definition of new ERP</b>	<ul style="list-style-type: none"> <li>• IT carve out progressing, but slowdown observed on some subprojects. BUT SAP ERP project : COVID 19 is impacting work organization (presence of consultants on site etc) and numerous back and forth about execution design. Decision taken not to carve out totally the industry business line (action for the Buyer)</li> </ul>	TBD	+ [x] m€ - TBD	N/A



April very strongly impacted on sales (-70% vs. 2019) due to full month COVID impact generating  a € -2.1 m EBITDA loss (nevertheless better than forecast).

May and June expected to evidence progressive back to business as usual on projects.

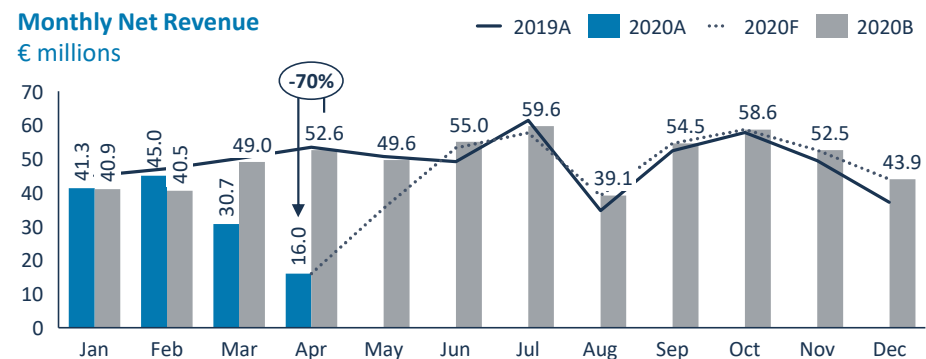
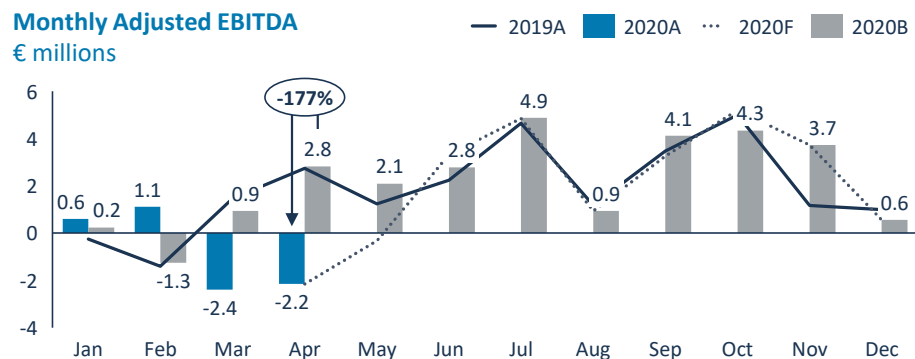
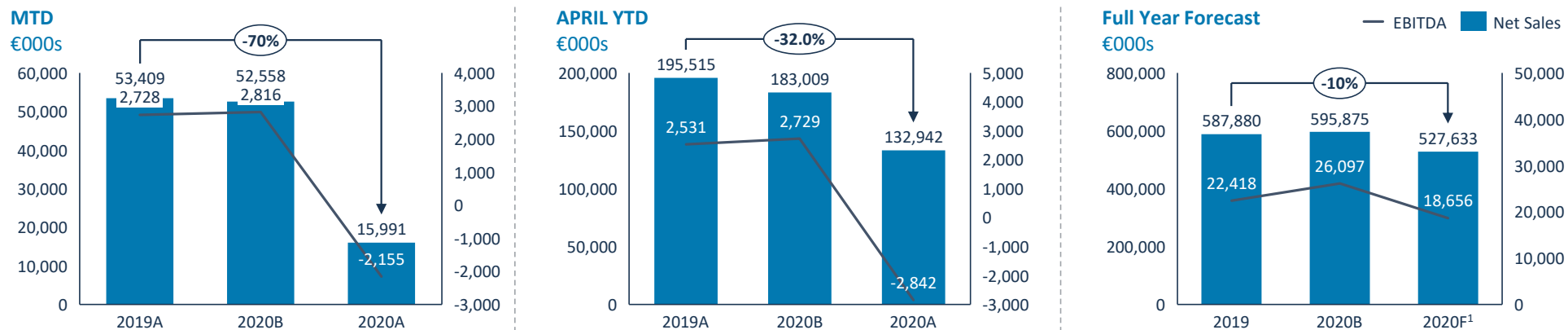
#### Status Update: Project Details (cont.)

