



## 2019 Monthly Operating Review – April 2019

May 17, 2019



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| <b>Executive Summary</b> |
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**Financial Review**

**Full Year Financial Outlook**

**Governance Reporting**

**Appendix**

**Business Unit Analysis**

## Executive Summary

1. **Sales Volumes & Revenues:** Overall sales revenues and volumes were behind Plan by approx. \$2.6 million due to lower than anticipated demand at Woodbridge, Laval and Delmont due to softer market conditions at both Canadian and US customers impacted by the extended winter weather conditions. Extrusion sales impacted by colder temperatures and higher than normal precipitation levels throughout Canada and the US. Continued market softness extending into Q2 – ENERGI will need to evaluate production capacity utilization, schedules and resource requirements
2. **EBITDA:** EBITDA behind Plan by only \$431K, with impact from significant volume declines partially offset by lower material cost inputs, continued focus on alternative material usage, optimization of labor costs and lower overhead spending across the business. EBITDA also benefiting from lower OPEX costs including labor and all discretionary spending
3. **Vs Prior Year:** Overall sales revenues and volumes were behind Prior Year by approx. \$2.1 million due to lower than anticipated demand across the business due to the extended winter weather conditions in 2019 and the impact of government incentive programs in 2018, no longer offered in the current year. EBITDA was behind the Prior Year by only \$153K. EBITDA significantly impacted by volume declines at all plants, but offset by operational improvements at the Extrusion plants as a result of the continuous improvement initiatives implemented concerning material, labor and overhead spending. EBITDA also significantly improved at Terrebonne year-over-year with improvements in margins, quality, delivery and labor utilization.
4. **TTM:** 2019 April TTM Revenue of \$163.0M and EBITDA of \$10.4M vs the 2019 AOP Revenue of \$178.2M and EBITDA of \$14.0M (excluding bonus expense)

## Executive Summary (Continued)

5. **Sales Order Flow:** Overall sales order flow outlook for May at the mid-month point is currently behind by 4.5% vs the prior year on a Month to Date basis. Extrusion orders are behind the prior year by 5.7% while Patio Door sales orders are ahead of prior year orders on a Month to Date basis by 3.8%. Delmont is currently seeing some favorable orders vs the prior year, but there are lower orders at Woodbridge, Laval and Everett. All Plants are reviewing their labor production plan for May and will scale back production accordingly based on latest orders in house, while continuing to maintain their stocking program commitments. With a favorable inventory build during the first four months of 2019, it will be difficult to achieve a favorable absorption impact to offset the lower sales volumes anticipated for May and a risk to reduce labor even further
6. **Material/Supplier Price Increases:** CDI Resin Index posted a reduction of 2cpp for April, clawing back the 2cpp increase in the March price. Industry consensus is that resin will remain flat for Q2 & Q3 with a possibility of a 1cpp reduction in Q4. TiO2 price increase negotiated at 3cpp to become effective July 1<sup>st</sup> – inventory increased with purchases ahead of the increase. Alternative compounding source RFQ in process and discussions ongoing with alternative suppliers for TiO2, Masterbatch, Acrylic Dark Cap, Stabilizer and Filler materials
7. **Bank Covenants:** Excess Availability covenant for Apr-19 in line with target but Fixed Cost Coverage Ratio (FCCR) below the target due to TTM EBITDA falling below budget. Continue to monitor Q2 2019 cash flow forecasts and impacts on Excess Availability and FCCR covenants and moderate spending accordingly
8. **Woodbridge Plant Manager:** Joe Stefanov joined ENERGI Woodbridge as Plant Manager effective May 13<sup>th</sup>
9. **Laval Water Damage:** Laval water damage claim from February 14<sup>th</sup> burst sprinkler pipe finalized with insurance company. Agreement reached on scope of the damages and cost of repairs with total loss of approximately US\$160K, which is higher than the deductible amount of US\$100K. Repairs have been completed and awaiting insurance payment of excess amount

## Executive Summary (Continued)

|                      | Description  | Potential Impact   | Plan to Address   |
|----------------------|--|--|---|
| <b>Risks</b>         | ▪ Aggressive Competition and related pricing pressures                   | <ul style="list-style-type: none"> <li>▪ Customer losses</li> <li>▪ Revenue and EBITDA loss</li> <li>▪ Reduction in profitability vs Plan</li> </ul>   | <ul style="list-style-type: none"> <li>▪ Visiting major customers to solidify ENERGI's relationship as a strategic partner</li> <li>▪ Close on and lock in potential new customers – contacting several non-ENERGI customers and presenting our capabilities/innovations</li> </ul>   |
|                      | ▪ Raw Material Costs   | <ul style="list-style-type: none"> <li>▪ Resin, TiO2 and other raw material price increases impacting EBITDA</li> <li>▪ Freight and logistics cost increases</li> <li>▪ Reduction in profitability by using virgin material due to lack of supply</li> </ul> | <ul style="list-style-type: none"> <li>▪ VP Supply Chain conducting Global Sourcing search for alternative material suppliers and conducting resin compound RFQ</li> <li>▪ Accelerating alternative material usage through increased regrind purchasing opportunities including customer scrap buy-back</li> <li>▪ VP Supply Chain assisting plants with warehousing and logistics cost and resource optimization, as well as SIOP</li> </ul> |
|                      | ▪ Terrebonne (Patio Doors)   | <ul style="list-style-type: none"> <li>▪ Revenue and EBITDA loss</li> <li>▪ Turnaround plan not achieved</li> <li>▪ Employee retention</li> </ul>  | <ul style="list-style-type: none"> <li>▪ Maintain stability of leadership for Terrebonne – internal promotions</li> <li>▪ Executing on labor balancing/planning</li> <li>▪ Obtain new business and take market share – quoting several projects and new business opportunities with new customers</li> <li>▪ Working with Infor to improve reliability of ERP system</li> </ul>   |
|                      | ▪ 2019 Canadian Industry and Market continues to stall beyond April 2019 | <ul style="list-style-type: none"> <li>▪ Revenue and EBITDA loss</li> <li>▪ Employee retention issue</li> </ul>  | <ul style="list-style-type: none"> <li>▪ Continue to stay in touch with all major customers</li> <li>▪ Develop production scheduling discipline to ensure not over or under producing and not creating backorders</li> </ul>  |
| <b>Opportunities</b> | ▪ External Compound Sales  | <ul style="list-style-type: none"> <li>▪ Revenue and EBITDA growth</li> <li>▪ Absorption of ECS overheads</li> </ul>   | <ul style="list-style-type: none"> <li>▪ Quoting several non-fenestration compound opportunities</li> <li>▪ Developing natural/green core compound for alt. materials initiative</li> </ul>   |
|                      | ▪ Operations Excellence Initiatives                                      | <ul style="list-style-type: none"> <li>▪ Operational efficiencies</li> <li>▪ Profitability improvements</li> </ul>   | <ul style="list-style-type: none"> <li>▪ Focus on operation optimization and lean strategies to eliminate waste</li> <li>▪ Focus on use of alternative materials in existing and new business</li> <li>▪ Tracking Plant level continuous improvement project savings</li> </ul>   |
|                      | ▪ Supply Chain Initiatives   | <ul style="list-style-type: none"> <li>▪ Improvement in profitability</li> <li>▪ Offset raw material increases</li> </ul>  | <ul style="list-style-type: none"> <li>▪ Reviewing alternative supply options for all resources</li> <li>▪ Challenging price increases from all suppliers</li> </ul>  |
|                      | ▪ Pipeline Growth  | <ul style="list-style-type: none"> <li>▪ Revenue and EBITDA growth</li> <li>▪ Plant capacity utilization</li> </ul>  | <ul style="list-style-type: none"> <li>▪ Sales prospecting efforts continue to grow the sales pipeline for extrusion, patio door and external compound opportunities</li> <li>▪ Completion and launch of Woodbridge Modular Platform</li> <li>▪ Increased prospecting efforts for Woodbridge &amp; Everett plants</li> </ul>  |

## Key Wins and Losses – April 2019



### Key Wins

- None


### Key Losses

- None

# Key Initiatives Update


| Initiative  | Status   | Recent Progress   | Next Steps   | Risks   |
|---|--|---|--|---|
| 1. Develop/Enhance Systems and Processes            |   | <ul style="list-style-type: none"> <li>• Production run cards developed for alternative BOMs at Woodbridge, Everett &amp; Delmont</li> <li>• OBI project at Everett – finalized day by day training and training room</li> <li>• OBI project at ECS commenced</li> <li>• Created manufacturing tooling status and production release process</li> </ul> | <ul style="list-style-type: none"> <li>• Finalize production run cards for alternative BOMs at Woodbridge &amp; Delmont</li> <li>• OBI project at Everett – need to finalize the filming, documentation and “train the trainer”</li> <li>• OBI project at ECS – most of the processes have been completed</li> </ul> | <ul style="list-style-type: none"> <li>• Production planning inefficiencies</li> <li>• Labor planning inefficiencies</li> </ul>               |
| 2. Develop Safety, Quality, Delivery & Cost culture |  | <ul style="list-style-type: none"> <li>• All plants have integrated daily Gemba walks and shift hand-off boards into their culture</li> <li>• Continuous education discipline and training on the use of shift hand-off boards</li> </ul>   | <ul style="list-style-type: none"> <li>• SQDC and Gemba walk training will continue throughout the next three months</li> <li>• Implement changes to the Gemba process with lessons learned to enhance their value and effectiveness</li> </ul>  | <ul style="list-style-type: none"> <li>• Disorganized plants impairs production efficiencies sends a negative message to customers</li> </ul> |

## Key Initiatives Update (Continued)



| Initiative                       | Status  | Recent Progress  | Next Steps  | Risks  |
|----------------------------------|---|--|---|--|
| 3. Develop Alternative Compounds |  | <ul style="list-style-type: none"> <li>• Discussions ongoing with suppliers regarding alternative material compound and regrind – continuing to obtain quotes and test samples</li> <li>• Continuing to refine Natural PVC formula at ECS, reviewing costs to develop and lab testing standard</li> <li>• Continued progress with purchasing regrind material with separate suppliers at Woodbridge, Laval, Everett and Delmont</li> <li>• Several responses received from RFQ package sent out to suppliers</li> <li>• Co-extruder installed in Woodbridge at year-end and currently running Natural Core trials</li> <li>• End-cut Buy-back program – Everett testing material from Simonton and Solar Industries</li> <li>• End-cut Buy-back program – Delmont working with JPI on using PGT end-cuts in their process</li> </ul> | <ul style="list-style-type: none"> <li>• Reviewing capabilities of each supplier, pricing quoted, material specifications and obtaining samples for testing</li> <li>• Natural Core test profiles to be sent to AAMA for testing</li> <li>• Decision required on purchase of test equipment, documentation of final test methods and training select individuals at each plant</li> <li>• Working with AAMA Task Group on how to deal with recycled material</li> </ul> | <ul style="list-style-type: none"> <li>• Margin erosion due to rising resin, TiO2 and other additive costs</li> <li>• Loss of market share due to not being able to compete</li> </ul> |




## Key Initiatives Update (Continued)

| Initiative                          | Status  | Recent Progress  | Next Steps   | Risks  |
|-------------------------------------|---|--|--|--|
| 4. Improve Terrebonne profitability |  | <ul style="list-style-type: none"> <li>• Objective Based Instructions project – conducting job recertification process</li> <li>• KPIs being tracked and integrated into SQDC Boards</li> <li>• Daily labor tracking measurement in place and integrated into SQDC Boards</li> <li>• Working with Caron &amp; Guay and Kento on orders</li> <li>• Closed on Quaker opportunity with an estimated 2019 volume of \$0.3M – received first order</li> <li>• Ramp Up Ready meetings held to ensure plans are in place to handle peak season demand</li> <li>• New Performer door launch pre-production trials ongoing</li> <li>• Cross training of target areas to create flexibility ongoing</li> </ul> | <ul style="list-style-type: none"> <li>• ERP system improvements – project on track and progress being made with financial systems; moving planning &amp; scheduling applications into implementation stage</li> <li>• Working through Plant &amp; Line Balancing plan</li> <li>• Reviewing commercial growth opportunities and product line profitability assessments – reviewing several opportunities</li> <li>• New Performer door launch is the primary focus at this time</li> <li>• Finalizing agreement with Atis on a \$2.5M opportunity</li> </ul> | <ul style="list-style-type: none"> <li>• Customer retention may also impact extrusion side of the business</li> <li>• EBITDA losses</li> </ul> |

## Key Initiatives Update (Continued)

| Initiative  | Status  | Recent Progress  | Next Steps   | Risks   |
|---|---|--|--|---|
| 5. Planning Disciplines and overall Communication Practices |    | <ul style="list-style-type: none"> <li>• Determined applicable KPIs to track and develop realistic targets to track</li> <li>• Weekly updates on status of “Big 3” initiatives and identify next initiatives once completed</li> <li>• Communications between plants and sharing of best practices conducted on a weekly basis</li> <li>• Visual Control Boards implemented to track progress on certain lines and improve change over times &amp; yields</li> </ul> | <ul style="list-style-type: none"> <li>• Weekly Quality Assurance calls continue to evolve yielding improved team problem solving and systemic solution to issues</li> <li>• Weekly Tooling Status meetings being conducted</li> <li>• Schedule Quarterly meetings with extended management team to communicate overall financial results, metrics and strategies</li> </ul> | <ul style="list-style-type: none"> <li>• Lack of Accountability and Ownership from employees</li> </ul> |
| 6. Safety   |  | <ul style="list-style-type: none"> <li>• 6 recordable incidents YTD with 2 occurring at Laval, 3 at Delmont and 1 at Everett</li> <li>• Weekly management safety meetings being held</li> <li>• Accelerating more aggressive safety program at Laval and Delmont</li> </ul>  | <ul style="list-style-type: none"> <li>• Enhance plant safety programs and accelerate the safety awareness culture at all plants</li> <li>• Incorporating safety reviews during Gemba walks; additional communication</li> </ul>   |   |

## Key Initiatives Update (Continued)

| Initiative                                   | Status  | Recent Progress   | Next Steps   | Risks  |
|--|---|---|--|--|
| 7. Information Technology & Systems Security |  | <ul style="list-style-type: none"> <li>Account Management &amp; Security (R1) initiative completed – utilizing Azure Active Directory to centrally manage and enforce security settings</li> <li>Business Continuity &amp; DR (R2) – implemented local and remote back-up strategy &amp; protocol for local site servers</li> <li>Full DR test successfully completed for JDE ERP</li> <li>Two-Factor Authentication (R5) – completed successfully</li> <li>Implemented Mimecast to scan incoming emails and block suspicious addresses</li> <li>Added “Warning” message to all incoming emails originating from outside ENERGI system</li> </ul> | <ul style="list-style-type: none"> <li>DR test on Syteline ERP (Terrebonne) to be scheduled once current Vanilla Project work is completed</li> <li>DR test on ConcepMATICs ERP (Laval) to be scheduled</li> <li>Cybersecurity Training &amp; Awareness (R3) – setting up portal; end of May kick-off</li> <li>Vulnerability Mgmt (R4) – postponed to 2020</li> <li>Hard Drive Encryption (R6) – postponed to 2020</li> <li>Patch Mgmt (R7) – in process; dependent on Change Mgmt policies and procedures</li> <li>Email Encryption (R8) – postponed to 2020</li> <li>Mobile Device Mgmt (R9) – evaluating MS solution or SOTI</li> <li>Removable Media (R10) &amp; Cloud-Based Apps (R11) – postponed to 2020</li> </ul> | <ul style="list-style-type: none"> <li>Email Phishing Attacks:               <ul style="list-style-type: none"> <li>a) Ransomware email from external email account; shutdown Terrebonne for 3 days; able to restore from back-up</li> <li>b) Email impersonating CEO asking employee for gift cards - \$4K loss incurred</li> </ul> </li> </ul> |

# Key Performance Indicators - Summary

## **Safety:**

- Two (2) recordable incidents in April: (i) Delmont worker crushed finger against bay door causing a fracture when the crowbar slipped (no lost time); and (ii) Everett worker wedged finger between two tools/dies resulting in a bruise under the fingernail and requiring antibiotics (no lost time); corrective actions identified and immediately implemented
- April 2019 TRIR of 2.16 vs 2018 TRIR of 1.97; Total Recordable Cases – 6 for 2019 YTD vs 14 for 2018 FY & 16 for 2017 FY
- 29 months incident free record at ECS; 9 months at Woodbridge

## **Quality:**

- Laval - customer complaints from Atlantic, Laflamme, Abritek and Isothermic due to brittleness issues; investigating with ECS
- Terrebonne – customer complaints higher than target due to winter season; better solutions offered in the field

## **Delivery:**

- Terrebonne – 3 day power outage caused delays and backorders but increased to 90% at the beginning of May

## **Efficiencies:**

- Woodbridge yields impacted by new parts/tools running in small batch sizes combined with higher mix of JV being used with lower regrind usage. Higher overtime labour to produce problem parts which included quite a few false starts
- Delmont yields impacted by lower lbs production due to lower sales and power outage impact

## **Inventory:**

- Strategic build up of inventory in response to anticipated demand in coming months
- Higher Inventory Days on Hand due to build up of raw material and purchasing ahead of expected TiO2 price increases

## **Customer Retention:**

- Loss of Clera Windows & Doors and Wardco/Landmark to competitor in March, expected annual sales of \$2M combined

## **Employees:**

- Employee retention reduced to 98.4% impacted by production slowdown to match lower sales order in-take in April

# Key Performance Indicators – Plant Summary

| KPI Measure                      |                   | 2019<br>Targets | Jan-19 | Feb-19 | Mar-19 | Apr-19 | YTD 2019 |
|----------------------------------|-------------------|-----------------|--------|--------|--------|--------|----------|
| Health & Safety                  |                   |                 |        |        |        |        |          |
| # Recordables (affects TRIR)     | # in Month        | 0               | 1      | 1      | 2      | 2      | 6        |
| Woodbridge                       |                   | 0               | 0      | 0      | 0      | 0      | 0        |
| Laval                            |                   | 0               | 1      | 1      | 0      | 0      | 2        |
| Terrebonne                       |                   | 0               | 0      | 0      | 0      | 0      | 0        |
| Delmont                          |                   | 0               | 0      | 0      | 2      | 1      | 3        |
| Everett                          |                   | 0               | 0      | 0      | 0      | 1      | 1        |
| ECS                              |                   | 0               | 0      | 0      | 0      | 0      | 0        |
| Quality Performance              |                   |                 |        |        |        |        |          |
| Returns as % of sales            | # of Plants Green | 6               | 4      | 4      | 5      | 6      | 5        |
| Woodbridge                       |                   | 0.30%           | 1.49%  | 0.53%  | 0.25%  | 0.01%  | 0.55%    |
| Laval                            |                   | 0.78%           | 0.24%  | 0.38%  | 0.54%  | 0.68%  | 0.49%    |
| Terrebonne                       |                   | 1.25%           | 1.57%  | 1.76%  | 0.58%  | 0.24%  | 0.97%    |
| Delmont                          |                   | 0.30%           | 0.15%  | 0.27%  | 0.40%  | 0.08%  | 0.22%    |
| Everett                          |                   | 0.60%           | 0.43%  | 0.32%  | 0.06%  | 0.40%  | 0.30%    |
| ECS                              |                   | 0.20%           | 0.00%  | 0.02%  | 0.00%  | 0.00%  | 0.00%    |
| Delivery Performance             |                   |                 |        |        |        |        |          |
| % by line items                  | # of Plants Green | 6               | 6      | 5      | 6      | 4      | 5        |
| Woodbridge                       |                   | 99.0%           | 99.6%  | 98.8%  | 99.4%  | 98.1%  | 99.0%    |
| Laval                            |                   | 99.0%           | 99.7%  | 99.8%  | 99.6%  | 99.8%  | 99.7%    |
| Terrebonne ****                  |                   | 95.0%           | 95.4%  | 95.7%  | 95.6%  | 78.3%  | 91.2%    |
| Delmont                          |                   | 99.0%           | 99.5%  | 99.4%  | 99.4%  | 99.3%  | 99.4%    |
| Everett                          |                   | 99.2%           | 100.0% | 100.0% | 100.0% | 100.0% | 100.0%   |
| ECS                              |                   | 99.0%           | 100.0% | 100.0% | 100.0% | 100.0% | 100.0%   |
| % on time in full                |                   |                 |        |        |        |        |          |
|                                  | # of Plants Green | 6               | 6      | 6      | 6      | 5      | 5        |
| Woodbridge                       |                   | 95.0%           | 99.6%  | 98.8%  | 99.4%  | 98.1%  | 99.0%    |
| Laval                            |                   | 95.0%           | 99.7%  | 99.8%  | 99.6%  | 99.8%  | 99.7%    |
| Terrebonne                       |                   | 95.0%           | 95.4%  | 95.7%  | 95.6%  | 78.3%  | 91.2%    |
| Delmont                          |                   | 95.0%           | 99.7%  | 99.8%  | 99.7%  | 99.6%  | 99.7%    |
| Everett                          |                   | 99.2%           | 100.0% | 100.0% | 100.0% | 100.0% | 100.0%   |
| ECS                              |                   | 99.0%           | 100.0% | 100.0% | 100.0% | 100.0% | 100.0%   |
| Costs                            |                   |                 |        |        |        |        |          |
| Yield*                           | # of Plants Green | 5               | 3      | 3      | 3      | 3      | 3        |
| Woodbridge                       |                   | 85.7%           | 84.7%  | 85.5%  | 85.2%  | 84.5%  | 85.0%    |
| Laval                            |                   | 84.0%           | 85.5%  | 85.2%  | 86.9%  | 88.0%  | 86.5%    |
| Delmont                          |                   | 85.7%           | 81.4%  | 82.7%  | 83.3%  | 83.4%  | 82.7%    |
| Everett                          |                   | 85.7%           | 90.9%  | 91.2%  | 90.9%  | 89.0%  | 90.5%    |
| ECS                              |                   | 99.2%           | 99.5%  | 99.6%  | 99.8%  | 99.8%  | 99.7%    |
| Alt. Compound Consumption Ratio* |                   |                 |        |        |        |        |          |
|                                  |                   | 5               | 3      | 2      | 4      | 2      | 3        |
| Woodbridge                       |                   | 19.9%           | 17.4%  | 20.1%  | 20.0%  | 18.4%  | 19.0%    |
| Laval                            |                   | 20.9%           | 20.2%  | 19.4%  | 18.4%  | 16.3%  | 18.5%    |
| Delmont                          |                   | 17.1%           | 25.4%  | 19.8%  | 19.5%  | 23.3%  | 22.0%    |
| Everett                          |                   | 20.0%           | 32.0%  | 18.4%  | 21.4%  | 18.3%  | 22.8%    |
| ECS                              |                   | 0.0%            | 0.4%   | 0.1%   | 0.4%   | 0.6%   | 0.2%     |

Notes: \* Not measured at TB; \*\* Excluding TB; \*\*\*TB is # Concerns/100k Sales \*\*\*\*\* Change in calculation method for TB retroactively restated to Jan 18

# Key Performance Indicators – Plant Summary (Cont'd)

| KPI Measure                           |                   | 2019 Targets | Jan-19 | Feb-19 | Mar-19 | Apr-19 | YTD 2019 |
|---------------------------------------|-------------------|--------------|--------|--------|--------|--------|----------|
| <b>Inventory</b>                      |                   |              |        |        |        |        |          |
| Days - TTM*                           | # of Plants Green | 5            | 2      | 1      | 3      | 3      |          |
| Woodbridge                            |                   | 54.1         | 57.3   | 59.1   | 61.8   | 63.6   |          |
| Laval                                 |                   | 69.3         | 66.7   | 66.4   | 67.7   | 69.0   |          |
| Terrebonne                            |                   | 71.0         | 74.8   | 71.4   | 70.2   | 68.8   |          |
| Delmont                               |                   | 58.7         | 62.0   | 62.1   | 64.6   | 66.8   |          |
| Everett                               |                   | 84.5         | 84.4   | 85.6   | 87.2   | 87.8   |          |
| ECS                                   |                   | 46.0         | 50.0   | 49.0   | 42.0   | 41.0   |          |
| <b>Customer Service</b>               |                   |              |        |        |        |        |          |
| Customer Experience - NPS Improvement |                   | 20%          | NA     | NA     | NA     | NA     | NA       |
| Customer Complaints - per MLBS ***    | # of Plants Green | 6            | 5      | 4      | 2      | 4      | 4        |
| Woodbridge                            |                   | 3.2          | 2.6    | 2.3    | 3.0    | 3.1    | 2.7      |
| Laval                                 |                   | 22.5         | 16.0   | 23.0   | 33.0   | 36.0   | 27.0     |
| Terrebonne                            |                   | 3.2          | 4.0    | 3.9    | 3.6    | 3.7    | 3.8      |
| Delmont                               |                   | 3.2          | 2.8    | 3.2    | 3.7    | 2.9    | 3.1      |
| Everett                               |                   | 3.2          | 1.4    | 2.7    | 3.5    | 2.2    | 2.4      |
| ECS                                   |                   | 0.3          | 0.3    | 0.1    | 0.0    | 0.1    | 0.1      |
| Customer Retention                    |                   | 100%         | 100.0% | 100.0% | 98.9%  | 98.9%  | 99.6%    |
| <b>Employees</b>                      |                   |              |        |        |        |        |          |
| Employee Engagement                   |                   | 80%          | 76.0%  | 75.0%  | 75.0%  | 75.0%  | 75.0%    |
| Employee Retention                    |                   | 90%          | 99.2%  | 98.1%  | 99.2%  | 98.4%  | 97.8%    |

Notes: \* Not measured at TB; \*\* Excluding TB; \*\*\*TB is # Concerns/100k Sales \*\*\*\*\* Change in calculation method for TB retroactively restated to Jan 18

# Consolidated Summary P&L – April 2019

| \$'000                   | MTD       |           | Var        |           | YTD        |            | Var        |           |
|--------------------------|-----------|-----------|------------|-----------|------------|------------|------------|-----------|
|                          | Act       | Bud       | \$         | %         | Act        | Bud        | \$         | %         |
| Units Produced ('000)    | 7,725     | 9,490     | (1,765)    | (18.6%)   | 31,272     | 34,226     | (2,955)    | (8.6%)    |
| Units Shipped ('000)     | 8,092     | 9,750     | (1,658)    | (17.0%)   | 28,852     | 32,840     | (3,988)    | (12.1%)   |
| Bookings (\$'000)        | \$ 14,734 | \$ 15,404 | \$ (671)   | (4.4%)    | \$ 48,526  | \$ 52,776  | \$ (4,250) | (8.1%)    |
| Backlog (\$'000)         | \$ 9,671  | \$ 12,818 | \$ (3,147) | (24.6%)   | \$ 9,671   | \$ 12,818  | \$ (3,147) | (24.6%)   |
| Gross Revenue            | \$ 13,794 | \$ 16,509 | \$ (2,715) | (16.4%)   | \$ 48,567  | \$ 54,954  | \$ (6,387) | (11.6%)   |
| Adj. to Gross Revenue    | (699)     | (847)     | 147        | (17.4%)   | (2,342)    | (2,702)    | 360        | (13.3%)   |
| Net Revenue              | 13,094    | 15,662    | (2,568)    | (16.4%)   | 46,225     | 52,252     | (6,027)    | (11.5%)   |
| Material                 | 6,521     | 7,836     | (1,316)    | (16.8%)   | 22,490     | 25,969     | (3,479)    | (13.4%)   |
| Labor                    | 2,840     | 3,269     | (429)      | (13.1%)   | 11,395     | 12,310     | (915)      | (7.4%)    |
| Other COGS               | 1,533     | 1,745     | (213)      | (12.2%)   | 4,973      | 5,586      | (612)      | (11.0%)   |
| Total COGS               | 10,894    | 12,850    | (1,957)    | (15.2%)   | 38,858     | 43,864     | (5,007)    | (11.4%)   |
| Gross Margin             | 2,201     | 2,812     | (611)      | (21.7%)   | 7,367      | 8,388      | (1,020)    | (12.2%)   |
| Gross Margin %           | 16.8%     | 18.0%     |            |           | 15.9%      | 16.1%      |            |           |
| R&D                      | –         | –         | –          | N/A       | –          | –          | –          | N/A       |
| Sales & Marketing        | 610       | 664       | (55)       | (8.2%)    | 2,241      | 2,415      | (175)      | (7.2%)    |
| Administrative           | 962       | 1,055     | (93)       | (8.9%)    | 3,846      | 4,169      | (323)      | (7.7%)    |
| Other Opex               | (51)      | (19)      | (32)       | 168.2%    | (168)      | (73)       | (95)       | 131.5%    |
| Total Opex               | 1,520     | 1,701     | (180)      | (10.6%)   | 5,919      | 6,512      | (593)      | (9.1%)    |
| EBITDA                   | 680       | 1,111     | (431)      | (38.8%)   | 1,448      | 1,876      | (428)      | (22.8%)   |
| EBITDA %                 | 5.2%      | 7.1%      |            |           | 3.1%       | 3.6%       |            |           |
| Net Income (Loss)        | \$ (242)  | \$ (160)  | \$ (82)    | 51.0%     | \$ (2,679) | \$ (2,960) | \$ 281     | (9.5%)    |
| Capex                    | \$ (448)  | \$ (943)  | \$ 495     | (52.5%)   | \$ (2,028) | \$ (3,445) | \$ 1,417   | (41.1%)   |
| <b>Opex Overview:</b>    |           |           |            |           |            |            |            |           |
| Payroll                  | \$ 889    | \$ 904    | \$ (15)    | (1.6%)    | \$ 3,365   | \$ 3,489   | \$ (124)   | (3.6%)    |
| Bonus                    | 112       | 113       | (2)        | (1.4%)    | 448        | 454        | (5)        | (1.2%)    |
| Commissions              | 19        | 30        | (11)       | (38.1%)   | 72         | 119        | (47)       | (39.5%)   |
| Marketing                | 116       | 214       | (98)       | (45.6%)   | 462        | 649        | (187)      | (28.9%)   |
| Benefits                 | –         | –         | –          | N/A       | –          | –          | –          | N/A       |
| Travel and entertainment | 105       | 125       | (20)       | (16.0%)   | 375        | 518        | (143)      | (27.6%)   |
| Rent and facilities      | –         | –         | –          | N/A       | –          | –          | –          | N/A       |
| Insurance                | 20        | 28        | (8)        | (27.9%)   | 100        | 108        | (8)        | (7.6%)    |
| Professional fees        | 45        | 44        | 1          | 2.8%      | 199        | 207        | (8)        | (3.9%)    |
| Office Expenses          | 22        | 20        | 2          | 8.7%      | 89         | 93         | (4)        | (4.3%)    |
| IT                       | 159       | 171       | (12)       | (6.8%)    | 623        | 661        | (38)       | (5.8%)    |
| Bad Debts                | 23        | (0)       | 24         | (6177.2%) | 55         | (2)        | 57         | (3705.9%) |
| FX                       | (28)      | –         | (28)       | N/A       | (111)      | –          | (111)      | N/A       |
| JV Loss (Income)         | (23)      | (19)      | (4)        | 20.7%     | (57)       | (73)       | 16         | (21.9%)   |
| Other Expenses           | 61        | 71        | (10)       | (14.4%)   | 299        | 288        | 11         | 3.7%      |
| Total Opex               | \$ 1,520  | \$ 1,701  | \$ (180)   | (10.6%)   | \$ 5,919   | \$ 6,512   | \$ (593)   | (9.1%)    |

## Management Discussion

### Net Revenue – April -\$2,568K:

- Extrusion external sales volume unfavorable by 16.0% or \$2,127K due to continued soft market conditions across North America as a result of the extended winter weather; with lower sales out of Woodbridge by \$955K, Laval by \$446K and Delmont by \$872K, partially offset by an increase of \$145K at Everett
- Patio Door gross sales were behind Budget by \$108K mainly driven by decreased demand from Vaillancourt, Ostaco and the Concerto Group of customers. External compound sales were behind Budget by \$206K due to reduced orders from Vinyl Profiles (lost business)
- Unfavorable product/customer mix impact of \$31K primarily from Everett; Favorable rebates & discounts variance of \$97K due to lower volumes and customer sales mix; and Returns & allowances slightly favorable than Budget by \$35K
- Unfavorable F/X impact of \$228K (actual rate of 1.3378 [or \$USD 0.7475] vs. Budget rate of 1.30 [or \$USD 0.7692])

### EBITDA – April -\$431K:

- Material COGS:** Decrease of \$1,316K primarily due to the mix and volume impact from lower sales of \$1,419K and variances related to: favorable impact from lower resin material prices of \$82K; offset by \$148K due to unfavorable yields at Woodbridge & Delmont and lower regrind usage; and unfavorable E&O reserves at Woodbridge of \$37K
- Labor COGS:** Decrease of \$429K due to a volume impact of \$228K, a favorable impact of \$69K from headcount reduction initiatives and improved labor efficiency at Laval, Delmont and Terrebonne, a non-recurring worker's comp refund of \$86K at Laval and a favorable F/X impact of \$46K
- Other COGS:** Decrease of \$213K as a result of lower freight costs due to sales volume and customer mix of \$88K, lower overhead spending (ie. utilities, maintenance, factory supplies) of \$151K due to lower production, lower premises costs of \$87K and a favorable F/X impact of \$24K; partially offset by an unfavorable absorption impact of \$137K as a result of selling more out of inventory than Budget
- Sales and Marketing:** Lower costs due to lower marketing costs of \$95K (timing), partially offset by higher T&E of \$12K and a Bad Debts reserve of \$24K
- Administrative:** Lower costs due to lower benefit costs, lower T&E, lower IT and a favorable F/X impact of \$23K
- Other Opex:** Favorable realized F/X re-valuation impact of \$28K due to net USD working capital held by the Canadian entity (change in F/X from 1.3531 on March 31<sup>st</sup>, 2019 to 1.3440 on April 30<sup>th</sup>, 2019)

# Consolidated Summary P&L (vs PY) – April 2019

| \$'000                   | MTD       |           | Var        |          | YTD        |            | Var        |           |
|--------------------------|-----------|-----------|------------|----------|------------|------------|------------|-----------|
|                          | Act       | PY-Act    | \$         | %        | Act        | PY-Act     | \$         | %         |
| Units Produced ('000)    | 7,725     | 9,104     | (1,379)    | (15.1%)  | 31,272     | 33,362     | (2,091)    | (6.3%)    |
| Units Shipped ('000)     | 8,092     | 9,231     | (1,139)    | (12.3%)  | 28,852     | 33,151     | (4,298)    | (13.0%)   |
| Bookings (\$'000)        | \$ 14,734 | \$ 15,572 | \$ (838)   | (5.4%)   | \$ 48,526  | \$ 55,245  | \$ (6,719) | (12.2%)   |
| Backlog (\$'000)         | \$ 9,671  | \$ 11,873 | \$ (2,202) | (18.5%)  | \$ 9,671   | \$ 11,873  | \$ (2,202) | (18.5%)   |
| Gross Revenue            | \$ 13,794 | \$ 16,044 | \$ (2,250) | (14.0%)  | \$ 48,567  | \$ 56,767  | \$ (8,200) | (14.4%)   |
| Adj. to Gross Revenue    | (699)     | (878)     | 178        | (20.3%)  | (2,342)    | (2,935)    | 593        | (20.2%)   |
| Net Revenue              | 13,094    | 15,166    | (2,072)    | (13.7%)  | 46,225     | 53,832     | (7,607)    | (14.1%)   |
| Material                 | 6,521     | 7,537     | (1,017)    | (13.5%)  | 22,490     | 25,926     | (3,436)    | (13.3%)   |
| Labor                    | 2,840     | 3,579     | (739)      | (20.6%)  | 11,395     | 13,773     | (2,378)    | (17.3%)   |
| Other COGS               | 1,533     | 1,495     | 37         | 2.5%     | 4,973      | 5,968      | (994)      | (16.7%)   |
| Total COGS               | 10,894    | 12,612    | (1,718)    | (13.6%)  | 38,858     | 45,666     | (6,809)    | (14.9%)   |
| Gross Margin             | 2,201     | 2,554     | (353)      | (13.8%)  | 7,367      | 8,165      | (798)      | (9.8%)    |
| Gross Margin %           | 16.8%     | 16.8%     |            |          | 15.9%      | 15.2%      |            |           |
| R&D                      | –         | –         | –          | N/A      | –          | –          | –          | N/A       |
| Sales & Marketing        | 610       | 791       | (182)      | (22.9%)  | 2,241      | 2,711      | (471)      | (17.4%)   |
| Administrative           | 962       | 988       | (26)       | (2.6%)   | 3,846      | 4,014      | (167)      | (4.2%)    |
| Other Opex               | (51)      | (58)      | 7          | (11.6%)  | (168)      | (52)       | (116)      | 223.2%    |
| Total Opex               | 1,520     | 1,721     | (201)      | (11.7%)  | 5,919      | 6,673      | (754)      | (11.3%)   |
| EBITDA                   | 680       | 833       | (153)      | (18.3%)  | 1,448      | 1,492      | (44)       | (2.9%)    |
| EBITDA %                 | 5.2%      | 5.5%      |            |          | 3.1%       | 2.8%       |            |           |
| Net Income (Loss)        | \$ (242)  | \$ (375)  | \$ 133     | (35.5%)  | \$ (2,679) | \$ (2,275) | \$ (404)   | 17.8%     |
| Capex                    | \$ (448)  | \$ (683)  | \$ 235     | (34.4%)  | \$ (2,028) | \$ (3,117) | \$ 1,089   | (34.9%)   |
| <b>Opex Overview:</b>    |           |           |            |          |            |            |            |           |
| Payroll                  | \$ 889    | \$ 916    | \$ (27)    | (3.0%)   | \$ 3,365   | \$ 3,719   | \$ (355)   | (9.5%)    |
| Bonus                    | 112       | 113       | (1)        | (1.1%)   | 448        | 454        | (6)        | (1.3%)    |
| Commissions              | 19        | 7         | 11         | 148.8%   | 72         | 50         | 21         | 42.4%     |
| Marketing                | 116       | 304       | (188)      | (61.8%)  | 462        | 810        | (348)      | (43.0%)   |
| Benefits                 | –         | –         | –          | N/A      | –          | –          | –          | N/A       |
| Travel and entertainment | 105       | 106       | (1)        | (0.8%)   | 375        | 428        | (53)       | (12.4%)   |
| Rent and facilities      | –         | –         | –          | N/A      | –          | –          | –          | N/A       |
| Insurance                | 20        | 27        | (7)        | (26.1%)  | 100        | 111        | (11)       | (9.6%)    |
| Professional fees        | 45        | 58        | (13)       | (22.2%)  | 199        | 207        | (9)        | (4.3%)    |
| Office Expenses          | 22        | 15        | 7          | 46.3%    | 89         | 113        | (24)       | (21.6%)   |
| IT                       | 159       | 139       | 21         | 14.9%    | 623        | 591        | 32         | 5.5%      |
| Bad Debts                | 23        | (7)       | 31         | (412.4%) | 55         | (76)       | 131        | (173.1%)  |
| FX                       | (28)      | (45)      | 17         | (36.9%)  | (111)      | 4          | (115)      | (2774.1%) |
| JV Loss (Income)         | (23)      | (13)      | (10)       | 73.5%    | (57)       | (56)       | (1)        | 0.9%      |
| Other Expenses           | 61        | 100       | (40)       | (39.4%)  | 299        | 316        | (18)       | (5.6%)    |
| Total Opex               | \$ 1,520  | \$ 1,721  | \$ (201)   | (11.7%)  | \$ 5,919   | \$ 6,673   | \$ (754)   | (11.3%)   |

## Management Discussion

### Net Revenue – April -\$2,072K:

- Extrusion external sales volume unfavorable by 13.3% or \$1,992K million due to soft market conditions across North America as a result of the extended winter weather and the impact from government incentive programs in place in 2018
- Patio Door gross sales were behind Prior Year \$51K mainly driven by decreases with Canadian customers. External compound sales were consistent with Prior Year by \$102K due to new tolling business for Resin Technology
- Favorable rebates & discounts variance of \$73K due to lower volumes and customer sales mix; and Returns & allowances favorable than PY by \$105K
- Unfavorable F/X impact of \$309K (actual rate of 1.3378 [or \$USD 0.7475] vs. Prior Year rate of 1.2733 [or \$USD 0.7854])

### EBITDA – April -\$431K:

- Unfavorable impact to Gross Margin of \$574K due to significant volume shortfall
- Gross Margin improvement of \$224K due to headcount reduction initiatives implemented and improved labor efficiency across the business
- Labor costs were also favorable due to a non-recurring worker's comp refund of \$86K in 2019 and a favorable F/X impact of \$79K
- Other COGS in line with Prior Year as a result of an unfavorable absorption impact as a result of selling more out of inventory than the Prior Year being offset by lower freight costs, lower overhead spending (ie. utilities, maintenance, factory supplies) and a favorable F/X impact
- EBITDA favorable impact due to lower OPEX costs as a result of lower spending and timing of certain expenses (ie. Marketing expenses)



# April 2019 Net Sales Bridge

(In Thousands of US Dollars)

|   | <u>Woodbridge</u> | <u>Laval</u>    | <u>Delmont</u>  | <u>Everett</u>  | <u>ECS</u>      | <u>Terrebonne</u> | <u>Group Office</u> | <u>Adj.</u>       | <u>Total</u>      |
|---|-------------------|-----------------|-----------------|-----------------|-----------------|-------------------|---------------------|-------------------|-------------------|
| Net Sales Budget, as reported <b>(A)</b>                | \$ 4,220          | \$ 3,326        | \$ 3,740        | \$ 2,245        | \$ 6,357        | \$ 1,648          | \$ 17               | \$ (5,891)        | \$ 15,662         |
| Volume impact (external sales)                          | (955)             | (446)           | (872)           | 145             | (206)           | (108)             | -                   | -                 | <b>(2,442)</b>    |
| Volume impact (intercompany sales)                      | (38)              | (8)             | 2               | -               | (912)           | -                 | -                   | 956               | -                 |
| Rebates & discounts                                     | 62                | 17              | 14              | 8               | 1               | (5)               | -                   | -                 | <b>97</b>         |
| Price / Mix impact                                      | 46                | (50)            | 75              | (154)           | 78              | (9)               | (17)                | -                 | <b>(31)</b>       |
| Returns & allowances                                    | 15                | (18)            | 11              | 9               | -               | 17                | -                   | -                 | <b>35</b>         |
| Other - F/X   | (91)              | (75)            | (0)             | (0)             | (18)            | (44)              | 0                   | 0                 | <b>(228)</b>      |
| <b>Actual Net Sales (B)</b>                             | <b>\$ 3,260</b>   | <b>\$ 2,747</b> | <b>\$ 2,969</b> | <b>\$ 2,253</b> | <b>\$ 5,300</b> | <b>\$ 1,500</b>   | <b>\$ -</b>         | <b>\$ (4,935)</b> | <b>\$ 13,094</b>  |
| Actual vs Budget, as reported Variance <b>(B) - (A)</b> | \$ (960)          | \$ (580)        | \$ (770)        | \$ 8            | \$ (1,057)      | \$ (148)          | \$ (17)             | \$ 956            | <b>\$ (2,568)</b> |
| Actual vs Prior Year, as reported Variance              | \$ (1,199)        | \$ (723)        | \$ (245)        | \$ (79)         | \$ (660)        | \$ (112)          | \$ 0                | \$ 946            | <b>\$ (2,072)</b> |