Project	Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
			Projected	Actual
<b>D: M&amp;A Sale of Industry Division</b>	<ul style="list-style-type: none"> <li>Decision taken to restart the process early June with expected binding offers end of July.</li> <li>DD streams under finalization.</li> <li>At the same time, project of tuck-in opportunities in Paris region for Works activity interrupted as a result of COVID crisis and stop of all projects in the business. Restart expected in June.</li> </ul>	December 2020	TBD	N/A
<b>E: OGx initiatives</b>	<ul style="list-style-type: none"> <li>ERP project at the heart of improved productivity expected in the future.</li> <li>Actions ongoing to capture the growth potential of major development of Paris area (new subways line-train stations / Olympics 2024) =&gt; 8 m€ project revenues under capture.</li> <li>Pricing initiatives explored on INDUSTRY activity.</li> </ul>	TBD	N/A	N/A
<b>F. Liquidity</b>	<ul style="list-style-type: none"> <li>Secured € 40 m government backed loan for SMAC Group with 3 banks to face COVID crisis.</li> <li>Potential upside on factoring up to € 8-10 m to expect.</li> </ul>	April – May	XXXX	XXXX
XXXX	• XXXXXX	XXXX	XXXX	XXXX
XXXX	• XXXX	XXXX	XXXX	XXXX
XXXX	• XXXX	XXXX	XXXX	XXXX



April very strongly impacted on sales (-70% vs. 2019) due to full month COVID impact generating **SMAC** a € -2.1 m EBITDA loss (nevertheless better than forecast).

May and June expected to evidence progressive back to business as usual on projects.



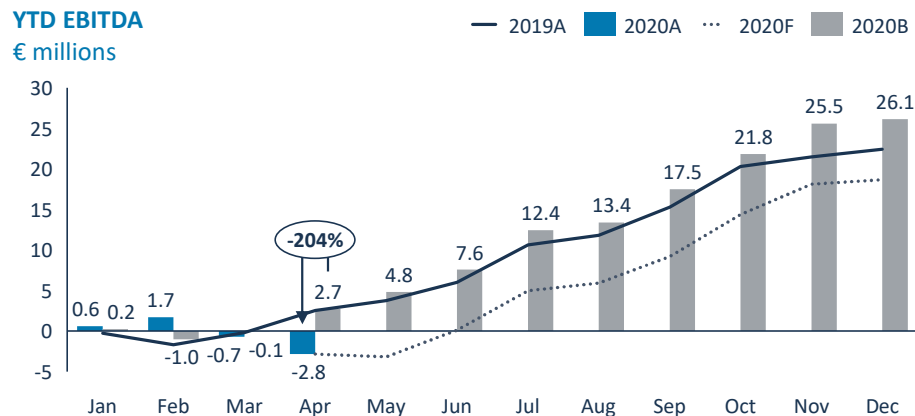
1. YTD actuals + remaining year forecast

April very strongly impacted on sales (-70% vs. 2019) due to full month COVID impact generating **SMAC** a € -2.1 m EBITDA loss (nevertheless better than forecast).

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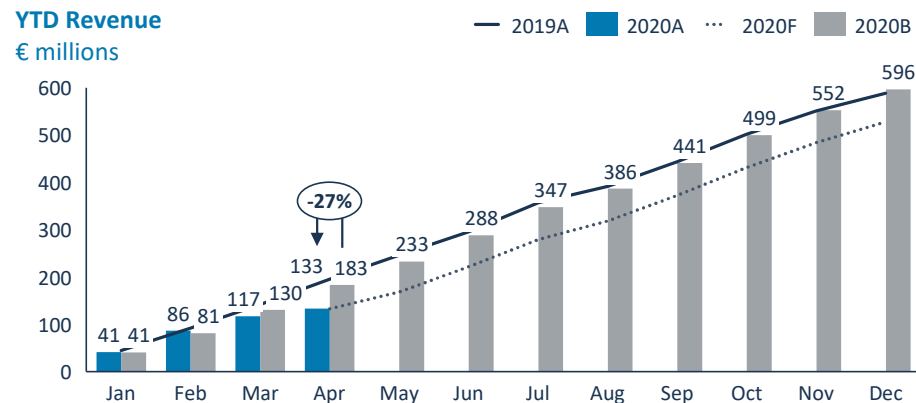
#### YTD EBITDA

€ millions



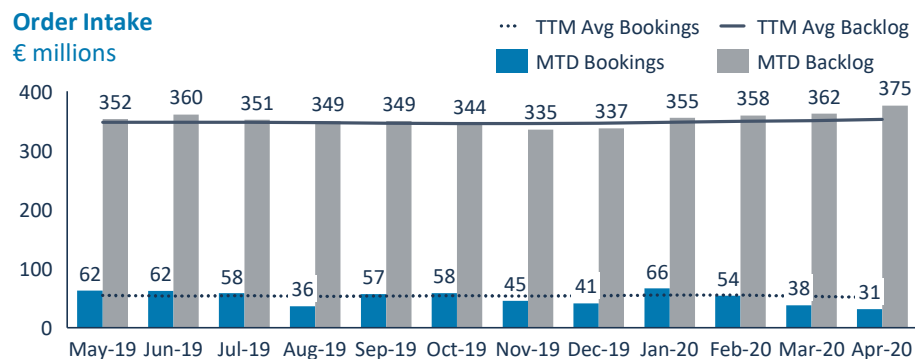
#### YTD Revenue

€ millions



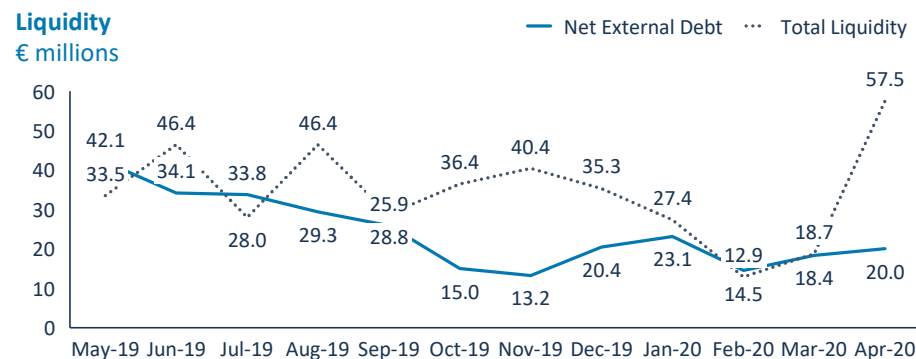
#### Order Intake

€ millions



#### Liquidity

€ millions



Note: Availability = cash + undrawn lines from factoring (impact since closing May June 2019); Net External Debt = Debt to bank, government backed loan (including factor debt) + IFRS 16 debt (12 m€) + Seller Note (8m€) - CASH

3.h | Fiven


April 2020 EBITDA at € 2.7M ahead vs. LY and budget despite decrease in sales by 24% vs. 2019. RF for 2020 improved vs. previous month as a result of better April and additional actions identified to save costs to compensate COVID impact on sales.



#### Executive Summary

- April 2020 Net sales at € 8,7 m were -24% vs budget and -24% vs. 2019 as a result of COVID impacts on the SIC industry appearing now. Vs 2019, organic variation is mainly driven by sales on standard products decrease by -47% (of which flat prices and -47% on volumes) whereas specialties products increased by +48% of which +41% on volumes and +5% on prices.
- April 2020 YTD Net sales at € 40,7 m, -1% above budget and -6% vs. 2019. Excluding forex effects, Net sales were % vs. 2019 of which € -4,3 m volume effect driven by MET activity, € -0,1 m price effect (decrease in prices in MET and REF compensated by specialties), € +2,2 m mix effect (increase share of specialties vs. last year).
- EBITDA in April at € 2,7 m is higher than budget (+66%) and higher than LY (+4%). like for like EBITDA increased by +33% vs. budget but decreased by -16% vs. 2019. Vs. 2019, organic decrease in top line (-24%) is not compensated by favorable mix effect as well as decrease in raw materials costs (petcoke).
- Like-for-like YTD EBITDA in April at € 7,4 m is higher than budget (+26%) and higher than LY (+13%). Vs. 2019, organic decrease in top line (-6%) is compensated by decrease in raw materials costs (petcoke) and decrease in SG&A by € 1.1 m (of which lack of SG management fees).
- Second reforecast since start of COVID is now at € 16,4 m including COVID effects (€ -5,2m vs. budget but € +2 m vs. latest reforecast) is based on a scenario with net sales at – 30% in Q2 vs. 2019 and at – 14% in H2 2020 vs. 2019. Additional measures identified to reduce fixed costs especially permanent reduction in HC in Norway by 19%. At the end of April, Plants running normally in Norway, at -40% in Brazil, but they are stopped temporarily in Venezuela and Belgium.