# April 2019 EBITDA Bridge

(In Thousands of US Dollars)

|   | <u>Woodbridge</u> | <u>Laval</u>  | <u>Delmont</u> | <u>Everett</u> | <u>ECS</u>    | <u>Terrebonne</u> | <u>Group Office</u> | <u>Adj.</u>   | <u>Total</u>    |
|---|-------------------|---------------|----------------|----------------|---------------|-------------------|---------------------|---------------|-----------------|
| EBITDA Budget, as reported <b>(A)</b>                   | \$ 248            | \$ 557        | \$ 643         | \$ 106         | \$ 40         | \$ (104)          | \$ (380)            | \$ -          | \$ 1,111        |
| Volume & Mix impact                                     | (192)             | (350)         | (224)          | (84)           | (3)           | (37)              | 166                 | -             | <b>(724)</b>    |
| Labor - DL/IDL FAV/(UNF)                                | (73)              | 117           | 20             | 18             | 12            | 69                | -                   | -             | <b>163</b>      |
| Alt. Materials FAV/(UNF)                                | (62)              | 13            | (39)           | (60)           | -             | -                 | -                   | -             | <b>(148)</b>    |
| Other Materials - FAV/(UNF)                             | (37)              | (17)          | 20             | -              | 82            | (38)              | -                   | -             | <b>10</b>       |
| Absorption impact FAV/(UNF)                             | (177)             | 81            | 26             | (80)           | 13            | -                 | -                   | -             | <b>(137)</b>    |
| Overhead Spending FAV/(UNF)                             | 130               | 33            | (5)            | 15             | 1             | 14                | 31                  | -             | <b>219</b>      |
| Other   | 26                | 10            | 14             | 86             | 37            | (3)               | 15                  | (0)           | <b>187</b>      |
| <b>Actual EBITDA (B)</b>                                | <b>\$ (136)</b>   | <b>\$ 444</b> | <b>\$ 455</b>  | <b>\$ 1</b>    | <b>\$ 183</b> | <b>\$ (99)</b>    | <b>\$ (168)</b>     | <b>\$ (0)</b> | <b>\$ 680</b>   |
| Actual vs Budget, as reported Variance <b>(B) - (A)</b> | \$ (384)          | \$ (114)      | \$ (188)       | \$ (105)       | \$ 143        | \$ 5              | \$ 212              | \$ (0)        | <b>\$ (431)</b> |
| Actual vs Prior Year, as reported Variance              | \$ (98)           | \$ (2)        | \$ 125         | \$ (70)        | \$ (337)      | \$ 230            | \$ (0)              | \$ (0)        | <b>\$ (153)</b> |

# Strategic Plan Update – Summary of Alternative Materials Initiative

(In Thousands of US Dollars)

|   | Apr-19        |               |                       | Apr-19 YTD      |                 |                       | Comments  |
|---|---------------|---------------|-----------------------|-----------------|-----------------|-----------------------|---|
|   | Actual        | Budget        | Variance<br>FAV/(UNF) | Actual          | Budget          | Variance<br>FAV/(UNF) |   |
| Woodbridge - Scrap Variance <sup>(1)</sup>      | \$ 23         | 43            | \$ (20)               | \$ (23)         | \$ 163          | \$ (186)              | Higher production scrap and lower yields                |
| Woodbridge - Alt Materials Usage <sup>(2)</sup> | \$ 96         | \$ 139        | \$ (42)               | \$ 495          | \$ 427          | \$ 68                 | Lower regrind usage due to lower production volumes     |
| <b>Woodbridge - Total</b>                       | <b>\$ 120</b> | <b>\$ 182</b> | <b>\$ (62)</b>        | <b>\$ 472</b>   | <b>\$ 589</b>   | <b>\$ (117)</b>       |   |
| Laval - Scrap Variance <sup>(1)</sup>           | \$ 31         | \$ 7          | \$ 24                 | \$ 69           | \$ 12           | \$ 57                 | Favorable yields due to longer runs and product mix     |
| Laval - Alt Materials Usage <sup>(2)</sup>      | \$ 12         | \$ 23         | \$ (11)               | \$ 80           | \$ 64           | \$ 16                 | Lower regrind usage due to volumes and mix              |
| <b>Laval - Total</b>                            | <b>\$ 44</b>  | <b>\$ 31</b>  | <b>\$ 13</b>          | <b>\$ 149</b>   | <b>\$ 77</b>    | <b>\$ 72</b>          |   |
| Delmont - Scrap Variance <sup>(1)</sup>         | \$ 100        | \$ 113        | \$ (13)               | \$ 313          | \$ 390          | \$ (77)               | Unfavorable yields due to increased dark capstock runs  |
| Delmont - Alt Materials Usage <sup>(2)</sup>    | \$ 42         | \$ 68         | \$ (26)               | \$ 249          | \$ 285          | \$ (36)               | Reduced regrind/alt material usage due to lower volumes |
| <b>Delmont - Total</b>                          | <b>\$ 142</b> | <b>\$ 181</b> | <b>\$ (39)</b>        | <b>\$ 562</b>   | <b>\$ 675</b>   | <b>\$ (113)</b>       |   |
| Everett - Scrap Variance <sup>(1)</sup>         | \$ (98)       | \$ (96)       | \$ (2)                | \$ (428)        | \$ (368)        | \$ (60)               | Lower regrind usage due to volumes and quality issues   |
| Everett - Alt Materials Usage <sup>(2)</sup>    | \$ 155        | \$ 213        | \$ (58)               | \$ 743          | \$ 824          | \$ (81)               |   |
| <b>Everett - Total</b>                          | <b>\$ 57</b>  | <b>\$ 117</b> | <b>\$ (60)</b>        | <b>\$ 315</b>   | <b>\$ 456</b>   | <b>\$ (141)</b>       |   |
|   |               |               |                       |                 |                 |                       |   |
| Total Scrap Variance <sup>(1)</sup>             | \$ 57         | \$ 67         | \$ (11)               | \$ (69)         | \$ 197          | \$ (266)              |   |
| Total Alt Materials Usage <sup>(2)</sup>        | \$ 305        | \$ 443        | \$ (138)              | \$ 1,567        | \$ 1,600        | \$ (33)               |   |
| <b>Grand Total</b>                              | <b>\$ 362</b> | <b>\$ 510</b> | <b>\$ (148)</b>       | <b>\$ 1,498</b> | <b>\$ 1,797</b> | <b>\$ (299)</b>       |   |

|  |
|--|
| <b>Notes:</b>  |
| (1) - Scrap Variance includes scrap variance vs. scrap included in Standard Costs from: (i) production scrap impacted by production yields, product mix and other factors (ie. Age of extruders, power outages, labor availability); (ii) raw material count variances and adjustments; and (iii) finished goods count variances and adjustments |
| (2) - Alt Materials Usage includes use of regrind material in the production process obtained from any one of the following sources: (i) alternative compound externally sourced; (ii) white window regrind from Zero Waster recycling program; and/or (iii) scrap not sold.   |

# Strategic Plan Update – Summary of HCR Initiative

*(In Thousands of US Dollars)*

|   | Q1-19                | Apr-19               | YTD                  |
|---|----------------------|----------------------|----------------------|
| Budget Production Volume (Lbs)                            | 24,736               | 9,490                | 34,226               |
| Budget Direct Labor                                       | \$ 4,262             | \$ 1,603             | \$ 5,866             |
| Budget Indirect and SG&A Labor                            | \$ 7,023             | \$ 2,455             | \$ 9,478             |
| Budget Total Labor  | <u>\$ 11,286</u>     | <u>\$ 4,058</u>      | <u>\$ 15,344</u>     |
| Actual Production Volume (Lbs)                            | 23,546               | 7,725                | 31,272               |
| Actual Direct Labor                                       | \$ 3,908             | \$ 1,268             | \$ 5,176             |
| Budget Direct Labor (Flexed for Actual Volume)            | \$ 4,060             | \$ 1,305             | \$ 5,365             |
| <b>Direct Labor Savings - FAV(UNF)</b>                    | <u>\$ 152</u>        | <u>\$ 37</u>         | <u>\$ 189</u>        |
| Actual Indirect and SG&A Labor                            | \$ 6,804             | \$ 2,351             | \$ 9,155             |
| Budget Indirect and SG&A Labor (Flexed for Actual Volume) | \$ 7,023             | \$ 2,455             | \$ 9,478             |
| <b>Indirect and SG&amp;A Labor Savings - FAV(UNF)</b>     | <u>\$ 219</u>        | <u>\$ 104</u>        | <u>\$ 323</u>        |
| <b>Total Labor</b>  | <b>\$ 10,712</b>     | <b>\$ 3,619</b>      | <b>\$ 14,331</b>     |
| <b>Budget Total Labor (Flexed for Actual Volume)</b>      | <b>\$ 11,083</b>     | <b>\$ 3,760</b>      | <b>\$ 14,843</b>     |
| <b>Total Labor Savings - FAV(UNF)</b>                     | <u><b>\$ 371</b></u> | <u><b>\$ 141</b></u> | <u><b>\$ 512</b></u> |

*Note: Direct Labor includes Full Time and Casual/Temp Labor*

# Strategic Plan Update – Operations

## Good news / positives to business and plan/reforecast

- All plants have implemented the SQDC boards and a regimented daily Gemba walk. The SQDC boards in the service areas reflect KPIs that demonstrate the effectiveness in supporting production needs through reduced unplanned down time and improved tooling related quality. The culture of accountability for results has developed significantly as evident by the higher caliber / more proactive problem solving discussions during the Gemba walk
- In our quest to develop a culture of Zero Defect, weekly Plant Quality Calls have been implemented where best practices in Quality and Process Control are shared between all Plant and Quality Managers. MRB process included into the Gemba walks, allowing the plant leadership team to quickly identify the quality issues.
- Layered Audit process has been adopted at all plants and is demonstrating its effectiveness through improved process compliance and overall improvement in accountability
- The extrusion plants have increased the use of lower cost Alternative Materials by increasing the availability of regrind material and instilling greater discipline on the lines to use the BOM prescribed raw material source. The optical sorters at Delmont, Woodbridge and Everett are fully operational allowing us to maximize the yield from the mixed color regrind material resulting from our dark cap process or the purchasing of mixed color regrind
- Each of the Extrusion plants have implemented Visual Control Boards (“VCBs”) to track progress being made toward reducing line change over-times and reduce material scrapped during set-up / fine tuning
- New Product Production Tooling management weekly meetings held with Woodbridge, Delmont and Everett to clearly understand customer expectations, tooling completion dates/requirements, tool room capacity constraints, tool testing scheduling and required investments. Members from the Operations team, Sales team and Executive Management team are present at each meeting
- Communications between plants, collaborative problem solving and the sharing of best practices has improved greatly in the last few months. The weekly plant manager’s meeting provides a forum for sharing of lessons learned and exchanging of best practices. A cadence of monthly Plant Manager’s and Plant Controller meetings provides the opportunity for all in attendance to learn how we are performing as a business and as individual plants

# Strategic Plan Update – Terrebonne Turnaround

## Terrebonne Operational Activities

- New Performer Door launch continues to be the primary focus in the plant: changes to plant layout, inventory balancing, R&D on new equipment
- Labor tracking KPI's have continued to yield efficiency improvements. Ownership of results at floor level has increased through use of Gemba and SQDC
- Development of labor model finalized in Q1 along with OBI's and job certifications

## Patio Door Commercial Activities

- Funnel Summary (CAD\$):

| Incremental to 2018 |                    |                    |                      |                                      |
|---------------------|--------------------|--------------------|----------------------|--------------------------------------|
|                     | Est 2019<br>Volume | Bud 2019<br>Volume | Est Annual<br>Volume | Status                               |
| Caron et Guay       | \$0.8              |                    | \$1.0                | Complete, launching new PF           |
| Kento               | \$0.4              |                    | \$0.5                | Complete, ordering                   |
| Concerto Group      | \$0.5              | \$0.4              | \$1.0                | Finalizing, completing vol incentive |
| Quaker              | \$0.3              |                    | \$0.6                | Working on wet glazing for them      |
| Atis                | \$2.5              |                    | \$6.3                | Finalizing                           |
| Vaillencourt        |                    | \$1.3              | \$2.0                | Providing show and sell samples      |
| Gentek              |                    |                    | \$0.6                | Met, working on Opera Program        |
| Total               | \$4.5              | \$1.7              | \$12.0               |                                      |

# Strategic Plan Update – Supply Chain

## Good news / positives to business and plan / reforecast

### 1. Alternate Material Global Sourcing

- White color regrind samples being tested from JP Industrial, SLM Plastiques and Return Polymers at Laval, Woodbridge and Everett
- Offspec tan material from Resin Technologies is available and Everett is evaluating the data sheet and pricing before making a decision
- Mixed color regrind samples being tested from JP Industrial, Resin Technologies, Return Polymers, Triangle Chemical (US) and Global Waste
- Alternate Compound sourcing: RFQ to be distributed to Westlake Chemical, Shintech and Aurora Plastics
- Global Compound sourcing: Nhat Nuy Group (Vietnam) shipped sample product and data sheets; Tongxiang Smalboss provided a second quote but price is higher than ECS internal build cost; and Benvic (Spain) cannot meet pricing and has been disqualified
- Everett working with Simonton and Solar Industries customers on end cuts buy-back program; currently testing material

### 2. Commodity Inflation Offsets

- Kronos price increase settled at 3cpp effective July 1<sup>st</sup>; instead of original announcement of 7cpp; driven by Ore Rutile prices up 20% YoY
- Galata Tin Stabilizer prices have decreased based on tin metal pricing for May, with Masterbatch pigment pricing remaining neutral
- Investigating alternative supply sources for TiO2 (Kronos agreement expires Nov-19) and Masterbatch (no agreement with Galata)
- Investigating alternative supply sources for expensive Arkema material (Altuglass BS 100 material used in shutters and Acrylic DarkCap material)
- Investigative work regarding reducing compound costs with Baerlocher (re: Calcium Zinc Stabilizer) and Chemson Chemicals
- Reviewing Make vs. Buy on Accessory type extrusion parts – RFQ in process with Vinyl Profiles
- Patio Door Sourcing – working with Kuduma and Hufcor to investigate sourcing leverage opportunities with glass, steel and aluminum

### 3. Warehousing, Logistics, and Organization Structure

- Updated SOW with Orkestra confined to the racking cost reduction opportunity – no opportunity for savings on racking
- Discussions held with PGT regarding consignment program; PGT would like ENERGI to entertain a Florida warehouse option; looking at third party warehousing and fulfillment companies

### 4. Demand Planning

- Work with plants to obtain part data, collaboration with Min/Max, safety stock, active vs. obsolete

**Executive Summary**

**Financial Review**

**Full Year Financial Outlook**

**Governance Reporting**

**Appendix**

**Business Unit Analysis**



# Revenue and EBITDA Bridge

| \$'000                          | MTD              |                 | QTD              |                 | YTD              |                 |
|---------------------------------|------------------|-----------------|------------------|-----------------|------------------|-----------------|
|                                 | Net Revenue      | EBITDA          | Net Revenue      | EBITDA          | Net Revenue      | EBITDA          |
| <b>Budget</b>                   | <b>\$ 15,662</b> | <b>\$ 1,111</b> | <b>\$ 15,662</b> | <b>\$ 1,111</b> | <b>\$ 52,252</b> | <b>\$ 1,876</b> |
| <b><u>Net Revenue Delta</u></b> |                  |                 |                  |                 |                  |                 |
| Volume                          | (2,442)          | (766)           | (2,442)          | (766)           | (5,468)          | (1,224)         |
| Pricing                         | —                | —               | —                | —               | —                | —               |
| Mix                             | (31)             | (31)            | (31)             | (31)            | (192)            | (192)           |
| Discounts                       | 33               | 33              | 33               | 33              | 108              | 108             |
| Returns                         | 35               | 35              | 35               | 35              | 43               | 43              |
| Rebates                         | 65               | 65              | 65               | 65              | 194              | 194             |
| F/X                             | (228)            | (35)            | (228)            | (35)            | (712)            | (186)           |
| <b>Total Net Revenue Delta</b>  | <b>(2,568)</b>   | <b>(699)</b>    | <b>(2,568)</b>   | <b>(699)</b>    | <b>(6,027)</b>   | <b>(1,257)</b>  |
| <b><u>Cost Delta</u></b>        |                  |                 |                  |                 |                  |                 |
| Absorption                      |                  | (137)           |                  | (137)           |                  | (34)            |
| SG&A                            |                  | 115             |                  | 115             |                  | 354             |
| Variances                       |                  | 52              |                  | 52              |                  | 40              |
| Other                           |                  | 238             |                  | 238             |                  | 469             |
| <b>Total Cost Delta</b>         |                  | <b>268</b>      |                  | <b>268</b>      |                  | <b>829</b>      |
| <b>Actual</b>                   | <b>\$ 13,094</b> | <b>\$ 680</b>   | <b>\$ 13,094</b> | <b>\$ 680</b>   | <b>\$ 46,225</b> | <b>\$ 1,448</b> |

## Management Discussion - MTD

- Extrusion external sales volume unfavorable by 16.0% or \$2,127K, lower external compound sales by \$206K and lower Terrebonne sales of \$108K, contributing to the volume impact of \$2,442K
- Unfavorable customer sales mix of \$31K mainly from Everett and related to higher volumes to Cascade
- Unfavorable F/X impact of \$228K (actual rate of 1.3378 [or \$USD 0.7475] vs. Budget rate of 1.30 [or \$USD 0.7692]); Translation F/X impact on EBITDA is unfavorable by \$63K offset by a favorable realized balance sheet re-valuation impact of \$28K due to a change in the month-end rate from 1.3531 on March 31<sup>st</sup>, 2019 to 1.3440 on April 30<sup>th</sup>, 2019
- Unfavorable absorption impact of \$137K as a result of lower production levels and a drawdown in inventory
- Favorable SG&A due to lower G&A labor & benefits costs and lower OPEX spending (ie. Marketing costs, T&E, commissions)
- Favorable variances of \$52K due lower labor costs of \$155K (exclusive of volume impacts) and lower resin material prices of \$82K, partially offset by lower yields and higher scrap costs (net of regrind usage) of \$148K and unfavorable E&O reserve adjustment of \$38K
- Other costs favorable by \$237K due to lower property tax adjustment at Everett \$87K and lower overhead spending (ie. Maintenance, factory suppliers, utilities) of \$151K

# Key Customers – Gross Sales and Gross Margin %: Consolidated

|                           | Gross Sales (\$'000) |        |     |        |        |         |         |     |        |    |         |         |        |        | Gross Margin % |        |     |         |         |     |        |     |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |          |
|---------------------------|----------------------|--------|-----|--------|--------|---------|---------|-----|--------|----|---------|---------|--------|--------|----------------|--------|-----|---------|---------|-----|--------|-----|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|----------|
|                           | MTD                  |        | Var |        | PY-MTD |         | Var     |     | YTD    |    | Var     |         | PY-YTD |        | Var            |        | MTD |         | Var     |     | PY-MTD |     | Var     |         | YTD     |         | Var     |         | PY-YTD  |         | Var     |         |         |         |         |         |         |          |
|                           | Act                  | Bud    | \$  | %      | Act    | \$      | %       | Act | Bud    | \$ | %       | Act     | \$     | %      | Act            | \$     | %   | Act     | Bud     | BPs | %      | Act | BPs     | %       | Act     | Bud     | BPs     | %       | Act     | BPs     | %       |         |         |         |         |         |         |          |
| Customer:                 |                      |        |     |        |        |         |         |     |        |    |         |         |        |        |                |        |     |         |         |     |        |     |         |         |         |         |         |         |         |         |         |         |         |         |         |         |         |          |
| PGT Industries Inc        | \$                   | 1,743  | \$  | 2,152  | \$     | (409)   | (19.0%) | \$  | 1,997  | \$ | (254)   | (12.7%) | \$     | 7,395  | \$             | 7,088  | \$  | 307     | 4.3%    | \$  | 7,068  | \$  | 327     | 4.6%    | 21.8%   | 18.4%   | 347     | 18.9%   | 15.7%   | 614     | 39%     | 19.5%   | 18.2%   | 132     | 7.2%    | 12.9%   | 659     | 51.0%    |
| Eclipse Shutter Systems   |                      | 1,208  |     | 1,326  |        | (118)   | (8.9%)  |     | 1,321  |    | (112)   | (8.5%)  |        | 4,530  |                | 5,021  |     | (491)   | (9.8%)  |     | 5,438  |     | (908)   | (16.7%) | 4.8%    | 3.3%    | 159     | 48.7%   | 5.1%    | (26)    | (5%)    | 3.1%    | 3.3%    | (18)    | (5.7%)  | 4.8%    | (171)   | (35.7%)  |
| Atis                      |                      | 653    |     | 819    |        | (166)   | (20.3%) |     | 943    |    | (290)   | (30.8%) |        | 1,879  |                | 2,231  |     | (352)   | (15.8%) |     | 2,710  |     | (830)   | (30.6%) | (16.6%) | (19.8%) | 317     | (16.0%) | (17.0%) | 39      | (2%)    | (16.7%) | (19.3%) | 264     | (13.7%) | (18.7%) | 199     | (10.6%)  |
| Simonton                  |                      | 824    |     | 851    |        | (27)    | (3.2%)  |     | 795    |    | 29      | 3.7%    |        | 2,965  |                | 3,213  |     | (248)   | (7.7%)  |     | 3,384  |     | (419)   | (12.4%) | 8.2%    | 20.8%   | (1,261) | (60.5%) | 11.2%   | (294)   | (26%)   | 15.5%   | 18.4%   | (290)   | (15.8%) | 8.1%    | 734     | 90.1%    |
| Quaker Window Products    |                      | 410    |     | 471    |        | (61)    | (13.0%) |     | 402    |    | 7       | 1.8%    |        | 1,540  |                | 1,916  |     | (376)   | (19.6%) |     | 1,637  |     | (97)    | (5.9%)  | 11.0%   | 11.0%   | —       | 0.0%    | 10.5%   | 56      | 5%      | 11.0%   | 11.0%   | 0       | 0.0%    | 2.8%    | 821     | 292.3%   |
| Ostaco 2000               |                      | 183    |     | 202    |        | (19)    | (9.3%)  |     | 200    |    | (17)    | (8.5%)  |        | 832    |                | 983    |     | (151)   | (15.4%) |     | 893    |     | (61)    | (6.9%)  | 6.9%    | 3.6%    | 324     | 89.3%   | 21.5%   | (1,459) | (68%)   | 8.8%    | 7.1%    | 173     | 24.5%   | 18.8%   | (996)   | (53.0%)  |
| SOLARIS QUEBEC P & F INC. |                      | 416    |     | 467    |        | (51)    | (10.8%) |     | 483    |    | (67)    | (13.8%) |        | 1,371  |                | 1,215  |     | 156     | 12.9%   |     | 1,302  |     | 69      | 5.3%    | 24.5%   | 24.1%   | 32      | 1.3%    | 11.1%   | 1,340   | 121%    | 23.7%   | 23.9%   | (25)    | (1.1%)  | 7.4%    | 1,627   | 220.1%   |
| Dashwood Industries Inc   |                      | 226    |     | 253    |        | (27)    | (10.8%) |     | 322    |    | (97)    | (30.0%) |        | 824    |                | 890    |     | (67)    | (7.5%)  |     | 1,028  |     | (205)   | (19.9%) | 14.8%   | 13.0%   | 173     | 13.2%   | 16.6%   | (184)   | (11%)   | 14.4%   | 13.8%   | 66      | 4.8%    | 13.8%   | 61      | 4.4%     |
| Windsor Window Co OEM     |                      | 286    |     | 278    |        | 8       | 2.8%    |     | 283    |    | 3       | 1.2%    |        | 1,047  |                | 949    |     | 97      | 10.3%   |     | 967    |     | 80      | 8.2%    | 23.6%   | 24.1%   | (52)    | (2.1%)  | 9.7%    | 1,388   | 142%    | 22.8%   | 23.6%   | (76)    | (3.2%)  | 3.7%    | 1,913   | 514.9%   |
| All Weather               |                      | 309    |     | 688    |        | (379)   | (55.1%) |     | 279    |    | 30      | 10.7%   |        | 1,254  |                | 2,359  |     | (1,105) | (46.9%) |     | 1,052  |     | 202     | 19.2%   | 9.1%    | 16.9%   | (775)   | (46.0%) | 13.2%   | (413)   | (31%)   | 12.1%   | 15.1%   | (303)   | (20.1%) | 10.6%   | 151     | 14.3%    |
| Polaris Technologies      |                      | 539    |     | 511    |        | 28      | 5.5%    |     | 301    |    | 238     | 79.1%   |        | 1,509  |                | 1,854  |     | (345)   | (18.6%) |     | 1,099  |     | 410     | 37.3%   | 15.2%   | 18.2%   | (297)   | (16.3%) | 0.0%    | 1,523   | N/A     | 16.5%   | 17.4%   | (95)    | (5.4%)  | 0.0%    | 1,646   | N/A      |
| A.M.I.                    |                      | 391    |     | 297    |        | 94      | 31.6%   |     | 321    |    | 70      | 21.7%   |        | 957    |                | 960    |     | (3)     | (0.3%)  |     | 977    |     | (20)    | (2.0%)  | 11.4%   | 0.0%    | 1,138   | N/A     | (0.4%)  | 1,181   | (2754%) | 0.9%    | 0.3%    | 63      | 244.5%  | (2.9%)  | 377     | (130.8%) |
| ATLANTIC WINDOWS          |                      | 275    |     | 376    |        | (100)   | (26.8%) |     | 368    |    | (93)    | (25.3%) |        | 867    |                | 1,115  |     | (247)   | (22.2%) |     | 1,120  |     | (253)   | (22.6%) | 16.2%   | 11.8%   | 441     | 37.3%   | 1.3%    | 1,492   | 1139%   | 15.3%   | 11.8%   | 352     | 29.9%   | 3.6%    | 1,165   | 321.8%   |
| Vinyl Profiles, LLC       |                      | 218    |     | 355    |        | (137)   | (38.6%) |     | 167    |    | 51      | 30.2%   |        | 796    |                | 1,183  |     | (387)   | (32.7%) |     | 730    |     | 66      | 9.0%    | 20.2%   | 20.7%   | (53)    | (2.6%)  | 15.0%   | 523     | 35%     | 21.1%   | 20.7%   | 37      | 1.8%    | 19.3%   | 178     | 9.2%     |
| Comfort View Products     |                      | 204    |     | 242    |        | (38)    | (15.7%) |     | 213    |    | (9)     | (4.2%)  |        | 667    |                | 1,096  |     | (429)   | (39.1%) |     | 1,029  |     | (362)   | (35.2%) | 20.7%   | 19.0%   | 173     | 9.1%    | 13.6%   | 713     | 52%     | 21.1%   | 16.6%   | 445     | 26.8%   | 11.2%   | 990     | 88.6%    |
| PORTES & FENETRES ABRITEK |                      | 270    |     | 261    |        | 9       | 3.5%    |     | 293    |    | (23)    | (7.7%)  |        | 609    |                | 660    |     | (51)    | (7.7%)  |     | 826    |     | (217)   | (26.3%) | 17.3%   | 22.7%   | (543)   | (23.9%) | 20.1%   | (281)   | (14%)   | 4.8%    | 19.7%   | (1,485) | (75.4%) | 16.6%   | (1,178) | (70.9%)  |
| Coeur d'Alene             |                      | 242    |     | 375    |        | (132)   | (35.3%) |     | 288    |    | (46)    | (15.8%) |        | 912    |                | 1,060  |     | (149)   | (14.0%) |     | 785    |     | 127     | 16.2%   | 3.9%    | 7.6%    | (378)   | (49.4%) | (1.2%)  | 507     | (420%)  | 1.3%    | 5.2%    | (388)   | (74.9%) | (1.2%)  | 250     | (209.2%) |
| SCHLUTER SYSTEMS L.P.     |                      | 171    |     | 246    |        | (75)    | (30.4%) |     | 245    |    | (74)    | (30.2%) |        | 561    |                | 802    |     | (241)   | (30.1%) |     | 799    |     | (238)   | (29.8%) | 25.7%   | 21.8%   | 391     | 17.9%   | 23.7%   | 201     | 8%      | 24.6%   | 23.9%   | 72      | 3.0%    | 18.5%   | 617     | 33.4%    |
| P & F ISOTHERMIC INC      |                      | 252    |     | 216    |        | 35      | 16.2%   |     | 201    |    | 51      | 25.1%   |        | 695    |                | 672    |     | 23      | 3.4%    |     | 807    |     | (112)   | (13.8%) | 15.2%   | 23.1%   | (794)   | (34.3%) | 1.6%    | 1,360   | 853%    | 13.5%   | 21.8%   | (823)   | (37.8%) | 2.7%    | 1,083   | 399.5%   |
| Sierra Pacific Windows    |                      | 176    |     | 214    |        | (38)    | (17.8%) |     | 214    |    | (38)    | (17.8%) |        | 789    |                | 843    |     | (54)    | (6.4%)  |     | 793    |     | (4)     | (0.5%)  | 12.8%   | 10.7%   | 207     | 19.3%   | 6.1%    | 674     | 111%    | 10.6%   | 10.0%   | 58      | 5.8%    | 5.2%    | 542     | 104.8%   |
| Other                     |                      | 4,798  |     | 5,909  |        | (1,111) | (18.8%) |     | 6,407  |    | (1,610) | (25.1%) |        | 16,569 |                | 18,843 |     | (2,274) | (12.1%) |     | 22,323 |     | (5,754) | (25.8%) | 22.8%   | 25.4%   | (253)   | (10.0%) | 28.4%   | (555)   | (20%)   | 21.2%   | 25.7%   | (451)   | (17.6%) | 26.7%   | (555)   | (20.8%)  |
| Total Gross               | \$                   | 13,794 | \$  | 16,509 | \$     | (2,715) | (16.4%) | \$  | 16,044 | \$ | (2,250) | (14.0%) | \$     | 48,567 | \$             | 54,954 | \$  | (6,387) | (11.6%) | \$  | 56,767 | \$  | (8,200) | (14.4%) | 16.0%   | 17.0%   | (108)   | (6.3%)  | 15.9%   | 3       | 0%      | 15.0%   | 15.0%   | 9       | 0.6%    | 14.1%   | 91      | 6.4%     |

## Management Discussion

- PGT – Minor slowdown in orders for April due to strong start in Q1 (managing inventory)
- Eclipse – Slightly lower vs anticipated sales, as a result of utilization of built up inventory
- Atis – extended winter weather conditions in Canada
- All Weather and Comfort View – Slow start to the year and colder weather leading to softness in orders
- Coeur D Alene – Slow April after a good Q1
- Polaris – Starting to show improvement following a slow Q1
- Vinyl Profiles – Loss of anticipated sales to competitor

# Pipeline Roll-Forward

| \$'000                  | Expected Contract Win Value |                  |
|-------------------------|-----------------------------|------------------|
|                         | MTD                         | YTD              |
| <b>Opening Pipeline</b> | <b>\$ 54,269</b>            | <b>\$ 24,924</b> |
| Additions               | 18,738                      | 95,132           |
| Changes:                |                             |                  |
| Converted               | —                           | (15,631)         |
| Lost                    | (400)                       | (31,443)         |
| Other                   | —                           | (374)            |
| Total Net Changes       | (400)                       | (47,448)         |
| <b>Closing Pipeline</b> | <b>\$ 72,607</b>            | <b>\$ 72,607</b> |

## Management Discussion

- Pipeline additions of \$18.7M and 16.5M Lbs primarily from Cascade Launch on Hung and Slider in other locations.
- Loss of Casement SH/DH opportunity with Target valued at \$0.4M and 0.225M Lbs as a result of incomplete offering

# Pipeline Additions

| \$'000        |           |                  |                         |  |         |                                 |                              |                              |               |                    |     |                               |                                     |          |
|---------------|-----------|------------------|-------------------------|--|---------|---------------------------------|------------------------------|------------------------------|---------------|--------------------|-----|-------------------------------|-------------------------------------|----------|
| Customer Name | Plant     | Rep. Name        | Existing Customer (Y/N) | Description of Opportunity               | Segment | Date of Inclusion into Pipeline | Expected Date of Award/Close | Probability of Winning Award | Competitor(s) | Period of Contract |     | Expected Total Contract Value | Estimated Annual Volume ('000s Lbs) | Comments |
|               |           |                  |                         |  |         |                                 |                              |                              |               | Start              | End |                               |                                     |          |
| Cascade       | EVERETT   | Jay Meiries      | Y                       | New 90 Degree Corner Post for 425 Window |         | Apr-19                          | Oct-19                       | 100%                         | Other         | Oct-19             | TBD | \$ 200                        | 160                                 |          |
| Del Windows   | LAVAL     | Simon Fitzgerald | N                       | Woodbridge Platform                      | Window  | Apr-19                          | May-19                       | 50%                          | Veka          | May-19             | TBD | \$ 1,538                      | 1,000                               |          |
| Centennial    | WOODBIDGE |                  | Y                       | New Slider Frame                         | Window  | Apr-19                          | Sep-19                       | 70%                          | Other         | Sep-19             | TBD | \$ 115                        | 75                                  |          |
| Cascade       | EVERETT   | Jay Meiries      | Y                       | Launch Hung/Slidr other locations        | Window  | Apr-19                          | TBD                          | TBD                          |               | TBD                | TBD | \$ 16,500                     | 15,000                              |          |
| Durabuilt     | LAVAL     | Simon Fitzgerald | Y                       | 4600 Series                              | Window  | Apr-19                          | Sep-19                       | 50%                          | Vision        | Sep-19             | TBD | \$ 385                        | 250                                 |          |
|               |           |                  |                         |  |         |                                 |                              |                              |               |                    |     | \$ 18,738                     | 16,485                              |          |

# Pipeline Conversion

| [MOR/QOR/AOP SLIDE] PIPELINE CONVERSIONS |               |                         |                |                              |                    |                    |     |                               |                                     |                |                     |
|--|---------------|-------------------------|----------------|------------------------------|--------------------|--------------------|-----|-------------------------------|-------------------------------------|----------------|---------------------|
| \$'000                                   |               |                         |                |                              |                    |                    |     |                               |                                     |                |                     |
| Customer Name                            | Rep. Name     | Existing Customer (Y/N) | Description    | Name of Winner(s) / Loser(s) | Date of Conversion | Period of Contract |     | Expected Total Contract Value | Estimated Annual Volume ('000s Lbs) | Reason Code(s) | Comment             |
|  |               |                         |                |                              |                    | Start              | End |                               |                                     |                |                     |
| CONVERTED                                |               |                         |                |                              |                    |                    |     |                               |                                     |                |                     |
|  |               |                         |                |                              |                    |                    |     | \$                            | -                                   | -              |                     |
| LOST                                     |               |                         |                |                              |                    |                    |     |                               |                                     |                |                     |
| Target                                   | Charlie Irwin | N                       | Casement SH/DH | NA                           |                    |                    |     | (400)                         | (225)                               | 7              | Incomplete offering |
|  |               |                         |                |                              |                    |                    |     | \$                            | (400)                               | (225)          |                     |
| OTHER                                    |               |                         |                |                              |                    |                    |     |                               |                                     |                |                     |
|  |               |                         |                |                              |                    |                    |     |                               | -                                   | -              |                     |
| Reason Code for Win                      |               |                         |                |                              |                    |                    |     |                               |                                     |                |                     |
| 1. Price                                 |               | 2. Service/Support      |                | 3. Relationship              |                    |                    |     |                               |                                     |                |                     |
| 4. Incumbency                            |               | 5. Product              |                | 6. No decision               |                    |                    |     |                               |                                     |                |                     |
| 7. Other (Explain in comment field)      |               |                         |                |                              |                    |                    |     |                               |                                     |                |                     |

# Total Closing Pipeline – Current Extrusions and Patio Doors

| \$ and units '000        |                      |                   |        |          |                 |          |              |                          |               |                 |                |                   |                            |          |   |
|--------------------------|----------------------|-------------------|--------|----------|-----------------|----------|--------------|--------------------------|---------------|-----------------|----------------|-------------------|----------------------------|----------|---|
| Customer Name            | Total Contract Value |                   |        | 1x Costs | Contract Timing |          |              | Sales Process Status     |               |                 |                |                   |                            | Comments |   |
|                          | \$                   | Units ('000s Lbs) |        |          | Start Date      | End Date | Length (Yrs) | Initial Interaction (5%) | Pursuit (15%) | Designing (25%) | Proposal (40%) | Negotiation (60%) | Finalizing Agreement (90%) |          | Signed Contract (100%)  |
| Existing Customers       |                      |                   |        |          |                 |          |              |                          |               |                 |                |                   |                            |          |   |
| All Weather Windows      | \$                   | 577               | 500    | \$       | -               | TBD      | TBD          | TBD                      |               |                 |                |                   |                            |          | Viscount Patio Door   |
| Atrium                   | \$                   | 325               | 200    | \$       | 65              | TBD      | TBD          | TBD                      |               |                 |                |                   |                            |          |   |
| Moss Supply              | \$                   | 3,000             | 2,000  | \$       | -               | TBD      | TBD          | TBD                      |               |                 |                |                   |                            |          | Single Hung   |
| Solar Innovations        | \$                   | 500               | 350    | \$       | 100             | TBD      | TBD          | TBD                      |               |                 |                |                   |                            |          | Customer looking at launch timing for the platform extrusions   |
| Polaris                  | \$                   | 4,000             | 2,500  | \$       | -               | TBD      | TBD          | TBD                      |               |                 |                |                   |                            |          | Ultra-Weld  |
| Vaillancourt             | \$                   | 2,116             | 450    | \$       | -               | TBD      | TBD          | TBD                      |               |                 |                |                   |                            |          | Performer-Fusion Patio Doors (Partly converted)   |
| Gentek                   | \$                   | 2,308             | 1,700  | \$       | 1,095           | TBD      | TBD          | TBD                      |               |                 |                |                   |                            |          | Full Program. Still waiting on decision. Gentek strategy is to run Veka and ENERGI and allow ENERGI to cannibilize Veka programs. |
| Hometime                 | \$                   | 200               | 100    | \$       | 75              | TBD      | TBD          | TBD                      |               |                 |                |                   |                            |          | Customer still reviewing casement   |
| Fene-Tech                | \$                   | 77                | 40     | \$       | -               | TBD      | TBD          | TBD                      |               |                 |                |                   |                            |          | Patio Door program  |
| Simonton                 | \$                   | 1,154             | 1,500  | \$       | -               | TBD      | TBD          | TBD                      |               |                 |                |                   |                            |          | Dual stucco wall Slider   |
| Dalmen                   | \$                   | 154               | 200    | \$       | -               | TBD      | TBD          | TBD                      |               |                 |                |                   |                            |          | Tilt and Turn   |
| Cascade                  | \$                   | 200               | 160    | \$       | -               | TBD      | TBD          | TBD                      |               |                 |                |                   |                            |          | New 90 Degree Corner Post for 425   |
| Centennial               | \$                   | 115               | 75     | \$       | -               | TBD      | TBD          | TBD                      |               |                 |                |                   |                            |          | New Slider Frame  |
| Van Isle                 | \$                   | 192               | 140    | \$       | 450             | TBD      | TBD          | TBD                      |               |                 |                |                   |                            |          | West Coast Contemporary series (shared capital)   |
| Magistral                | \$                   | 115               | 75     | \$       | 100             | TBD      | TBD          | TBD                      |               |                 |                |                   |                            |          | Customer still reviewing  |
| Simonton                 | \$                   | 769               | 1,000  | \$       | -               | TBD      | TBD          | TBD                      |               |                 |                |                   |                            |          | New Multi slide/425 door  |
| LGC                      | \$                   | 77                | 50     | \$       | 25              | TBD      | TBD          | TBD                      |               |                 |                |                   |                            |          |   |
| Futura                   | \$                   | 77                | 50     | \$       | 25              | TBD      | TBD          | TBD                      |               |                 |                |                   |                            |          |   |
| Fenêtres Concept         | \$                   | 58                | 25     | \$       | 25              | TBD      | TBD          | TBD                      |               |                 |                |                   |                            |          | Initial sampling to begin   |
| Cascade                  | \$                   | 750               | 600    | \$       | 750             | TBD      | TBD          | TBD                      |               |                 |                |                   |                            |          | 425 Multi-Slide patio door lineal program   |
| Vinylpro                 | \$                   | 385               | 300    | \$       | -               | TBD      | TBD          | TBD                      |               |                 |                |                   |                            |          | 4 1/2" Casement   |
| Seymour Windows          | \$                   | 1,429             | 1,000  | \$       | 241             | TBD      | TBD          | TBD                      |               |                 |                |                   |                            |          | Working on new formulation and design   |
| Westek                   | \$                   | 77                | 50     | \$       | -               | TBD      | TBD          | TBD                      |               |                 |                |                   |                            |          | Multi-Track Door  |
| Solar Innovations        | \$                   | 250               | 150    | \$       | -               | TBD      | TBD          | TBD                      |               |                 |                |                   |                            |          | Multi Track Door  |
| Solar Innovations        | \$                   | 100               | 50     | \$       | -               | TBD      | TBD          | TBD                      |               |                 |                |                   |                            |          | Lift/Slide Lineal   |
| Cascade                  | \$                   | 16,500            | 15,000 | \$       | -               | TBD      | TBD          | TBD                      |               |                 |                |                   |                            |          | Launch Hung/Slidr other locations   |
| Avanti                   | \$                   | 1,000             | 700    | \$       | -               | TBD      | TBD          | TBD                      |               |                 |                |                   |                            |          | FullProgram - Dark Cap  |
| ATI                      | \$                   | 500               | 300    | \$       | 450             | TBD      | TBD          | TBD                      |               |                 |                |                   |                            |          | West Coast Contemporary series (shared capital)   |
| Gentek                   | \$                   | 1,538             | -      | \$       | -               | TBD      | TBD          | TBD                      |               |                 |                |                   |                            |          | Patio Door program  |
| Dalmen                   | \$                   | 192               | 125    | \$       | -               | TBD      | TBD          | TBD                      |               |                 |                |                   |                            |          | Opera lineal program from Soni Plastics   |
| All Weather Windows      | \$                   | 1,923             | 1,800  | \$       | -               | TBD      | TBD          | TBD                      |               |                 |                |                   |                            |          | Entry door Program  |
| Aluminart                | \$                   | 192               | 125    | \$       | -               | TBD      | TBD          | TBD                      |               |                 |                |                   |                            |          | Casement  |
| Entreprises AM           | \$                   | 577               | 350    | \$       | -               | TBD      | TBD          | TBD                      |               |                 |                |                   |                            |          | 4600 Series   |
| Euroclad Windows         | \$                   | 100               | 50     | \$       | -               | TBD      | TBD          | TBD                      |               |                 |                |                   |                            |          | Multi Track Door  |
| Mason Windows            | \$                   | 192               | 160    | \$       | -               | TBD      | TBD          | TBD                      |               |                 |                |                   |                            |          | Contemporary Casement   |
| Vaillancourt             | \$                   | 769               | 500    | \$       | -               | TBD      | TBD          | TBD                      |               |                 |                |                   |                            |          | Opera lineal  |
| Durabuilt                | \$                   | 385               | 250    | \$       | -               | TBD      | TBD          | TBD                      |               |                 |                |                   |                            |          | 4600 Series   |
| All Weather              | \$                   | 192               | 50     | \$       | -               | TBD      | TBD          | TBD                      |               |                 |                |                   |                            |          | Orchestra   |
| Windsor                  | \$                   | 50                | 25     | \$       | -               | TBD      | TBD          | TBD                      |               |                 |                |                   |                            |          | New Astragal  |
| TOTAL EXISTING CUSTOMERS |                      |                   |        |          |                 |          |              |                          |               |                 |                |                   |                            |          |   |
|                          | \$                   | 43,115            | \$     | 32,700   | \$              | 3,401    |              |                          |               |                 |                |                   |                            |          |   |
| Legend                   |                      |                   |        |          |                 |          |              |                          |               |                 |                |                   |                            |          |   |
|                          |                      |                   |        |          |                 |          |              |                          |               |                 |                |                   |                            |          | Complete  |
|                          |                      |                   |        |          |                 |          |              |                          |               |                 |                |                   |                            |          | In process, on track  |
|                          |                      |                   |        |          |                 |          |              |                          |               |                 |                |                   |                            |          | In process, delayed   |
|                          |                      |                   |        |          |                 |          |              |                          |               |                 |                |                   |                            |          | In process, at risk   |