#### Status Update: Project Details

Project	Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
			Projected	Actual
A: Closing Accounts	 <ul style="list-style-type: none"> <li>• Final Report issued on March 25. FIVEN liable of € 0.67 m vs. initial request at €2.9m. Amount settled on April 1st. Topic closed after 1 year.</li> </ul>	Completed	TBD	N/A
B: Management and HQ	 <ul style="list-style-type: none"> <li>• COO : Fernando Miquel, ex senior manager at INEOS Group joined Fiven May 2, as new Group COO despite COVID situation. Feedback is positive after first weeks.</li> </ul>	May 2	N/A	N/A
C: IT Carve-Out	 <ul style="list-style-type: none"> <li>• TSA completed end of March 2020. Additional IT security audit ongoing with NetSystem</li> <li>• New IT Manager appointed (current IT manager of Brazil)</li> </ul>	Completed	N/A	N/A



April 2020 EBITDA at € 2.7M ahead vs. LY and budget despite decrease in sales by 24% vs. 2019. RF for 2020 improved vs. previous month as a result of better April and additional actions identified to save costs to compensate COVID impact on sales.



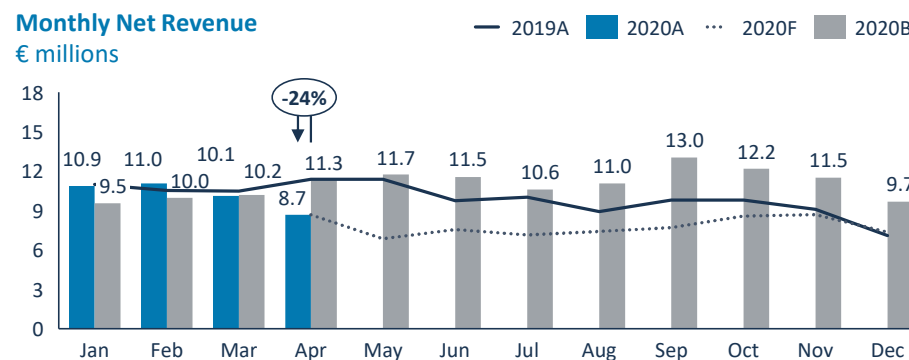
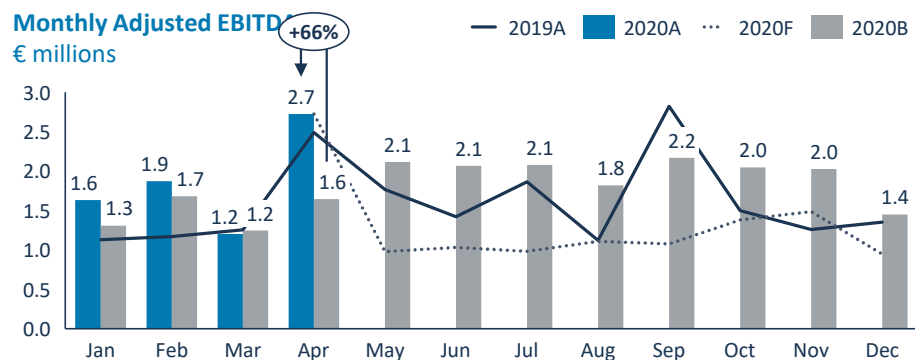
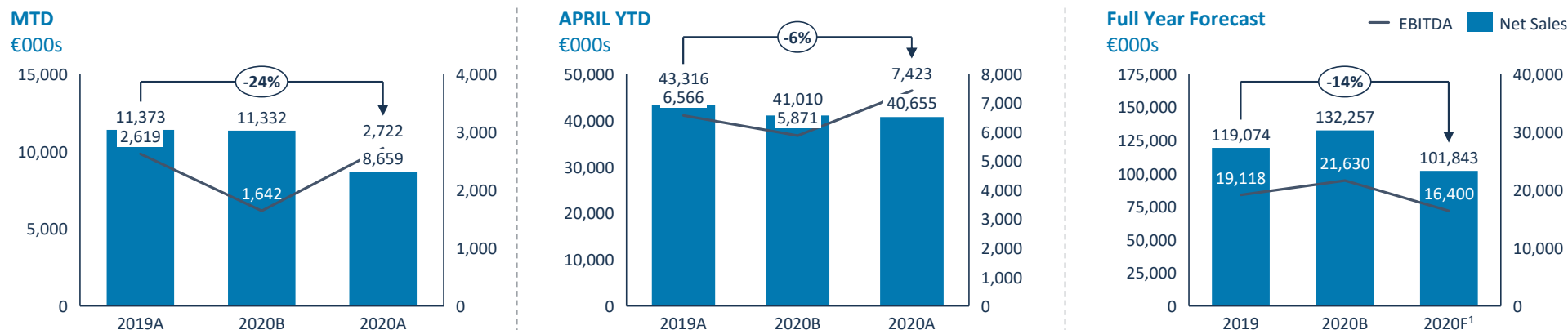
#### Status Update: Project Details (cont.)