## Total Closing Pipeline – New Extrusions and Patio Doors

\$ and units '000

| Customer Name                   | Total Contract Value |                      |     | 1x Costs | Contract Timing |             |                 | Sales Process Status           |                  |                    |                   |                      |                                  | Comments |  |
|---------------------------------|----------------------|----------------------|-----|----------|-----------------|-------------|-----------------|--------------------------------|------------------|--------------------|-------------------|----------------------|----------------------------------|----------|--|
|                                 | \$                   | Units ('000s<br>Lbs) |     |          | Start<br>Date   | End<br>Date | Length<br>(Yrs) | Initial<br>Interaction<br>(5%) | Pursuit<br>(15%) | Designing<br>(25%) | Proposal<br>(40%) | Negotiation<br>(60%) | Finalizing<br>Agreement<br>(90%) |          | Signed<br>Contract<br>(100%)                             |
| New Customers                   |                      |                      |     |          |                 |             |                 |                                |                  |                    |                   |                      |                                  |          |  |
| Gilkey                          | \$                   | 600                  | 370 | \$       | 400             | TBD         | TBD             | TBD                            |                  |                    |                   |                      |                                  |          | In final stages; seeking 5 year agreement                |
| Fenestres Contemporaine         | \$                   | 58                   | \$  | 75       | \$              | -           | TBD             | TBD                            | TBD              |                    |                   |                      |                                  |          | Hybrid Casement  |
| Reflec                          | \$                   | 154                  | \$  | 200      | \$              | -           | TBD             | TBD                            | TBD              |                    |                   |                      |                                  |          | Patio Door Program                                       |
| Del Windows                     | \$                   | 577                  | \$  | 750      | \$              | -           | TBD             | TBD                            | TBD              |                    |                   |                      |                                  |          | 4600 Series/Marquis                                      |
| Del Windows                     | \$                   | 385                  | \$  | 500      | \$              | -           | TBD             | TBD                            | TBD              |                    |                   |                      |                                  |          | Hybrid casement  |
| Del Windows                     | \$                   | 1,538                | \$  | 1,000    | \$              | -           | TBD             | TBD                            | TBD              |                    |                   |                      |                                  |          | Woodbridge Platform                                      |
| Atelier Jean Cyr                | \$                   | 38                   | \$  | 50       | \$              | -           | TBD             | TBD                            | TBD              |                    |                   |                      |                                  |          | Hybrid hung  |
| Verdun                          | \$                   | 769                  |     | 500      | \$              | -           | TBD             | TBD                            | TBD              |                    |                   |                      |                                  |          | 4600 Casement  |
| Elite                           | \$                   | 308                  |     | 200      | \$              | -           | TBD             | TBD                            | TBD              |                    |                   |                      |                                  |          | In early discussions                                     |
| Formtech                        | \$                   | 231                  |     | 100      | \$              | -           | TBD             | TBD                            | TBD              |                    |                   |                      |                                  |          | Tilt/Turn, 4600 Series                                   |
| Progressive Windows             | \$                   | 500                  |     | 250      | \$              | -           | TBD             | TBD                            | TBD              |                    |                   |                      |                                  |          | 3 1/4" Program   |
| Hayfield Windows                | \$                   | 2,000                |     | 1,250    | \$              | -           | TBD             | TBD                            | TBD              |                    |                   |                      |                                  |          | Casement   |
| Laugitech                       | \$                   | 308                  |     | 200      | \$              | 50          | TBD             | TBD                            | TBD              |                    |                   |                      |                                  |          | Propsect wants to start fabricating windows              |
| Scheel                          | \$                   | 308                  |     | 175      | \$              | 100         | TBD             | TBD                            | TBD              |                    |                   |                      |                                  |          | Prospect wants to switch away from PH Tech - dissatified |
| President Windows               | \$                   | 150                  |     | -        | \$              | 100         | TBD             | TBD                            | TBD              |                    |                   |                      |                                  |          | Patio Doors  |
| Minnkota Window                 | \$                   | 1,500                |     | 850      | \$              | -           | TBD             | TBD                            | TBD              |                    |                   |                      |                                  |          | Casement SH/DH   |
| Diamond                         | \$                   | 1,000                |     | 700      | \$              | -           | TBD             | TBD                            | TBD              |                    |                   |                      |                                  |          | 3 1/4" Program   |
| Bonnecherre Valley              | \$                   | 115                  |     | 75       | \$              | -           | TBD             | TBD                            | TBD              |                    |                   |                      |                                  |          | T/T, CA, Hung  |
| Gilkey Windows                  | \$                   | 500                  |     | 3,600    | \$              | -           | TBD             | TBD                            | TBD              |                    |                   |                      |                                  |          | Patio Door   |
| Gilkey Windows                  | \$                   | 750                  |     | 600      | \$              | -           | TBD             | TBD                            | TBD              |                    |                   |                      |                                  |          | DH   |
| Versatile                       | \$                   | 192                  |     | 125      | \$              | -           | TBD             | TBD                            | TBD              |                    |                   |                      |                                  |          | Casement-Slider  |
| Group Atlanta                   | \$                   | 154                  |     | 100      | \$              | -           | TBD             | TBD                            | TBD              |                    |                   |                      |                                  |          | Hybrid Slider  |
| Amerimax                        | \$                   | 350                  |     | -        | \$              | -           | TBD             | TBD                            | TBD              |                    |                   |                      |                                  |          | Opus PD  |
| Thermovision                    | \$                   | 115                  |     | 75       | \$              | -           | TBD             | TBD                            | TBD              |                    |                   |                      |                                  |          | Hung/Slider Hybrid                                       |
| Artesia Glass                   | \$                   | 860                  |     | 525      | \$              | -           | TBD             | TBD                            | TBD              |                    |                   |                      |                                  |          | 154 Series   |
| Artik                           | \$                   | 58                   |     | 37       | \$              | -           | TBD             | TBD                            | TBD              |                    |                   |                      |                                  |          | PD Lineal  |
| Wasco                           | \$                   | 400                  |     | 225      | \$              | -           | TBD             | TBD                            | TBD              |                    |                   |                      |                                  |          | Casement/SH/DH (Rehau)                                   |
| Yellow Dog                      | \$                   | 3,750                |     | 3,000    | \$              | -           | TBD             | TBD                            | TBD              |                    |                   |                      |                                  |          | 5000 Series  |
| SI                              | \$                   | 2,308                |     | 2,500    | \$              | -           | TBD             | TBD                            | TBD              |                    |                   |                      |                                  |          | Recut tools in Dark Cap                                  |
| Maritime                        | \$                   | 385                  |     | 250      | \$              | -           | TBD             | TBD                            | TBD              |                    |                   |                      |                                  |          | Early discussions  |
| Heartland                       | \$                   | 900                  |     | 650      | \$              | -           | TBD             | TBD                            | TBD              |                    |                   |                      |                                  |          |  |
| Menuiserie Belisle              | \$                   | 231                  |     | 125      | \$              | -           | TBD             | TBD                            | TBD              |                    |                   |                      |                                  |          | 4600 Series  |
| Vector Windows                  | \$                   | 500                  |     | 350      | \$              | -           | TBD             | TBD                            | TBD              |                    |                   |                      |                                  |          |  |
| Supreme                         | \$                   | 500                  |     | 375      | \$              | -           | TBD             | TBD                            | TBD              |                    |                   |                      |                                  |          | Strong relationship with Westech but concerned           |
| TOTAL NEW CUSTOMERS             |                      |                      |     |          |                 |             |                 |                                |                  |                    |                   |                      |                                  |          |  |
| \$ 22,492 \$ 19,782 \$ 650      |                      |                      |     |          |                 |             |                 |                                |                  |                    |                   |                      |                                  |          |  |
| Total Extrusion and Patio Doors |                      |                      |     |          |                 |             |                 |                                |                  |                    |                   |                      |                                  |          |  |
| \$ 65,607 52,482 \$ 4,051       |                      |                      |     |          |                 |             |                 |                                |                  |                    |                   |                      |                                  |          |  |

### Legend



# Total Closing Pipeline – ENERGI Compound Solutions (ECS) External Sales

| \$ and units '000  |                      |                   |        |          |                 |          |              |                          |               |                 |                |                   |                            |   |
|--|----------------------|-------------------|--------|----------|-----------------|----------|--------------|--------------------------|---------------|-----------------|----------------|-------------------|----------------------------|---|
| Customer Name  | Total Contract Value |                   |        | 1x Costs | Contract Timing |          |              | Sales Process Status     |               |                 |                |                   |                            | Comments  |
|  | \$                   | Units ('000s Lbs) |        |          | Start Date      | End Date | Length (Yrs) | Initial Interaction (5%) | Pursuit (15%) | Designing (25%) | Proposal (40%) | Negotiation (60%) | Finalizing Agreement (90%) |   |
| <u>Existing Customers</u>  |                      |                   |        |          |                 |          |              |                          |               |                 |                |                   |                            |   |
| TOTAL EXISTING CUSTOMERS   | \$                   | -                 | -      | \$       | -               |          |              |                          |               |                 |                |                   |                            |   |
| <u>New Customers</u>   |                      |                   |        |          |                 |          |              |                          |               |                 |                |                   |                            |   |
| Fence Outlet   | \$                   | 6,000             | 10,000 | \$       | -               | TBD      | TBD          | TBD                      |               |                 |                |                   |                            | Quote accepted. Customer want formulation improved. Capital required for Dosing unit<br>Natural Formulation for RV's<br>Pursuit/ New formulation required<br>Provided quote |
| Accord   | \$                   | 300               | 300    | \$       | -               | TBD      | TBD          | TBD                      |               |                 |                |                   |                            |   |
| Mor-X Plastics   | \$                   | 200               | 200    | \$       | -               | TBD      | TBD          | TBD                      |               |                 |                |                   |                            |   |
| Vinylcraft   | \$                   | 500               | 500    | \$       | -               | TBD      | TBD          | TBD                      |               |                 |                |                   |                            |   |
| TOTAL NEW CUSTOMERS  | \$                   | 7,000             | \$     | 11,000   | \$              | -        |              |                          |               |                 |                |                   |                            |   |
| Total External Compound Sales  | \$                   | 7,000             | 11,000 | \$       | -               |          |              |                          |               |                 |                |                   |                            |   |
| TOTAL SALES PIPELINE   | \$                   | 72,607            | 63,482 | \$       | 4,051           |          |              |                          |               |                 |                |                   |                            |   |
| <div><div>Legend</div><div><div></div> Complete</div><div><div></div> In process, on track</div><div><div></div> In process, delayed</div><div><div></div> In process, at risk</div></div> |                      |                   |        |          |                 |          |              |                          |               |                 |                |                   |                            |   |



# YTD Opex Analysis

\$'000

|                          | YTD             |                 |                  | Explanation of Variance  |                 |                    |                 |  | Variance Impact        |                    |                    |
|--------------------------|-----------------|-----------------|------------------|--------------------------|-----------------|--------------------|-----------------|--|------------------------|--------------------|--------------------|
|                          | Act             | Bud             | Variance (B) / W | One-Time / Non-recurring | Timing          | Change in Run-rate | Other/FX        |  | Total Variance (B) / W | YoY Impact (B) / W | Annualized (B) / W |
| Payroll                  | \$ 3,365        | \$ 3,489        | \$ (124)         | \$ (45)                  | \$ (15)         | \$ (10)            | \$ (54)         |  | \$ (124)               | \$ (355)           | \$ —               |
| Bonus                    | \$ 448          | \$ 454          | \$ (5)           | \$ -                     | \$ -            | \$ -               | \$ (5)          |  | \$ (5)                 | \$ (6)             | \$ —               |
| Commissions              | \$ 72           | \$ 119          | \$ (47)          | \$ (13)                  | \$ -            | \$ (33)            | \$ (1)          |  | \$ (47)                | \$ 21              | \$ —               |
| Marketing                | \$ 462          | \$ 649          | \$ (187)         | \$ -                     | \$ (178)        | \$ -               | \$ (9)          |  | \$ (187)               | \$ (348)           | \$ —               |
| Benefits                 | \$ -            | \$ -            | \$ -             | \$ -                     | \$ -            | \$ -               |                 |  | \$ —                   | \$ -               | \$ —               |
| Travel and entertainment | \$ 375          | \$ 518          | \$ (143)         | \$ (52)                  | \$ (60)         | \$ (26)            | \$ (5)          |  | \$ (143)               | \$ (53)            | \$ —               |
| Rent and facilities      | \$ -            | \$ -            | \$ -             | \$ -                     | \$ -            | \$ -               |                 |  | \$ —                   | \$ -               | \$ —               |
| Insurance                | \$ 100          | \$ 108          | \$ (8)           | \$ (8)                   | \$ -            | \$ (0)             | \$ (0)          |  | \$ (8)                 | \$ (11)            | \$ —               |
| Professional fees        | \$ 199          | \$ 207          | \$ (8)           | \$ (4)                   | \$ -            | \$ -               | \$ (4)          |  | \$ (8)                 | \$ (9)             | \$ —               |
| Office expense           | \$ 89           | \$ 93           | \$ (4)           | \$ (2)                   |                 | \$ -               | \$ (2)          |  | \$ (4)                 | \$ (24)            | \$ —               |
| IT                       | \$ 623          | \$ 661          | \$ (38)          | \$ -                     | \$ (24)         | \$ -               | \$ (14)         |  | \$ (38)                | \$ 32              | \$ —               |
| Bad Debts                | \$ 55           | \$ (2)          | \$ 57            | \$ 59                    | \$ -            | \$ -               | \$ (2)          |  | \$ 57                  | \$ 131             | \$ —               |
| FX                       | \$ (111)        | \$ -            | \$ (111)         | \$ -                     | \$ -            | \$ -               | \$ (111)        |  | \$ (111)               | \$ (115)           | \$ —               |
| JV Loss (Income)         | \$ (57)         | \$ (73)         | \$ 16            | \$ (2)                   | \$ 20           | \$ -               | \$ (2)          |  | \$ 16                  | \$ (1)             | \$ —               |
| Other Expenses           | \$ 299          | \$ 288          | \$ 11            | \$ (7)                   | \$ -            | \$ 26              | \$ (9)          |  | \$ 11                  | \$ (18)            | \$ —               |
| <b>Total Opex</b>        | <b>\$ 5,919</b> | <b>\$ 6,512</b> | <b>\$ (593)</b>  | <b>\$ (74)</b>           | <b>\$ (258)</b> | <b>\$ (43)</b>     | <b>\$ (218)</b> |  | <b>\$ (593)</b>        | <b>\$ (754)</b>    | <b>\$ —</b>        |

## Management Discussion

- Lower payroll largely due to lower headcount and delays in hiring for open positions, lower than Planned benefits costs coupled with a positive Canadian FX impact
- Lower commissions as a result of revised estimates for accrual based on current sales
- Marketing expenses lower due to timing with budgeted expenditure
- Travel and Entertainment lower due to less travel by staff influenced by inclement weather impacting Customer operations
- IT coming in slightly behind budget due to timing as a result of contract negotiations
- Top up of Bad Debts provision in April to cover Ventana exposure

# 1x Costs

\$'000

|                              | YTD           |               |                 | Explanation of Variance |                |                 | Variance Impact |                          |
|------------------------------|---------------|---------------|-----------------|-------------------------|----------------|-----------------|-----------------|--------------------------|
|                              | Variance      |               |                 | Change in               |                |                 | Total Variance  | Total Change in Estimate |
|                              | Act           | AOP           | B / (W)         | Estimate                | Timing         | Other           | B / (W)         | B / (W)                  |
| Banking                      | \$ -          | \$ -          | \$ -            | \$ -                    | \$ -           | \$ -            | \$ -            | \$ -                     |
| Environmental                | \$ -          | \$ -          | \$ -            | \$ -                    | \$ -           | \$ -            | \$ -            | \$ -                     |
| Insight Sourcing             | \$ -          | \$ -          | \$ -            | \$ -                    | \$ -           | \$ -            | \$ -            | \$ -                     |
| IT                           | \$ 106        | \$ 70         | \$ (36)         | \$ (20)                 | \$ -           | \$ (16)         | (36)            | \$ (20)                  |
| Legal Fees                   | \$ 23         | \$ -          | \$ (23)         | \$ -                    | \$ -           | \$ (23)         | (23)            | \$ -                     |
| Professional Fees            | \$ 64         | \$ 39         | \$ (25)         | \$ -                    | \$ (11)        | \$ (14)         | (25)            | \$ -                     |
| Mgmt Incentive               | \$ 170        | \$ 171        | \$ 1            | \$ -                    | \$ -           | \$ 1            | 1               | \$ -                     |
| Laval Water Damage           | \$ 145        | \$ -          | \$ (145)        | \$ -                    | \$ -           | \$ (145)        | (145)           | \$ -                     |
| Profit Velocity              | \$ -          | \$ -          | \$ -            | \$ -                    | \$ -           | \$ -            | \$ -            | \$ -                     |
| CAD Transfer Tax             | \$ -          | \$ -          | \$ -            | \$ -                    | \$ -           | \$ -            | \$ -            | \$ -                     |
| TSA                          | \$ -          | \$ -          | \$ -            | \$ -                    | \$ -           | \$ -            | \$ -            | \$ -                     |
| Employee Restructuring Costs | \$ -          | \$ -          | \$ -            | \$ -                    | \$ -           | \$ -            | \$ -            | \$ -                     |
| Other                        | \$ 3          | \$ -          | \$ (3)          | \$ -                    | \$ -           | \$ (3)          | (3)             | \$ -                     |
| <b>Total 1X Costs</b>        | <b>\$ 511</b> | <b>\$ 280</b> | <b>\$ (231)</b> | <b>\$ (20)</b>          | <b>\$ (11)</b> | <b>\$ (201)</b> | <b>\$ (231)</b> | <b>\$ (20)</b>           |

## Management Discussion

- IT Costs relate to Terrebonne ERP Syteline Project to set up certain modules and perform an upgrade to the system (\$50K), Disaster Recovery testing for JDE (\$40K) and DDL Consultant for ITSM Project (\$16K)
- Legal Costs of \$23K for Corporate Management Services
- Professional Fees include costs incurred for the OBI projects with The Practical Approach (\$50K) and Project Monaco costs (\$14K)
- Management staff incentive accrual (\$170K) in line with Budget
- Laval Water Damage costs relate to water clean-up services performed by Qualinet (\$145K, not planned); to be claimed through insurance provider net of a deductible of \$100K

# Balance Sheet

| \$'000  | Dec-18           | Jan-19           | Feb-19            | Mar-19            | Apr-19            |                   | Variance          |               |
|---|------------------|------------------|-------------------|-------------------|-------------------|-------------------|-------------------|---------------|
|   | Act              | Act              | Act               | Act               | Act               | Bud               | \$                | %             |
| <b>Current Assets</b>                             |                  |                  |                   |                   |                   |                   |                   |               |
| Cash and cash equivalents                         | \$ 0             | \$ 3             | \$ 3              | \$ 3              | \$ 3              | \$ 3              | \$ 0              | 11.0%         |
| Short term investments                            | —                | —                | —                 | —                 | —                 | —                 | —                 | N/A           |
| <i>Accounts receivable, gross</i>                 | 8,958            | 9,182            | 9,929             | 11,613            | 13,369            | 15,256            | (1,887)           | (12.4%)       |
| <i>Accounts receivable, reserves</i>              | (363)            | (393)            | (393)             | (399)             | (425)             | (679)             | 254               | (37.4%)       |
| Accounts receivable, net                          | 8,594            | 8,789            | 9,536             | 11,214            | 12,944            | 14,577            | (1,633)           | (11.2%)       |
| <i>Inventory, gross</i>                           | 31,776           | 34,588           | 36,157            | 35,647            | 34,119            | 34,813            | (693)             | (2.0%)        |
| <i>Inventory, reserves</i>                        | (1,467)          | (1,497)          | (1,514)           | (1,497)           | (1,562)           | (1,704)           | 142               | (8.3%)        |
| Inventory, net                                    | 30,309           | 33,091           | 34,642            | 34,150            | 32,557            | 33,108            | (551)             | (1.7%)        |
| Prepaid expenses and other current assets         | 2,942            | 3,145            | 3,030             | 3,051             | 3,909             | 4,043             | (135)             | (3.3%)        |
| Other current assets                              | 901              | 761              | 864               | 804               | 790               | 837               | (47)              | (5.6%)        |
| <b>Total Current Assets</b>                       | <b>42,746</b>    | <b>45,790</b>    | <b>48,076</b>     | <b>49,223</b>     | <b>50,203</b>     | <b>52,568</b>     | <b>(2,365)</b>    | <b>(4.5%)</b> |
| <b>Non-Current Assets</b>                         |                  |                  |                   |                   |                   |                   |                   |               |
| <i>Property, plant &amp; equipment, gross</i>     | 64,977           | 66,687           | 67,249            | 66,818            | 67,503            | 69,891            | (2,388)           | (3.4%)        |
| <i>Accumulated depreciation</i>                   | (17,639)         | (18,755)         | (19,488)          | (19,863)          | (20,649)          | (19,435)          | (1,214)           | 6.2%          |
| Property, plant & equipment, net                  | 47,338           | 47,932           | 47,761            | 46,955            | 46,853            | 50,456            | (3,603)           | (7.1%)        |
| Deferred financing cost                           | 548              | 546              | 533               | 510               | 499               | 504               | (6)               | (1.1%)        |
| Deferred tax asset                                | 2,879            | 2,961            | 2,963             | 2,898             | 2,913             | 1,367             | 1,547             | 113.2%        |
| Other non-current assets                          | 2,616            | 2,688            | 2,690             | 2,644             | 2,685             | 3,093             | (408)             | (13.2%)       |
| <b>Total Non-Current Assets</b>                   | <b>53,382</b>    | <b>54,127</b>    | <b>53,947</b>     | <b>53,007</b>     | <b>52,950</b>     | <b>55,420</b>     | <b>(2,470)</b>    | <b>(4.5%)</b> |
| <b>Total Assets</b>                               | <b>\$ 96,127</b> | <b>\$ 99,917</b> | <b>\$ 102,023</b> | <b>\$ 102,229</b> | <b>\$ 103,153</b> | <b>\$ 107,989</b> | <b>\$ (4,835)</b> | <b>(4.5%)</b> |
| <b>Current Liabilities</b>                        |                  |                  |                   |                   |                   |                   |                   |               |
| Bank Debt   | \$ 10,222        | \$ 14,340        | \$ 16,533         | \$ 18,750         | \$ 19,505         | \$ 21,999         | \$ (2,494)        | (11.3%)       |
| Current Portion - Long Term Debt                  | 1,628            | 1,678            | 1,665             | 1,639             | 1,648             | 1,800             | (153)             | (8.5%)        |
| Accounts payable                                  | 12,709           | 11,725           | 12,319            | 12,200            | 12,267            | 13,614            | (1,347)           | (9.9%)        |
| Accrued liabilities                               | 3,343            | 4,045            | 3,378             | 3,727             | 3,515             | 4,002             | (487)             | (12.2%)       |
| Accrued compensation                              | 2,521            | 2,492            | 2,800             | 2,877             | 3,338             | 3,464             | (126)             | (3.6%)        |
| Income taxes payable                              | (246)            | (189)            | (102)             | (344)             | (275)             | 495               | (770)             | (155.4%)      |
| Contingent consideration                          | 1,301            | 1,301            | 1,301             | 1,301             | 1,301             | —                 | 1,301             | N/A           |
| Other current liabilities                         | 97               | 101              | 97                | 124               | 125               | 143               | (18)              | (12.6%)       |
| <b>Total Current Liabilities</b>                  | <b>31,576</b>    | <b>35,493</b>    | <b>37,990</b>     | <b>40,273</b>     | <b>41,423</b>     | <b>45,517</b>     | <b>(4,094)</b>    | <b>(9.0%)</b> |
| <b>Long-term liabilities</b>                      |                  |                  |                   |                   |                   |                   |                   |               |
| Long-term debt less current maturities            | 12,006           | 12,248           | 12,114            | 11,679            | 11,609            | 11,574            | 36                | 0.3%          |
| Deferred income taxes                             | 9,610            | 9,753            | 9,757             | 9,642             | 9,669             | 7,785             | 1,884             | 24.2%         |
| Other non-current liabilities                     | 1,468            | 1,525            | 1,530             | 1,491             | 1,503             | 1,430             | 72                | 5.1%          |
| <b>Total Long-Term Liabilities</b>                | <b>23,084</b>    | <b>23,526</b>    | <b>23,400</b>     | <b>22,812</b>     | <b>22,781</b>     | <b>20,789</b>     | <b>1,992</b>      | <b>9.6%</b>   |
| <b>Total Liabilities</b>                          | <b>54,660</b>    | <b>59,019</b>    | <b>61,391</b>     | <b>63,085</b>     | <b>64,205</b>     | <b>66,306</b>     | <b>(2,102)</b>    | <b>(3.2%)</b> |
| <b>Commitments and contingencies</b>              | <b>—</b>         | <b>—</b>         | <b>—</b>          | <b>—</b>          | <b>—</b>          | <b>—</b>          | <b>—</b>          | <b>N/A</b>    |
| <b>Shareholders' Equity</b>                       |                  |                  |                   |                   |                   |                   |                   |               |
| Common stock                                      | 12,610           | 12,610           | 12,610            | 12,610            | 12,610            | 12,610            | 0                 | 0.0%          |
| Retained earnings                                 | 30,039           | 29,143           | 28,871            | 27,592            | 27,350            | 29,602            | (2,252)           | (7.6%)        |
| Accumulated other comprehensive income            | (1,181)          | (855)            | (850)             | (1,058)           | (1,011)           | (530)             | (481)             | 90.9%         |
| <b>Total Shareholders' Equity</b>                 | <b>41,467</b>    | <b>40,898</b>    | <b>40,632</b>     | <b>39,144</b>     | <b>38,948</b>     | <b>41,682</b>     | <b>(2,734)</b>    | <b>(6.6%)</b> |
| <b>Total Liabilities and Shareholders' Equity</b> | <b>\$ 96,127</b> | <b>\$ 99,917</b> | <b>\$ 102,023</b> | <b>\$ 102,229</b> | <b>\$ 103,153</b> | <b>\$ 107,989</b> | <b>\$ (4,835)</b> | <b>(4.5%)</b> |

## Management Discussion

- Net A/R vs. Budget is lower by \$1,633K (11.2%) largely due to reduction in YTD Sales by 11.53% vs Budget. Furthermore, there is an unfavorable F/X impact of \$483K (actual rate of 1.344 [or USD\$ 0.744] vs. Budget rate of 1.30 [or USD\$ 0.77])
- Decrease in inventory levels vs Bud by \$551K due to reduced production in response to shortfall in Sales
- PP&E lower vs Bud by \$3,603K largely due to an unfavorable F/X impact of \$1,074K (actual rate of 1.344 [or USD\$ 0.744] vs. the Budget rate of 1.30 [or USD\$ 0.77]) and lower Capex spending than budgeted YTD of \$1,315K
- Other non-current assets reduction of \$408K vs Bud due to a reduction in JV equity income in the month and an unfavorable F/X impact
- Decrease in Bank Debt due to a combination of not paying out the contingent consideration liability of \$1.3M, lower Capex spending due to 'Hold-off' strategy and lower purchases as a result of inventory reaching optimum levels and lower than anticipated Sales. Also, a favorable FX impact on Canadian Debt (actual rate of 1.344 [or USD\$ 0.744] vs. the Budget rate of 1.30 [or USD\$ 0.77])
- Decrease in AP of \$1.3M (9.9%) vs Bud as a result of lower Capex purchases than Plan and a favorable F/X impact on Canadian liabilities (actual rate of 1.344 [or USD\$ 0.744] vs. the Budget rate of 1.30 [or USD\$ 0.77])

# Cash Flow Statement

| \$'000  | MTD |         | Variance |         | PY-MTD |         | Variance |     | YTD     |    | Variance |             | PY YTD |         | Variance |         |    |         |          |    |          |    |         |             |
|---|-----|---------|----------|---------|--------|---------|----------|-----|---------|----|----------|-------------|--------|---------|----------|---------|----|---------|----------|----|----------|----|---------|-------------|
|   | Act | Bud     | \$       | %       | Act    | \$      | %        | Act | Bud     | \$ | %        | ACT         | \$     | %       |          |         |    |         |          |    |          |    |         |             |
| Cash flow from operations                                 |     |         |          |         |        |         |          |     |         |    |          |             |        |         |          |         |    |         |          |    |          |    |         |             |
| Net Income (Loss)   | \$  | (242)   | \$       | (160)   | \$     | (82)    | 51.0%    | \$  | (375)   | \$ | 133      | (35.5%)     | \$     | (2,679) | \$       | (2,960) | \$ | 281     | (9.5%)   | \$ | (2,275)  | \$ | (404)   | 17.8%       |
| Depreciation, amortization and other                      |     | 702     |          | 736     |        | (34)    | (4.6%)   |     | 638     |    | 64       | 10.1%       |        | 2,860   |          | 2,881   |    | (21)    | (0.7%)   |    | 2,535    |    | 325     | 12.8%       |
| Non-cash loss/expense (gain)                              |     | (62)    |          | (357)   |        | 295     | (82.6%)  |     | 75      |    | (137)    | (182.9%)    |        | (30)    |          | 735     |    | (765)   | (104.0%) |    | 80       |    | (110)   | (137.1%)    |
| Deferred income tax                                       |     | 27      |          | —       |        | 27      | N/A      |     | 13      |    | 15       | 116.1%      |        | 60      |          | 148     |    | (89)    | (59.8%)  |    | (1,115)  |    | 1,175   | (105.3%)    |
| Change in operating assets and liabilities:               |     |         |          |         |        |         |          |     |         |    |          |             |        |         |          |         |    |         |          |    |          |    |         |             |
| Accounts receivable                                       |     | (1,730) |          | (1,917) |        | 187     | (9.8%)   |     | (1,185) |    | (544)    | 45.9%       |        | (4,350) |          | (6,070) |    | 1,721   | (28.3%)  |    | (3,060)  |    | (1,289) | 42.1%       |
| Inventory   |     | 1,593   |          | (198)   |        | 1,791   | (904.1%) |     | (987)   |    | 2,580    | (261.4%)    |        | (2,249) |          | (2,799) |    | 551     | (19.7%)  |    | (6,116)  |    | 3,868   | (63.2%)     |
| Prepaid expenses and other current assets                 |     | (843)   |          | (757)   |        | (86)    | 11.4%    |     | (678)   |    | (165)    | 24.3%       |        | (856)   |          | (1,038) |    | 182     | (17.5%)  |    | (1,160)  |    | 304     | (26.2%)     |
| Accounts payable  |     | 68      |          | (620)   |        | 687     | (110.9%) |     | (605)   |    | 673      | (111.2%)    |        | (442)   |          | 905     |    | (1,347) | (148.9%) |    | 1,726    |    | (2,168) | (125.6%)    |
| Accrued expenses  |     | 249     |          | 666     |        | (417)   | (62.6%)  |     | 752     |    | (503)    | (66.9%)     |        | 988     |          | 1,853   |    | (864)   | (46.7%)  |    | (1,035)  |    | 2,023   | (195.5%)    |
| Accrued income taxes                                      |     | 69      |          | (462)   |        | 531     | (114.9%) |     | (9)     |    | 78       | (877.2%)    |        | (28)    |          | (154)   |    | 126     | (81.7%)  |    | 128      |    | (156)   | (122.0%)    |
| Other changes in operating assets and liabilities         |     | 1       |          | 26      |        | (25)    | (95.6%)  |     | 18      |    | (17)     | (93.8%)     |        | 28      |          | (1,255) |    | 1,283   | (102.2%) |    | 24       |    | 4       | 15.8%       |
| Other cash flow from operations                           |     | —       |          | —       |        | —       | N/A      |     | —       |    | —        | N/A         |        | —       |          | —       |    | —       | N/A      |    | —        |    | —       | N/A         |
| Total Cash Flow from Operations                           | \$  | (168)   | \$       | (3,044) | \$     | 2,875   | (94.5%)  | \$  | (2,344) | \$ | 2,175    | (92.8%)     | \$     | (6,698) | \$       | (7,755) | \$ | 1,057   | (13.6%)  | \$ | (10,269) | \$ | 3,572   | (34.8%)     |
| Cash flow from investing                                  |     |         |          |         |        |         |          |     |         |    |          |             |        |         |          |         |    |         |          |    |          |    |         |             |
| Additions to property, plant and equipment                | \$  | (448)   | \$       | (943)   | \$     | 495     | (52.5%)  | \$  | (683)   | \$ | 235      | (34.4%)     | \$     | (2,028) | \$       | (3,445) | \$ | 1,417   | (41.1%)  | \$ | (3,117)  | \$ | 1,089   | (34.9%)     |
| Earnout payments  |     | —       |          | —       |        | —       | N/A      |     | —       |    | —        | N/A         |        | —       |          | —       |    | —       | N/A      |    | —        |    | —       | N/A         |
| Other cash flow from investing                            |     | —       |          | —       |        | —       | N/A      |     | —       |    | —        | N/A         |        | —       |          | —       |    | —       | N/A      |    | —        |    | —       | N/A         |
| Total Cash Flow from Investing                            | \$  | (448)   | \$       | (943)   | \$     | 495     | (52.5%)  | \$  | (683)   | \$ | 235      | (34.4%)     | \$     | (2,028) | \$       | (3,445) | \$ | 1,417   | (41.1%)  | \$ | (3,117)  | \$ | 1,089   | (34.9%)     |
| Cash flow from financing                                  |     |         |          |         |        |         |          |     |         |    |          |             |        |         |          |         |    |         |          |    |          |    |         |             |
| Proceeds from the issuance (repayment) of short-term debt | \$  | 754     | \$       | 4,130   | \$     | (3,376) | (81.7%)  | \$  | 2,511   | \$ | (1,757)  | (70.0%)     | \$     | 9,282   | \$       | 11,776  | \$ | (2,494) | (21.2%)  | \$ | 13,214   | \$ | (3,932) | (29.8%)     |
| Proceeds from the issuance of debt                        |     | 0       |          | —       |        | 0       | N/A      |     | 630     |    | (630)    | (100.0%)    |        | 0       |          | —       |    | 0       | N/A      |    | 630      |    | (630)   | (100.0%)    |
| Repayment of debt   |     | (138)   |          | (143)   |        | 5       | (3.8%)   |     | (114)   |    | (23)     | 20.5%       |        | (553)   |          | (573)   |    | 20      | (3.4%)   |    | (458)    |    | (96)    | 20.9%       |
| Common stock cash dividends paid                          |     | —       |          | —       |        | —       | N/A      |     | —       |    | —        | N/A         |        | —       |          | —       |    | —       | N/A      |    | —        |    | —       | N/A         |
| Other cash flow from financing                            |     | —       |          | —       |        | —       | N/A      |     | —       |    | —        | N/A         |        | —       |          | —       |    | —       | N/A      |    | —        |    | —       | N/A         |
| Total Cash Flow from Financing                            | \$  | 616     | \$       | 3,987   | \$     | (3,370) | (84.5%)  | \$  | 3,026   | \$ | (2,410)  | (79.6%)     | \$     | 8,729   | \$       | 11,203  | \$ | (2,474) | (22.1%)  | \$ | 13,386   | \$ | (4,658) | (34.8%)     |
| Effect of FX rates on cash and cash equivalents           | \$  | —       | \$       | —       | \$     | —       | N/A      | \$  | —       | \$ | —        | N/A         | \$     | —       | \$       | —       | \$ | —       | N/A      | \$ | —        | \$ | —       | N/A         |
| Net change in cash  | \$  | 0       | \$       | 0       | \$     | 0       | 3197%    | \$  | (0)     | \$ | 0        | (103.9%)    | \$     | 3       | \$       | 3       | \$ | 0       | 11.0%    | \$ | (0)      | \$ | 3       | (1208.7%)   |
| Beginning cash  |     | 3       |          | 3       |        | 0       | 10.6%    |     | 0       |    | 3        | 1117.9%     |        | 0       |          | 0       |    | —       | 0.0%     |    | (0)      |    | 0       | (100.1%)    |
| Change in cash  |     | 0       |          | 0       |        | 0       | 3197%    |     | (0)     |    | 0        | (103.9%)    |        | 3       |          | 3       |    | 0       | 11.0%    |    | (0)      |    | 3       | (1208.7%)   |
| Ending cash   | \$  | 3       | \$       | 3       | \$     | 0       | 11.0%    | \$  | (0)     | \$ | 3        | (653927.2%) | \$     | 3       | \$       | 3       | \$ | 0       | 11.0%    | \$ | (0)      | \$ | 3       | (653927.2%) |

# Covenant Analysis

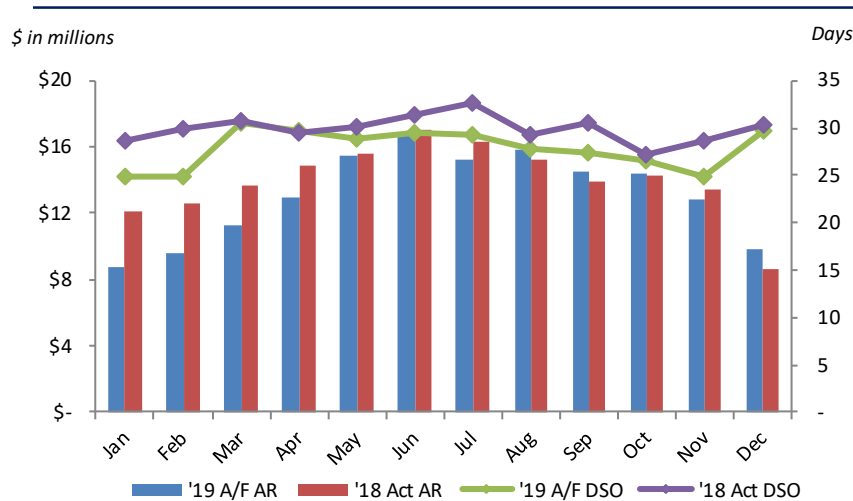
| (US\$ '000s)                          | Actual<br>Dec-18 | Actual<br>Jan-19 | Actual<br>Feb-19 | Actual<br>Mar-19 | Actual<br>Apr-19 | Budget<br>May-19 | Budget<br>Jun-19 | Budget<br>Jul-19 | Budget<br>Aug-19 | Budget<br>Sep-19 | Budget<br>Oct-19 | Budget<br>Nov-19 | Budget<br>Dec-19 |
|---------------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| <b>Excess Availability</b>            |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Borrowing Base                        | 27,127           | 24,989           | 24,640           | 25,741           | 28,175           | 30,212           | 31,111           | 33,609           | 32,672           | 33,629           | 32,828           | 32,953           | 32,448           |
| Total Revolver Debt                   | 10,222           | 14,340           | 16,533           | 18,750           | 19,505           | 21,889           | 21,463           | 20,653           | 20,722           | 18,469           | 18,098           | 14,909           | 13,864           |
| <b>Excess Availability</b>            | <b>16,904</b>    | <b>10,649</b>    | <b>8,107</b>     | <b>6,991</b>     | <b>8,670</b>     | <b>8,323</b>     | <b>9,648</b>     | <b>12,956</b>    | <b>11,950</b>    | <b>15,160</b>    | <b>14,730</b>    | <b>18,044</b>    | <b>18,584</b>    |
| <b>EA % of Borrowing Base</b>         | <b>62.3%</b>     | <b>42.6%</b>     | <b>32.9%</b>     | <b>27.2%</b>     | <b>30.8%</b>     | <b>27.5%</b>     | <b>31.0%</b>     | <b>38.5%</b>     | <b>36.6%</b>     | <b>45.1%</b>     | <b>44.9%</b>     | <b>54.8%</b>     | <b>57.3%</b>     |
| Minimum EA% (or <\$5.25M)             | 15.0%            | 15.0%            | 15.0%            | 15.0%            | 15.0%            | 15.0%            | 15.0%            | 15.0%            | 15.0%            | 15.0%            | 15.0%            | 15.0%            | 15.0%            |
| <b>Compliance</b>                     | <b>OK</b>        | <b>OK</b>        | <b>OK</b>        | <b>OK</b>        | <b>OK</b>        | <b>OK</b>        | <b>OK</b>        | <b>OK</b>        | <b>OK</b>        | <b>OK</b>        | <b>OK</b>        | <b>OK</b>        | <b>OK</b>        |
| <b>FCCR Calculation</b>               |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| <b>TTM EBITDA</b>                     | <b>8,112</b>     | <b>7,865</b>     | <b>8,971</b>     | <b>8,618</b>     | <b>8,575</b>     | <b>8,961</b>     | <b>9,920</b>     | <b>9,571</b>     | <b>10,056</b>    | <b>9,312</b>     | <b>9,917</b>     | <b>10,201</b>    | <b>11,215</b>    |
| Total Capex                           | 462              | 489              | 531              | 560              | 448              | 943              | 943              | 492              | 492              | 492              | 398              | 398              | 398              |
| TTM Capex                             | 7,822            | 7,266            | 7,354            | 7,115            | 7,577            | 7,633            | 7,877            | 7,586            | 7,440            | 7,321            | 7,177            | 6,647            | 6,583            |
| Cash Taxes                            | -                | (252)            | -                | 257              | -                | -                | -                | -                | -                | -                | -                | -                | -                |
| TTM Cash Taxes                        | 671              | 418              | 418              | 140              | 5                | 5                | 5                | 5                | 5                | 5                | 5                | 5                | 5                |
| <b>Numerator</b>                      | <b>(381)</b>     | <b>180</b>       | <b>1,198</b>     | <b>1,364</b>     | <b>993</b>       | <b>1,323</b>     | <b>2,038</b>     | <b>1,979</b>     | <b>2,611</b>     | <b>1,986</b>     | <b>2,735</b>     | <b>3,549</b>     | <b>4,628</b>     |
| Cash Interest on existing ABL         | 161              | 156              | 165              | 189              | 184              | 206              | 203              | 201              | 202              | 190              | 190              | 173              | 168              |
| Cash Interest on additional debt      | -                | -                | -                | -                | -                | -                | -                | -                | -                | -                | -                | -                | -                |
| TTM Cash Interest                     | 1,869            | 1,918            | 1,966            | 2,019            | 2,051            | 2,094            | 2,123            | 2,143            | 2,167            | 2,188            | 2,208            | 2,220            | 2,227            |
| Principal Payments on additional debt | 138              | 138              | 139              | 138              | 138              | 141              | 141              | 141              | 141              | 141              | 141              | 141              | 141              |
| TTM Principal Payments                | 1,387            | 1,412            | 1,436            | 1,462            | 1,490            | 1,520            | 1,551            | 1,582            | 1,613            | 1,645            | 1,677            | 1,679            | 1,682            |
| <b>Denominator</b>                    | <b>3,256</b>     | <b>3,330</b>     | <b>3,402</b>     | <b>3,482</b>     | <b>3,541</b>     | <b>3,614</b>     | <b>3,673</b>     | <b>3,724</b>     | <b>3,781</b>     | <b>3,833</b>     | <b>3,885</b>     | <b>3,898</b>     | <b>3,909</b>     |
| <b>FCCR Ratio</b>                     | <b>(0.1)</b>     | <b>0.1</b>       | <b>0.4</b>       | <b>0.4</b>       | <b>0.3</b>       | <b>0.4</b>       | <b>0.6</b>       | <b>0.5</b>       | <b>0.7</b>       | <b>0.5</b>       | <b>0.7</b>       | <b>0.9</b>       | <b>1.2</b>       |
| Minimum FCC                           | 1.0              | 1.0              | 1.0              | 1.0              | 1.0              | 1.0              | 1.0              | 1.0              | 1.0              | 1.0              | 1.0              | 1.0              | 1.0              |
| <b>Compliance</b>                     | <b>Breach</b>    | <b>Breach</b>    | <b>Breach</b>    | <b>Breach</b>    | <b>Breach</b>    | <b>Breach</b>    | <b>Breach</b>    | <b>Breach</b>    | <b>Breach</b>    | <b>Breach</b>    | <b>Breach</b>    | <b>Breach</b>    | <b>OK</b>        |

# 13-Week Cash Flow Forecast

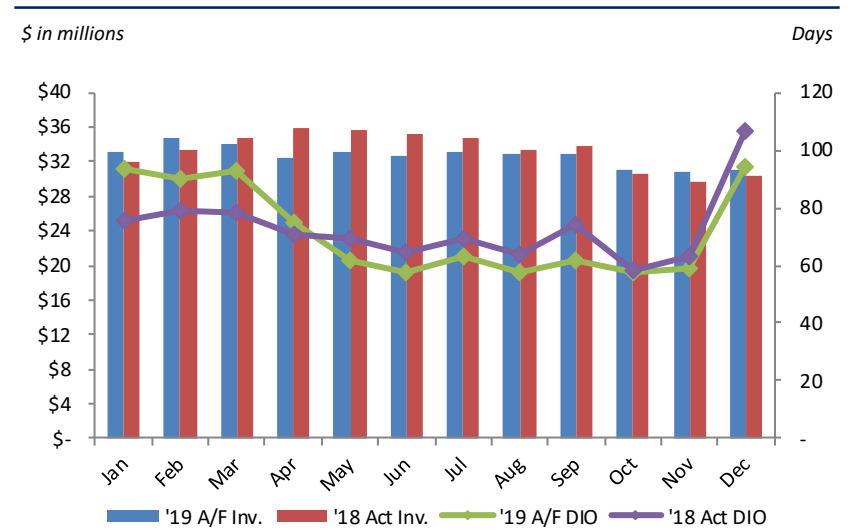
| Days in Week                              | 7        | 7        | 7        | 7        | 7        | 7        | 7        | 7        | 7        | 7        | 7        | 7        | 7        | 7        |
|---|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Date                                      | 04/26/19 | 05/03/19 | 05/10/19 | 05/17/19 | 05/24/19 | 05/31/19 | 06/07/19 | 06/14/19 | 06/21/19 | 06/28/19 | 07/05/19 | 07/12/19 | 07/19/19 | 07/26/19 |
| <b>Cash Flow Roll-Up:</b>                 |          |          |          |          |          |          |          |          |          |          |          |          |          |          |
| <b>Total Inflows - Operational</b>        | 2,178    | 1,772    | 2,419    | 2,670    | 2,670    | 3,331    | 3,168    | 4,060    | 3,319    | 3,639    | 3,847    | 4,236    | 4,325    | 4,360    |
| Receipts from Customers based on AR       | 2,178    | 2,270    | 2,416    | 2,667    | 2,667    | 2,834    | 1,519    | 1,488    | 253      | 253      | 253      | -        | -        | -        |
| New Net External Sales                    | -        | -        | -        | -        | -        | 494      | 1,647    | 2,570    | 3,064    | 3,383    | 3,591    | 3,757    | 3,847    | 3,882    |
| New Affiliate Sales                       | -        | 498      | 3        | 3        | 3        | 3        | 2        | 2        | 2        | 2        | 2        | 478      | 478      | 478      |
| <b>Total Outflows - Operational</b>       | (4,085)  | (5,472)  | (5,384)  | (5,190)  | (3,550)  | (2,332)  | (3,539)  | (3,953)  | (4,287)  | (3,375)  | (4,641)  | (2,800)  | (5,188)  | (3,226)  |
| Payments to Suppliers based on AP Agir    | (1,505)  | (2,814)  | (836)    | (1,228)  | (942)    | (930)    | (717)    | (712)    | (699)    | (628)    | 0        | 0        | 0        | 0        |
| Materials                                 | (1,216)  | (226)    | (671)    | (448)    | (226)    | (523)    | (688)    | (985)    | (1,876)  | (1,876)  | (1,753)  | (1,704)  | (1,704)  | (1,704)  |
| Conversion Costs                          | (667)    | (701)    | (694)    | (348)    | (712)    | (442)    | (888)    | (532)    | (782)    | (442)    | (1,133)  | (542)    | (1,291)  | (553)    |
| Other COGS                                | (189)    | (189)    | (189)    | (189)    | (192)    | (195)    | (235)    | (195)    | (195)    | (200)    | (199)    | (199)    | (199)    | (190)    |
| Selling Costs                             | (149)    | (38)     | (168)    | (38)     | (113)    | (38)     | (174)    | (38)     | (105)    | (34)     | (206)    | (121)    | (114)    | (37)     |
| General and Administrative                | (263)    | (107)    | (258)    | (107)    | (161)    | (108)    | (233)    | (108)    | (152)    | (98)     | (424)    | (98)     | (159)    | (106)    |
| Intercompany Material Purchases           | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        |
| Capex                                     | (97)     | (97)     | (97)     | (97)     | (97)     | (97)     | (97)     | (97)     | (97)     | (97)     | (136)    | (136)    | (136)    | (136)    |
| Taxes                                     | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        |
| Management Fees                           | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | (250)    | 0        | 0        | 0        |
| Resin rebate                              | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        |
| TSA Fees                                  | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        |
| Insurance                                 | 0        | 0        | (600)    | 0        | (600)    | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        |
| Performance Payment to Westlake           | 0        | (1,300)  | (1,300)  | (1,300)  | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        |
| 2017 bonus payment                        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        |
| Material received but not invoiced        | 0        | 0        | (570)    | (1,435)  | (507)    | 0        | (507)    | (1,286)  | (380)    | 0        | (500)    | 0        | (1,586)  | (500)    |
| <b>Projected Operational Cash Flow</b>    | (1,906)  | (3,700)  | (2,964)  | (2,520)  | (880)    | 999      | (370)    | 106      | (968)    | 264      | (795)    | 1,436    | (863)    | 1,134    |
| Cash receipts more (less) than projection | 468      | 837      | 717      | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        |
| Cash outflows less (more) than projection | 160      | 1,416    | 2,299    | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        |
| (Adjustment)                              | 0        | 0        | 1,163    | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        |
| (Adjustment)                              | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        |
| (Adjustment)                              | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        |
| <b>Actual Operational Cash Flow</b>       | (1,278)  | (1,447)  | 1,214    | (2,520)  | (880)    | 999      | (370)    | 106      | (968)    | 264      | (795)    | 1,436    | (863)    | 1,134    |
| Bank interest                             | 0        | (173)    | 0        | 0        | 0        | (8)      | (139)    | 0        | 0        | 0        | (147)    | 0        | 0        | 0        |
| Bridge Loan Repayment                     | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        |
| Term Loan                                 | 0        | (137)    | 0        | 0        | 0        | 0        | (137)    | 0        | 0        | 0        | (137)    | 0        | 0        | 0        |
| Monitoring Fees                           | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        |
| Other Inflows/Outflows                    | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        |
| Transaction Expense                       | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        | 0        |
| Bank Fees                                 | 0        | (3)      | 0        | (11)     | 0        | (3)      | 0        | (10)     | 0        | 0        | (3)      | 0        | (10)     | 0        |
| <b>Total Financial Cash Flow</b>          | 0        | (312)    | 0        | (11)     | 0        | (10)     | (276)    | (10)     | 0        | 0        | (286)    | 0        | (10)     | 0        |
| <b>Total Cash Flow</b>                    | (1,278)  | (1,759)  | 1,214    | (2,531)  | (880)    | 989      | (647)    | 96       | (968)    | 264      | (1,081)  | 1,436    | (873)    | 1,134    |
| <b>Adjusted Loan Balance</b>              | 17,475   | 18,400   | 18,550   | 21,081   | 21,961   | 20,972   | 21,619   | 21,524   | 22,493   | 22,229   | 23,310   | 21,874   | 22,748   | 21,613   |
| Term Loan                                 | 13,221   | 13,092   | 13,095   | 13,095   | 13,095   | 13,095   | 12,958   | 12,958   | 12,958   | 12,958   | 12,821   | 12,821   | 12,821   | 12,821   |
| <b>Total Debt</b>                         | 30,696   | 31,492   | 31,645   | 34,176   | 35,055   | 34,067   | 34,577   | 34,482   | 35,450   | 35,187   | 36,131   | 34,695   | 35,568   | 34,434   |
| <b>Revolver Availability</b>              | 10,671   | 9,756    | 9,610    | 7,079    | 6,929    | 7,917    | 7,270    | 7,365    | 8,578    | 8,842    | 7,761    | 9,197    | 8,323    | 12,274   |

# Working Capital and Cash Conversion Cycle

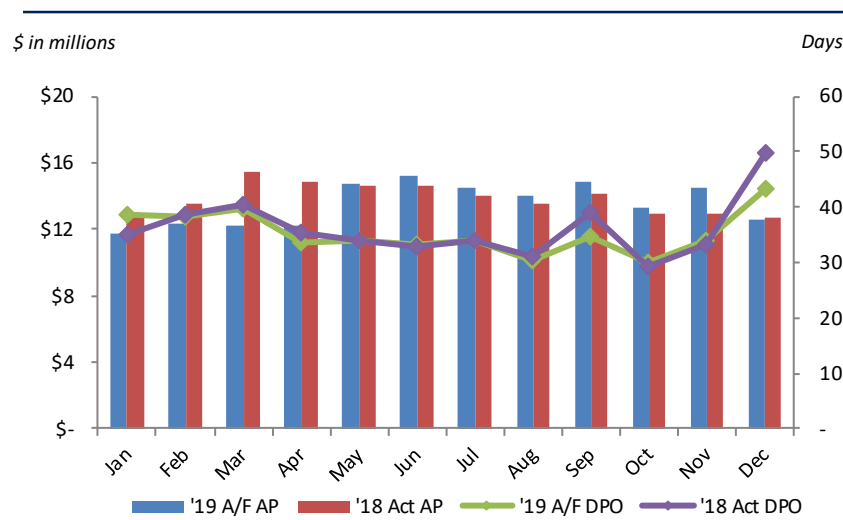
## Accounts Receivable



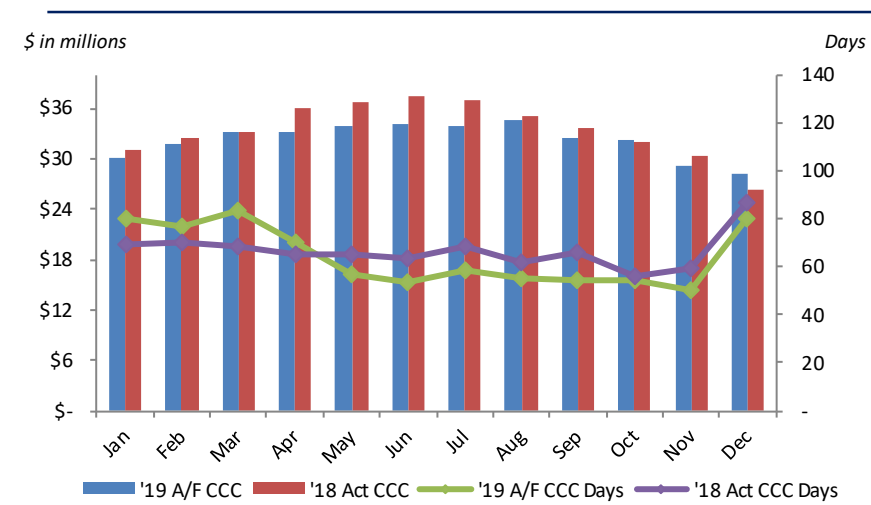
## Inventory



## Accounts Payable



## Cash Conversion Cycle



# AR and AP Aging Detail

\$'000

| AR Aging     |                 |                  |                  |               |
|--------------|-----------------|------------------|------------------|---------------|
| Days         | Feb-19          | Mar-19           | Apr-19           | %             |
| 0-30         | \$ 8,512        | \$ 9,132         | \$ 10,855        | 83.9%         |
| 30-60        | 661             | 1,725            | 1,324            | 10.2%         |
| 60-90        | 156             | 119              | 413              | 3.2%          |
| >90          | 207             | 238              | 352              | 2.7%          |
| <b>Total</b> | <b>\$ 9,536</b> | <b>\$ 11,214</b> | <b>\$ 12,944</b> | <b>100.0%</b> |

| AP Aging     |                  |                  |                  |               |
|--------------|------------------|------------------|------------------|---------------|
| Days         | Feb-19           | Mar-19           | Apr-19           | %             |
| 0-30         | \$ 10,370        | \$ 9,266         | \$ 9,331         | 76.1%         |
| 30-60        | 1,841            | 2,374            | 2,144            | 17.5%         |
| 60-90        | 77               | 449              | 633              | 5.2%          |
| >90          | 31               | 111              | 159              | 1.3%          |
| <b>Total</b> | <b>\$ 12,319</b> | <b>\$ 12,200</b> | <b>\$ 12,267</b> | <b>100.0%</b> |

## Management Discussion

- Stable DSO at 30 days in 2019
- Increase in AR balance due to Improved Sales vs Mar
- Increase in 60-90 category due to gap caused by changeover of AR personnel in addition to delay on certain customer receipts, which is being tracked vigorously
- Decrease in DPO days from 40 in March to 34 in April following payments due on a few large invoices from prior months



**Executive Summary**

**Financial Review**

**Full Year Financial Outlook**

**Governance Reporting**

**Appendix**

**Business Unit Analysis**

# Full Year Outlook Consolidated P&L Summary

| \$'000                   | FY         |            | Var        |           | PY          | Var      |          |
|--------------------------|------------|------------|------------|-----------|-------------|----------|----------|
|                          | Fsct       | Bud        | \$         | %         | Act         | \$       | %        |
| Units Produced ('000)    | 105,319    | 108,274    | (2,955)    | (2.7%)    | 96,146      | 9,173    | 9.5%     |
| Units Shipped ('000)     | 105,591    | 109,580    | (3,988)    | (3.6%)    | 104,464     | 1,127    | 1.1%     |
| Bookings (\$'000)        | \$ 176,698 | \$ 180,948 | \$ (4,250) | (2.3%)    | \$ 173,588  | \$ 3,109 | 1.8%     |
| Backlog (\$'000)         | \$ 11,911  | \$ 11,911  | \$ –       | 0.0%      | \$ 8,368    | \$ 3,543 | 42.3%    |
| Gross Revenue            | \$ 181,649 | \$ 188,036 | \$ (6,387) | (3.4%)    | \$ 180,283  | \$ 1,367 | 0.8%     |
| Adj. to Gross Revenue    | (9,517)    | (9,876)    | 360        | (3.6%)    | (9,708)     | 192      | (2.0%)   |
| Net Revenue              | 172,133    | 178,160    | (6,027)    | (3.4%)    | 170,574     | 1,558    | 0.9%     |
| Material                 | 84,876     | 88,355     | (3,479)    | (3.9%)    | 83,420      | 1,456    | 1.7%     |
| Labor                    | 37,456     | 38,371     | (915)      | (2.4%)    | 38,503      | (1,047)  | (2.7%)   |
| Other COGS               | 19,648     | 20,261     | (612)      | (3.0%)    | 20,885      | (1,236)  | (5.9%)   |
| Total COGS               | 141,980    | 146,986    | (5,007)    | (3.4%)    | 142,807     | (827)    | (0.6%)   |
| Gross Margin             | 30,153     | 31,173     | (1,020)    | (3.3%)    | 27,767      | 2,386    | 8.6%     |
| Gross Margin %           | 17.5%      | 17.5%      |            |           | 16.3%       |          |          |
| R&D                      | –          | –          | –          | N/A       | –           | –        | N/A      |
| Sales & Marketing        | 7,072      | 7,247      | (175)      | (2.4%)    | 7,045       | 28       | 0.4%     |
| Administrative           | 12,449     | 12,772     | (323)      | (2.5%)    | 10,240      | 2,209    | 21.6%    |
| Other Opex               | (323)      | (228)      | (95)       | 41.8%     | 302         | (625)    | (207.2%) |
| Total Opex               | 19,198     | 19,791     | (593)      | (3.0%)    | 17,587      | 1,611    | 9.2%     |
| EBITDA                   | 10,955     | 11,382     | (428)      | (3.8%)    | 10,180      | 774      | 7.6%     |
| EBITDA %                 | 6.4%       | 6.4%       |            |           | 6.0%        |          |          |
| Net Income (Loss)        | \$ (3,019) | \$ (3,300) | \$ 281     | (8.5%)    | \$ (3,490)  | \$ 471   | (13.5%)  |
| Capex                    | \$ (6,583) | \$ (8,000) | \$ 1,417   | (17.7%)   | \$ (10,215) | \$ 3,633 | (35.6%)  |
| <b>Opex Overview:</b>    |            |            |            |           |             |          |          |
| Payroll                  | \$ 10,659  | \$ 10,783  | \$ (124)   | (1.2%)    | \$ 10,318   | \$ 341   | 3.3%     |
| Bonus                    | 1,355      | 1,361      | (5)        | (0.4%)    | 159         | 1,196    | 752.7%   |
| Commissions              | 311        | 358        | (47)       | (13.1%)   | 187         | 125      | 66.7%    |
| Marketing                | 1,593      | 1,780      | (187)      | (10.5%)   | 1,679       | (86)     | (5.1%)   |
| Benefits                 | –          | –          | –          | N/A       | –           | –        | N/A      |
| Travel and entertainment | 1,444      | 1,587      | (143)      | (9.0%)    | 1,231       | 213      | 17.3%    |
| Rent and facilities      | –          | –          | –          | N/A       | –           | –        | N/A      |
| Insurance                | 328        | 336        | (8)        | (2.4%)    | 328         | 0        | 0.1%     |
| Professional fees        | 576        | 584        | (8)        | (1.4%)    | 585         | (9)      | (1.5%)   |
| Office Expenses          | 283        | 287        | (4)        | (1.4%)    | 287         | (4)      | (1.3%)   |
| IT                       | 2,054      | 2,092      | (38)       | (1.8%)    | 1,634       | 420      | 25.7%    |
| Bad Debts                | 52         | (5)        | 57         | (1235.3%) | (80)        | 132      | (165.8%) |
| FX                       | (111)      | –          | (111)      | N/A       | 384         | (496)    | (128.9%) |
| JV Loss (Income)         | (212)      | (228)      | 16         | (7.0%)    | (83)        | (129)    | 156.5%   |
| Other Expenses           | 864        | 853        | 11         | 1.3%      | 956         | (92)     | (9.6%)   |
| Total Opex               | \$ 19,198  | \$ 19,791  | \$ (593)   | (3.0%)    | \$ 17,586   | \$ 1,612 | 9.2%     |

# Full Year Outlook Key Customers – ENERGI Consolidated

|                           | Gross Sales (\$'000) |         |    |         |     |         |         |    |         | Gross Margin % |         |         |         |         |       |         |         |         |         |  |
|---------------------------|----------------------|---------|----|---------|-----|---------|---------|----|---------|----------------|---------|---------|---------|---------|-------|---------|---------|---------|---------|--|
|                           | FY                   |         | FY |         | Var |         | PY      |    | Var     |                | FY      |         | FY      |         | Var   |         | PY      |         | Var     |  |
|                           | Act                  | Bud     |    |         | \$  | %       | Act     |    | \$      | %              | Act     | Bud     | BPs     | %       | Act   |         | BPs     |         | %       |  |
| <b>Customer:</b>          |                      |         |    |         |     |         |         |    |         |                |         |         |         |         |       |         |         |         |         |  |
| PGT Industries Inc        | \$                   | 24,405  | \$ | 24,098  | \$  | 307     | 1.3%    | \$ | 21,061  | \$             | 3,344   | 15.9%   | 18.3%   | 18.1%   | 22    | 1.2%    | 15.6%   | 275     | 17.6%   |  |
| Eclipse Shutter Systems   |                      | 15,298  |    | 15,789  |     | (491)   | (3.1%)  |    | 15,365  |                | (67)    | (0.4%)  | 3.2%    | 3.2%    | (4)   | (1.2%)  | 3.8%    | (58)    | (15.3%) |  |
| Atis                      |                      | 9,072   |    | 9,424   |     | (352)   | (3.7%)  |    | 10,380  |                | (1,308) | (12.6%) | (18.9%) | (19.4%) | 44    | (2.2%)  | (15.4%) | (356)   | 23.1%   |  |
| Simonton                  |                      | 10,611  |    | 10,859  |     | (248)   | (2.3%)  |    | 10,221  |                | 390     | 3.8%    | 17.6%   | 18.5%   | (94)  | (5.1%)  | 8.6%    | 895     | 103.8%  |  |
| Quaker Window Products    |                      | 5,651   |    | 6,028   |     | (376)   | (6.2%)  |    | 5,345   |                | 306     | 5.7%    | 11.0%   | 11.0%   | 0     | 0.0%    | 9.1%    | 192     | 21.1%   |  |
| Ostaco 2000               |                      | 3,669   |    | 3,820   |     | (151)   | (4.0%)  |    | 3,716   |                | (47)    | (1.3%)  | 7.3%    | 7.0%    | 28    | 4.0%    | 20.8%   | (1,349) | (64.8%) |  |
| SOLARIS QUEBEC P & F INC. |                      | 4,231   |    | 4,075   |     | 156     | 3.8%    |    | 4,262   |                | (31)    | (0.7%)  | 23.9%   | 23.9%   | (2)   | (0.1%)  | 9.9%    | 1,403   | 142.3%  |  |
| Dashwood Industries Inc   |                      | 3,697   |    | 3,764   |     | (67)    | (1.8%)  |    | 3,898   |                | (201)   | (5.2%)  | 13.9%   | 13.8%   | 16    | 1.2%    | 16.2%   | (229)   | (14.1%) |  |
| Windsor Window Co OEM     |                      | 3,807   |    | 3,710   |     | 97      | 2.6%    |    | 3,491   |                | 316     | 9.1%    | 23.4%   | 23.6%   | (20)  | (0.8%)  | 8.8%    | 1,463   | 166.3%  |  |
| All Weather               |                      | 5,625   |    | 6,731   |     | (1,105) | (16.4%) |    | 3,395   |                | 2,230   | 65.7%   | 14.2%   | 15.2%   | (92)  | (6.1%)  | 12.6%   | 159     | 12.5%   |  |
| Polaris Technologies      |                      | 5,477   |    | 5,822   |     | (345)   | (5.9%)  |    | 3,577   |                | 1,900   | 53.1%   | 17.4%   | 17.5%   | (6)   | (0.3%)  | 0.0%    | 1,742   | N/A     |  |
| A.M.I.                    |                      | 3,797   |    | 3,800   |     | (3)     | (0.1%)  |    | 3,511   |                | 286     | 8.2%    | 0.2%    | 0.1%    | 16    | 250.2%  | 5.4%    | (514)   | (95.8%) |  |
| ATLANTIC WINDOWS          |                      | 3,677   |    | 3,924   |     | (247)   | (6.3%)  |    | 3,749   |                | (72)    | (1.9%)  | 12.6%   | 11.7%   | 89    | 7.6%    | 5.9%    | 667     | 112.6%  |  |
| Vinyl Profiles, LLC       |                      | 3,439   |    | 3,826   |     | (387)   | (10.1%) |    | 1,961   |                | 1,478   | 75.4%   | 20.8%   | 20.7%   | 7     | 0.3%    | 18.8%   | 203     | 10.8%   |  |
| Comfort View Products     |                      | 2,706   |    | 3,135   |     | (429)   | (13.7%) |    | 2,920   |                | (214)   | (7.3%)  | 18.2%   | 16.7%   | 156   | 9.4%    | 12.3%   | 591     | 48.0%   |  |
| PORTES & FENETRES ABRITEK |                      | 2,735   |    | 2,786   |     | (51)    | (1.8%)  |    | 2,889   |                | (154)   | (5.3%)  | 17.5%   | 19.9%   | (243) | (12.2%) | 15.4%   | 207     | 13.4%   |  |
| Coeur d'Alene             |                      | 3,851   |    | 4,000   |     | (149)   | (3.7%)  |    | 2,804   |                | 1,047   | 37.3%   | 4.1%    | 5.2%    | (114) | (21.9%) | 0.5%    | 359     | 757.6%  |  |
| SCHLUTER SYSTEMS L.P.     |                      | 2,316   |    | 2,558   |     | (241)   | (9.4%)  |    | 2,796   |                | (480)   | (17.2%) | 24.3%   | 23.9%   | 43    | 1.8%    | 16.0%   | 836     | 52.3%   |  |
| P & F ISOTHERMIC INC      |                      | 2,580   |    | 2,557   |     | 23      | 0.9%    |    | 2,978   |                | (398)   | (13.4%) | 20.2%   | 22.0%   | (180) | (8.2%)  | 3.8%    | 1,642   | 437.9%  |  |
| Sierra Pacific Windows    |                      | 2,506   |    | 2,560   |     | (54)    | (2.1%)  |    | 2,632   |                | (126)   | (4.8%)  | 10.4%   | 10.0%   | 34    | 3.4%    | 6.3%    | 409     | 65.2%   |  |
| Other                     |                      | 62,497  |    | 64,771  |     | (2,274) | (3.5%)  |    | 69,279  |                | (6,782) | (9.8%)  | 26.1%   | 25.9%   | 17    | 0.7%    | 28.1%   | (198)   | (7.1%)  |  |
| Total Gross               | \$                   | 181,649 | \$ | 188,036 | \$  | (6,387) | (3.4%)  | \$ | 180,283 | \$             | 1,367   | 0.8%    | 16.8%   | 16.7%   | 3     | 0.2%    | 15.4%   | 137     | 8.9%    |  |

## Management Discussion

- Overall bad weather has impacted sales across all customers especially in Canada where winter has extended late into April
- All Weather is significantly behind budget which was due to a aggressive estimate following new product launches in December 2018. However, this is expected to catch up in the coming months
- PGT – Strong Q1, performing better than budget
- Eclipse – Slower due to soft demand
- Comfort View – Slow start to the year and colder weather leading to softness in orders

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**Appendix**

**Business Unit Analysis**

# Management Governance Report

## **Disclosure Committee:**

- Members include: CEO, CFO, VP Sales, VP Operations, VP Manufacturing & VP Supply Chain
- Meeting held on May 7<sup>th</sup>, 2019
- Financial results were reviewed and found to be complete and accurate in all material respects
- CEO & CFO reviewed Board presentation separately and found to be complete

## **Anonymous Hotline:**

- Update on Hotline call received on April 3<sup>rd</sup>, 2019 from an anonymous employee at Delmont
  - Employee indicates that they ran out of materials on April 1<sup>st</sup> causing a slowdown in the completion of their tasks; they made plant management aware of the problem
  - Plant Manager investigated the issue and determined that the shortage in material related to a supplier delivery issue; schedule was adjusted to minimize impacts to production and ensure delivery to customer not impacted
  - Corrective actions implemented: monitor, document and communicate minimum order quantities with suppliers; employee meetings to emphasize open door policy and importance of open communication with management team

## **Modification of Delegation of Authority:**

- To be reviewed and updated in Q2 2019 QOR based on recent changes in org structure

## Management Governance Report (Continued)

|    |  |      |
|----|--|------|
| A) | Requests for waivers or out-of-the-ordinary course approvals under the Internal Control and Corporate Governance Matrix, Code of Ethics or any internal control: | None |
| B) | Any conflicts of interest or the appearance of any such conflict or potential conflict:  | None |
| C) | Any actual or apparent weakness or inadequacy in the Company's policies of internal controls and financial reporting:  | None |
| D) | Any reports or complaints regarding accounting, internal accounting controls or auditing matters.  | None |

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**Appendix**

Squeeze Report

Monthly P&L

Monthly EBITDA to Net Income Bridge

Cost of Goods Sold Variance Analysis

Monthly Cost of Goods Sold by Component

Monthly Balance Sheet

Balance Sheet – Year on Year Comparison

Monthly Cash Flow

Trended Monthly Bookings

Trended Monthly Backlog

EBITDA and EBITDA-CapEx

Y-o-Y% EBITDA change

Capital Expenditures

Headcount Trending by Month

Headcount Hires and Attrition

Liquidity Forecast

**Business Unit Analysis**

# Squeeze Report

Monthly operating report (\$'000)

Investment date 3/31/2016  
Operational data as of 4/30/2019  
Valuation details last updated: 10/31/2018

| Fully-diluted ownership |               |
|-------------------------|---------------|
| OpenGate Equity         | 94.8%         |
| MGMT                    | 5.3%          |
| Other Equity            | 0.0%          |
| <b>Total</b>            | <b>100.0%</b> |

| Fund         | Invested Capital (\$M) |             |             | Valuation        |     | Returns     |  |
|--------------|------------------------|-------------|-------------|------------------|-----|-------------|--|
|              | Invested               | Realized    | Unrealized  | Total Value      | MOI |             |  |
| OCGP I       | \$ 26,000              | \$ –        | \$ –        | \$ 45,500        |     | 0.6x        |  |
| OCGP II      | –                      | –           | –           | –                |     | NA          |  |
| OCGP III     | –                      | –           | –           | –                |     | NA          |  |
| <b>Total</b> | <b>\$ 26,000</b>       | <b>\$ –</b> | <b>\$ –</b> | <b>\$ 45,500</b> |     | <b>0.6x</b> |  |

| Operations      |             |           |          |           |             |          |          |        |          |        |           |           |           |
|-----------------|-------------|-----------|----------|-----------|-------------|----------|----------|--------|----------|--------|-----------|-----------|-----------|
|                 | Net Revenue |           |          |           | Adj. EBITDA |          |          |        | Net Debt |        |           |           |           |
|                 | Act         | Bud       | Variance | PY        | Act         | Bud      | Variance | PY     | Act      | Bud    | PY        |           |           |
|                 |             |           |          |           |             |          |          |        |          |        |           |           |           |
|                 |             |           |          |           |             |          |          |        |          |        |           |           |           |
| This Month      | \$ 13,094   | \$ 15,662 | -16.4%   | \$ 15,166 | -13.7%      | \$ 680   | \$ 1,111 | -38.8% | \$ 833   | -18.3% | \$ 32,758 | \$ 33,569 | \$ 31,871 |
| Quarter to Date | \$ 13,094   | \$ 15,662 | -16.4%   | \$ 15,166 | -13.7%      | \$ 680   | \$ 1,111 | -38.8% | \$ 833   | -18.3% |           |           |           |
| Year to Date    | \$ 46,225   | \$ 52,252 | -11.5%   | \$ 53,832 | -14.1%      | \$ 1,448 | \$ 1,876 | -22.8% | \$ 1,492 | -2.9%  |           |           |           |

| LTM Trends (\$'000s)   | 5/31/18         | 6/30/18         | 7/31/18         | 8/31/18         | 9/30/18         | 10/31/18        | 11/30/18        | 12/31/18          | 1/31/19         | 2/28/19         | 3/31/19         | 4/30/19         | LTM               |
|------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-------------------|-----------------|-----------------|-----------------|-----------------|-------------------|
| Units Produced ('000)  | 8,856           | 8,570           | 7,954           | 8,723           | 7,766           | 7,806           | 7,934           | 5,174             | 7,786           | 7,371           | 8,389           | 7,725           | 94,055            |
| Units Shipped ('000)   | 10,037          | 10,076          | 9,436           | 9,668           | 8,330           | 9,798           | 8,838           | 5,130             | 6,941           | 6,590           | 7,230           | 8,092           | 100,166           |
| Net Revenue            | \$ 16,019       | \$ 16,319       | \$ 15,478       | \$ 16,133       | \$ 13,650       | \$ 16,233       | \$ 14,094       | \$ 8,817          | \$ 10,942       | \$ 10,785       | \$ 11,404       | \$ 13,094       | \$ 162,968        |
| Gross Margin           | 2,746           | 2,869           | 2,620           | 2,670           | 2,848           | 2,592           | 2,349           | 909               | 1,502           | 1,755           | 1,910           | 2,201           | 26,969            |
| Gross Margin %         | 17.1%           | 17.6%           | 16.9%           | 16.5%           | 20.9%           | 16.0%           | 16.7%           | 10.3%             | 13.7%           | 16.3%           | 16.7%           | 16.8%           | 16.5%             |
| SG&A                   | 1,664           | 1,616           | 1,278           | 1,422           | 624             | 1,384           | 1,301           | 1,623             | 1,465           | 1,496           | 1,438           | 1,520           | 16,832            |
| <b>Reported EBITDA</b> | <b>1,081</b>    | <b>1,253</b>    | <b>1,342</b>    | <b>1,247</b>    | <b>2,224</b>    | <b>1,207</b>    | <b>1,047</b>    | <b>(714)</b>      | <b>37</b>       | <b>259</b>      | <b>472</b>      | <b>680</b>      | <b>10,137</b>     |
| Rep. EBITDA %          | 6.7%            | 7.7%            | 8.7%            | 7.7%            | 16.3%           | 7.4%            | 7.4%            | (8.1%)            | 0.3%            | 2.4%            | 4.1%            | 5.2%            | 6.2%              |
| <b>Adj. EBITDA</b>     | <b>1,081</b>    | <b>1,253</b>    | <b>1,342</b>    | <b>1,247</b>    | <b>2,224</b>    | <b>1,207</b>    | <b>1,047</b>    | <b>(714)</b>      | <b>37</b>       | <b>259</b>      | <b>472</b>      | <b>680</b>      | <b>10,137</b>     |
| Adj. EBITDA %          | 6.7%            | 7.7%            | 8.7%            | 7.7%            | 16.3%           | 7.4%            | 7.4%            | (8.1%)            | 0.3%            | 2.4%            | 4.1%            | 5.2%            | 6.2%              |
| <b>Capex</b>           | <b>\$ (887)</b> | <b>\$ (844)</b> | <b>\$ (637)</b> | <b>\$ (638)</b> | <b>\$ (860)</b> | <b>\$ (991)</b> | <b>\$ (803)</b> | <b>\$ (1,438)</b> | <b>\$ (489)</b> | <b>\$ (531)</b> | <b>\$ (560)</b> | <b>\$ (448)</b> | <b>\$ (9,126)</b> |

|                          |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
|--------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Accounts Receivable, Net | \$ 15,593        | \$ 17,009        | \$ 16,284        | \$ 15,221        | \$ 13,855        | \$ 14,273        | \$ 13,483        | \$ 8,594         | \$ 8,789         | \$ 9,536         | \$ 11,214        | \$ 12,944        | \$ 12,944        |
| Inventory, Net           | 35,773           | 35,140           | 34,779           | 33,352           | 33,773           | 30,528           | 29,790           | 30,309           | 33,091           | 34,642           | 34,150           | 32,557           | 32,557           |
| Accounts Payable         | 14,617           | 14,670           | 14,056           | 13,525           | 14,088           | 12,897           | 12,951           | 12,709           | 11,725           | 12,319           | 12,200           | 12,267           | 12,267           |
| <b>CCC</b>               | <b>\$ 36,749</b> | <b>\$ 37,478</b> | <b>\$ 37,007</b> | <b>\$ 35,048</b> | <b>\$ 33,541</b> | <b>\$ 31,905</b> | <b>\$ 30,322</b> | <b>\$ 26,194</b> | <b>\$ 30,155</b> | <b>\$ 31,859</b> | <b>\$ 33,165</b> | <b>\$ 33,234</b> | <b>\$ 33,234</b> |
| DSO                      | 30.2             | 31.3             | 32.6             | 29.2             | 30.4             | 27.3             | 28.7             | 30.2             | 24.9             | 24.8             | 30.5             | 29.7             | 29.0             |
| DSI                      | 69.2             | 64.6             | 69.7             | 64.1             | 74.2             | 58.3             | 63.4             | 106.6            | 93.7             | 89.9             | 92.8             | 74.6             | 72.9             |
| DPO                      | 34.1             | 32.7             | 33.9             | 31.1             | 39.1             | 29.3             | 33.1             | 49.8             | 38.5             | 38.2             | 39.8             | 33.8             | 32.9             |
| <b>C2C</b>               | <b>65.3</b>      | <b>63.1</b>      | <b>68.4</b>      | <b>62.2</b>      | <b>65.6</b>      | <b>56.3</b>      | <b>59.0</b>      | <b>87.0</b>      | <b>80.1</b>      | <b>76.5</b>      | <b>83.5</b>      | <b>70.5</b>      | <b>69.0</b>      |

|                                   |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
|-----------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Bank revolver                     | \$ 17,616        | \$ 18,192        | \$ 17,156        | \$ 15,128        | \$ 14,477        | \$ 12,826        | \$ 12,019        | \$ 10,222        | \$ 14,340        | \$ 16,533        | \$ 18,750        | \$ 19,505        | \$ 19,505        |
| Unclassified external debt / OID  | 14,528           | 14,126           | 14,212           | 14,103           | 14,016           | 14,344           | 14,062           | 13,634           | 13,926           | 13,779           | 13,318           | 13,257           | 13,257           |
| OpenGate debt                     | –                | –                | –                | –                | –                | –                | –                | –                | –                | –                | –                | –                | –                |
| Total Debt Outstanding            | 32,144           | 32,318           | 31,368           | 29,231           | 28,493           | 27,170           | 26,080           | 23,857           | 28,266           | 30,311           | 32,068           | 32,761           | 32,761           |
| Cash and equivalents              | 0                | (0)              | 0                | 0                | (0)              | (0)              | (0)              | 0                | 3                | 3                | 3                | 3                | 3                |
| <b>Total Net Debt</b>             | <b>\$ 32,144</b> | <b>\$ 32,318</b> | <b>\$ 31,368</b> | <b>\$ 29,231</b> | <b>\$ 28,493</b> | <b>\$ 27,170</b> | <b>\$ 26,080</b> | <b>\$ 23,857</b> | <b>\$ 28,263</b> | <b>\$ 30,308</b> | <b>\$ 32,065</b> | <b>\$ 32,758</b> | <b>\$ 32,758</b> |
| <b>Beginning Cash Balance</b>     | <b>\$ (0)</b>    | <b>\$ 0</b>      | <b>\$ 0</b>      | <b>\$ 0</b>      | <b>\$ (0)</b>    | <b>\$ 0</b>      | <b>\$ 0</b>      | <b>\$ (0)</b>    | <b>\$ 0</b>      | <b>\$ 3</b>      | <b>\$ 3</b>      | <b>\$ 3</b>      | <b>\$ (0)</b>    |
| Add / (Less): Operating Cash Flow | 540              | 383              | 1,782            | 2,775            | 1,620            | 2,174            | 1,750            | 3,372            | (3,487)          | (1,522)          | (1,520)          | (168)            | 7,698            |
| Add / (Less): Investing Cash Flow | (887)            | (844)            | (637)            | (638)            | (860)            | (991)            | (803)            | (1,438)          | (489)            | (531)            | (560)            | (448)            | (9,126)          |
| Add / (Less): Financing Cash Flow | 347              | 461              | (1,145)          | (2,137)          | (760)            | (1,183)          | (947)            | (1,934)          | 3,979            | 2,053            | 2,080            | 616              | 1,432            |
| Effect of FX rates / Other        | –                | –                | –                | –                | –                | –                | –                | –                | –                | –                | –                | –                | –                |
| <b>Ending Cash Balance</b>        | <b>\$ 0</b>      | <b>\$ 0</b>      | <b>\$ 0</b>      | <b>\$ (0)</b>    | <b>\$ 0</b>      | <b>\$ 0</b>      | <b>\$ (0)</b>    | <b>\$ 0</b>      | <b>\$ 3</b>      | <b>\$ 3</b>      | <b>\$ 3</b>      | <b>\$ 3</b>      | <b>\$ 3</b>      |

| Long-term trend, budget, IC comparison |                      |                 |                  |                  |                      |            |            |            |               |   |              |   |  |
|--|----------------------|-----------------|------------------|------------------|----------------------|------------|------------|------------|---------------|---|--------------|---|--|
| Summary Financials                     | Calendar year ending |                 |                  | Actual           |                      | IC Model   |            |            |               |   |              |   |  |
|  | 12/31/2015           | 12/31/2016      | 12/31/2017       | 12/31/2018       | LTM Actual 4/30/2019 | 12/31/2016 | 12/31/2017 | 12/31/2018 | LTM v 2017 IC | % | 2018 FC v IC | % |  |
| Total Net Revenue                      | \$ –                 | \$ 170,742      | \$ 170,574       | \$ 172,133       | \$ 162,968           |            |            |            |               |   |              |   |  |
| EBITDA, Reported                       | –                    | 12,278          | 10,180           | 10,955           | 10,137               |            |            |            |               |   |              |   |  |
| EBITDA, Reported %                     | N/A                  | 7.2%            | 6.0%             | 6.4%             | 6.2%                 |            |            |            |               |   |              |   |  |
| EBITDA, Adjusted                       | –                    | 12,278          | 10,180           | 10,955           | 10,137               |            |            |            |               |   |              |   |  |
| EBITDA, Adjusted %                     | N/A                  | 7.2%            | 6.0%             | 6.4%             | 6.2%                 |            |            |            |               |   |              |   |  |
| Accounts Receivable, Net               | –                    | 11,660          | 8,594            | 9,802            | 12,944               |            |            |            |               |   |              |   |  |
| Inventory, Net                         | –                    | 27,470          | 30,309           | 30,962           | 32,557               |            |            |            |               |   |              |   |  |
| Accounts Payable                       | –                    | 7,504           | 12,709           | 12,627           | 12,267               |            |            |            |               |   |              |   |  |
| <b>CCC</b>                             | <b>–</b>             | <b>31,626</b>   | <b>26,194</b>    | <b>28,137</b>    | <b>33,234</b>        |            |            |            |               |   |              |   |  |
| <b>Net Debt</b>                        | <b>\$ –</b>          | <b>\$ 3,014</b> | <b>\$ 23,857</b> | <b>\$ 26,089</b> | <b>\$ 32,758</b>     |            |            |            |               |   |              |   |  |