Project	Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
			Projected	Actual
<b>D: Strategic Roadmap M&amp;A</b>	<ul style="list-style-type: none"> <li>Opportunity with Aluchem on hold following indicative offer submitted in April.</li> <li>Opportunity with ESK in Europe to be engaged following antitrust analysis done.</li> <li>Cooperation with Palidius under analysis (start up specialized in SIC wafers for semi conductors) =&gt; NDA shared with them to start potential discussions.</li> </ul>	TBD	TBD	N/A
<b>E: Venezuela</b>	<ul style="list-style-type: none"> <li>Administrative issues with permits on petcoke seems solved (waiting for signed paper version), plant closed temporarily as a result of COVID situation and lockdown in Venezuela</li> </ul>	TBD	+ [x] M€	N/A
<b>F: OGx initiatives</b>	<ul style="list-style-type: none"> <li>Project with Simon Kucher delayed due to COVID. Restart May 13 after end of lockdown in France.</li> <li>Cooperation with MIT delayed with COVID.</li> <li>Development of new product (e-SIC with purity at 99.999%). BP submitted early June.</li> </ul>	September	+ [x] M€	+ [x].m€
XXXXXX	<ul style="list-style-type: none"> <li>XXXXXX</li> </ul>	XXXXXX	XXXXXX	XXXXXX
XXXXXX	<ul style="list-style-type: none"> <li>XXXXXX</li> </ul>	XXXXXX	XXXXXX	XXXXXX
XXXXXX	<ul style="list-style-type: none"> <li>XXXXXX</li> </ul>	XXXXXX	XXXXXX	XXXXXX





April 2020 EBITDA at € 2.7M ahead vs. LY and budget despite decrease in sales by 24% vs. 2019. RF for 2020 improved vs. previous month as a result of better April and additional actions identified to save costs to compensate COVID impact on sales.