Monthly P&L

| \$'000                   | Jan-19    | Feb-19    | Mar-19     | Apr-19    | May-19    | Jun-19    | Jul-19    | Aug-19    | Sep-19    | Oct-19    | Nov-19    | Dec-19     | FY         | FY         | Var        |           | PY          | Var      |          |
|--------------------------|-----------|-----------|------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|------------|------------|------------|-----------|-------------|----------|----------|
|                          | Act       | Act       | Act        | Act       | Fcst      | Fcst      | Fcst      | Fcst      | Fcst      | Fcst      | Fcst      | Fcst       | Fcst       | Bud        | \$         | %         | Act         | \$       | %        |
|                          |           |           |            |           |           |           |           |           |           |           |           |            |            |            |            |           |             |          |          |
| Units Produced ('000)    | 7,786     | 7,371     | 8,389      | 7,725     | 9,900     | 10,019    | 10,057    | 10,212    | 9,308     | 9,637     | 9,028     | 5,886      | 105,319    | 108,274    | (2,955)    | (2.7%)    | 96,146      | 9,173    | 9.5%     |
| Units Shipped ('000)     | 6,941     | 6,590     | 7,230      | 8,092     | 10,258    | 10,359    | 10,062    | 10,681    | 9,633     | 10,255    | 9,358     | 6,133      | 105,591    | 109,580    | (3,988)    | (3.6%)    | 104,464     | 1,127    | 1.1%     |
| Bookings (\$'000)        | \$ 11,857 | \$ 10,031 | \$ 11,903  | \$ 14,734 | \$ 16,974 | \$ 17,860 | \$ 16,506 | \$ 17,313 | \$ 16,578 | \$ 17,403 | \$ 16,182 | \$ 9,356   | \$ 176,698 | \$ 180,948 | \$ (4,250) | (2.3%)    | \$ 173,588  | \$ 3,109 | 1.8%     |
| Backlog ('\$000)         | \$ 9,269  | \$ 8,356  | \$ 8,460   | \$ 9,671  | \$ 12,555 | \$ 12,824 | \$ 11,864 | \$ 12,654 | \$ 12,898 | \$ 13,594 | \$ 13,391 | \$ 11,911  | \$ 11,911  | \$ 11,911  | \$ –       | 0.0%      | \$ 8,368    | \$ 3,543 | 42.3%    |
| Gross Revenue            | \$ 11,539 | \$ 11,249 | \$ 11,985  | \$ 13,794 | \$ 17,567 | \$ 17,993 | \$ 17,052 | \$ 18,655 | \$ 16,814 | \$ 17,766 | \$ 16,477 | \$ 10,759  | \$ 181,649 | \$ 188,036 | \$ (6,387) | (3.4%)    | \$ 180,283  | \$ 1,367 | 0.8%     |
| Adj. to Gross Revenue    | (597)     | (464)     | (581)      | (699)     | (975)     | (963)     | (887)     | (990)     | (919)     | (983)     | (916)     | (541)      | (9,517)    | (9,876)    | 360        | (3.6%)    | (9,708)     | 192      | (2.0%)   |
| Net Revenue              | 10,942    | 10,785    | 11,404     | 13,094    | 16,593    | 17,030    | 16,165    | 17,664    | 15,895    | 16,782    | 15,561    | 10,218     | 172,133    | 178,160    | (6,027)    | (3.4%)    | 170,574     | 1,558    | 0.9%     |
| Material                 | 5,204     | 5,301     | 5,464      | 6,521     | 8,236     | 8,608     | 8,053     | 8,864     | 7,768     | 8,457     | 7,836     | 4,565      | 84,876     | 88,355     | (3,479)    | (3.9%)    | 83,420      | 1,456    | 1.7%     |
| Labor                    | 2,927     | 2,714     | 2,913      | 2,840     | 3,359     | 3,241     | 3,433     | 3,370     | 3,208     | 3,337     | 3,197     | 2,915      | 37,456     | 38,371     | (915)      | (2.4%)    | 38,503      | (1,047)  | (2.7%)   |
| Other COGS               | 1,309     | 1,015     | 1,117      | 1,533     | 1,917     | 1,893     | 1,670     | 2,029     | 1,846     | 2,013     | 1,780     | 1,527      | 19,648     | 20,261     | (612)      | (3.0%)    | 20,885      | (1,236)  | (5.9%)   |
| Total COGS               | 9,440     | 9,030     | 9,494      | 10,894    | 13,512    | 13,742    | 13,157    | 14,263    | 12,821    | 13,807    | 12,814    | 9,007      | 141,980    | 146,986    | (5,007)    | (3.4%)    | 142,807     | (827)    | (0.6%)   |
| Gross Margin             | 1,502     | 1,755     | 1,910      | 2,201     | 3,081     | 3,288     | 3,008     | 3,402     | 3,074     | 2,975     | 2,747     | 1,210      | 30,153     | 31,173     | (1,020)    | (3.3%)    | 27,767      | 2,386    | 8.6%     |
| Gross Margin %           | 13.7%     | 16.3%     | 16.7%      | 16.8%     | 18.6%     | 19.3%     | 18.6%     | 19.3%     | 19.3%     | 17.7%     | 17.7%     | 11.8%      | 17.5%      | 17.5%      |            |           | 16.3%       |          |          |
| R&D                      | –         | –         | –          | –         | –         | –         | –         | –         | –         | –         | –         | –          | –          | –          | –          | N/A       | –           | –        | N/A      |
| Sales & Marketing        | 554       | 603       | 474        | 610       | 631       | 557       | 607       | 595       | 648       | 583       | 633       | 579        | 7,072      | 7,247      | (175)      | (2.4%)    | 7,045       | 28       | 0.4%     |
| Administrative           | 1,037     | 968       | 879        | 962       | 1,099     | 1,057     | 1,096     | 1,092     | 1,049     | 1,094     | 1,047     | 1,068      | 12,449     | 12,772     | (323)      | (2.5%)    | 10,240      | 2,209    | 21.6%    |
| Other Opex               | (127)     | (75)      | 85         | (51)      | (21)      | (21)      | (21)      | (20)      | (17)      | (20)      | (20)      | (16)       | (323)      | (228)      | (95)       | 41.8%     | 302         | (625)    | (207.2%) |
| Total Opex               | 1,465     | 1,496     | 1,438      | 1,520     | 1,708     | 1,593     | 1,682     | 1,668     | 1,680     | 1,657     | 1,660     | 1,631      | 19,198     | 19,791     | (593)      | (3.0%)    | 17,587      | 1,611    | 9.2%     |
| EBITDA                   | 37        | 259       | 472        | 680       | 1,372     | 1,695     | 1,326     | 1,734     | 1,393     | 1,318     | 1,087     | (420)      | 10,955     | 11,382     | (428)      | (3.8%)    | 10,180      | 774      | 7.6%     |
| EBITDA %                 | 0.3%      | 2.4%      | 4.1%       | 5.2%      | 8.3%      | 10.0%     | 8.2%      | 9.8%      | 8.8%      | 7.9%      | 7.0%      | (4.1%)     | 6.4%       | 6.4%       |            |           | 6.0%        |          |          |
| Net Income (Loss)        | \$ (886)  | \$ (271)  | \$ (1,280) | \$ (242)  | \$ 74     | \$ 356    | \$ 30     | \$ 458    | \$ 121    | \$ 59     | \$ (82)   | \$ (1,356) | \$ (3,019) | \$ (3,300) | \$ 281     | (8.5%)    | \$ (3,490)  | \$ 471   | (13.5%)  |
| Capex                    | \$ (489)  | \$ (531)  | \$ (560)   | \$ (448)  | \$ (943)  | \$ (943)  | \$ (492)  | \$ (492)  | \$ (492)  | \$ (398)  | \$ (398)  | \$ (398)   | \$ (6,583) | \$ (8,000) | \$ 1,417   | (17.7%)   | \$ (10,215) | \$ 3,633 | (35.6%)  |
| Opex Overview:           |           |           |            |           |           |           |           |           |           |           |           |            |            |            |            |           |             |          |          |
| Payroll                  | \$ 881    | \$ 806    | \$ 788     | \$ 889    | \$ 952    | \$ 855    | \$ 952    | \$ 926    | \$ 873    | \$ 943    | \$ 880    | \$ 913     | \$ 10,659  | \$ 10,783  | \$ (124)   | (1.2%)    | \$ 10,318   | \$ 341   | 3.3%     |
| Bonus                    | 112       | 113       | 112        | 112       | 113       | 113       | 113       | 113       | 113       | 113       | 113       | 113        | 1,355      | 1,361      | (5)        | (0.4%)    | 159         | 1,196    | 752.7%   |
| Commissions              | 19        | 19        | 16         | 19        | 30        | 30        | 30        | 30        | 30        | 30        | 30        | 30         | 311        | 358        | (47)       | (13.1%)   | 187         | 125      | 66.7%    |
| Marketing                | 95        | 180       | 71         | 116       | 149       | 122       | 122       | 127       | 198       | 109       | 186       | 118        | 1,593      | 1,780      | (187)      | (10.5%)   | 1,679       | (86)     | (5.1%)   |
| Benefits                 | –         | –         | –          | –         | –         | –         | –         | –         | –         | –         | –         | –          | –          | –          | –          | N/A       | –           | –        | N/A      |
| Travel and entertainment | 107       | 128       | 35         | 105       | 139       | 130       | 142       | 137       | 132       | 132       | 128       | 130        | 1,444      | 1,587      | (143)      | (9.0%)    | 1,231       | 213      | 17.3%    |
| Rent and facilities      | –         | –         | –          | –         | –         | –         | –         | –         | –         | –         | –         | –          | –          | –          | –          | N/A       | –           | –        | N/A      |
| Insurance                | 29        | 21        | 31         | 20        | 29        | 30        | 32        | 30        | 27        | 27        | 28        | 24         | 328        | 336        | (8)        | (2.4%)    | 328         | 0        | 0.1%     |
| Professional fees        | 45        | 46        | 62         | 45        | 44        | 52        | 44        | 45        | 52        | 45        | 45        | 51         | 576        | 584        | (8)        | (1.4%)    | 585         | (9)      | (1.5%)   |
| Office Expenses          | 23        | 26        | 18         | 22        | 27        | 29        | 20        | 26        | 20        | 26        | 22        | 25         | 283        | 287        | (4)        | (1.4%)    | 287         | (4)      | (1.3%)   |
| IT                       | 166       | 165       | 132        | 159       | 176       | 179       | 177       | 181       | 178       | 182       | 181       | 178        | 2,054      | 2,092      | (38)       | (1.8%)    | 1,634       | 420      | 25.7%    |
| Bad Debts                | 16        | (0)       | 16         | 23        | (0)       | (0)       | (0)       | (0)       | (0)       | (0)       | (0)       | (0)        | 52         | (5)        | 57         | (1235.3%) | (80)        | 132      | (165.8%) |
| FX                       | (122)     | (76)      | 115        | (28)      | –         | –         | –         | –         | –         | –         | –         | –          | (111)      | –          | (111)      | N/A       | 384         | (496)    | (128.9%) |
| JV Loss (Income)         | (5)       | 1         | (29)       | (23)      | (21)      | (21)      | (21)      | (20)      | (17)      | (20)      | (20)      | (16)       | (212)      | (228)      | 16         | (7.0%)    | (83)        | (129)    | 156.5%   |
| Other Expenses           | 98        | 67        | 73         | 61        | 72        | 73        | 71        | 72        | 74        | 70        | 67        | 66         | 864        | 853        | 11         | 1.3%      | 956         | (92)     | (9.6%)   |
| Total Opex               | \$ 1,465  | \$ 1,496  | \$ 1,438   | \$ 1,520  | \$ 1,708  | \$ 1,593  | \$ 1,682  | \$ 1,668  | \$ 1,680  | \$ 1,657  | \$ 1,660  | \$ 1,631   | \$ 19,198  | \$ 19,791  | \$ (593)   | (3.0%)    | \$ 17,586   | \$ 1,612 | 9.2%     |

# Monthly EBITDA to Net Income (Loss) Bridge

| \$'000                               | Jan             | Feb             | Mar               | Apr             | May          | Jun           | Jul          | Aug           | Sep           | Oct          | Nov            | Dec               | FY                | FY                | Var           |               | PY                | Var           |                |
|--------------------------------------|-----------------|-----------------|-------------------|-----------------|--------------|---------------|--------------|---------------|---------------|--------------|----------------|-------------------|-------------------|-------------------|---------------|---------------|-------------------|---------------|----------------|
|                                      | Act             | Act             | Act               | Act             | Fcst         | Fcst          | Fcst         | Fcst          | Fcst          | Fcst         | Fcst           | Fcst              | Fcst              | Bud               | \$            | %             | Act               | \$            | %              |
| <b>EBITDA - as reported</b>          | \$ 37           | \$ 259          | \$ 472            | \$ 680          | \$ 1,372     | \$ 1,695      | \$ 1,326     | \$ 1,734      | \$ 1,393      | \$ 1,318     | \$ 1,087       | \$ (420)          | \$10,955          | \$11,382          | \$ (428)      | (3.8%)        | \$ 10,180         | \$ 774        | 7.6%           |
| Depreciation and amortization        | (708)           | (721)           | (729)             | (702)           | (745)        | (759)         | (771)        | (781)         | (793)         | (796)        | (799)          | (803)             | (9,107)           | (9,128)           | 21            | (0.2%)        | (7,801)           | (1,305)       | 16.7%          |
| Interest and amortization            | (156)           | (165)           | (189)             | (184)           | (206)        | (203)         | (201)        | (202)         | (190)         | (190)        | (173)          | (168)             | (2,227)           | (2,290)           | 63            | (2.8%)        | (1,869)           | (358)         | 19.1%          |
| Other financial income/expense       | (26)            | 740             | (617)             | 163             | –            | –             | –            | –             | –             | –            | –              | –                 | 260               | –                 | 260           | N/A           | (1,463)           | 1,724         | (117.8%)       |
| Monitoring fees (including expenses) | (85)            | (97)            | (85)              | (84)            | (83)         | (83)          | (103)        | (83)          | (83)          | (103)        | (83)           | (103)             | (1,075)           | (1,077)           | 2             | (0.2%)        | (1,091)           | 16            | (1.4%)         |
| Restructuring costs                  | –               | –               | –                 | –               | –            | –             | –            | –             | –             | –            | –              | –                 | –                 | –                 | –             | N/A           | (776)             | 776           | (100.0%)       |
| Non-recurring items                  | (137)           | (201)           | (128)             | (44)            | (70)         | (58)          | –            | –             | –             | –            | –              | –                 | (638)             | (478)             | (160)         | 33.5%         | (770)             | 132           | (17.1%)        |
| Taxes                                | 189             | (87)            | (4)               | (72)            | (195)        | (236)         | (220)        | (210)         | (207)         | (170)        | (115)          | 138               | (1,188)           | (1,710)           | 522           | (30.5%)       | 99                | (1,287)       | #####          |
| <b>GAAP Net Income (Loss)</b>        | <b>\$ (886)</b> | <b>\$ (271)</b> | <b>\$ (1,280)</b> | <b>\$ (242)</b> | <b>\$ 74</b> | <b>\$ 356</b> | <b>\$ 30</b> | <b>\$ 458</b> | <b>\$ 121</b> | <b>\$ 59</b> | <b>\$ (82)</b> | <b>\$ (1,356)</b> | <b>\$ (3,019)</b> | <b>\$ (3,300)</b> | <b>\$ 281</b> | <b>(8.5%)</b> | <b>\$ (3,490)</b> | <b>\$ 471</b> | <b>(13.5%)</b> |

## Management Discussion

- Other financial income/expense relates to unrealized F/X (gain)/loss on \$USD debt held by Canadian entity; YTD F/X gain attributable to the change in the month-end rate from 1.364 [USD\$0.73] on December 31, 2018 to 1.344 [USD\$0.744] on April 30, 2019
- Non-recurring items in April include Laval Water Damage repair costs – (\$41K, not planned) and Legal expense (\$3K, not planned)
- US Tax accrual of 72K in April 2019; Canadian deferred tax asset has not been increased since 2018 year end adjustments

# Cost of Goods Sold Variance Analysis

\$'000

|                          | MTD              | QTD              | YTD              |
|--------------------------|------------------|------------------|------------------|
| Material                 | 7,836            | 7,836            | 25,969           |
| Labor                    | 3,269            | 3,269            | 12,310           |
| Other COGS               | 1,745            | 1,745            | 5,586            |
| <b>COGS Budget</b>       | <b>\$ 12,850</b> | <b>\$ 12,850</b> | <b>\$ 43,864</b> |
| <b><u>Variances:</u></b> |                  |                  |                  |
| Volume                   | (1,419)          | (1,419)          | (3,707)          |
| Price                    | (82)             | (82)             | (132)            |
| Other                    | 185              | 185              | 360              |
| <b>Material</b>          | <b>(1,316)</b>   | <b>(1,316)</b>   | <b>(3,479)</b>   |
| Volume                   | (228)            | (228)            | (491)            |
| Price                    | –                | –                | –                |
| Other                    | (201)            | (201)            | (424)            |
| <b>Labor</b>             | <b>(429)</b>     | <b>(429)</b>     | <b>(915)</b>     |
| Volume                   | 137              | 137              | 34               |
| Price                    | –                | –                | –                |
| Other                    | (349)            | (349)            | (647)            |
| <b>Other COGS</b>        | <b>(212)</b>     | <b>(212)</b>     | <b>(613)</b>     |
| <b>COGS Actual</b>       | <b>\$ 10,894</b> | <b>\$ 10,894</b> | <b>\$ 38,858</b> |

## Management Discussion - MTD

- **Material COGS:** Decrease of \$1,316K due to lower volume impact of \$1,419K (Sales volumes (lbs) lower by 17.0%), unfavorable yields and higher scrap (net of increased regrind usage) at Woodbridge, Delmont and Everett of \$148K, unfavorable E&O reserve at Woodbridge of \$37K, partially offset by favorable PPV at ECS of \$82K
- **Labor COGS:** Lower costs due to volume impact of \$228K, an out-of-period workers' compensation refund received at Laval of \$86K, a favorable F/X impact of \$46K and headcount reduction initiatives and improved labor efficiency at Laval, Delmont, Terrebonne and ECS (net of increased overtime at Woodbridge and Everett to support tooling launches) of \$69K
- **Other COGS:** Decrease of \$212K due to lower freight costs of \$88K, lower overhead spending of \$151K (ie. Maintenance costs, utilities, factory supplies), lower property tax adjustment at Everett of \$87K and a favorable F/X impact of \$24K; partially offset by an unfavorable absorption impact of \$137K as a result of lower sales and lower production than Plan

# Monthly Cost of Goods Sold by Component

| \$'000                      | Jan             | Feb             | Mar             | Apr             | May             | Jun             | Jul             | Aug             | Sep             | Oct             | Nov             | Dec             | FY               | FY               | Var               |               | PY               | Var               |               |
|-----------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|------------------|-------------------|---------------|------------------|-------------------|---------------|
|                             | Act             | Act             | Act             | Act             | Fcst            | Fcst            | Fcst            | Fcst            | Fcst            | Fcst            | Fcst            | Fcst            | Fcst             | Bud              | \$                | %             | Act              | \$                | %             |
| <b>Material</b>             |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                  |                  |                   |               |                  |                   |               |
| Material costs at standard  | \$ 5,265        | \$ 5,218        | \$ 5,418        | \$ 6,548        | \$ 8,290        | \$ 8,447        | \$ 7,988        | \$ 8,815        | \$ 7,674        | \$ 8,402        | \$ 7,886        | \$ 4,585        | \$ 84,535        | \$ 88,508        | \$ (3,973)        | (4.5%)        | \$ 84,102        | \$ 432            | 0.5%          |
| Materials FX loss / (gain)  | 0               | 0               | 0               | 0               | 0               | (0)             | 0               | 0               | 0               | 0               | —               | —               | 0                | 0                | 0                 | 115.0%        | 0                | 0                 | 32.9%         |
| Purchase price variance     | 168             | 272             | 211             | 157             | 212             | 399             | 374             | 347             | 334             | 336             | 225             | 115             | 3,149            | 2,816            | 333               | 11.8%         | (421)            | 3,570             | (848.0%)      |
| Supplier resin rebate       | —               | —               | —               | —               | —               | —               | —               | —               | —               | —               | —               | —               | —                | —                | —                 | N/A           | —                | —                 | N/A           |
| Freight In                  | 47              | 46              | 46              | 35              | 60              | 59              | 56              | 63              | 55              | 60              | 57              | 45              | 629              | 663              | (34)              | (5.1%)        | 680              | (51)              | (7.5%)        |
| Scrap costs                 | (355)           | (334)           | (282)           | (302)           | (440)           | (411)           | (472)           | (479)           | (399)           | (453)           | (439)           | (260)           | (4,626)          | (4,885)          | 260               | (5.3%)        | (2,101)          | (2,525)           | 120.2%        |
| Consumables                 | 78              | 98              | 72              | 83              | 113             | 114             | 108             | 118             | 104             | 113             | 107             | 81              | 1,188            | 1,253            | (65)              | (5.2%)        | 1,159            | 29                | 2.5%          |
| <b>Total Material COGS</b>  | <b>\$ 5,204</b> | <b>\$ 5,301</b> | <b>\$ 5,464</b> | <b>\$ 6,521</b> | <b>\$ 8,236</b> | <b>\$ 8,608</b> | <b>\$ 8,053</b> | <b>\$ 8,864</b> | <b>\$ 7,768</b> | <b>\$ 8,457</b> | <b>\$ 7,836</b> | <b>\$ 4,565</b> | <b>\$ 84,876</b> | <b>\$ 88,355</b> | <b>\$ (3,479)</b> | <b>(3.9%)</b> | <b>\$ 83,420</b> | <b>\$ 1,456</b>   | <b>1.7%</b>   |
| <b>Labor</b>                |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                  |                  |                   |               |                  |                   |               |
| Direct labor                | \$ 927          | \$ 898          | \$ 984          | \$ 1,008        | \$ 1,231        | \$ 1,213        | \$ 1,272        | \$ 1,234        | \$ 1,139        | \$ 1,188        | \$ 1,141        | \$ 1,030        | \$ 13,266        | \$ 13,870        | \$ (605)          | (4.4%)        | \$ 13,874        | \$ (608)          | (4.4%)        |
| Direct labor - bonus        | 51              | 51              | 51              | 51              | 51              | 51              | 51              | 51              | 51              | 51              | 51              | 51              | 615              | 618              | (3)               | (0.4%)        | 79               | 536               | 674.0%        |
| Direct labor - overtime     | 70              | 97              | 109             | 92              | 111             | 102             | 123             | 125             | 115             | 124             | 107             | 68              | 1,243            | 1,163            | 80                | 6.8%          | 1,594            | (351)             | (22.0%)       |
| Direct labor - benefits     | 290             | 264             | 254             | 235             | 285             | 274             | 286             | 283             | 277             | 281             | 268             | 238             | 3,233            | 3,262            | (29)              | (0.9%)        | 3,366            | (132)             | (3.9%)        |
| Direct labor - wcb benefits | 18              | (20)            | 17              | (66)            | 23              | 22              | 24              | 23              | 23              | 24              | 23              | 19              | 130              | 265              | (136)             | (51.2%)       | 321              | (192)             | (59.7%)       |
| Direct labor - other        | 0               | (1)             | (1)             | (1)             | 1               | 0               | 1               | 1               | 1               | 1               | 1               | 1               | 3                | 9                | (5)               | (62.0%)       | (1)              | 4                 | (378.7%)      |
| Indirect labor              | 1,520           | 1,362           | 1,447           | 1,462           | 1,595           | 1,514           | 1,613           | 1,588           | 1,540           | 1,605           | 1,545           | 1,448           | 18,239           | 18,438           | (199)             | (1.1%)        | 19,031           | (792)             | (4.2%)        |
| Indirect labor – bonus      | 51              | 51              | 51              | 51              | 51              | 51              | 51              | 51              | 51              | 51              | 51              | 51              | 615              | 618              | (3)               | (0.4%)        | 79               | 536               | 674.0%        |
| Sub-contractor costs        | —               | 12              | 2               | 10              | 11              | 12              | 12              | 13              | 10              | 11              | 11              | 7               | 111              | 127              | (16)              | (12.3%)       | 159              | (48)              | (29.9%)       |
| <b>Total Labor COGS</b>     | <b>\$ 2,927</b> | <b>\$ 2,714</b> | <b>\$ 2,913</b> | <b>\$ 2,840</b> | <b>\$ 3,359</b> | <b>\$ 3,241</b> | <b>\$ 3,433</b> | <b>\$ 3,370</b> | <b>\$ 3,208</b> | <b>\$ 3,337</b> | <b>\$ 3,197</b> | <b>\$ 2,915</b> | <b>\$ 37,456</b> | <b>\$ 38,371</b> | <b>\$ (915)</b>   | <b>(2.4%)</b> | <b>\$ 38,503</b> | <b>\$ (1,047)</b> | <b>(2.7%)</b> |
| <b>Other</b>                |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                 |                  |                  |                   |               |                  |                   |               |
| Repairs and maintenance     | \$ 115          | \$ 26           | \$ 78           | \$ 34           | \$ 83           | \$ 87           | \$ 77           | \$ 103          | \$ 74           | \$ 109          | \$ 104          | \$ 128          | \$ 1,016         | \$ 1,037         | \$ (20)           | (2.0%)        | \$ 1,222         | \$ (206)          | (16.9%)       |
| Absorption                  | (234)           | (425)           | (600)           | 86              | 54              | 44              | (140)           | 67              | 8               | 122             | (4)             | (24)            | (1,047)          | \$ (1,049)       | 2                 | (0.2%)        | (622)            | (425)             | 68.3%         |
| Freight out                 | 625             | 533             | 704             | 712             | 872             | 863             | 834             | 893             | 814             | 863             | 780             | 543             | 9,036            | 9,368            | (332)             | (3.5%)        | 9,785            | (749)             | (7.7%)        |
| Rent / facilities           | 125             | 167             | 193             | 76              | 115             | 117             | 117             | 157             | 185             | 139             | 138             | 205             | 1,734            | 1,840            | (106)             | (5.8%)        | 1,511            | 223               | 14.8%         |
| Utilities                   | 479             | 508             | 539             | 458             | 587             | 573             | 580             | 587             | 573             | 584             | 559             | 512             | 6,540            | 6,711            | (171)             | (2.5%)        | 6,579            | (39)              | (0.6%)        |
| Other cost of sales         | 199             | 206             | 202             | 167             | 206             | 209             | 202             | 223             | 192             | 197             | 204             | 162             | 2,370            | 2,355            | 15                | 0.6%          | 2,409            | (40)              | (1.6%)        |
| <b>Total Other COGS</b>     | <b>\$ 1,309</b> | <b>\$ 1,015</b> | <b>\$ 1,117</b> | <b>\$ 1,533</b> | <b>\$ 1,917</b> | <b>\$ 1,893</b> | <b>\$ 1,670</b> | <b>\$ 2,029</b> | <b>\$ 1,846</b> | <b>\$ 2,013</b> | <b>\$ 1,780</b> | <b>\$ 1,527</b> | <b>\$ 19,648</b> | <b>\$ 20,261</b> | <b>\$ (612)</b>   | <b>(3.0%)</b> | <b>\$ 20,885</b> | <b>\$ (1,236)</b> | <b>(5.9%)</b> |

## Management Discussion

**Material COGS:** Decrease of \$3,479K due to lower volume impact of \$3,708K (Sales volumes (lbs) lower by 12.1%), unfavorable yields and higher scrap (net of increased regrind usage) at Woodbridge, Delmont and Everett of \$299K, unfavorable E&O reserves at Woodbridge, Everett and Terrebonne of \$123K, partially offset by improved scrap and favorable PPV at ECS of \$62K and \$132K, respectively

**Labor COGS:** Lower costs due to volume impact of \$491K, out-of-period workers' compensation refunds at Laval and Everett of \$170K, a favorable F/X impact of \$153K and headcount reduction initiatives / improved labor efficiency at Laval, Delmont, Terrebonne and ECS (net of increased overtime at Woodbridge and Everett to support tooling launches) of \$101K

**Other COGS:** Decrease of \$612K due to lower freight costs of \$290K, lower overhead spending of \$180K (ie. Maintenance costs, utilities, factory supplies), lower property tax adjustment at Everett of \$87K and a favorable F/X impact of \$90K; partially offset by an unfavorable absorption impact of \$34K as a result of lower sales and lower production than Plan

# Monthly Balance Sheet

|   | Jan-19           | Feb-19            | Mar-19            | Apr-19            | May-19            | Jun-19            | Jul-19            | Aug-19            | Sep-19            | Oct-19            | Nov-19            | Dec-19           | FY               | FY               | Var             |                |
|---|------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|------------------|------------------|------------------|-----------------|----------------|
| \$'000  | Act              | Act               | Act               | Act               | Fcst              | Fcst              | Fcst              | Fcst              | Fcst              | Fcst              | Fcst              | Fcst             | Fcst             | Bud              | \$              | %              |
| <b>Current Assets</b>                             |                  |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |                  |                  |                  |                 |                |
| Cash and cash equivalents                         | \$ 3             | \$ 3              | \$ 3              | \$ 3              | \$ 3              | \$ 3              | \$ 3              | \$ 3              | \$ 2              | \$ 3              | \$ 3              | \$ 3             | \$ 3             | \$ 0             | \$ 3            | 739066.5%      |
| Short term investments                            | —                | —                 | —                 | —                 | —                 | —                 | —                 | —                 | —                 | —                 | —                 | —                | —                | —                | —               | N/A            |
| <i>Accounts receivable, gross</i>                 | 9,182            | 9,929             | 11,613            | 13,369            | 16,173            | 17,404            | 15,960            | 16,509            | 15,206            | 15,081            | 13,521            | 10,481           | 10,481           | 8,958            | 1,523           | 17.0%          |
| <i>Accounts receivable, reserves</i>              | (393)            | (393)             | (399)             | (425)             | (679)             | (679)             | (679)             | (679)             | (679)             | (679)             | (679)             | (679)            | (679)            | (363)            | (316)           | 86.9%          |
| Accounts receivable, net                          | 8,789            | 9,536             | 11,214            | 12,944            | 15,495            | 16,726            | 15,281            | 15,830            | 14,527            | 14,402            | 12,842            | 9,802            | 9,802            | 8,594            | 1,208           | 14.1%          |
| <i>Inventory, gross</i>                           | 34,588           | 36,157            | 35,647            | 34,119            | 34,796            | 34,311            | 34,732            | 34,475            | 34,521            | 32,837            | 32,471            | 32,668           | 32,668           | 31,776           | 892             | 2.8%           |
| <i>Inventory, reserves</i>                        | (1,497)          | (1,514)           | (1,497)           | (1,562)           | (1,698)           | (1,687)           | (1,649)           | (1,660)           | (1,674)           | (1,696)           | (1,702)           | (1,706)          | (1,706)          | (1,467)          | (239)           | 16.3%          |
| Inventory, net                                    | 33,091           | 34,642            | 34,150            | 32,557            | 33,099            | 32,624            | 33,083            | 32,815            | 32,847            | 31,140            | 30,769            | 30,962           | 30,962           | 30,309           | 653             | 2.2%           |
| Prepaid expenses and other current assets         | 3,145            | 3,030             | 3,051             | 3,909             | 3,814             | 3,663             | 3,627             | 3,336             | 3,216             | 3,348             | 3,110             | 2,832            | 2,832            | 2,942            | (109)           | (3.7%)         |
| Other current assets                              | 761              | 864               | 804               | 790               | 796               | 854               | 857               | 1,050             | 1,525             | 1,771             | 1,829             | 682              | 682              | 901              | (218)           | (24.2%)        |
| <b>Total Current Assets</b>                       | <b>45,790</b>    | <b>48,076</b>     | <b>49,223</b>     | <b>50,203</b>     | <b>53,206</b>     | <b>53,869</b>     | <b>52,851</b>     | <b>53,034</b>     | <b>52,117</b>     | <b>50,663</b>     | <b>48,552</b>     | <b>44,281</b>    | <b>44,281</b>    | <b>42,746</b>    | <b>1,536</b>    | <b>3.6%</b>    |
| <b>Non-Current Assets</b>                         |                  |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |                  |                  |                  |                 |                |
| <i>Property, plant &amp; equipment, gross</i>     | 66,687           | 67,249            | 66,818            | 67,503            | 70,963            | 71,660            | 72,208            | 72,661            | 73,107            | 73,531            | 73,935            | 74,303           | 74,303           | 64,977           | 9,326           | 14.4%          |
| <i>Accumulated depreciation</i>                   | (18,755)         | (19,488)          | (19,863)          | (20,649)          | (20,042)          | (20,661)          | (21,293)          | (21,936)          | (22,589)          | (23,245)          | (23,906)          | (24,569)         | (24,569)         | (17,639)         | (6,930)         | 39.3%          |
| Property, plant & equipment, net                  | 47,932           | 47,761            | 46,955            | 46,853            | 50,921            | 50,999            | 50,915            | 50,725            | 50,518            | 50,286            | 50,028            | 49,734           | 49,734           | 47,338           | 2,395           | 5.1%           |
| Deferred financing cost                           | 546              | 533               | 510               | 499               | 491               | 477               | 463               | 450               | 436               | 422               | 408               | 395              | 395              | 548              | (153)           | (27.9%)        |
| Deferred tax asset                                | 2,961            | 2,963             | 2,898             | 2,913             | 1,367             | 1,367             | 1,367             | 1,367             | 1,367             | 1,367             | 1,367             | 1,367            | 1,367            | 2,879            | (1,513)         | (52.5%)        |
| Other non-current assets                          | 2,688            | 2,690             | 2,644             | 2,685             | 3,113             | 3,134             | 3,155             | 3,216             | 3,237             | 3,257             | 3,274             | 3,331            | 3,331            | 2,616            | 715             | 27.3%          |
| <b>Total Non-Current Assets</b>                   | <b>54,127</b>    | <b>53,947</b>     | <b>53,007</b>     | <b>52,950</b>     | <b>55,891</b>     | <b>55,977</b>     | <b>55,900</b>     | <b>55,757</b>     | <b>55,558</b>     | <b>55,332</b>     | <b>55,077</b>     | <b>54,826</b>    | <b>54,826</b>    | <b>53,382</b>    | <b>1,444</b>    | <b>2.7%</b>    |
| <b>Total Assets</b>                               | <b>\$ 99,917</b> | <b>\$ 102,023</b> | <b>\$ 102,229</b> | <b>\$ 103,153</b> | <b>\$ 109,096</b> | <b>\$ 109,846</b> | <b>\$ 108,751</b> | <b>\$ 108,791</b> | <b>\$ 107,675</b> | <b>\$ 105,995</b> | <b>\$ 103,630</b> | <b>\$ 99,107</b> | <b>\$ 99,107</b> | <b>\$ 96,127</b> | <b>\$ 2,980</b> | <b>3.1%</b>    |
| <b>Current Liabilities</b>                        |                  |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |                  |                  |                  |                 |                |
| Bank Debt   | \$ 14,340        | \$ 16,533         | \$ 18,750         | \$ 19,505         | \$ 21,889         | \$ 21,463         | \$ 20,653         | \$ 20,722         | \$ 18,469         | \$ 18,098         | \$ 14,909         | \$ 13,864        | \$ 13,864        | \$ 10,222        | \$ 3,641        | 35.6%          |
| Current Portion - Long Term Debt                  | 1,678            | 1,665             | 1,639             | 1,648             | 1,800             | 1,800             | 1,800             | 1,800             | 1,800             | 1,800             | 1,800             | 1,800            | 1,800            | 1,628            | 172             | 10.6%          |
| Accounts payable                                  | 11,725           | 12,319            | 12,200            | 12,267            | 14,749            | 15,234            | 14,482            | 14,035            | 14,850            | 13,308            | 14,456            | 12,627           | 12,627           | 12,709           | (82)            | (0.6%)         |
| Accrued liabilities                               | 4,045            | 3,378             | 3,727             | 3,515             | 3,798             | 3,824             | 3,699             | 3,689             | 3,439             | 3,366             | 3,189             | 2,808            | 2,808            | 3,343            | (535)           | (16.0%)        |
| Accrued compensation                              | 2,492            | 2,800             | 2,877             | 3,338             | 3,617             | 3,826             | 4,303             | 4,195             | 4,585             | 4,804             | 4,780             | 5,149            | 5,149            | 2,521            | 2,628           | 104.2%         |
| Income taxes payable                              | (189)            | (102)             | (344)             | (275)             | 690               | 927               | 1,147             | 1,357             | 1,564             | 1,734             | 1,848             | 1,710            | 1,710            | (246)            | 1,956           | (793.7%)       |
| Contingent consideration                          | 1,301            | 1,301             | 1,301             | 1,301             | —                 | —                 | —                 | —                 | —                 | —                 | —                 | —                | —                | 1,301            | (1,301)         | (100.0%)       |
| Other current liabilities                         | 101              | 97                | 124               | 125               | 141               | 139               | 137               | 139               | 127               | 128               | 111               | 107              | 107              | 97               | 11              | 11.0%          |
| <b>Total Current Liabilities</b>                  | <b>35,493</b>    | <b>37,990</b>     | <b>40,273</b>     | <b>41,423</b>     | <b>46,685</b>     | <b>47,212</b>     | <b>46,222</b>     | <b>45,937</b>     | <b>44,835</b>     | <b>43,238</b>     | <b>41,094</b>     | <b>38,065</b>    | <b>38,065</b>    | <b>31,576</b>    | <b>6,490</b>    | <b>20.6%</b>   |
| <b>Long-term liabilities</b>                      |                  |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |                  |                  |                  |                 |                |
| Long-term debt less current maturities            | 12,248           | 12,114            | 11,679            | 11,609            | 11,430            | 11,287            | 11,144            | 11,001            | 10,857            | 10,714            | 10,571            | 10,428           | 10,428           | 12,006           | (1,579)         | (13.1%)        |
| Deferred income taxes                             | 9,753            | 9,757             | 9,642             | 9,669             | 7,785             | 7,785             | 7,785             | 7,785             | 7,785             | 7,785             | 7,785             | 7,785            | 7,785            | 9,610            | (1,825)         | (19.0%)        |
| Other non-current liabilities                     | 1,525            | 1,530             | 1,491             | 1,503             | 1,440             | 1,449             | 1,458             | 1,467             | 1,476             | 1,477             | 1,482             | 1,486            | 1,486            | 1,468            | 18              | 1.2%           |
| <b>Total Long-Term Liabilities</b>                | <b>23,526</b>    | <b>23,400</b>     | <b>22,812</b>     | <b>22,781</b>     | <b>20,655</b>     | <b>20,521</b>     | <b>20,387</b>     | <b>20,253</b>     | <b>20,119</b>     | <b>19,976</b>     | <b>19,838</b>     | <b>19,699</b>    | <b>19,699</b>    | <b>23,084</b>    | <b>(3,386)</b>  | <b>(14.7%)</b> |
| <b>Total Liabilities</b>                          | <b>59,019</b>    | <b>61,391</b>     | <b>63,085</b>     | <b>64,205</b>     | <b>67,340</b>     | <b>67,733</b>     | <b>66,609</b>     | <b>66,190</b>     | <b>64,953</b>     | <b>63,214</b>     | <b>60,931</b>     | <b>57,764</b>    | <b>57,764</b>    | <b>54,660</b>    | <b>3,104</b>    | <b>5.7%</b>    |
| Commitments and contingencies                     | —                | —                 | —                 | —                 | —                 | —                 | —                 | —                 | —                 | —                 | —                 | —                | —                | —                | —               | —              |
| <b>Shareholders' Equity</b>                       |                  |                   |                   |                   |                   |                   |                   |                   |                   |                   |                   |                  |                  |                  |                 |                |
| Common stock                                      | 12,610           | 12,610            | 12,610            | 12,610            | 12,610            | 12,610            | 12,610            | 12,610            | 12,610            | 12,610            | 12,610            | 12,610           | 12,610           | 12,610           | (0)             | (0.0%)         |
| Retained earnings                                 | 29,143           | 28,871            | 27,592            | 27,350            | 29,676            | 30,032            | 30,062            | 30,521            | 30,641            | 30,701            | 30,619            | 29,263           | 29,263           | 30,039           | (776)           | (2.6%)         |
| Accumulated other comprehensive income            | (855)            | (850)             | (1,058)           | (1,011)           | (530)             | (530)             | (530)             | (530)             | (530)             | (530)             | (530)             | (530)            | (530)            | (1,181)          | 652             | (55.2%)        |
| <b>Total Shareholders' Equity</b>                 | <b>40,898</b>    | <b>40,632</b>     | <b>39,144</b>     | <b>38,948</b>     | <b>41,756</b>     | <b>42,112</b>     | <b>42,142</b>     | <b>42,601</b>     | <b>42,722</b>     | <b>42,781</b>     | <b>42,699</b>     | <b>41,343</b>    | <b>41,343</b>    | <b>41,467</b>    | <b>(124)</b>    | <b>(0.3%)</b>  |
| <b>Total Liabilities and Shareholders' Equity</b> | <b>\$ 99,917</b> | <b>\$ 102,023</b> | <b>\$ 102,229</b> | <b>\$ 103,153</b> | <b>\$ 109,096</b> | <b>\$ 109,846</b> | <b>\$ 108,751</b> | <b>\$ 108,791</b> | <b>\$ 107,675</b> | <b>\$ 105,995</b> | <b>\$ 103,630</b> | <b>\$ 99,107</b> | <b>\$ 99,107</b> | <b>\$ 96,127</b> | <b>\$ 2,980</b> | <b>3.1%</b>    |

# Balance Sheet – Year on Year Comparison

| \$'000  | YTD               |                   | Variance          |                |
|---|-------------------|-------------------|-------------------|----------------|
|   | CY                | PY                | \$                | %              |
| <b><u>Current Assets</u></b>                      |                   |                   |                   |                |
| Cash and cash equivalents                         | \$ 3              | \$ (0)            | \$ 3              | (2151.2%)      |
| Short term investments                            | –                 | –                 | –                 | N/A            |
| <i>Accounts receivable, gross</i>                 | 13,369            | 15,577            | (2,208)           | (14.2%)        |
| <i>Accounts receivable, reserves</i>              | (425)             | (671)             | 246               | (36.6%)        |
| Accounts receivable, net                          | 12,944            | 14,907            | (1,963)           | (13.2%)        |
| <i>Inventory, gross</i>                           | 34,119            | 37,531            | (3,412)           | (9.1%)         |
| <i>Inventory, reserves</i>                        | (1,562)           | (1,700)           | 138               | (8.1%)         |
| Inventory, net                                    | 32,557            | 35,831            | (3,274)           | (9.1%)         |
| Prepaid expenses and other current assets         | 3,909             | 3,835             | 74                | 1.9%           |
| Other current assets                              | 790               | 1,624             | (834)             | (51.4%)        |
| <b>Total Current Assets</b>                       | <b>50,203</b>     | <b>56,196</b>     | <b>(5,993)</b>    | <b>(10.7%)</b> |
| <b><u>Non-Current Assets</u></b>                  |                   |                   |                   |                |
| <i>Property, plant &amp; equipment, gross</i>     | 67,503            | 59,913            | 7,590             | 12.7%          |
| <i>Accumulated depreciation</i>                   | (20,649)          | (13,030)          | (7,619)           | 58.5%          |
| Property, plant & equipment, net                  | 46,853            | 46,883            | (30)              | (0.1%)         |
| Deferred financing cost                           | 499               | 483               | 16                | 3.3%           |
| Deferred tax asset                                | 2,913             | 1,378             | 1,535             | 111.4%         |
| Other non-current assets                          | 2,685             | 2,733             | (48)              | (1.8%)         |
| <b>Total Non-Current Assets</b>                   | <b>52,950</b>     | <b>51,477</b>     | <b>1,473</b>      | <b>2.9%</b>    |
| <b>Total Assets</b>                               | <b>\$ 103,153</b> | <b>\$ 107,673</b> | <b>\$ (4,520)</b> | <b>(4.2%)</b>  |
| <b><u>Current Liabilities</u></b>                 |                   |                   |                   |                |
| Bank Debt   | \$ 19,505         | \$ 17,154         | \$ 2,350          | 13.7%          |
| Current Portion - Long Term Debt                  | 1,648             | 1,330             | 317               | 23.8%          |
| Accounts payable                                  | 12,267            | 14,814            | (2,547)           | (17.2%)        |
| Accrued liabilities                               | 3,515             | 3,692             | (177)             | (4.8%)         |
| Accrued compensation                              | 3,338             | 3,453             | (116)             | (3.3%)         |
| Income taxes payable                              | (275)             | 27                | (302)             | (1121.7%)      |
| Contingent consideration                          | 1,301             | 1,273             | 28                | 2.2%           |
| Other current liabilities                         | 125               | 85                | 40                | 47.6%          |
| <b>Total Current Liabilities</b>                  | <b>41,423</b>     | <b>41,828</b>     | <b>(405)</b>      | <b>(1.0%)</b>  |
| <b><u>Long-term liabilities</u></b>               |                   |                   |                   |                |
| Long-term debt less current maturities            | 11,609            | 13,386            | (1,776)           | (13.3%)        |
| Deferred income taxes                             | 9,669             | 7,823             | 1,847             | 23.6%          |
| Other non-current liabilities                     | 1,503             | 1,323             | 179               | 13.6%          |
| <b>Total Long-Term Liabilities</b>                | <b>22,781</b>     | <b>22,532</b>     | <b>250</b>        | <b>1.1%</b>    |
| <b>Total Liabilities</b>                          | <b>64,205</b>     | <b>64,360</b>     | <b>(155)</b>      | <b>(0.2%)</b>  |
| <b>Commitments and contingencies</b>              | <b>–</b>          | <b>–</b>          | <b>–</b>          | <b>N/A</b>     |
| <b><u>Shareholders' Equity</u></b>                |                   |                   |                   |                |
| Common stock                                      | 12,610            | 12,610            | –                 | 0.0%           |
| Retained earnings                                 | 27,350            | 31,114            | (3,765)           | (12.1%)        |
| Accumulated other comprehensive income            | (1,011)           | (411)             | (600)             | 145.7%         |
| <b>Total Shareholders' Equity</b>                 | <b>38,948</b>     | <b>43,313</b>     | <b>(4,364)</b>    | <b>(10.1%)</b> |
| <b>Total Liabilities and Shareholders' Equity</b> | <b>\$ 103,153</b> | <b>\$ 107,673</b> | <b>\$ (4,520)</b> | <b>(4.2%)</b>  |

# Monthly Cash Flow

|   | Jan-19            | Feb-19            | Mar-19            | Apr-19          | May-19            | Jun-19          | Jul-19          | Aug-19          | Sep-19            | Oct-19          | Nov-19            | Dec-19            | FY                | FY                | Var               |                | PY                 | Var               |                    |
|---|-------------------|-------------------|-------------------|-----------------|-------------------|-----------------|-----------------|-----------------|-------------------|-----------------|-------------------|-------------------|-------------------|-------------------|-------------------|----------------|--------------------|-------------------|--------------------|
| \$'000  | Act               | Act               | Act               | Act             | Fcst              | Fcst            | Fcst            | Fcst            | Fcst              | Fcst            | Fcst              | Fcst              | Fcst              | Bud               | \$                | %              | Act                | \$                | %                  |
| <b>Cash flow from operations</b>                          |                   |                   |                   |                 |                   |                 |                 |                 |                   |                 |                   |                   |                   |                   |                   |                |                    |                   |                    |
| Net Income (Loss)   | \$ (886)          | \$ (271)          | \$ (1,280)        | \$ (242)        | \$ 74             | \$ 356          | \$ 30           | \$ 458          | \$ 121            | \$ 59           | \$ (82)           | \$ (1,356)        | \$ (3,019)        | \$ (3,300)        | \$ 281            | (8.5%)         | \$ (3,987)         | \$ 968            | (24.3%)            |
| Depreciation, amortization and other                      | 708               | 721               | 729               | 702             | 745               | 759             | 771             | 781             | 793               | 796             | 799               | 803               | 9,107             | 9,128             | (21)              | (0.2%)         | 7,801              | 1,305             | 16.7%              |
| Non-cash loss/expense (gain)                              | (161)             | (7)               | 201               | (62)            | 44                | 105             | (196)           | (139)           | (95)              | (173)           | (145)             | (151)             | (780)             | (307)             | (474)             | 154.3%         | 377                | (1,158)           | (306.8%)           |
| Deferred income tax                                       | 143               | 3                 | (115)             | 27              | (1,884)           | –               | –               | –               | –                 | –               | –                 | –                 | (1,825)           | 148               | (1,973)           | (1331.0%)      | (1,301)            | (524)             | 40.3%              |
| <b>Change in operating assets and liabilities:</b>        |                   |                   |                   |                 |                   |                 |                 |                 |                   |                 |                   |                   |                   |                   |                   | N/A            |                    |                   |                    |
| Accounts receivable                                       | (195)             | (747)             | (1,678)           | (1,730)         | (2,550)           | (1,231)         | 1,444           | (549)           | 1,304             | 125             | 1,560             | 3,040             | (1,208)           | (1,173)           | (35)              | 3.0%           | 3,252              | (4,460)           | (137.1%)           |
| Inventory   | (2,782)           | (1,552)           | 492               | 1,593           | (541)             | 475             | (459)           | 267             | (32)              | 1,707           | 371               | (193)             | (653)             | (690)             | 37                | (5.4%)         | (594)              | (59)              | 9.9%               |
| Prepaid expenses and other current assets                 | (64)              | 12                | 39                | (843)           | 89                | 93              | 32              | 99              | (355)             | (378)           | 179               | 1,425             | 328               | 328               | –                 | 0.0%           | 456                | (128)             | (28.1%)            |
| Accounts payable  | (984)             | 594               | (119)             | 68              | 2,482             | 485             | (752)           | (447)           | 815               | (1,542)         | 1,148             | (1,829)           | (82)              | (82)              | –                 | 0.0%           | (379)              | 296               | (78.3%)            |
| Accrued expenses  | 673               | (359)             | 426               | 249             | 562               | 235             | 352             | (118)           | 140               | 146             | (201)             | (12)              | 2,093             | 2,344             | (251)             | (10.7%)        | (2,316)            | 4,408             | (190.4%)           |
| Accrued income taxes                                      | 58                | 87                | (242)             | 69              | 965               | 236             | 220             | 210             | 207               | 170             | 115               | (138)             | 1,956             | 1,060             | 896               | 84.5%          | 751                | 1,205             | 160.6%             |
| Other changes in operating assets and liabilities         | 4                 | (4)               | 27                | 1               | (1,285)           | (2)             | (2)             | 2               | (12)              | 1               | (17)              | (4)               | (1,290)           | (1,290)           | –                 | 0.0%           | 65                 | (1,355)           | (2097.6%)          |
| Other cash flow from operations                           | –                 | –                 | –                 | –               | –                 | –               | –               | –               | –                 | –               | –                 | –                 | –                 | –                 | –                 | N/A            | –                  | –                 | N/A                |
| <b>Total Cash Flow from Operations</b>                    | <b>\$ (3,487)</b> | <b>\$ (1,522)</b> | <b>\$ (1,520)</b> | <b>\$ (168)</b> | <b>\$ (1,301)</b> | <b>\$ 1,511</b> | <b>\$ 1,442</b> | <b>\$ 564</b>   | <b>\$ 2,885</b>   | <b>\$ 910</b>   | <b>\$ 3,728</b>   | <b>\$ 1,584</b>   | <b>\$ 4,626</b>   | <b>\$ 6,166</b>   | <b>\$ (1,540)</b> | <b>(25.0%)</b> | <b>\$ 4,126</b>    | <b>\$ 500</b>     | <b>12.1%</b>       |
| <b>Cash flow from investing</b>                           |                   |                   |                   |                 |                   |                 |                 |                 |                   |                 |                   |                   |                   |                   |                   |                |                    |                   |                    |
| Additions to property, plant and equipment                | \$ (489)          | \$ (531)          | \$ (560)          | \$ (448)        | \$ (943)          | \$ (943)        | \$ (492)        | \$ (492)        | \$ (492)          | \$ (398)        | \$ (398)          | \$ (398)          | \$ (6,583)        | \$ (8,000)        | \$ 1,417          | (17.7%)        | \$ (10,215)        | \$ 3,633          | (35.6%)            |
| Earnout payments  | –                 | –                 | –                 | –               | –                 | –               | –               | –               | –                 | –               | –                 | –                 | –                 | –                 | –                 | N/A            | –                  | –                 | N/A                |
| Other cash flow from investing                            | –                 | –                 | –                 | –               | –                 | –               | –               | –               | –                 | –               | –                 | –                 | –                 | –                 | –                 | N/A            | –                  | –                 | N/A                |
| <b>Total Cash Flow from Investing</b>                     | <b>\$ (489)</b>   | <b>\$ (531)</b>   | <b>\$ (560)</b>   | <b>\$ (448)</b> | <b>\$ (943)</b>   | <b>\$ (943)</b> | <b>\$ (492)</b> | <b>\$ (492)</b> | <b>\$ (492)</b>   | <b>\$ (398)</b> | <b>\$ (398)</b>   | <b>\$ (398)</b>   | <b>\$ (6,583)</b> | <b>\$ (8,000)</b> | <b>\$ 1,417</b>   | <b>(17.7%)</b> | <b>\$ (10,215)</b> | <b>\$ 3,633</b>   | <b>(35.6%)</b>     |
| <b>Cash flow from financing</b>                           |                   |                   |                   |                 |                   |                 |                 |                 |                   |                 |                   |                   |                   |                   |                   |                |                    |                   |                    |
| Proceeds from the issuance (repayment) of short-term debt | \$ 4,118          | \$ 2,193          | \$ 2,218          | \$ 754          | \$ 2,385          | \$ (427)        | \$ (809)        | \$ 69           | \$ (2,253)        | \$ (371)        | \$ (3,189)        | \$ (1,045)        | \$ 3,641          | \$ 3,556          | \$ 85             | 2.4%           | \$ 6,282           | \$ (2,641)        | (42.0%)            |
| Proceeds from the issuance of debt                        | (0)               | 0                 | (0)               | 0               | (0)               | 0               | 0               | 0               | 0                 | 0               | 0                 | 0                 | 0                 | –                 | 0                 | N/A            | 1,207              | (1,207)           | (100.0%)           |
| Repayment of debt   | (138)             | (139)             | (138)             | (138)           | (141)             | (141)           | (141)           | (141)           | (141)             | (141)           | (141)             | (141)             | (1,682)           | (1,719)           | 37                | (2.2%)         | (1,400)            | (282)             | 20.2%              |
| Common stock cash dividends paid                          | –                 | –                 | –                 | –               | (0)               | –               | –               | –               | –                 | –               | –                 | –                 | (0)               | –                 | (0)               | N/A            | –                  | (0)               | N/A                |
| Other cash flow from financing                            | –                 | –                 | –                 | –               | –                 | –               | –               | –               | –                 | –               | –                 | –                 | –                 | –                 | –                 | N/A            | –                  | –                 | N/A                |
| <b>Total Cash Flow from Financing</b>                     | <b>\$ 3,979</b>   | <b>\$ 2,053</b>   | <b>\$ 2,080</b>   | <b>\$ 616</b>   | <b>\$ 2,244</b>   | <b>\$ (568)</b> | <b>\$ (950)</b> | <b>\$ (72)</b>  | <b>\$ (2,394)</b> | <b>\$ (512)</b> | <b>\$ (3,330)</b> | <b>\$ (1,186)</b> | <b>\$ 1,959</b>   | <b>\$ 1,837</b>   | <b>\$ 122</b>     | <b>6.7%</b>    | <b>\$ 6,089</b>    | <b>\$ (4,130)</b> | <b>(67.8%)</b>     |
| <b>Effect of FX rates on cash and cash equivalents</b>    | <b>\$ –</b>       | <b>\$ –</b>       | <b>\$ –</b>       | <b>\$ –</b>     | <b>\$ –</b>       | <b>\$ –</b>     | <b>\$ –</b>     | <b>\$ –</b>     | <b>\$ –</b>       | <b>\$ –</b>     | <b>\$ –</b>       | <b>\$ –</b>       | <b>\$ –</b>       | <b>\$ –</b>       | <b>\$ –</b>       | <b>N/A</b>     | <b>\$ –</b>        | <b>\$ -</b>       | <b>N/A</b>         |
| <b>Net change in cash</b>                                 | <b>\$ 3</b>       | <b>\$ 0</b>       | <b>\$ (0)</b>     | <b>\$ 0</b>     | <b>\$ (0)</b>     | <b>\$ (0)</b>   | <b>\$ 0</b>     | <b>\$ (0)</b>   | <b>\$ (0)</b>     | <b>\$ 0</b>     | <b>\$ 0</b>       | <b>\$ (0)</b>     | <b>\$ 3</b>       | <b>\$ 3</b>       | <b>\$ (0)</b>     | <b>(0.0%)</b>  | <b>\$ (0)</b>      | <b>\$ 3</b>       | <b>(1065.8%)</b>   |
| Beginning cash  | 0                 | 3                 | 3                 | 3               | 3                 | 3               | 3               | 3               | 3                 | 2               | 3                 | 3                 | 0                 | 0                 | –                 | –              | (0)                | \$ 0              | (100.1%)           |
| Change in cash  | 3                 | 0                 | (0)               | 0               | (0)               | (0)             | 0               | (0)             | (0)               | 0               | 0                 | (0)               | 3                 | 3                 | (0)               | (0.0%)         | (0)                | \$ 3              | (1065.8%)          |
| <b>Ending cash</b>  | <b>\$ 3</b>       | <b>\$ 3</b>       | <b>\$ 3</b>       | <b>\$ 3</b>     | <b>\$ 3</b>       | <b>\$ 3</b>     | <b>\$ 3</b>     | <b>\$ 3</b>     | <b>\$ 2</b>       | <b>\$ 3</b>     | <b>\$ 3</b>       | <b>\$ 3</b>       | <b>\$ 3</b>       | <b>\$ 3</b>       | <b>\$ (0)</b>     | <b>(0.0%)</b>  | <b>\$ 0</b>        | <b>\$ 3</b>       | <b>26323721.3%</b> |

# Trended Monthly Bookings

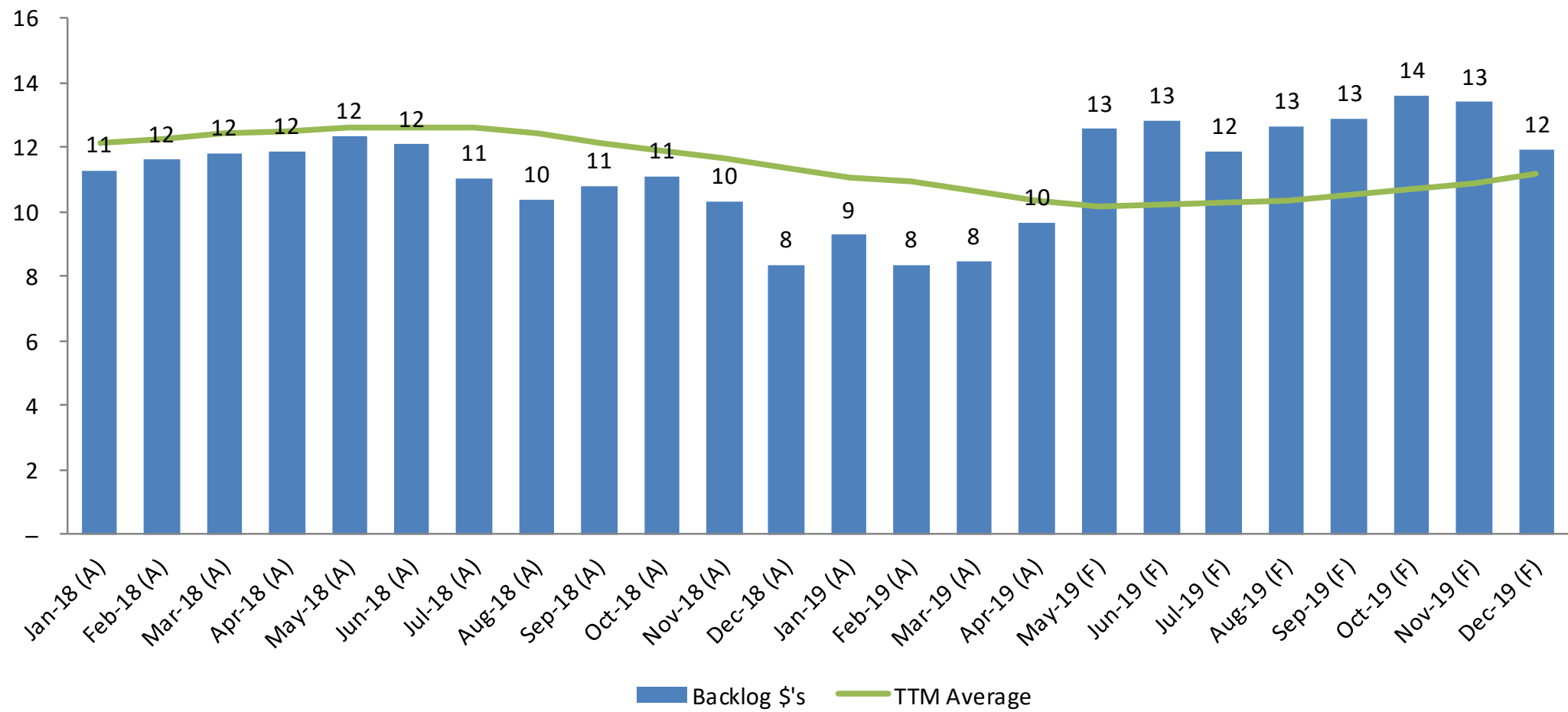
\$ in millions



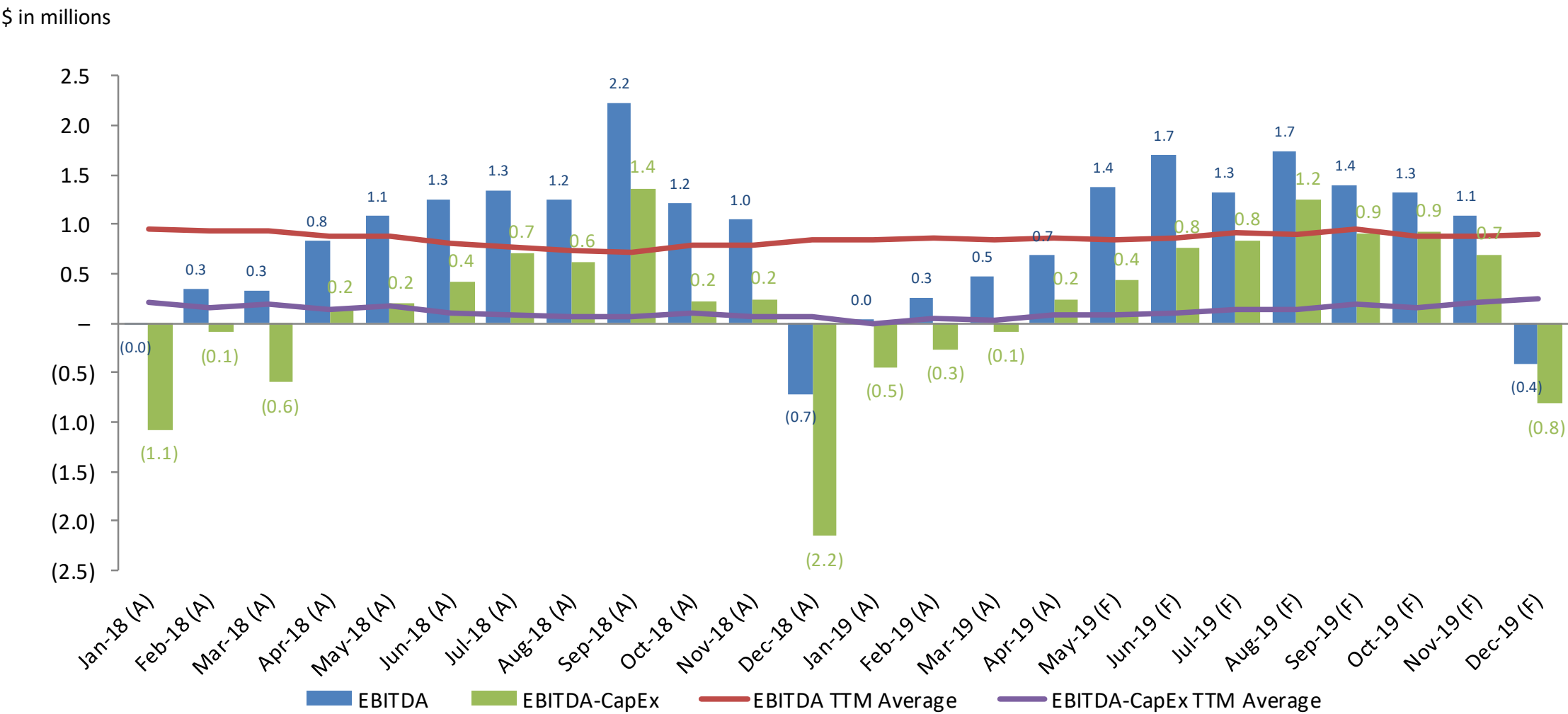


# Trended Monthly Backlog

\$ in millions

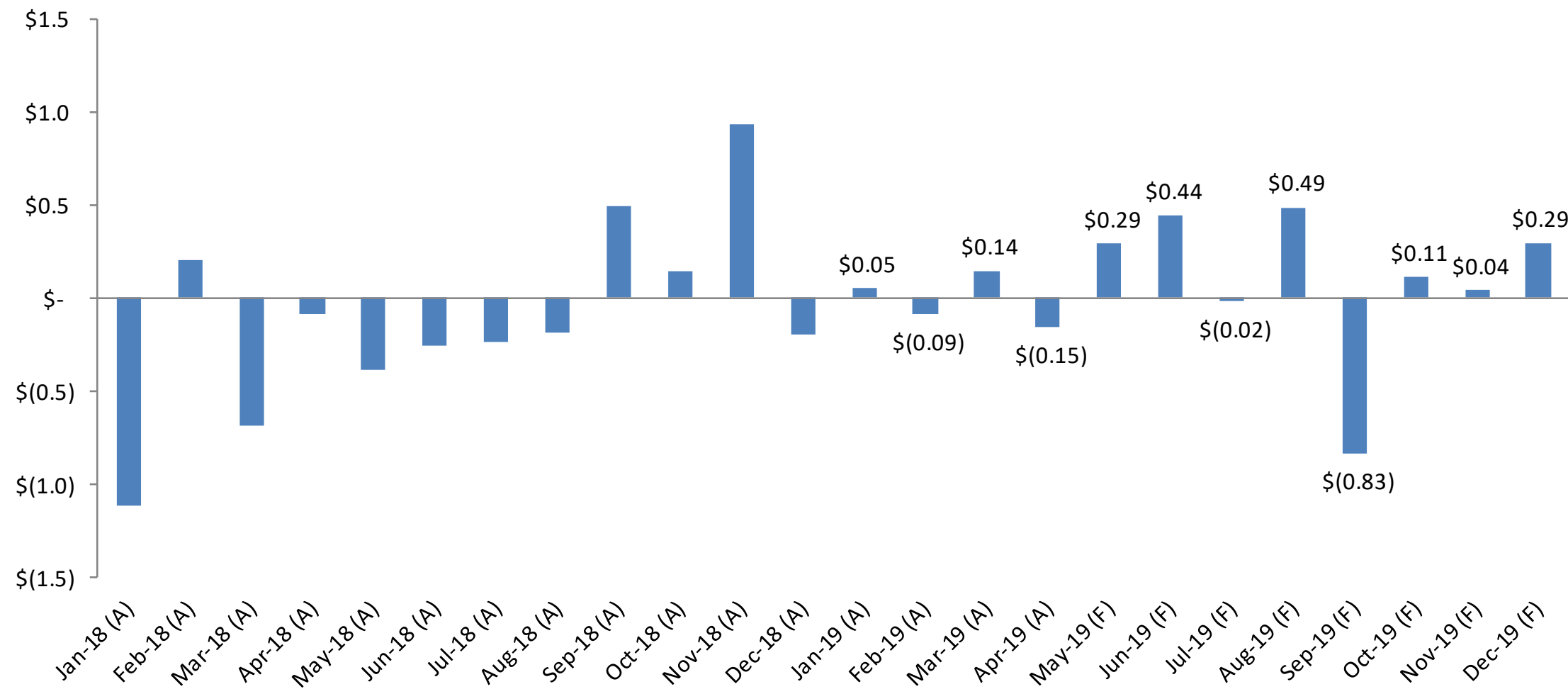


# EBITDA and EBITDA-CapEx



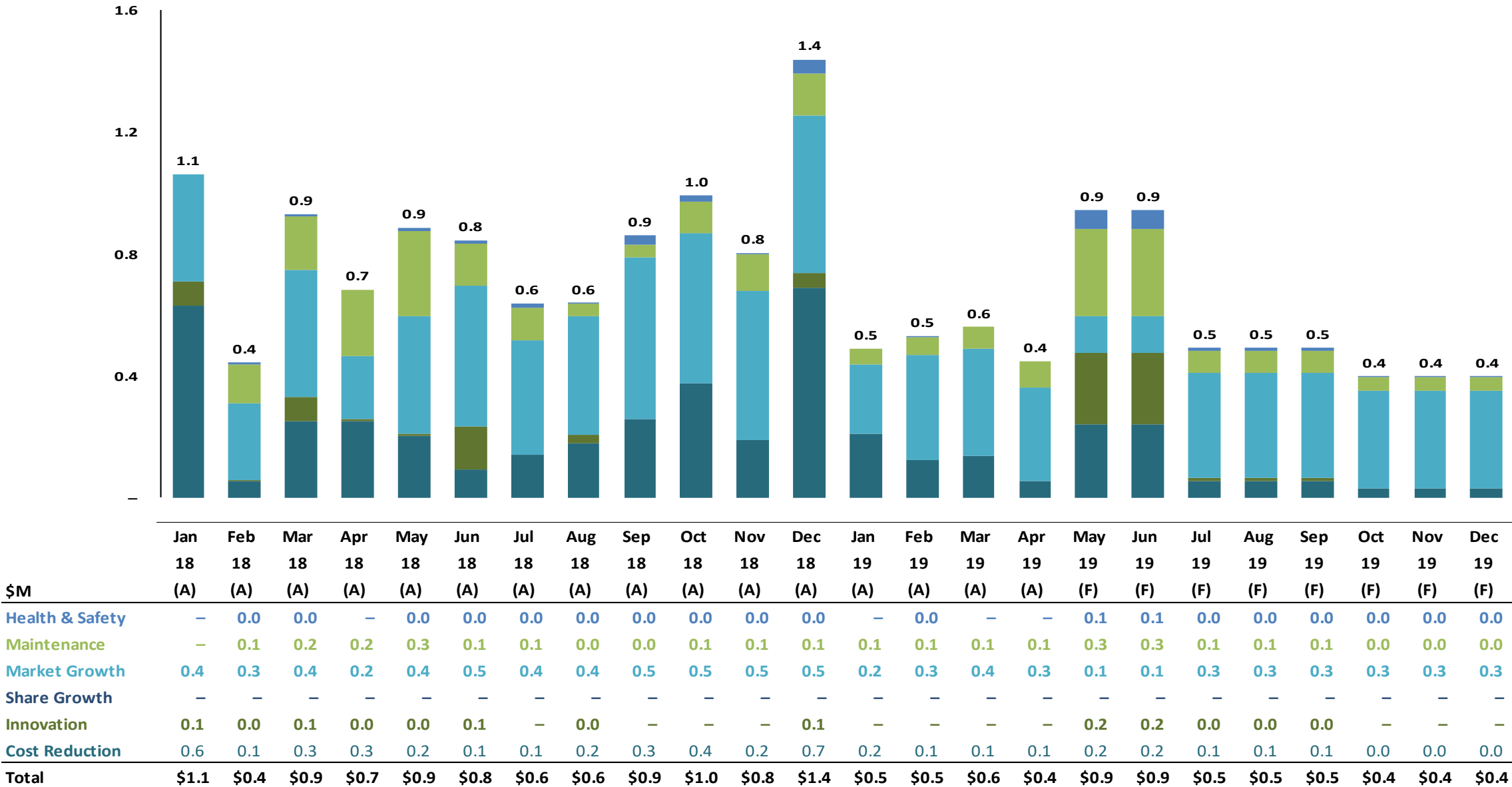
# Y-o-Y \$ EBITDA Change

\$ in millions



# Capital Expenditures

\$ in millions



# Headcount Trending by Month

| Month                  | Direct Labor | Indirect Labor - Hourly | Indirect Labor - Salary | Delivery & Dist. | Research & Development | Sales & Marketing | Administrative | Other | Total Permanent | Agency FTE & Temps | Total Headcount | Bud Headcount | Difference to Bud |
|------------------------|--------------|-------------------------|-------------------------|------------------|------------------------|-------------------|----------------|-------|-----------------|--------------------|-----------------|---------------|-------------------|
| 2019 January (A)       | 324          | 154                     | 81                      | 35               | 13                     | 26                | 59             | –     | 692             | 24                 | 716             | 780           | (64)              |
| 2019 February (A)      | 331          | 156                     | 81                      | 35               | 13                     | 26                | 60             | –     | 702             | 27                 | 729             | 802           | (73)              |
| 2019 March (A)         | 331          | 160                     | 81                      | 36               | 13                     | 26                | 62             | –     | 709             | 36                 | 745             | 802           | (57)              |
| 2019 April (A)         | 321          | 158                     | 81                      | 36               | 13                     | 25                | 61             | –     | 695             | 29                 | 724             | 813           | (89)              |
| 2019 May (F)           | 366          | 164                     | 88                      | 38               | 15                     | 29                | 59             | –     | 759             | 59                 | 818             | 818           | –                 |
| 2019 June (F)          | 366          | 164                     | 88                      | 38               | 15                     | 29                | 59             | –     | 759             | 73                 | 832             | 832           | –                 |
| 2019 July (F)          | 362          | 164                     | 88                      | 38               | 15                     | 30                | 59             | –     | 756             | 70                 | 826             | 826           | –                 |
| 2019 August (F)        | 362          | 164                     | 88                      | 38               | 15                     | 30                | 59             | –     | 756             | 69                 | 825             | 825           | –                 |
| 2019 September (F)     | 362          | 164                     | 88                      | 38               | 15                     | 30                | 59             | –     | 756             | 41                 | 797             | 797           | –                 |
| 2019 October (F)       | 357          | 164                     | 88                      | 37               | 15                     | 30                | 59             | –     | 750             | 47                 | 797             | 797           | –                 |
| 2019 November (F)      | 349          | 164                     | 88                      | 37               | 15                     | 30                | 59             | –     | 742             | 52                 | 794             | 794           | –                 |
| 2019 December (F)      | 349          | 164                     | 88                      | 37               | 15                     | 30                | 59             | –     | 742             | 40                 | 782             | 782           | –                 |
| <b>Final Headcount</b> | <b>349</b>   | <b>164</b>              | <b>88</b>               | <b>37</b>        | <b>15</b>              | <b>30</b>         | <b>59</b>      | –     | <b>742</b>      | <b>40</b>          | <b>782</b>      | <b>782</b>    | –                 |

## Management Discussion

- Net decrease of 21 employees in April (14 permanent and 7 temporary)
- Decrease primarily at Woodbridge, Delmont, Everett and Terrebonne in echoing the production slow-down across the plants

# Headcount Hires and Attrition

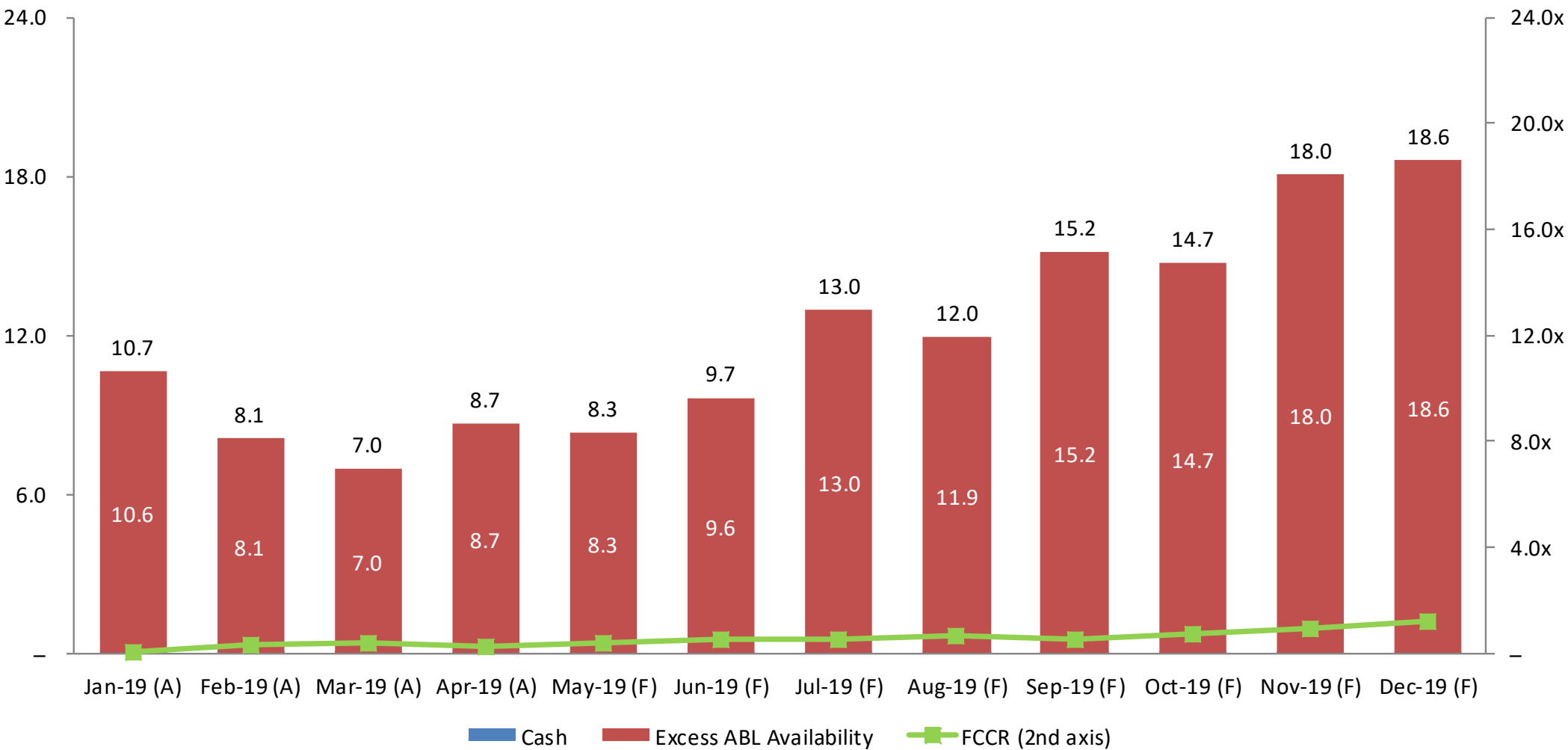
| Functional Area         | Start of Month | Hires     | Transfers  | Involuntary<br>Term | Voluntary Term | End of Month | Rfc Headcount | Difference to Rfc |
|-------------------------|----------------|-----------|------------|---------------------|----------------|--------------|---------------|-------------------|
| Direct Labor            | 331            | 6         | (4)        | (3)                 | (9)            | 321          | 362           | 41                |
| Indirect Labor - Hourly | 160            | 2         | (2)        | (1)                 | (1)            | 158          | 164           | 6                 |
| Indirect Labor - Salary | 81             |           |            |                     |                | 81           | 88            | 7                 |
| Delivery & Dist.        | 36             |           |            |                     |                | 36           | 38            | 2                 |
| Research & Development  | 13             |           | 1          | (1)                 |                | 13           | 15            | 2                 |
| Sales & Marketing       | 26             | 1         | (1)        |                     | (1)            | 25           | 29            | 4                 |
| Administrative          | 62             |           | (1)        |                     |                | 61           | 59            | (2)               |
| Other                   | -              |           |            |                     |                | -            | -             | -                 |
| Agency FTE & Temps      | 36             | 3         |            | (10)                |                | 29           | 58            | 29                |
| <b>Total</b>            | <b>745</b>     | <b>12</b> | <b>(7)</b> | <b>(15)</b>         | <b>(11)</b>    | <b>724</b>   | <b>813</b>    | <b>89</b>         |

## Management Discussion

- Research & Development – Promotion of Steve Bigras to a lab supervisor position, transferred from Sales & Marketing at Terrebonne
- Sales & Marketing at Terrebonne – resignation of Marie-Catherine Cusson in customer service
- Sales & Marketing at HO – hire of Martin St-Arnaud to support the sales team in Ontario and US regions
- Woodbridge – Termination of 6 temps
- Delmont – Hired 3 hourly but 5 left

# Liquidity Forecast

\$ in millions



**Executive Summary**

**Financial Review**

**Full Year Financial Outlook**

**Governance Reporting**

**Appendix**

**Business Unit Analysis**

**Woodbridge**

**Laval**

**Delmont**

**Everett**

**Terrebonne**

**Concord**

**Corporate**

**Plant Capacity Utilization**



# Woodbridge Summary P&L

| \$'000                             | MTD      |          | Var        |           | YTD        |           | Var        |          |
|------------------------------------|----------|----------|------------|-----------|------------|-----------|------------|----------|
|                                    | Act      | Bud      | \$         | %         | Act        | Bud       | \$         | %        |
| Units Produced ('000)              | 2,197    | 3,247    | (1,051)    | (32.3%)   | 9,817      | 11,527    | (1,711)    | (14.8%)  |
| Units Shipped ('000)               | 2,509    | 3,247    | (739)      | (22.7%)   | 9,076      | 11,127    | (2,051)    | (18.4%)  |
| Bookings (\$'000)                  | \$ 3,484 | \$ –     | \$ 3,484   | N/A       | \$ 11,648  | \$ –      | \$ 11,648  | N/A      |
| Backlog ('000)                     | \$ 2,276 | \$ –     | \$ 2,276   | N/A       | \$ 2,276   | \$ –      | \$ 2,276   | N/A      |
| Gross Revenue                      | \$ 3,432 | \$ 4,475 | \$ (1,043) | (23.3%)   | \$ 12,640  | \$ 15,362 | \$ (2,722) | (17.7%)  |
| Adj. to Gross Revenue              | (172)    | (255)    | 83         | (32.5%)   | (716)      | (832)     | 116        | (13.9%)  |
| Net Revenue                        | 3,260    | 4,220    | (960)      | (22.7%)   | 11,923     | 14,530    | (2,607)    | (17.9%)  |
| Material                           | 2,128    | 2,646    | (517)      | (19.6%)   | 7,569      | 9,174     | (1,605)    | (17.5%)  |
| Labor                              | 786      | 849      | (63)       | (7.4%)    | 3,040      | 3,133     | (93)       | (3.0%)   |
| Other COGS                         | 175      | 146      | 29         | 20.0%     | 251        | 478       | (228)      | (47.6%)  |
| Total COGS                         | 3,089    | 3,640    | (551)      | (15.1%)   | 10,859     | 12,785    | (1,926)    | (15.1%)  |
| Gross Margin                       | 171      | 580      | (409)      | (70.5%)   | 1,065      | 1,746     | (681)      | (39.0%)  |
| Gross Margin %                     | 5.2%     | 13.7%    |            |           | 8.9%       | 12.0%     |            |          |
| R&D                                | –        | –        | –          | N/A       | –          | –         | –          | N/A      |
| Sales & Marketing                  | 17       | 23       | (6)        | (26.4%)   | 70         | 91        | (21)       | (22.6%)  |
| Administrative                     | 308      | 327      | (20)       | (6.0%)    | 1,250      | 1,305     | (55)       | (4.2%)   |
| Other Opex                         | (18)     | (19)     | 1          | (6.9%)    | (47)       | (73)      | 25         | (35.1%)  |
| Total Opex                         | 307      | 332      | (24)       | (7.4%)    | 1,273      | 1,324     | (50)       | (3.8%)   |
| EBITDA                             | (136)    | 248      | (384)      | (154.9%)  | (209)      | 422       | (631)      | (149.5%) |
| EBITDA %                           | (4.2%)   | 5.9%     |            |           | (1.8%)     | 2.9%      |            |          |
| Net Income (Loss)                  | \$ (365) | \$ 18    | \$ (382)   | (2178.3%) | \$ (1,127) | \$ (494)  | \$ (633)   | 128.2%   |
| Capex                              | \$ (72)  | \$ (277) | \$ 205     | (74.0%)   | \$ (586)   | \$ (878)  | \$ 292     | (33.3%)  |
| <b>Opex Overview:</b>              |          |          |            |           |            |           |            |          |
| Payroll                            | \$ 47    | \$ 59    | \$ (12)    | (20.5%)   | \$ 200     | \$ 229    | \$ (28)    | (12.3%)  |
| Bonus                              | –        | –        | –          | N/A       | –          | –         | –          | N/A      |
| Commissions                        | –        | –        | –          | N/A       | –          | –         | –          | N/A      |
| Marketing                          | 6        | 10       | (4)        | (42.0%)   | 28         | 40        | (12)       | (30.1%)  |
| Benefits                           | –        | –        | –          | N/A       | –          | –         | –          | N/A      |
| Travel and entertainment           | –        | 0        | (0)        | (100.0%)  | –          | 0         | (0)        | (100.0%) |
| Rent and facilities                | –        | –        | –          | N/A       | –          | –         | –          | N/A      |
| Insurance                          | 3        | 4        | (1)        | (22.1%)   | 13         | 15        | (2)        | (13.6%)  |
| Professional fees                  | –        | –        | –          | N/A       | –          | 8         | (8)        | (100.0%) |
| Utilities, repair, maintenance, an | 4        | 2        | 1          | 54.6%     | 13         | 8         | 5          | 57.8%    |
| Corporate OH Fees                  | 266      | 274      | (8)        | (2.9%)    | 1,069      | 1,092     | (23)       | (2.1%)   |
| Bad Debts                          | (0)      | (0)      | 0          | (79.0%)   | (2)        | (2)       | 0          | (1.1%)   |
| FX                                 | 5        | –        | 5          | N/A       | 10         | –         | 10         | N/A      |
| JV Loss (Income)                   | (23)     | (19)     | (4)        | 20.7%     | (57)       | (73)      | 16         | (21.9%)  |
| Other Expenses                     | –        | 2        | (2)        | (100.0%)  | –          | 8         | (8)        | (100.0%) |
| Total Opex                         | \$ 307   | \$ 332   | \$ (24)    | (7.4%)    | \$ 1,273   | \$ 1,324  | \$ (50)    | (3.8%)   |

## Management Discussion

### Net Revenue – Apr-19: (\$960K):

- Sales volume down 22.7% or \$993k due to decreased demand (weather impact – snow/cold/rain) from All Weather, Vinylbilt, Seymour, Ventana, Vinyl-Pro, & Southern Glass; offset by higher than expected levels with Terrebonne, & Oran
- Lower return of products than budget by \$15k
- Favorable rebates/accruals \$62k primarily due to lower sales volume
- Favorable product/customer mix of \$46k driven by price increase to the JV of \$55k and customer/product mix (lower sales volumes to Vinylbilt and All Weather which have a lower ASP)
- Unfavorable F/X of \$91k (actual rate of 1.3378 [or \$USD 0.7475] vs. 1.30 [or \$USD 0.7692])

### EBITDA – Apr-19: (\$384K):

- Material COGS:** Decreased costs by \$517k driven by lower sales volumes \$602k; offset by increased finished goods scrap \$32k (Joint Venture pitting) and increase compound pricing for the JV material \$52k (offset above in sales mix)
- Labor COGS:** Decreased costs by \$63k driven by favorable F/X of \$24k, lower production volumes (decrease of 32.3%) \$158k; offset by inefficiencies due to start-up and additional overtime to support tooling/maintenance activities \$119k
- Other COGS:** Increased costs by \$29k driven by increased net absorption \$177k (lower demand); offset by increased tooling recovery \$24k, utilities adjustment \$56k (PM over accrual), premise cost refund \$40k and lower factory & maintenance expenses \$19k (volume driven)
- Sales and Marketing:** Decreased costs by \$6k due to lower royalties
- Administrative:** Decreased costs of \$20k driven by favorable F/X of \$9k and 1 less headcount than budgeted
- Other Opex:** In line with budget