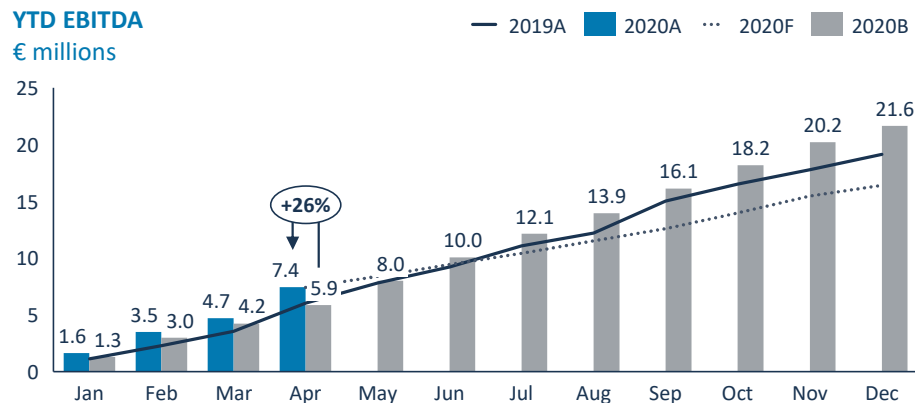


1. YTD actuals + remaining year forecast

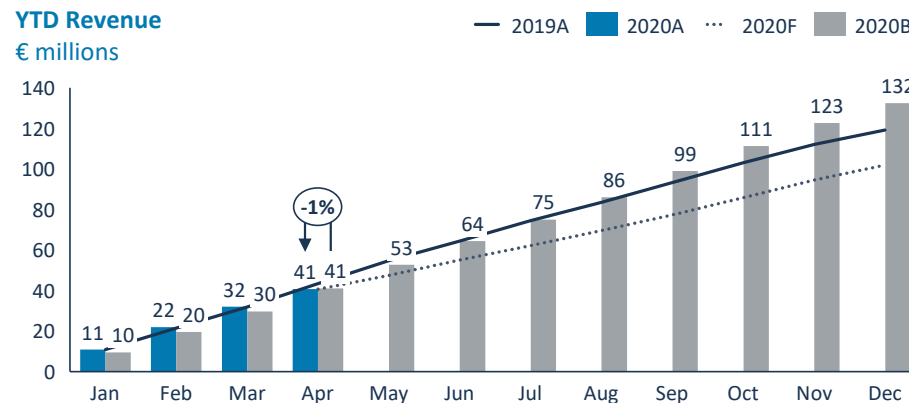
April 2020 EBITDA at € 2.7M ahead vs. LY and budget despite decrease in sales by 24% vs. 2019. RF for 2020 improved vs. previous month as a result of better April and additional actions identified to save costs to compensate COVID impact on sales.



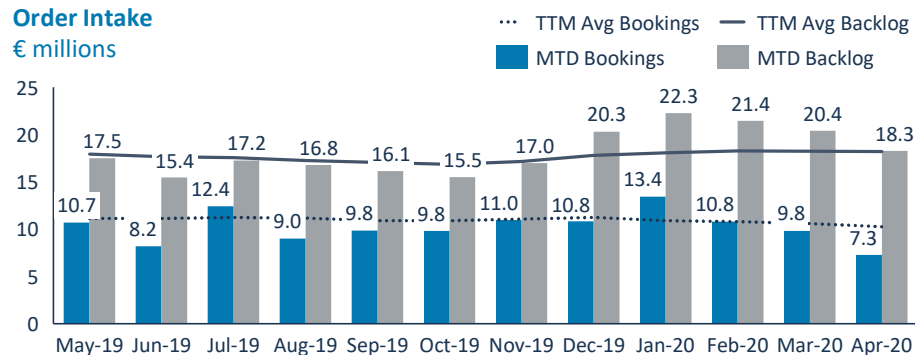
#### YTD EBITDA € millions



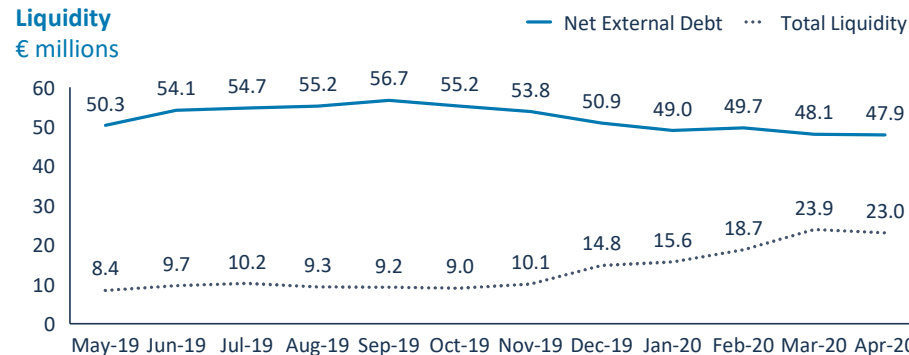
#### YTD Revenue € millions



#### Order Intake € millions



#### Liquidity € millions



Note: Liquidity = cash at bank at this stage. (undrawn lines of factoring not taken into account yet); Next external debt includes the impact of the Bond issued by FIVEN AS and IFRS 16 debt for 3.4 m€