Key Customers – Gross Sales and Gross Margin %: Woodbridge

|                               | Gross Sales (\$'000) |       |     |       |        |         |          |     |       |    |         |          |        |        | Gross Margin % |        |     |         |         |    |        |     |         |         |         |         |         |          |         |         |          |         |         |       |         |         |         |          |
|-------------------------------|----------------------|-------|-----|-------|--------|---------|----------|-----|-------|----|---------|----------|--------|--------|----------------|--------|-----|---------|---------|----|--------|-----|---------|---------|---------|---------|---------|----------|---------|---------|----------|---------|---------|-------|---------|---------|---------|----------|
|                               | MTD                  |       | Var |       | PY-MTD |         | Var      |     | YTD   |    | Var     |          | PY-YTD |        | Var            |        | MTD |         | Var     |    | PY-MTD |     | Var     |         | YTD     |         | Var     |          | PY-YTD  |         | Var      |         |         |       |         |         |         |          |
|                               | Act                  | Bud   | \$  | %     | Act    | \$      | %        | Act | Bud   | \$ | %       | Act      | \$     | %      | Act            | \$     | %   | Act     | Bud     | BP | %      | Act | BP      | %       | Act     | Bud     | BP      | %        | Act     | BP      | %        |         |         |       |         |         |         |          |
| Customer:                     |                      |       |     |       |        |         |          |     |       |    |         |          |        |        |                |        |     |         |         |    |        |     |         |         |         |         |         |          |         |         |          |         |         |       |         |         |         |          |
| ROYAL VINYL BILT LIMITED      | \$                   | 836   | \$  | 929   | \$     | (92)    | (9.9%)   | \$  | 868   | \$ | (31)    | (3.6%)   | \$     | 3,178  | \$             | 3,516  | \$  | (338)   | (9.6%)  | \$ | 3,562  | \$  | (384)   | (10.8%) | 10.4%   | 10.4%   | (0)     | (0.0%)   | 7.9%    | 250     | 31.6%    | 10.9%   | 10.4%   | 46    | 4.5%    | 7.9%    | 296     | 37.5%    |
| QUAKER WINDOW PRODUCTS        |                      | 410   |     | 471   |        | (61)    | (13.0%)  |     | 402   |    | 7       | 1.8%     |        | 1,540  |                | 1,916  |     | (376)   | (19.6%) |    | 1,637  |     | (97)    | (5.9%)  | 11.0%   | 11.0%   | -       | 0.0%     | 8.5%    | 250     | 29.3%    | 12.3%   | 11.0%   | 130   | 11.8%   | 8.5%    | 380     | 44.6%    |
| ALL WEATHER WIN. LTD-EDMO     |                      | 196   |     | 585   |        | (389)   | (66.5%)  |     | 183   |    | 13      | 7.3%     |        | 860    |                | 1,974  |     | (1,114) | (56.4%) |    | 630    |     | 230     | 36.6%   | 19.7%   | 19.7%   | 0       | 0.0%     | 17.2%   | 250     | 14.6%    | 29.0%   | 19.7%   | 935   | 47.6%   | 17.2%   | 1,185   | 69.1%    |
| VINYL BILT WINDOWS & DOORS CC |                      | 144   |     | 305   |        | (161)   | (52.8%)  |     | 417   |    | (273)   | (65.4%)  |        | 510    |                | 879    |     | (369)   | (42.0%) |    | 1,218  |     | (708)   | (58.1%) | (18.0%) | (18.0%) | -       | 0.0%     | (20.5%) | 250     | (12.2%)  | (22.2%) | (18.0%) | (425) | 23.7%   | (20.5%) | (175)   | 8.6%     |
| VINYL PRO WINDOW SYSTEMS      |                      | 320   |     | 401   |        | (81)    | (20.2%)  |     | 409   |    | (89)    | (21.8%)  |        | 759    |                | 767    |     | (8)     | (1.0%)  |    | 793    |     | (33)    | (4.2%)  | 8.2%    | 8.2%    | (0)     | (0.0%)   | 5.7%    | 250     | 44.0%    | 7.7%    | 8.2%    | (50)  | (6.1%)  | 5.7%    | 200     | 35.2%    |
| WINDSOR WINDOW CO             |                      | 286   |     | 278   |        | 8       | 2.8%     |     | 283   |    | 3       | 1.2%     |        | 1,047  |                | 949    |     | 97      | 10.3%   |    | 967    |     | 80      | 8.2%    | 23.6%   | 24.1%   | (52)    | (2.1%)   | 21.5%   | 210     | 9.8%     | 22.1%   | 23.8%   | (177) | (7.4%)  | 20.3%   | 174     | 8.5%     |
| DASHWOOD INDUSTRIES LTD.      |                      | 141   |     | 185   |        | (44)    | (23.9%)  |     | 194   |    | (53)    | (27.5%)  |        | 513    |                | 670    |     | (157)   | (23.4%) |    | 708    |     | (195)   | (27.5%) | 17.8%   | 17.8%   | -       | 0.0%     | 15.3%   | 250     | 16.3%    | 20.1%   | 17.8%   | 227   | 12.8%   | 15.3%   | 477     | 31.1%    |
| OSTACO 2000 WINDOORS INC      |                      | 83    |     | 53    |        | 30      | 57.4%    |     | 52    |    | 31      | 60.1%    |        | 350    |                | 501    |     | (151)   | (30.2%) |    | 495    |     | (145)   | (29.3%) | 13.8%   | 13.8%   | -       | 0.0%     | 11.3%   | 250     | 22.0%    | 17.9%   | 13.8%   | 408   | 29.4%   | 11.3%   | 658     | 58.0%    |
| ALLSCO BLDG SUPPLIES LTD      |                      | 145   |     | 122   |        | 23      | 19.2%    |     | 126   |    | 20      | 15.5%    |        | 417    |                | 346    |     | 71      | 20.5%   |    | 363    |     | 54      | 14.9%   | (18.0%) | (18.0%) | -       | 0.0%     | 3.9%    | (2,195) | (555.9%) | (16.8%) | (18.0%) | 124   | (6.9%)  | 3.9%    | (2,070) | (524.4%) |
| TERREBONNE                    |                      | 119   |     | 156   |        | (38)    | (24.2%)  |     | 212   |    | (94)    | (44.2%)  |        | 510    |                | 362    |     | 148     | 41.0%   |    | 648    |     | (138)   | (21.3%) | (6.3%)  | (6.3%)  | -       | 0.0%     | (8.8%)  | 250     | (28.5%)  | (5.0%)  | (6.3%)  | 130   | (20.7%) | (8.8%)  | 380     | (43.2%)  |
| PGT INDUSTRIES                |                      | 91    |     | 95    |        | (4)     | (4.3%)   |     | 114   |    | (23)    | (20.3%)  |        | 396    |                | 343    |     | 52      | 15.2%   |    | 194    |     | 202     | 104.2%  | 0.0%    | 0.0%    | -       | N/A      | 6.3%    | (626)   | (100.0%) | 0.0%    | 0.0%    | -     | N/A     | 6.3%    | (626)   | (100.0%) |
| VENTANA WINDOWS & DOORS INC   |                      | -     |     | 73    |        | (73)    | (100.0%) |     | 55    |    | (55)    | (100.0%) |        | 59     |                | 265    |     | (206)   | (77.8%) |    | 196    |     | (137)   | (70.0%) | #DIV/0! | 15.9%   | -       | #VALUE!  | 13.4%   | NA      | #VALUE!  | 33.8%   | 15.9%   | 1,790 | 112.6%  | 13.4%   | 2,040   | 152.2%   |
| CLERA                         |                      | 10    |     | 40    |        | (30)    | (75.8%)  |     | 52    |    | (42)    | (81.3%)  |        | 213    |                | 308    |     | (95)    | (30.9%) |    | 371    |     | (158)   | (42.5%) | 18.9%   | 18.9%   | -       | 0.0%     | 16.4%   | 250     | 15.3%    | 21.8%   | 18.9%   | 295   | 15.6%   | 16.4%   | 545     | 33.3%    |
| SEYMOUR WINDOWS LTD.          |                      | 51    |     | 141   |        | (90)    | (63.9%)  |     | 146   |    | (96)    | (65.3%)  |        | 175    |                | 210    |     | (35)    | (16.5%) |    | 222    |     | (46)    | (20.9%) | 19.6%   | 19.6%   | -       | 0.0%     | 17.1%   | 250     | 14.6%    | 16.0%   | 19.6%   | (361) | (18.4%) | 17.1%   | (111)   | (6.5%)   |
| WARDCO WINDOW & DOOR MFG INC  |                      | 50    |     | 67    |        | (17)    | (24.8%)  |     | 74    |    | (24)    | (32.5%)  |        | 181    |                | 216    |     | (35)    | (16.3%) |    | 245    |     | (64)    | (26.2%) | 34.7%   | 34.7%   | -       | 0.0%     | 32.2%   | 250     | 7.8%     | 36.8%   | 34.7%   | 210   | 6.0%    | 32.2%   | 460     | 14.3%    |
| CENTENNIAL WINDOWS LTD        |                      | 114   |     | 77    |        | 37      | 48.1%    |     | 81    |    | 33      | 40.6%    |        | 204    |                | 322    |     | (118)   | (36.6%) |    | 338    |     | (134)   | (39.6%) | 39.6%   | 39.6%   | 0       | 0.0%     | 37.1%   | 250     | 6.7%     | 60.3%   | 39.6%   | 2,075 | 52.4%   | 37.1%   | 2,325   | 62.7%    |
| MASON WINDOWS                 |                      | 33    |     | 39    |        | (7)     | (17.1%)  |     | 40    |    | (7)     | (17.8%)  |        | 124    |                | 154    |     | (31)    | (19.8%) |    | 159    |     | (35)    | (22.2%) | 8.0%    | 8.0%    | -       | 0.0%     | 8.0%    | -       | 0.0%     | 8.9%    | 8.0%    | 89    | 11.1%   | 8.0%    | 89      | 11.1%    |
| GREAT LAKES WINDOW INC.       |                      | 6     |     | 12    |        | (6)     | (50.5%)  |     | 9     |    | (3)     | (30.0%)  |        | 75     |                | 165    |     | (90)    | (54.7%) |    | 117    |     | (42)    | (35.9%) | 8.0%    | 8.0%    | -       | 0.0%     | 8.0%    | -       | 0.0%     | 12.7%   | 8.0%    | 469   | 58.6%   | 8.0%    | 469     | 58.6%    |
| ORAN LTD.                     |                      | 77    |     | -     |        | 77      | N/A      |     | -     |    | 77      | N/A      |        | 77     |                | 209    |     | (131)   | (62.9%) |    | 217    |     | (140)   | (64.4%) | 8.0%    | #DIV/0! | -       | #DIV/0!  | #DIV/0! | NA      | #DIV/0!  | 29.6%   | 8.0%    | 2,158 | 269.7%  | 8.0%    | 2,158   | 269.7%   |
| INTEGRAL WINDOW SYSTEMS       |                      | 34    |     | 32    |        | 2       | 5.8%     |     | 36    |    | (3)     | (7.1%)   |        | 84     |                | 95     |     | (11)    | (11.3%) |    | 109    |     | (25)    | (23.0%) | 8.0%    | 8.0%    | -       | 0.0%     | 8.0%    | -       | 0.0%     | 8.0%    | 8.0%    | -     | 0.0%    | 8.0%    | -       | 0.0%     |
| Other                         |                      | 287   |     | 413   |        | (126)   | (30.4%)  |     | 923   |    | (636)   | (68.9%)  |        | 1,368  |                | 1,193  |     | 175     | 14.6%   |    | 3,861  |     | (2,493) | (64.6%) | (54.6%) | 37.6%   | (9,219) | (245.0%) | 7.4%    | (6,193) | (840.1%) | (2.1%)  | (51.7%) | 4,957 | (96.0%) | (20.7%) | 1,857   | (89.9%)  |
| Total Gross                   | \$                   | 3,432 | \$  | 4,475 | \$     | (1,043) | (23.3%)  | \$  | 4,676 | \$ | (1,244) | (26.6%)  | \$     | 12,640 | \$             | 15,362 | \$  | (2,722) | (17.7%) | \$ | 17,051 | \$  | (4,411) | (25.9%) | 5.0%    | 13.0%   | (797)   | (61.5%)  | 7.1%    | (211)   | (29.8%)  | 10.3%   | 6.7%    | 369   | 55.5%   | 1.4%    | 893     | 630.4%   |

Management Discussion

- All Weather – Behind in sales vs Budget due to slow sales following new product launches in Q4-2018, caused by a general slow sales seen in the market and weather.
- Vinylbilt – loss of major customer
- Ventana – Business closing down

# Key Performance Indicators - Woodbridge

| ENERGI Woodbridge January KPI Report          | 2019 Targets | Jan-19   | Feb-19   | Mar-19   | Apr-19      | YTD 2019 |
|---|--------------|----------|----------|----------|-------------|----------|
| <b>Health &amp; Safety</b>                    |              |          |          |          |             |          |
| <i>Recordable Incidents</i>                   | 0            | 0        | 0        | 0        | 0           | 0        |
| <i>TRIR (Total Recordable Incident Rate)</i>  | <1           | 0.46     | 0.47     | 0.48     | 0.49        | 0.48     |
| <b>Quality Performance</b>                    |              |          |          |          |             |          |
| <i>Customer Complaints - per MLBS</i>         | 3.2          | 2.61     | 2.26     | 3.02     | 3.076923077 | 3        |
| <i>Return as % of sales</i>                   | 0.30%        | 1.49%    | 0.53%    | 0.25%    | 0.01%       | 0.55%    |
| <b>Delivery Performance</b>                   |              |          |          |          |             |          |
| <i>% on time in full</i>                      | 95.00%       | 99.56%   | 98.80%   | 99%      | 98%         | 99%      |
| <i>% by line items</i>                        | 99.00%       | 99.56%   | 98.80%   | 99%      | 98%         | 99%      |
| <b>Costs</b>                                  |              |          |          |          |             |          |
| <i>Yield</i>                                  | 85.7%        | 85%      | 85%      | 85%      | 84%         | 85%      |
| <i>Alt/Regrind Compound Consumption Ratio</i> | 19.9%        | 17%      | 20%      | 20%      | 18%         | 19%      |
| <i>Direct Labour \$/lb produced</i>           | \$0.167      | \$ 0.173 | \$ 0.175 | \$ 0.161 | \$ 0.202    | \$ 0.176 |
| <b>Inventory</b>                              |              |          |          |          |             |          |
| <i>Days - TTM (Trailing 12 Months)</i>        | 54.1         | 57       | 59       | 62       | 64          | 58       |

## Comments

**Safety:** no recordables to report

**Costs:** Combination of new parts / new tools / small batch sizes

Higher % of mix of JV with lower % Regrind use, no regrind use in small parts and discipline in optimizing use of regrind on larger parts

Lower yield, higher OT to produce problem parts, many false starts

**Inventory:** Inventory has strategically been increase to address the upcoming surge demand without increasing head count and meeting customer delivery schedules

# Full Year Woodbridge P&L Summary

| \$'000                                       | FY         |            | Var        |         | PY         |            | Var      |  |
|--|------------|------------|------------|---------|------------|------------|----------|--|
|  | Fcst       | Bud        | \$         | %       | Act        | \$         | %        |  |
| Units Produced ('000)                        | 35,570     | 37,280     | (1,711)    | (4.6%)  | 37,118     | (1,549)    | (4.2%)   |  |
| Units Shipped ('000)                         | 35,180     | 37,230     | (2,051)    | (5.5%)  | 36,738     | (1,558)    | (4.2%)   |  |
| Bookings (\$'000)                            | \$ 45,640  | \$ –       | \$ 45,640  | N/A     | \$ 50,018  | \$ (4,379) | (8.8%)   |  |
| Backlog (\$'000)                             | \$ 2,119   | \$ –       | \$ 2,119   | N/A     | \$ 3,634   | \$ (1,515) | (41.7%)  |  |
| Gross Revenue                                | \$ 49,023  | \$ 51,746  | \$ (2,722) | (5.3%)  | \$ 52,687  | \$ (3,664) | (7.0%)   |  |
| Adj. to Gross Revenue                        | (3,068)    | (3,183)    | 116        | (3.6%)  | (2,920)    | (147)      | 5.0%     |  |
| Net Revenue                                  | 45,956     | 48,563     | (2,607)    | (5.4%)  | 49,767     | (3,811)    | (7.7%)   |  |
| Material                                     | 28,964     | 30,569     | (1,605)    | (5.3%)  | 32,620     | (3,657)    | (11.2%)  |  |
| Labor  | 9,867      | 9,960      | (93)       | (0.9%)  | 10,973     | (1,106)    | (10.1%)  |  |
| Other COGS                                   | 1,720      | 1,948      | (228)      | (11.7%) | 1,960      | (240)      | (12.2%)  |  |
| Total COGS                                   | 40,550     | 42,476     | (1,926)    | (4.5%)  | 45,553     | (5,003)    | (11.0%)  |  |
| Gross Margin                                 | 5,405      | 6,087      | (681)      | (11.2%) | 4,214      | 1,191      | 28.3%    |  |
| Gross Margin %                               | 11.8%      | 12.5%      |            |         | 8.5%       |            |          |  |
| R&D  | –          | –          | –          | N/A     | –          | –          | N/A      |  |
| Sales & Marketing                            | 289        | 309        | (21)       | (6.6%)  | 291        | (2)        | (0.7%)   |  |
| Administrative                               | 3,899      | 3,954      | (55)       | (1.4%)  | 4,006      | (107)      | (2.7%)   |  |
| Other Opex                                   | (203)      | (228)      | 25         | (11.2%) | (165)      | (38)       | 23.1%    |  |
| Total Opex                                   | 3,985      | 4,036      | (50)       | (1.2%)  | 4,133      | (147)      | (3.6%)   |  |
| EBITDA                                       | 1,420      | 2,051      | (631)      | (30.8%) | 81         | 1,339      | 1645.3%  |  |
| EBITDA %                                     | 3.1%       | 4.2%       |            |         | 0.2%       |            |          |  |
| Net Income (Loss)                            | \$ (1,371) | \$ (738)   | \$ (633)   | 85.8%   | \$ (2,405) | \$ 1,034   | (43.0%)  |  |
| Capex  | \$ (586)   | \$ (1,365) | \$ 780     | (57.1%) | \$ (3,745) | \$ 3,159   | (84.4%)  |  |
| <b>Opex Overview:</b>                        |            |            |            |         |            |            |          |  |
| Payroll                                      | \$ 701     | \$ 729     | \$ (28)    | (3.9%)  | \$ 759     | \$ (58)    | (7.7%)   |  |
| Bonus  | –          | –          | –          | N/A     | –          | –          | N/A      |  |
| Commissions                                  | –          | –          | –          | N/A     | –          | –          | N/A      |  |
| Marketing                                    | 107        | 119        | (12)       | (10.0%) | 115        | (7)        | (6.4%)   |  |
| Benefits                                     | –          | –          | –          | N/A     | –          | –          | N/A      |  |
| Travel and entertainment                     | 7          | 7          | (0)        | (0.2%)  | 10         | (3)        | (29.7%)  |  |
| Rent and facilities                          | –          | –          | –          | N/A     | –          | –          | N/A      |  |
| Insurance                                    | 47         | 49         | (2)        | (4.1%)  | 47         | 0          | 0.2%     |  |
| Professional fees                            | 23         | 31         | (8)        | (25.0%) | 36         | (13)       | (35.8%)  |  |
| Utilities, repair, maintenance, and security | 31         | 27         | 5          | 17.3%   | 26         | 5          | 20.4%    |  |
| Corporate OH Fees                            | 3,258      | 3,281      | (23)       | (0.7%)  | 3,299      | (41)       | (1.2%)   |  |
| Bad Debts                                    | (5)        | (5)        | 0          | (0.4%)  | (13)       | 8          | (63.8%)  |  |
| FX   | 10         | –          | 10         | N/A     | (82)       | 91         | (111.7%) |  |
| JV Loss (Income)                             | (212)      | (228)      | 16         | (7.0%)  | (83)       | (129)      | 156.5%   |  |
| Other Expenses                               | 18         | 25         | (8)        | (29.9%) | 21         | (3)        | (16.2%)  |  |
| Total Opex                                   | \$ 3,985   | \$ 4,036   | \$ (50)    | (1.2%)  | \$ 4,136   | \$ (150)   | (3.6%)   |  |

Key Customers – Full Year Woodbridge

|                               | Gross Sales (\$'000) |        |    |        |     |         |         |    |        | Gross Margin % |         |         |         |         |       |          |         |         |          |
|-------------------------------|----------------------|--------|----|--------|-----|---------|---------|----|--------|----------------|---------|---------|---------|---------|-------|----------|---------|---------|----------|
|                               | FY                   |        | FY |        | Var |         | PY      |    | Var    |                | FY      | FY      | Var     |         | PY    | Var      |         |         |          |
|                               | Fcst                 | Bud    | \$ | %      | Act | \$      | %       |    |        | Fcst           | Bud     | BPs     | %       | Act     | BPs   | %        |         |         |          |
| <b>Customer:</b>              |                      |        |    |        |     |         |         |    |        |                |         |         |         |         |       |          |         |         |          |
| ROYAL VINYL BILT LIMITED      | \$                   | 10,718 | \$ | 11,057 | \$  | (338)   | (3.1%)  | \$ | 10,577 | \$             | 141     | 1.3%    | 10.3%   | 10.1%   | 18    | 1.8%     | 7.9%    | 237     | 29.9%    |
| QUAKER WINDOW PRODUCTS        |                      | 5,651  |    | 6,028  |     | (376)   | (6.2%)  |    | 5,345  |                | 306     | 5.7%    | 11.2%   | 10.8%   | 40    | 3.7%     | 8.5%    | 267     | 31.4%    |
| ALL WEATHER WIN. LTD-EDMO     |                      | 4,200  |    | 5,314  |     | (1,114) | (21.0%) |    | 2,047  |                | 2,153   | 105.2%  | 22.3%   | 19.4%   | 289   | 14.9%    | 17.2%   | 513     | 29.9%    |
| VINYL BILT WINDOWS & DOORS CC |                      | 3,410  |    | 3,779  |     | (369)   | (9.8%)  |    | 4,689  |                | (1,279) | (27.3%) | (16.0%) | (15.2%) | (79)  | 5.2%     | (20.5%) | 449     | (22.0%)  |
| VINYL PRO WINDOW SYSTEMS      |                      | 3,579  |    | 3,587  |     | (8)     | (0.2%)  |    | 3,893  |                | (314)   | (8.1%)  | 6.0%    | 6.0%    | 0     | 0.1%     | 5.7%    | 30      | 5.2%     |
| WINDSOR WINDOW CO             |                      | 3,807  |    | 3,710  |     | 97      | 2.6%    |    | 3,491  |                | 316     | 9.1%    | 20.8%   | 21.3%   | (44)  | (2.1%)   | 19.0%   | 188     | 9.9%     |
| DASHWOOD INDUSTRIES LTD.      |                      | 2,734  |    | 2,891  |     | (157)   | (5.4%)  |    | 2,976  |                | (242)   | (8.1%)  | 16.3%   | 15.8%   | 47    | 3.0%     | 15.3%   | 97      | 6.4%     |
| OSTACO 2000 WINDOORS INC      |                      | 1,760  |    | 1,911  |     | (151)   | (7.9%)  |    | 1,810  |                | (50)    | (2.8%)  | 14.4%   | 13.7%   | 69    | 5.0%     | 11.3%   | 305     | 26.9%    |
| ALLSCO BLDG SUPPLIES LTD      |                      | 1,651  |    | 1,580  |     | 71      | 4.5%    |    | 1,520  |                | 131     | 8.6%    | (14.2%) | (14.5%) | 26    | (1.8%)   | 3.9%    | (1,816) | (459.9%) |
| TERREBONNE                    |                      | 1,346  |    | 1,197  |     | 148     | 12.4%   |    | 1,510  |                | (164)   | (10.8%) | (4.9%)  | (5.2%)  | 24    | (4.7%)   | (8.8%)  | 385     | (43.8%)  |
| PGT INDUSTRIES                |                      | 1,167  |    | 1,115  |     | 52      | 4.7%    |    | 954    |                | 212     | 22.2%   | 0.0%    | 0.0%    | –     | N/A      | 6.3%    | (626)   | (100.0%) |
| VENTANA WINDOWS & DOORS IN    |                      | 655    |    | 861    |     | (206)   | (24.0%) |    | 754    |                | (99)    | (13.2%) | 17.9%   | 15.2%   | 274   | 18.0%    | 13.4%   | 453     | 33.8%    |
| CLERA                         |                      | 726    |    | 821    |     | (95)    | (11.6%) |    | 969    |                | (243)   | (25.1%) | 22.2%   | 20.5%   | 163   | 7.9%     | 16.4%   | 581     | 35.5%    |
| SEYMOUR WINDOWS LTD.          |                      | 756    |    | 791    |     | (35)    | (4.4%)  |    | 822    |                | (66)    | (8.1%)  | 14.3%   | 14.0%   | 22    | 1.6%     | 17.1%   | (282)   | (16.5%)  |
| WARDCO WINDOW & DOOR MFG      |                      | 698    |    | 733    |     | (35)    | (4.8%)  |    | 874    |                | (177)   | (20.2%) | 33.0%   | 32.1%   | 87    | 2.7%     | 32.2%   | 77      | 2.4%     |
| CENTENNIAL WINDOWS LTD        |                      | 515    |    | 633    |     | (118)   | (18.6%) |    | 717    |                | (203)   | (28.2%) | 57.4%   | 49.3%   | 807   | 16.4%    | 37.1%   | 2,032   | 54.8%    |
| MASON WINDOWS                 |                      | 431    |    | 462    |     | (31)    | (6.6%)  |    | 449    |                | (18)    | (4.1%)  | 8.4%    | 8.1%    | 34    | 4.2%     | 8.0%    | 43      | 5.3%     |
| GREAT LAKES WINDOW INC.       |                      | 309    |    | 400    |     | (90)    | (22.6%) |    | 364    |                | (54)    | (14.9%) | 10.7%   | 9.1%    | 160   | 17.6%    | 8.0%    | 269     | 33.6%    |
| ORAN LTD.                     |                      | 225    |    | 357    |     | (131)   | (36.8%) |    | 517    |                | (292)   | (56.4%) | 15.1%   | 11.0%   | 409   | 37.1%    | 8.0%    | 711     | 88.9%    |
| INTEGRAL WINDOW SYSTEMS       |                      | 297    |    | 308    |     | (11)    | (3.5%)  |    | 315    |                | (18)    | (5.6%)  | 8.0%    | 8.0%    | –     | 0.0%     | 8.0%    | (0)     | (0.0%)   |
| Other                         |                      | 4,387  |    | 4,212  |     | 175     | 4.1%    |    | 8,091  |                | (3,704) | (45.8%) | 23.5%   | (30.4%) | 5,387 | (177.2%) | 10.5%   | 1,292   | 122.5%   |
| Total Gross                   | \$                   | 49,023 | \$ | 51,746 | \$  | (2,722) | (5.3%)  | \$ | 52,687 | \$             | (3,664) | (7.0%)  | 11.8%   | 6.7%    | 510   | 76.3%    | 8.0%    | 378     | 47.3%    |

# Laval Summary P&L

| \$'000                              | MTD      |          | Var      |         | YTD      |           | Var      |         |
|-------------------------------------|----------|----------|----------|---------|----------|-----------|----------|---------|
|                                     | Act      | Bud      | \$       | %       | Act      | Bud       | \$       | %       |
| Units Produced ('000)               | 1,701    | 1,721    | (20)     | (1.2%)  | 6,197    | 5,986     | 212      | 3.5%    |
| Units Shipped ('000)                | 1,679    | 1,919    | (240)    | (12.5%) | 5,266    | 5,540     | (274)    | (4.9%)  |
| Bookings (\$'000)                   | \$ 3,273 | \$ —     | \$ 3,273 | N/A     | \$ 9,424 | \$ —      | \$ 9,424 | N/A     |
| Backlog (\$'000)                    | \$ 3,232 | \$ —     | \$ 3,232 | N/A     | \$ 3,232 | \$ —      | \$ 3,232 | N/A     |
| Gross Revenue                       | \$ 3,016 | \$ 3,602 | \$ (586) | (16.3%) | \$ 9,403 | \$ 10,313 | \$ (910) | (8.8%)  |
| Adj. to Gross Revenue               | (269)    | (276)    | 7        | (2.5%)  | (702)    | (747)     | 45       | (6.0%)  |
| Net Revenue                         | 2,747    | 3,326    | (580)    | (17.4%) | 8,701    | 9,566     | (865)    | (9.0%)  |
| Material                            | 1,325    | 1,536    | (211)    | (13.7%) | 3,951    | 4,433     | (483)    | (10.9%) |
| Labor                               | 421      | 541      | (120)    | (22.1%) | 1,831    | 1,982     | (151)    | (7.6%)  |
| Other COGS                          | 153      | 279      | (125)    | (45.0%) | 273      | 456       | (183)    | (40.2%) |
| Total COGS                          | 1,899    | 2,355    | (456)    | (19.3%) | 6,055    | 6,872     | (817)    | (11.9%) |
| Gross Margin                        | 847      | 971      | (124)    | (12.8%) | 2,646    | 2,695     | (49)     | (1.8%)  |
| Gross Margin %                      | 30.8%    | 29.2%    |          |         | 30.4%    | 28.2%     |          |         |
| R&D                                 | —        | —        | —        | N/A     | —        | —         | —        | N/A     |
| Sales & Marketing                   | 158      | 164      | (6)      | (3.8%)  | 531      | 584       | (53)     | (9.1%)  |
| Administrative                      | 247      | 250      | (3)      | (1.1%)  | 985      | 1,007     | (22)     | (2.2%)  |
| Other Opex                          | (1)      | —        | (1)      | N/A     | (7)      | —         | (7)      | N/A     |
| Total Opex                          | 404      | 414      | (10)     | (2.5%)  | 1,509    | 1,591     | (83)     | (5.2%)  |
| EBITDA                              | 444      | 557      | (114)    | (20.4%) | 1,137    | 1,103     | 34       | 3.1%    |
| EBITDA %                            | 16.1%    | 16.8%    |          |         | 13.1%    | 11.5%     |          |         |
| Net Income (Loss)                   | \$ 346   | \$ 438   | \$ (93)  | (21.1%) | \$ 695   | \$ 643    | \$ 52    | 8.1%    |
| Capex                               | \$ (88)  | \$ (148) | \$ 60    | (40.3%) | \$ (345) | \$ (522)  | \$ 177   | (34.0%) |
| <b>Opex Overview:</b>               |          |          |          |         |          |           |          |         |
| Payroll                             | \$ 111   | \$ 114   | \$ (3)   | (3.0%)  | \$ 422   | \$ 446    | \$ (24)  | (5.4%)  |
| Bonus                               | —        | —        | —        | N/A     | —        | —         | —        | N/A     |
| Commissions                         | —        | —        | —        | N/A     | —        | —         | —        | N/A     |
| Marketing                           | 74       | 77       | (3)      | (3.5%)  | 203      | 240       | (38)     | (15.7%) |
| Benefits                            | —        | —        | —        | N/A     | —        | —         | —        | N/A     |
| Travel and entertainment            | 3        | 2        | 0        | 9.7%    | 13       | 10        | 3        | 27.0%   |
| Rent and facilities                 | —        | —        | —        | N/A     | —        | —         | —        | N/A     |
| Insurance                           | 5        | 5        | 0        | 1.3%    | 21       | 19        | 2        | 9.8%    |
| Professional fees                   | 7        | 7        | 1        | 11.0%   | 23       | 26        | (3)      | (13.0%) |
| Utilities, repair, maintenance, and | 5        | 3        | 2        | 54.4%   | 27       | 25        | 2        | 9.3%    |
| Corporate OH Fees                   | 175      | 182      | (6)      | (3.5%)  | 705      | 726       | (21)     | (2.9%)  |
| Bad Debts                           | —        | —        | —        | N/A     | —        | —         | —        | N/A     |
| FX                                  | (1)      | —        | (1)      | N/A     | (7)      | —         | (7)      | N/A     |
| JV Loss (Income)                    | —        | —        | —        | N/A     | —        | —         | —        | N/A     |
| Other Expenses                      | 25       | 25       | 1        | 2.4%    | 104      | 99        | 5        | 4.8%    |
| Total Opex                          | \$ 404   | \$ 414   | \$ (10)  | (2.5%)  | \$ 1,509 | \$ 1,591  | \$ (83)  | (5.2%)  |

## Management Discussion

### Net Revenue – Apr-19: (\$580K):

- Sales volume down 12.5% or \$454k due to decreased volume (weather conditions) to Extreme, Dalmen, Atlantic Windows and Schluter.
- Favorable rebates/discounts of \$8k related to lower cash discounts (driven by lower sales volumes)
- Unfavorable mix impact of \$59k primarily driven by customer mix: ATIS Group, Terrebonne & Gentek.
- Unfavorable F/X of \$75k (actual rate of 1.3378 [or \$USD 0.7475] vs. 1.30 [or \$USD 0.7692])

### EBITDA – Apr-19: (\$114K):

- Material COGS:** Decrease in costs by \$211k driven by decreased sales volume of \$198k and improved yields \$24k (87.96% vs 84%); offset by slightly lower regrind usage \$11k
- Labor COGS:** Decrease in costs by \$120k driven by WSIB NEER refund \$86k, favorable F/X \$15k and lower IDL headcount
- Other COGS:** Decrease in cost by \$125k driven by favorable absorption of \$81k (increased prod. Volume), increased tool & die recovery \$25k, lower utility costs \$8k and lower freight costs \$11k (driven by lower sales volume)
- Sales and Marketing:** In line with budget
- Administrative:** In line with budget
- Other Opex:** In line with budget

# Key Customers – Gross Sales and Gross Margin %: Laval

|                           | Gross Sales (\$'000) |          |          |          |          |          |          |          |           |          |         |           |            |         | Gross Margin % |         |         |          |         |         |          |         |         |         |         |         |         |          |
|---------------------------|----------------------|----------|----------|----------|----------|----------|----------|----------|-----------|----------|---------|-----------|------------|---------|----------------|---------|---------|----------|---------|---------|----------|---------|---------|---------|---------|---------|---------|----------|
|                           | QTD                  |          | Var      |          | PY-QTD   | Var      |          | YTD      |           | Var      |         | PY-YTD    | Var        |         | QTD            |         | Var     |          | PY-QTD  | Var     |          | YTD     |         | Var     |         | PY-YTD  | Var     |          |
|                           | Act                  | Bud      | \$       | %        | Act      | \$       | %        | Act      | Bud       | \$       | %       | Act       | \$         | %       | Act            | Bud     | \$      | %        | Act     | BPs     | %        | Act     | Bud     | BPs     | %       | Act     | BPs     | %        |
| Customer:                 |                      |          |          |          |          |          |          |          |           |          |         |           |            |         |                |         |         |          |         |         |          |         |         |         |         |         |         |          |
| SOLARIS QUEBEC P & F INC. | \$ 416               | \$ 467   | \$ (51)  | (10.9%)  | \$ 483   | \$ (67)  | (13.8%)  | \$ 1,371 | \$ 1,216  | \$ 155   | 12.8%   | \$ 1,302  | \$ 69      | 5.3%    | 24.5%          | 24.2%   | 27      | 1.1%     | 23.8%   | 66      | 2.8%     | 23.5%   | 23.6%   | (5)     | (0.2%)  | 22.2%   | 131     | 5.9%     |
| ATLANTIC WINDOWS          | 272                  | 353      | (81)     | (23.0%)  | 342      | (70)     | (20.6%)  | 836      | 1,041     | (205)    | (19.7%) | 1,052     | (216)      | (20.5%) | 16.1%          | 12.5%   | 364     | 29.2%    | 13.2%   | 295     | 22.4%    | 14.9%   | 10.9%   | 398     | 36.6%   | 10.2%   | 469     | 46.2%    |
| SCHLUTER SYSTEMS L.P.     | 171                  | 246      | (75)     | (30.5%)  | 245      | (74)     | (30.2%)  | 561      | 802       | (241)    | (30.1%) | 799       | (238)      | (29.8%) | 25.7%          | 22.0%   | 378     | 17.2%    | 22.4%   | 329     | 14.6%    | 24.4%   | 22.8%   | 161     | 7.1%    | 22.0%   | 249     | 11.3%    |
| LAFLAMME PORTES           | 200                  | 233      | (33)     | (14.1%)  | 232      | (32)     | (13.7%)  | 487      | 621       | (134)    | (21.5%) | 620       | (133)      | (21.4%) | (14.9%)        | (19.3%) | 438     | (22.7%)  | (13.4%) | (158)   | 11.8%    | (13.7%) | (19.3%) | 567     | (29.4%) | (14.2%) | 53      | (3.8%)   |
| PTES & FEN ISOTHERMIC INC | 190                  | 172      | 18       | 10.5%    | 182      | 8        | 4.5%     | 528      | 531       | (3)      | (0.6%)  | 562       | (34)       | (6.1%)  | 21.6%          | 29.1%   | (744)   | (25.6%)  | 25.8%   | (419)   | (16.2%)  | 22.2%   | 29.0%   | (674)   | (23.3%) | 26.4%   | (419)   | (15.8%)  |
| PORTES & FENETRES ABRITEK | 159                  | 186      | (27)     | (14.5%)  | 184      | (25)     | (13.6%)  | 304      | 417       | (113)    | (27.1%) | 451       | (147)      | (32.6%) | 31.7%          | 31.7%   | (7)     | (0.2%)   | 31.5%   | 13      | 0.4%     | 30.0%   | 31.9%   | (197)   | (6.2%)  | 29.5%   | 45      | 1.5%     |
| ATIS PORTES & FENETRES    | 157                  | 157      | (0)      | (0.2%)   | 165      | (8)      | (5.0%)   | 454      | 377       | 77       | 20.4%   | 479       | (25)       | (5.2%)  | (17.0%)        | (25.5%) | 848     | (33.3%)  | (14.5%) | (245)   | 16.9%    | (17.5%) | (25.8%) | 825     | (32.0%) | (15.6%) | (191)   | 12.2%    |
| EXTREME ENTRANCE SYSTEMS  | 73                   | 172      | (99)     | (57.8%)  | 169      | (96)     | (57.0%)  | 324      | 452       | (128)    | (28.4%) | 482       | (158)      | (32.8%) | 16.1%          | 25.0%   | (885)   | (35.4%)  | 17.8%   | (160)   | (9.0%)   | 15.4%   | 24.7%   | (930)   | (37.6%) | 15.6%   | (17)    | (1.1%)   |
| FENERGIC INC              | 86                   | 51       | 35       | 69.2%    | 56       | 30       | 54.1%    | 316      | 281       | 35       | 12.4%   | 357       | (41)       | (11.6%) | 12.4%          | 25.5%   | (1,305) | (51.2%)  | 17.9%   | (542)   | (30.3%)  | 17.7%   | 25.2%   | (754)   | (29.9%) | 13.7%   | 402     | 29.4%    |
| LES FENETRES CONCEPT.     | 152                  | 141      | 11       | 7.6%     | 120      | 32       | 26.4%    | 373      | 289       | 84       | 29.2%   | 281       | 92         | 32.9%   | 15.4%          | 16.3%   | (91)    | (5.6%)   | 18.3%   | (293)   | (16.0%)  | 14.9%   | 16.2%   | (138)   | (8.5%)  | 17.2%   | (233)   | (13.6%)  |
| P & C EDDY BOULET INC     | –                    | 30       | (30)     | (100.0%) | 28       | (28)     | (100.0%) | 326      | 352       | (26)     | (7.4%)  | 406       | (80)       | (19.7%) | #DIV/0!        | 6.7%    | –       | #VALUE!  | 21.4%   | NA      | #VALUE!  | 20.4%   | 6.2%    | 1,421   | 228.0%  | 17.3%   | 310     | 17.8%    |
| PRODUITS DALMEN PRODUCTS  | 33                   | 117      | (84)     | (71.9%)  | 90       | (57)     | (63.5%)  | 105      | 306       | (201)    | (65.5%) | 267       | (162)      | (60.5%) | 14.2%          | 16.2%   | (208)   | (12.8%)  | 10.0%   | 416     | 41.6%    | 20.6%   | 16.0%   | 465     | 29.1%   | 14.2%   | 642     | 45.2%    |
| KENTO WINDOWS & DOORS     | 81                   | 70       | 11       | 15.9%    | 71       | 10       | 14.2%    | 204      | 156       | 48       | 30.7%   | 158       | 46         | 29.0%   | 36.8%          | 31.4%   | 534     | 17.0%    | 35.2%   | 156     | 4.4%     | 31.5%   | 30.6%   | 90      | 2.9%    | 33.1%   | (159)   | (4.8%)   |
| GENTEK BUILDING PROD. LTD | 30                   | 90       | (60)     | (66.3%)  | 72       | (42)     | (57.8%)  | 57       | 190       | (133)    | (69.7%) | 154       | (97)       | (62.7%) | 0.0%           | 12.2%   | (1,222) | (100.0%) | 19.4%   | (1,944) | (100.0%) | 5.8%    | 12.1%   | (622)   | (51.6%) | 24.6%   | (1,873) | (76.2%)  |
| GOLDEN WINDOWS            | 77                   | 30       | 47       | 155.0%   | 45       | 32       | 70.0%    | 198      | 94        | 104      | 110.2%  | 142       | 56         | 39.2%   | (1.0%)         | (3.3%)  | 236     | (70.9%)  | 4.4%    | (541)   | (121.8%) | (1.2%)  | (3.2%)  | 194     | (61.2%) | 2.5%    | (374)   | (148.9%) |
| ENTREPRISES DOCO INC.     | 34                   | 60       | (26)     | (44.1%)  | 48       | (14)     | (30.1%)  | 137      | 169       | (32)     | (18.9%) | 168       | (31)       | (18.4%) | 19.7%          | 21.7%   | (199)   | (9.2%)   | (6.3%)  | 2,593   | (414.8%) | 24.0%   | 21.9%   | 207     | 9.4%    | (5.9%)  | 2,991   | (506.8%) |
| FUTURA MANUFACTURIER      | 54                   | 51       | 3        | 5.1%     | 57       | (3)      | (6.0%)   | 67       | 96        | (29)     | (30.0%) | 108       | (41)       | (37.8%) | 0.0%           | 21.6%   | (2,157) | (100.0%) | 17.5%   | (1,754) | (100.0%) | 1.9%    | 20.6%   | (1,868) | (90.8%) | 36.5%   | (3,459) | (94.8%)  |
| G.R. THÉRIAULT            | 6                    | 12       | (6)      | (48.7%)  | 11       | (5)      | (44.1%)  | 71       | 31        | 40       | 129.5%  | 62        | 9          | 14.8%   | 0.0%           | 33.3%   | (3,333) | (100.0%) | 54.5%   | (5,455) | (100.0%) | 23.4%   | 32.0%   | (859)   | (26.8%) | 10.6%   | 1,279   | 120.4%   |
| PORTES ET FENETRES LGC    | 44                   | 71       | (27)     | (38.4%)  | 73       | (29)     | (40.1%)  | 129      | 100       | 29       | 29.1%   | 142       | (13)       | (9.1%)  | 39.0%          | 54.9%   | (1,591) | (29.0%)  | 2.7%    | 3,628   | 1324.1%  | 39.4%   | 55.0%   | (1,566) | (28.5%) | 12.3%   | 2,705   | 219.5%   |
| LAS ENTERPRISES           | 1                    | 31       | (30)     | (97.3%)  | 32       | (31)     | (97.4%)  | 148      | 151       | (3)      | (1.9%)  | 155       | (7)        | (4.5%)  | 50.9%          | 51.6%   | (70)    | (1.4%)   | 87.5%   | (3,659) | (41.8%)  | 50.1%   | 50.9%   | (81)    | (1.6%)  | 27.3%   | 2,278   | 83.3%    |
| Other                     | 781                  | 862      | (81)     | (9.4%)   | 1,085    | (304)    | (28.0%)  | 2,406    | 2,641     | (235)    | (8.9%)  | 3,317     | (910)      | (27.4%) | 66.4%          | 60.5%   | 598     | 9.9%     | 1.6%    | 6,488   | 4140.8%  | 61.9%   | 54.7%   | 722     | 13.2%   | 18.3%   | 4,367   | 239.1%   |
| Total Gross               | \$ 3,016             | \$ 3,602 | \$ (586) | (16.3%)  | \$ 3,790 | \$ (774) | (20.4%)  | \$ 9,403 | \$ 10,313 | \$ (910) | (8.8%)  | \$ 11,464 | \$ (2,061) | (18.0%) | 28.1%          | 27.0%   | 113     | 4.2%     | 26.9%   | 121     | 4.5%     | 28.1%   | 25.9%   | 220     | 8.5%    | 22.9%   | 520     | 22.7%    |

## Management Discussion

- Solaris – Slightly behind budget for the month following a strong Q1
- Atlantic and Dalmen, reduction in orders due to weather as well as inventory build up in 2018.
- Schluter, reduction in orders due to weather however increase in May orders.
- Extreme – Cut down on a few products as discontinued use in business.

# Key Performance Indicators - Laval

| ENERGI Laval Extrusion January KPI Report            | 2019 Targets | Jan-19   | Feb-19  | Mar-19   | Apr-19   | YTD 2019 |
|--|--------------|----------|---------|----------|----------|----------|
| <b>Health &amp; Safety</b>                           |              |          |         |          |          |          |
| <i>Recordable Incidents</i>                          | 0            | 1        | 1       | 0        | 0        | 2        |
| <i>TRIR (Total Recordable Incident Rate)</i>         | <1           | 4.95     | 4.95    | 4.12     | 4.3      | 4.12     |
| <b>Quality Performance</b>                           |              |          |         |          |          |          |
| <i>Customer Complaints - per MLBS</i>                | 22.5         | 16       | 23      | 33       | 36       | 27       |
| <i>Return as % of sales</i>                          | 0.78%        | 0.24%    | 0.38%   | 0.54%    | 0.68%    | 0.49%    |
| <b>Delivery Performance</b>                          |              |          |         |          |          |          |
| <i>% on time in full</i>                             | 95.00%       | 99.73%   | 99.75%  | 100%     | 100%     | 100%     |
| <i>% by line items</i>                               | 99.00%       | 99.73%   | 99.75%  | 100%     | 100%     | 100%     |
| <b>Costs</b>   |              |          |         |          |          |          |
| <i>Yield</i>   | 84.00%       | 85.48%   | 85.19%  | 87%      | 88%      | 86%      |
| <i>Alt/Regrind Compound Consumption Ratio</i>        | 20.89%       | 20.18%   | 19.41%  | 18%      | 16%      | 18%      |
| <i>Direct Labour \$/lb produced</i>                  | \$0.192      | \$ 0.195 | \$0.184 | \$ 0.186 | \$ 0.115 | \$ 0.168 |
| <i>Indirect Labour (incl D&amp;D) \$/lb produced</i> | \$0.237      | \$ 0.267 | \$0.219 | \$ 0.208 | \$ 0.216 | \$ 0.225 |
| <b>Inventory</b>                                     |              |          |         |          |          |          |
| <i>Days - TTM (Trailing 12 Months)</i>               | 69.3         | 67       | 66.4    | 68       | 69       | 67       |

## Comments:

**Quality:** 8 complaints by Isothermic, 6 by Abritek & 5 each by Atlantic Windows and Laflamme.

**Costs:** Alternative materials bought are not in sufficient quantities



# Full Year Laval P&L Summary

| \$'000                                       | FY        |            | Var       |         | PY         |            | Var      |  |
|--|-----------|------------|-----------|---------|------------|------------|----------|--|
|  | Fcst      | Bud        | \$        | %       | Fcst       | \$         | %        |  |
| Units Produced ('000)                        | 19,249    | 19,038     | 212       | 1.1%    | 19,947     | (698)      | (3.5%)   |  |
| Units Shipped ('000)                         | 18,841    | 19,115     | (274)     | (1.4%)  | 19,803     | (962)      | (4.9%)   |  |
| Bookings (\$'000)                            | \$ 32,193 | \$ —       | \$ 32,193 | N/A     | \$ 36,193  | \$ (4,000) | (11.1%)  |  |
| Backlog ('\$000)                             | \$ 1,897  | \$ —       | \$ 1,897  | N/A     | \$ 2,942   | \$ (1,045) | (35.5%)  |  |
| Gross Revenue                                | \$ 34,774 | \$ 35,684  | \$ (910)  | (2.6%)  | \$ 37,211  | \$ (2,437) | (6.5%)   |  |
| Adj. to Gross Revenue                        | (2,779)   | (2,824)    | 45        | (1.6%)  | (3,256)    | 477        | (14.6%)  |  |
| Net Revenue                                  | 31,995    | 32,861     | (865)     | (2.6%)  | 33,956     | (1,960)    | (5.8%)   |  |
| Material                                     | 14,728    | 15,210     | (483)     | (3.2%)  | 16,229     | (1,501)    | (9.2%)   |  |
| Labor  | 6,098     | 6,249      | (151)     | (2.4%)  | 6,587      | (489)      | (7.4%)   |  |
| Other COGS                                   | 1,891     | 2,074      | (183)     | (8.8%)  | 2,233      | (342)      | (15.3%)  |  |
| Total COGS                                   | 22,716    | 23,533     | (817)     | (3.5%)  | 25,049     | (2,333)    | (9.3%)   |  |
| Gross Margin                                 | 9,279     | 9,328      | (49)      | (0.5%)  | 8,907      | 372        | 4.2%     |  |
| Gross Margin %                               | 29.0%     | 28.4%      |           |         | 26.2%      |            |          |  |
| R&D  | —         | —          | —         | N/A     | —          | —          | N/A      |  |
| Sales & Marketing                            | 1,800     | 1,853      | (53)      | (2.9%)  | 2,003      | (203)      | (10.1%)  |  |
| Administrative                               | 3,008     | 3,030      | (22)      | (0.7%)  | 3,071      | (63)       | (2.1%)   |  |
| Other Opex                                   | (7)       | —          | (7)       | N/A     | 17         | (24)       | (144.9%) |  |
| Total Opex                                   | 4,800     | 4,883      | (83)      | (1.7%)  | 5,090      | (290)      | (5.7%)   |  |
| EBITDA                                       | 4,479     | 4,445      | 34        | 0.8%    | 3,816      | 662        | 17.4%    |  |
| EBITDA %                                     | 14.0%     | 13.5%      |           |         | 11.2%      |            |          |  |
| Net Income (Loss)                            | \$ 2,988  | \$ 2,936   | \$ 52     | 1.8%    | \$ 2,573   | \$ 415     | 16.1%    |  |
| Capex  | \$ (345)  | \$ (1,235) | \$ 891    | (72.1%) | \$ (1,614) | \$ 1,270   | (78.7%)  |  |
| <b>Opex Overview:</b>                        |           |            |           |         |            |            |          |  |
| Payroll                                      | \$ 1,353  | \$ 1,377   | \$ (24)   | (1.8%)  | \$ 1,449   | \$ (95)    | (6.6%)   |  |
| Bonus  | —         | —          | —         | N/A     | —          | —          | N/A      |  |
| Commissions                                  | —         | —          | —         | N/A     | —          | —          | N/A      |  |
| Marketing                                    | 761       | 799        | (38)      | (4.7%)  | 819        | (58)       | (7.0%)   |  |
| Benefits                                     | —         | —          | —         | N/A     | —          | —          | N/A      |  |
| Travel and entertainment                     | 34        | 31         | 3         | 8.6%    | 44         | (10)       | (23.3%)  |  |
| Rent and facilities                          | —         | —          | —         | N/A     | —          | —          | N/A      |  |
| Insurance                                    | 59        | 57         | 2         | 3.2%    | 51         | 8          | 15.4%    |  |
| Professional fees                            | 75        | 78         | (3)       | (4.3%)  | 95         | (20)       | (21.2%)  |  |
| Utilities, repair, maintenance, and security | 67        | 64         | 2         | 3.6%    | 71         | (4)        | (5.7%)   |  |
| Corporate OH Fees                            | 2,157     | 2,178      | (21)      | (1.0%)  | 2,180      | (23)       | (1.0%)   |  |
| Bad Debts                                    | —         | —          | —         | N/A     | 3          | (3)        | (100.0%) |  |
| FX   | (7)       | —          | (7)       | N/A     | 17         | (24)       | (144.9%) |  |
| JV Loss (Income)                             | —         | —          | —         | N/A     | —          | —          | N/A      |  |
| Other Expenses                               | 302       | 297        | 5         | 1.6%    | 365        | (64)       | (17.4%)  |  |
| Total Opex                                   | \$ 4,800  | \$ 4,883   | \$ (83)   | (1.7%)  | \$ 5,093   | \$ (293)   | (5.8%)   |  |

# Key Customers – Full Year Laval

|                           | Gross Sales (\$'000) |        |    |        |     |       |         |    |        | Gross Margin % |         |         |         |         |       |         |         |       |          |
|---------------------------|----------------------|--------|----|--------|-----|-------|---------|----|--------|----------------|---------|---------|---------|---------|-------|---------|---------|-------|----------|
|                           | FY                   |        | FY |        | Var |       | PY      |    | Var    |                | FY      | FY      | Var     |         | PY    | Var     |         |       |          |
|                           | Fcst                 | Bud    | \$ | %      | Act | \$    | %       |    |        | Fcst           | Bud     | BPs     | %       | Act     | BPs   | %       |         |       |          |
| <u>Customer:</u>          |                      |        |    |        |     |       |         |    |        |                |         |         |         |         |       |         |         |       |          |
| SOLARIS QUEBEC P & F INC. | \$                   | 4,231  | \$ | 4,075  | \$  | 156   | 3.8%    | \$ | 4,262  | \$             | (31)    | (0.7%)  | 23.7%   | 23.7%   | (0)   | (0.0%)  | 22.9%   | 79    | 3.4%     |
| ATLANTIC WINDOWS          |                      | 3,430  |    | 3,635  |     | (205) | (5.6%)  |    | 3,475  |                | (45)    | (1.3%)  | 13.5%   | 12.3%   | 119   | 9.7%    | 12.7%   | 82    | 6.5%     |
| SCHLUTER SYSTEMS L.P.     |                      | 2,316  |    | 2,557  |     | (241) | (9.4%)  |    | 2,796  |                | (480)   | (17.2%) | 23.3%   | 22.8%   | 53    | 2.3%    | 21.4%   | 188   | 8.8%     |
| LAFLAMME PORTES           |                      | 2,343  |    | 2,478  |     | (135) | (5.5%)  |    | 2,426  |                | (83)    | (3.4%)  | (18.2%) | (19.4%) | 125   | (6.4%)  | (13.3%) | (488) | 36.7%    |
| PTES & FEN ISOTHERMIC INC |                      | 1,996  |    | 1,999  |     | (3)   | (0.2%)  |    | 2,163  |                | (167)   | (7.7%)  | 26.9%   | 29.0%   | (209) | (7.2%)  | 21.9%   | 503   | 22.9%    |
| PORTES & FENETRES ABRITEK |                      | 1,712  |    | 1,824  |     | (112) | (6.2%)  |    | 1,742  |                | (30)    | (1.7%)  | 31.6%   | 32.0%   | (38)  | (1.2%)  | 31.2%   | 42    | 1.4%     |
| ATIS PORTES & FENETRES    |                      | 1,629  |    | 1,552  |     | 77    | 4.9%    |    | 1,669  |                | (40)    | (2.4%)  | (22.9%) | (25.7%) | 272   | (10.6%) | (15.4%) | (755) | 49.0%    |
| EXTREME ENTRANCE SYSTEMS  |                      | 1,459  |    | 1,587  |     | (128) | (8.1%)  |    | 1,619  |                | (160)   | (9.9%)  | 22.5%   | 24.8%   | (227) | (9.2%)  | 16.9%   | 557   | 32.9%    |
| FENERGIC INC              |                      | 1,140  |    | 1,105  |     | 35    | 3.2%    |    | 1,260  |                | (120)   | (9.5%)  | 22.5%   | 25.1%   | (262) | (10.4%) | 14.8%   | 769   | 51.8%    |
| LES FENETRES CONCEPT.     |                      | 1,315  |    | 1,231  |     | 84    | 6.8%    |    | 1,131  |                | 184     | 16.3%   | 15.8%   | 16.3%   | (47)  | (2.9%)  | 17.9%   | (214) | (11.9%)  |
| P & C EDDY BOULET INC     |                      | 945    |    | 971    |     | (26)  | (2.7%)  |    | 849    |                | 96      | 11.3%   | 12.1%   | 6.1%    | 600   | 98.3%   | 21.3%   | (922) | (43.3%)  |
| PRODUITS DALMEN PRODUCTS  |                      | 672    |    | 873    |     | (201) | (23.1%) |    | 692    |                | (20)    | (2.9%)  | 16.8%   | 16.0%   | 76    | 4.7%    | 14.5%   | 234   | 16.2%    |
| KENTO WINDOWS & DOORS     |                      | 742    |    | 694    |     | 48    | 6.9%    |    | 674    |                | 68      | 10.0%   | 31.3%   | 30.6%   | 77    | 2.5%    | 31.2%   | 19    | 0.6%     |
| GENTEK BUILDING PROD. LTD |                      | 513    |    | 646    |     | (133) | (20.5%) |    | 528    |                | (15)    | (2.8%)  | 11.1%   | 12.0%   | (91)  | (7.6%)  | 12.5%   | (145) | (11.6%)  |
| GOLDEN WINDOWS            |                      | 454    |    | 350    |     | 104   | 29.8%   |    | 512    |                | (58)    | (11.3%) | (2.1%)  | (3.0%)  | 91    | (29.7%) | 5.3%    | (741) | (140.6%) |
| ENTREPRISES DOCO INC.     |                      | 545    |    | 576    |     | (31)  | (5.4%)  |    | 503    |                | 42      | 8.3%    | 22.3%   | 21.9%   | 42    | 1.9%    | (3.2%)  | 2,548 | (801.1%) |
| FUTURA MANUFACTURIER      |                      | 446    |    | 475    |     | (29)  | (6.1%)  |    | 453    |                | (7)     | (1.6%)  | 17.2%   | 20.9%   | (367) | (17.6%) | 23.2%   | (598) | (25.8%)  |
| G.R. THÉRIAULT            |                      | 490    |    | 449    |     | 41    | 9.2%    |    | 433    |                | 57      | 13.2%   | 32.3%   | 34.2%   | (191) | (5.6%)  | 9.7%    | 2,257 | 232.6%   |
| PORTES ET FENETRES LGC    |                      | 414    |    | 384    |     | 30    | 7.9%    |    | 435    |                | (21)    | (4.7%)  | 49.6%   | 55.0%   | (538) | (9.8%)  | 22.8%   | 2,683 | 117.9%   |
| LAS ENTERPRISES           |                      | 417    |    | 420    |     | (3)   | (0.7%)  |    | 423    |                | (6)     | (1.4%)  | 51.1%   | 51.3%   | (22)  | (0.4%)  | 37.6%   | 1,348 | 35.9%    |
| Other                     |                      | 7,566  |    | 7,803  |     | (237) | (3.0%)  |    | 9,166  |                | (1,600) | (17.5%) | 65.9%   | 63.2%   | 269   | 4.3%    | 2.4%    | 6,347 | 2656.5%  |
| Total Gross               | \$                   | 34,774 | \$ | 35,684 | \$  | (910) | (2.6%)  | \$ | 37,211 | \$             | (2,437) | (6.5%)  | 27.2%   | 26.5%   | 63    | 2.4%    | 23.9%   | 322   | 13.4%    |

# Delmont Summary P&L

| \$'000                              | MTD             |                 | Var             |                | YTD              |                  | Var               |                |
|-------------------------------------|-----------------|-----------------|-----------------|----------------|------------------|------------------|-------------------|----------------|
|                                     | Act             | Bud             | \$              | %              | Act              | Bud              | \$                | %              |
| Units Produced ('000)               | 1,700           | 2,100           | (400)           | (19.1%)        | 7,179            | 7,711            | (532)             | (6.9%)         |
| Units Shipped ('000)                | 1,718           | 2,218           | (500)           | (22.5%)        | 7,045            | 7,739            | (694)             | (9.0%)         |
| Bookings (\$'000)                   | \$ 3,179        | \$ –            | \$ 3,179        | N/A            | \$ 11,813        | \$ –             | \$ 11,813         | N/A            |
| Backlog (\$'000)                    | \$ 1,554        | \$ –            | \$ 1,554        | N/A            | \$ 1,554         | \$ –             | \$ 1,554          | N/A            |
| <b>Gross Revenue</b>                | <b>\$ 3,052</b> | <b>\$ 3,848</b> | <b>\$ (795)</b> | <b>(20.7%)</b> | <b>\$ 12,434</b> | <b>\$ 13,479</b> | <b>\$ (1,045)</b> | <b>(7.8%)</b>  |
| Adj. to Gross Revenue               | (83)            | (108)           | 25              | (23.0%)        | (310)            | (387)            | 77                | (20.0%)        |
| <b>Net Revenue</b>                  | <b>2,969</b>    | <b>3,740</b>    | <b>(770)</b>    | <b>(20.6%)</b> | <b>12,124</b>    | <b>13,092</b>    | <b>(968)</b>      | <b>(7.4%)</b>  |
| Material                            | 1,407           | 1,826           | (419)           | (22.9%)        | 5,884            | 6,424            | (539)             | (8.4%)         |
| Labor                               | 616             | 702             | (85)            | (12.2%)        | 2,507            | 2,753            | (246)             | (8.9%)         |
| Other COGS                          | 264             | 329             | (65)            | (19.7%)        | 1,055            | 1,028            | 27                | 2.6%           |
| <b>Total COGS</b>                   | <b>2,287</b>    | <b>2,856</b>    | <b>(569)</b>    | <b>(19.9%)</b> | <b>9,446</b>     | <b>10,205</b>    | <b>(758)</b>      | <b>(7.4%)</b>  |
| <b>Gross Margin</b>                 | <b>682</b>      | <b>884</b>      | <b>(201)</b>    | <b>(22.8%)</b> | <b>2,678</b>     | <b>2,888</b>     | <b>(210)</b>      | <b>(7.3%)</b>  |
| Gross Margin %                      | 23.0%           | 23.6%           |                 |                | 22.1%            | 22.1%            |                   |                |
| R&D                                 | –               | –               | –               | N/A            | –                | –                | –                 | N/A            |
| Sales & Marketing                   | 13              | 15              | (2)             | (14.0%)        | 56               | 60               | (4)               | (6.2%)         |
| Administrative                      | 214             | 225             | (11)            | (5.0%)         | 863              | 895              | (32)              | (3.6%)         |
| Other Opex                          | –               | –               | –               | N/A            | –                | –                | –                 | N/A            |
| <b>Total Opex</b>                   | <b>227</b>      | <b>240</b>      | <b>(13)</b>     | <b>(5.6%)</b>  | <b>919</b>       | <b>955</b>       | <b>(36)</b>       | <b>(3.8%)</b>  |
| <b>EBITDA</b>                       | <b>455</b>      | <b>643</b>      | <b>(188)</b>    | <b>(29.2%)</b> | <b>1,759</b>     | <b>1,933</b>     | <b>(174)</b>      | <b>(9.0%)</b>  |
| EBITDA %                            | 15.3%           | 17.2%           |                 |                | 14.5%            | 14.8%            |                   |                |
| <b>Net Income (Loss)</b>            | <b>\$ 303</b>   | <b>\$ 497</b>   | <b>\$ (195)</b> | <b>(39.1%)</b> | <b>\$ 1,148</b>  | <b>\$ 1,362</b>  | <b>\$ (215)</b>   | <b>(15.7%)</b> |
| <b>Capex</b>                        | <b>\$ (90)</b>  | <b>\$ (72)</b>  | <b>\$ (18)</b>  | <b>25.0%</b>   | <b>\$ (375)</b>  | <b>\$ (471)</b>  | <b>\$ 96</b>      | <b>(20.4%)</b> |
| <b>Opex Overview:</b>               |                 |                 |                 |                |                  |                  |                   |                |
| Payroll                             | \$ 51           | \$ 63           | \$ (12)         | (18.9%)        | \$ 206           | \$ 247           | \$ (41)           | (16.6%)        |
| Bonus                               | –               | –               | –               | N/A            | –                | –                | –                 | N/A            |
| Commissions                         | –               | –               | –               | N/A            | –                | –                | –                 | N/A            |
| Marketing                           | –               | –               | –               | N/A            | 0                | –                | 0                 | N/A            |
| Benefits                            | –               | –               | –               | N/A            | –                | –                | –                 | N/A            |
| Travel and entertainment            | 0               | –               | 0               | N/A            | 0                | –                | 0                 | N/A            |
| Rent and facilities                 | –               | –               | –               | N/A            | –                | –                | –                 | N/A            |
| Insurance                           | –               | –               | –               | N/A            | –                | –                | –                 | N/A            |
| Professional fees                   | –               | –               | –               | N/A            | –                | –                | –                 | N/A            |
| Utilities, repair, maintenance, and | 4               | 4               | 1               | 17.5%          | 12               | 15               | (3)               | (17.6%)        |
| Corporate OH Fees                   | 165             | 165             | (0)             | (0.1%)         | 665              | 661              | 4                 | 0.6%           |
| Bad Debts                           | –               | –               | –               | N/A            | –                | –                | –                 | N/A            |
| FX                                  | –               | –               | –               | N/A            | –                | –                | –                 | N/A            |
| JV Loss (Income)                    | –               | –               | –               | N/A            | –                | –                | –                 | N/A            |
| Other Expenses                      | 6               | 8               | (2)             | (25.5%)        | 35               | 32               | 3                 | 10.4%          |
| <b>Total Opex</b>                   | <b>\$ 227</b>   | <b>\$ 240</b>   | <b>\$ (13)</b>  | <b>(5.6%)</b>  | <b>\$ 919</b>    | <b>\$ 955</b>    | <b>\$ (36)</b>    | <b>(3.8%)</b>  |

## Management Discussion

### Net Revenue – Apr-19: (\$770K)

- Sales volume down 22.5% or \$870k driven by decreased demand from PGT (\$405k), Brunswick, NewSouth, Yoders, Comfort View and Sierra Pacific
- Rebates/returns/accruals favorable to budget by \$25k due to reduced volumes
- Positive mix impact of \$75k primarily driven by customer/product mix

### EBITDA – Apr-19: (\$188K)

- Material COGS:** Decrease in costs by \$419k primarily driven by decreased sales volumes \$412k
- Labor COGS:** Decrease in cost by \$85K driven by lower headcount (15) due to reduced production volumes
- Other COGS:** Decrease in cost by \$65k driven by lower freight costs \$39k (lower sales volumes) and higher net absorption of \$26k
- Sales and Marketing:** In line with budget
- Administrative:** Decrease in costs by \$11k, primarily driven by 1 less headcount (HR manager)

# Key Customers – Gross Sales and Gross Margin %: Delmont

| Customer:                          | Gross Sales (\$'000) |          |          |          |          |          |          |           |           |            |          |           |          |          | Gross Margin % |          |         |          |         |         |         |          |          |          |         |         |          |         |        |     |     |  |
|------------------------------------|----------------------|----------|----------|----------|----------|----------|----------|-----------|-----------|------------|----------|-----------|----------|----------|----------------|----------|---------|----------|---------|---------|---------|----------|----------|----------|---------|---------|----------|---------|--------|-----|-----|--|
|                                    | MTD                  |          | Var      |          | PY-MTD   |          | Var      |           | YTD       |            | Var      |           | PY-YTD   |          | Var            |          | MTD     |          | Var     |         | PY-MTD  |          | Var      |          | YTD     |         | Var      |         | PY-YTD |     | Var |  |
|                                    | Act                  | Bud      | \$       | %        | Act      | \$       | %        | Act       | Bud       | \$         | %        | Act       | \$       | %        | Act            | \$       | %       | Act      | Bud     | BPs     | %       | Act      | BPs      | %        | Act     | Bud     | BPs      | %       | Act    | BPs | %   |  |
| PGT Industries Inc                 | \$ 1,652             | \$ 2,057 | \$ (405) | (19.7%)  | \$ 1,151 | \$ 501   | 43.5%    | \$ 6,999  | \$ 6,744  | \$ 255     | 3.8%     | \$ 4,187  | \$ 2,812 | 67.2%    | 23.0%          | 19.2%    | 382     | 19.9%    | 23.8%   | (78)    | (3.3%)  | 20.3%    | 19.5%    | 80       | 4.1%    | 19.7%   | 61       | 3.1%    |        |     |     |  |
| Polaris Technologies               | 539                  | 511      | 28       | 5.5%     | 168      | 371      | 220.8%   | 1,509     | 1,854     | (345)      | (18.6%)  | 610       | 899      | 147.4%   | 15.2%          | 18.2%    | (297)   | (16.3%)  | 29.8%   | (1,454) | (48.8%) | 16.7%    | 16.7%    | 5        | 0.3%    | 24.1%   | (742)    | (30.7%) |        |     |     |  |
| Comfort View Products              | 204                  | 242      | (38)     | (15.7%)  | 140      | 64       | 45.7%    | 667       | 1,096     | (429)      | (39.1%)  | 687       | (20)     | (2.9%)   | 20.7%          | 19.0%    | 173     | 9.1%     | 20.7%   | 3       | 0.1%    | 21.1%    | 13.3%    | 781      | 58.6%   | 16.3%   | 485      | 29.8%   |        |     |     |  |
| Sierra Pacific Windows             | 176                  | 214      | (38)     | (17.8%)  | 118      | 58       | 49.2%    | 789       | 843       | (54)       | (6.4%)   | 497       | 292      | 58.8%    | 12.8%          | 10.7%    | 207     | 19.3%    | 11.0%   | 180     | 16.3%   | 10.3%    | 8.9%     | 141      | 15.8%   | 7.9%    | 243      | 30.9%   |        |     |     |  |
| Atrium Windows & Doors             | 140                  | 119      | 21       | 17.6%    | 43       | 97       | 225.6%   | 483       | 585       | (102)      | (17.4%)  | 209       | 274      | 131.1%   | 41.4%          | 57.1%    | (1,577) | (27.6%)  | 97.7%   | (5,630) | (57.6%) | 38.1%    | 36.3%    | 178      | 4.9%    | 95.5%   | (5,734)  | (60.1%) |        |     |     |  |
| Regency Plus, Inc.                 | 154                  | 179      | (25)     | (14.0%)  | 75       | 79       | 105.3%   | 617       | 572       | 45         | 7.9%     | 274       | 343      | 125.2%   | 18.0%          | 18.4%    | (46)    | (2.5%)   | 32.0%   | (1,402) | (43.8%) | 19.5%    | 19.6%    | (12)     | (0.6%)  | 28.3%   | (886)    | (31.3%) |        |     |     |  |
| Brunswick Bowling And Billiards    | 36                   | 173      | (137)    | (79.2%)  | 64       | (28)     | (43.8%)  | 392       | 620       | (228)      | (36.8%)  | 253       | 139      | 54.9%    | 37.9%          | 46.2%    | (833)   | (18.0%)  | 93.8%   | (5,584) | (59.6%) | 39.6%    | 42.4%    | (273)    | (6.5%)  | 99.1%   | (5,947)  | (60.0%) |        |     |     |  |
| Qubicaamf Worlwide LCC             | 94                   | 103      | (9)      | (8.7%)   | 68       | 26       | 38.2%    | 306       | 347       | (41)       | (11.8%)  | 198       | 108      | 54.5%    | 52.7%          | 43.7%    | 898     | 20.5%    | 86.8%   | (3,410) | (39.3%) | 43.9%    | 43.1%    | 72       | 1.7%    | 80.2%   | (3,632)  | (45.3%) |        |     |     |  |
| NewSouth Window Solutions, LLC     | –                    | 88       | (88)     | (100.0%) | 36       | (36)     | (100.0%) | 132       | 279       | (147)      | (52.7%)  | 182       | (50)     | (27.5%)  | #DIV/0!        | 28.4%    | –       | #VALUE!  | 44.4%   | NA      | #VALUE! | 31.7%    | 30.0%    | 171      | 5.7%    | 64.0%   | (3,232)  | (50.5%) |        |     |     |  |
| Great Day Improvement, LLC         | 25                   | 38       | (13)     | (34.2%)  | 18       | 7        | 38.9%    | 72        | 118       | (46)       | (39.0%)  | 55        | 17       | 30.9%    | 28.3%          | 44.7%    | (1,646) | (36.8%)  | 44.4%   | (1,617) | (36.4%) | 34.9%    | 48.0%    | (1,304)  | (27.2%) | 63.0%   | (2,810)  | (44.6%) |        |     |     |  |
| Yoders Window & Siding             | –                    | 50       | (50)     | (100.0%) | –        | -        | N/A      | 104       | 157       | (53)       | (33.8%)  | 77        | 27       | 35.1%    | #DIV/0!        | 24.0%    | –       | #VALUE!  | #DIV/0! | NA      | #DIV/0! | 22.7%    | 26.5%    | (383)    | (14.4%) | 97.4%   | (7,471)  | (76.7%) |        |     |     |  |
| Fairway Building Products          | –                    | 19       | (19)     | (100.0%) | 13       | (13)     | (100.0%) | 60        | 35        | 25         | 71.4%    | 24        | 36       | 150.0%   | #DIV/0!        | 21.1%    | –       | #VALUE!  | 30.8%   | NA      | #VALUE! | 11.7%    | 35.3%    | (2,357)  | (66.8%) | 34.3%   | (2,256)  | (65.8%) |        |     |     |  |
| Graber Manufacturing Llc           | –                    | –        | -        | N/A      | –        | -        | N/A      | –         | 76        | (76)       | (100.0%) | 28        | (28)     | (100.0%) | #DIV/0!        | #DIV/0!  | –       | #VALUE!  | #DIV/0! | NA      | #DIV/0! | #DIV/0!  | 15.8%    | –        | #VALUE! | 100.0%  | NA       | #VALUE! |        |     |     |  |
| Columbia Industries, Inc.          | –                    | –        | -        | N/A      | –        | -        | N/A      | 53        | –         | 53         | N/A      | –         | 53       | N/A      | #DIV/0!        | #DIV/0!  | –       | #VALUE!  | #DIV/0! | NA      | #DIV/0! | 1.8%     | #DIV/0!  | –        | #DIV/0! | #DIV/0! | NA       | #DIV/0! |        |     |     |  |
| Jeld-Wen Windows & Doors           | 3                    | 2        | 1        | 50.0%    | –        | 3        | N/A      | 8         | 17        | (9)        | (52.9%)  | 5         | 3        | 60.0%    | 17.9%          | 50.0%    | (3,207) | (64.1%)  | #DIV/0! | NA      | #DIV/0! | 20.9%    | 3.1%     | 1,781    | 570.0%  | 60.0%   | (3,906)  | (65.1%) |        |     |     |  |
| Constant Distribution LLC          | –                    | –        | -        | N/A      | –        | -        | N/A      | 7         | –         | 7          | N/A      | –         | 7        | N/A      | #DIV/0!        | #DIV/0!  | –       | #VALUE!  | #DIV/0! | NA      | #DIV/0! | (12.3%)  | #DIV/0!  | –        | #DIV/0! | #DIV/0! | NA       | #DIV/0! |        |     |     |  |
| CGI                                | 9                    | 5        | 4        | 80.0%    | –        | 9        | N/A      | 22        | 8         | 14         | 175.0%   | –         | 22       | N/A      | 29.7%          | 0.0%     | 2,973   | #DIV/0!  | #DIV/0! | NA      | #DIV/0! | (15.7%)  | 0.0%     | (1,570)  | N/A     | #DIV/0! | NA       | #DIV/0! |        |     |     |  |
| East Central Indiana Vinyl MFG, LU | –                    | –        | -        | N/A      | –        | -        | N/A      | 14        | 8         | 6          | 75.0%    | 4         | 10       | 250.0%   | #DIV/0!        | #DIV/0!  | –       | #VALUE!  | #DIV/0! | NA      | #DIV/0! | 4.3%     | 43.8%    | (3,943)  | (90.1%) | 125.0%  | (12,068) | (96.5%) |        |     |     |  |
| Lakeland Polymers, LLC             | 1                    | 1        | -        | 0.0%     | –        | 1        | N/A      | 2         | 4         | (2)        | (50.0%)  | –         | 2        | N/A      | (342.7%)       | (300.0%) | (4,270) | 14.2%    | #DIV/0! | NA      | #DIV/0! | (476.5%) | (242.9%) | (23,362) | 96.2%   | #DIV/0! | NA       | #DIV/0! |        |     |     |  |
| JP Industrial Products Inc         | –                    | –        | -        | N/A      | –        | -        | N/A      | –         | –         | -          | N/A      | –         | -        | N/A      | #DIV/0!        | #DIV/0!  | –       | #VALUE!  | #DIV/0! | NA      | #DIV/0! | #DIV/0!  | #DIV/0!  | –        | #DIV/0! | #DIV/0! | NA       | #DIV/0! |        |     |     |  |
| Other                              | 19                   | 46       | (27)     | (58.2%)  | 1,431    | (1,412)  | (98.6%)  | 198       | 116       | 82         | 70.7%    | 5,731     | (5,533)  | (96.5%)  | (3.0%)         | 83.6%    | (8,663) | (103.6%) | 0.2%    | (327)   | #####   | 38.3%    | 61.2%    | (2,287)  | (37.4%) | 0.2%    | 3,808    | #####   |        |     |     |  |
| Total Gross                        | \$ 3,052             | \$ 3,848 | \$ (795) | (20.7%)  | \$ 3,325 | \$ (273) | (8.2%)   | \$ 12,434 | \$ 13,479 | \$ (1,045) | (7.8%)   | \$ 13,021 | \$ (587) | (4.5%)   | 22.4%          | 23.0%    | (62)    | (2.7%)   | 17.5%   | 484     | 27.6%   | 21.4%    | 21.2%    | 26       | 1.2%    | 16.1%   | 533      | 33.1%   |        |     |     |  |

## Management Discussion

- PGT – Minor slowdown in orders for 1 week, but picked up since.
- Brunswick – Softer sales vs budget and PY after a record 2018, due to less than anticipated demand.
- New South Window – Dependant on project work. Strong in 2018 which has not repeated in the beginning of 2019.

# Key Performance Indicators - Delmont

| ENERGI Delmont Extrusion January KPI Report          | 2019 Targets | Jan-19  | Feb-19  | Mar-19   | Apr-19   | YTD 2019 |
|--|--------------|---------|---------|----------|----------|----------|
| <b>Health &amp; Safety</b>                           |              |         |         |          |          |          |
| <i>Recordable Incidents</i>                          | 0            | 0       | 0       | 2        | 1        | 3        |
| <i>TRIR (Total Recordable Incident Rate)</i>         | <1           | 2.87    | 2.87    | 2.87     | 4.25     | 2.87     |
| <b>Quality Performance</b>                           |              |         |         |          |          |          |
| <i>Customer Complaints - per MLBS</i>                | 3.2          | 2.76    | 3.16    | 3.68     | 2.94     | 3        |
| <i>Return as % of sales</i>                          | 0.30%        | 0.15%   | 0.27%   | 0.40%    | -0.08%   | -0.01%   |
| <b>Delivery Performance</b>                          |              |         |         |          |          |          |
| <i>% on time in full</i>                             | 95.00%       | 99.71%  | 99.80%  | 100%     | 100%     | 100%     |
| <i>% by line items</i>                               | 99.00%       | 99.50%  | 99.38%  | 99%      | 99%      | 99%      |
| <b>Costs</b>   |              |         |         |          |          |          |
| <i>Yield</i>   | 85.7%        | 81.36%  | 82.71%  | 83%      | 83%      | 83%      |
| <i>Alt/Regrind Compound Consumption Ratio</i>        | 17.1%        | 25.4%   | 19.8%   | 19.5%    | 23%      | 22%      |
| <i>Direct Labour \$/lb produced</i>                  | \$0.167      | \$0.178 | \$0.174 | \$ 0.165 | \$ 0.181 | \$ 0.174 |
| <i>Indirect Labour (incl D&amp;D) \$/lb produced</i> | \$0.176      | \$0.151 | \$0.177 | \$ 0.163 | \$ 0.181 | \$ 0.168 |
| <b>Inventory</b>                                     |              |         |         |          |          |          |
| <i>Days - TTM (Trailing 12 Months)</i>               | 58.7         | 62.0    | 62.1    | 65       | 67       | 65       |

## Comments:

**Safety:** One injury in April - Employee smashed tip of finger. Dedicated Health and Safety Campaign starting in May

**Quality:** 7 Customer Concerns in March - 3 PGT, 2 Polaris, 1 Atrium & Sierra Pacific

**Cost:** Planned lower lbs due to lower sales. Launched Yield Improvement Team

**Labour:** Lower headcount (primarily Temps).

**Inventory:** Higher FG from inventory builds in Q4 2018 and YTD 2019.

# Full Year Delmont P&L Summary

| \$'000                                       | FY               |                   | Var               |                | PY                |                  | Var            |  |
|--|------------------|-------------------|-------------------|----------------|-------------------|------------------|----------------|--|
|  | Fcst             | Bud               | \$                | %              | Fcst              | \$               | %              |  |
| <b>Units Produced ('000)</b>                 | <b>23,811</b>    | <b>24,343</b>     | <b>(532)</b>      | <b>(2.2%)</b>  | <b>20,561</b>     | <b>3,250</b>     | <b>15.8%</b>   |  |
| <b>Units Shipped ('000)</b>                  | <b>24,192</b>    | <b>24,886</b>     | <b>(694)</b>      | <b>(2.8%)</b>  | <b>21,921</b>     | <b>2,270</b>     | <b>10.4%</b>   |  |
| <b>Bookings (\$'000)</b>                     | <b>\$ 40,206</b> | <b>\$ –</b>       | <b>\$ 40,206</b>  | <b>N/A</b>     | <b>\$ –</b>       | <b>\$ 40,206</b> | <b>N/A</b>     |  |
| <b>Backlog ('\$000)</b>                      | <b>\$ 1,812</b>  | <b>\$ –</b>       | <b>\$ 1,812</b>   | <b>N/A</b>     | <b>\$ –</b>       | <b>\$ 1,812</b>  | <b>N/A</b>     |  |
| <b>Gross Revenue</b>                         | <b>\$ 42,054</b> | <b>\$ 43,100</b>  | <b>\$ (1,045)</b> | <b>(2.4%)</b>  | <b>\$ 38,138</b>  | <b>\$ 3,916</b>  | <b>10.3%</b>   |  |
| Adj. to Gross Revenue                        | (1,165)          | (1,242)           | 77                | (6.2%)         | (1,103)           | (62)             | 5.6%           |  |
| <b>Net Revenue</b>                           | <b>40,890</b>    | <b>41,858</b>     | <b>(968)</b>      | <b>(2.3%)</b>  | <b>37,036</b>     | <b>3,854</b>     | <b>10.4%</b>   |  |
| Material                                     | 19,855           | 20,394            | (539)             | (2.6%)         | 18,975            | 880              | 4.6%           |  |
| Labor  | 8,127            | 8,373             | (246)             | (2.9%)         | 7,668             | 459              | 6.0%           |  |
| Other COGS                                   | 3,421            | 3,394             | 27                | 0.8%           | 3,615             | (194)            | (5.4%)         |  |
| <b>Total COGS</b>                            | <b>31,403</b>    | <b>32,161</b>     | <b>(758)</b>      | <b>(2.4%)</b>  | <b>30,257</b>     | <b>1,145</b>     | <b>3.8%</b>    |  |
| <b>Gross Margin</b>                          | <b>9,487</b>     | <b>9,697</b>      | <b>(210)</b>      | <b>(2.2%)</b>  | <b>6,778</b>      | <b>2,709</b>     | <b>40.0%</b>   |  |
| <i>Gross Margin %</i>                        | 23.2%            | 23.2%             |                   |                | 18.3%             |                  |                |  |
| R&D  | –                | –                 | –                 | N/A            | –                 | –                | N/A            |  |
| Sales & Marketing                            | 177              | 181               | (4)               | (2.1%)         | 121               | 56               | 45.9%          |  |
| Administrative                               | 2,663            | 2,695             | (32)              | (1.2%)         | 2,623             | 40               | 1.5%           |  |
| Other Opex                                   | –                | –                 | –                 | N/A            | –                 | –                | N/A            |  |
| <b>Total Opex</b>                            | <b>2,840</b>     | <b>2,876</b>      | <b>(36)</b>       | <b>(1.2%)</b>  | <b>2,745</b>      | <b>96</b>        | <b>3.5%</b>    |  |
| <b>EBITDA</b>                                | <b>6,647</b>     | <b>6,820</b>      | <b>(174)</b>      | <b>(2.5%)</b>  | <b>4,034</b>      | <b>2,613</b>     | <b>64.8%</b>   |  |
| <i>EBITDA %</i>                              | 16.3%            | 16.3%             |                   |                | 10.9%             |                  |                |  |
| <b>Net Income (Loss)</b>                     | <b>\$ 4,791</b>  | <b>\$ 5,006</b>   | <b>\$ (215)</b>   | <b>(4.3%)</b>  | <b>\$ 2,400</b>   | <b>\$ 2,391</b>  | <b>99.6%</b>   |  |
| <b>Capex</b>                                 | <b>\$ (375)</b>  | <b>\$ (1,171)</b> | <b>\$ 796</b>     | <b>(68.0%)</b> | <b>\$ (1,425)</b> | <b>\$ 1,050</b>  | <b>(73.7%)</b> |  |
| <b><u>Opex Overview:</u></b>                 |                  |                   |                   |                |                   |                  |                |  |
| Payroll                                      | \$ 712           | \$ 753            | \$ (41)           | (5.4%)         | \$ 639            | \$ 73            | 11.5%          |  |
| Bonus  | –                | –                 | –                 | N/A            | –                 | –                | N/A            |  |
| Commissions                                  | –                | –                 | –                 | N/A            | –                 | –                | N/A            |  |
| Marketing                                    | 0                | –                 | 0                 | N/A            | –                 | 0                | N/A            |  |
| Benefits                                     | –                | –                 | –                 | N/A            | –                 | –                | N/A            |  |
| Travel and entertainment                     | 0                | –                 | 0                 | N/A            | 2                 | (2)              | (81.0%)        |  |
| Rent and facilities                          | –                | –                 | –                 | N/A            | –                 | –                | N/A            |  |
| Insurance                                    | –                | –                 | –                 | N/A            | –                 | –                | N/A            |  |
| Professional fees                            | –                | –                 | –                 | N/A            | –                 | –                | N/A            |  |
| Utilities, repair, maintenance, and security | 42               | 45                | (3)               | (5.9%)         | 43                | (0)              | (0.7%)         |  |
| Corporate OH Fees                            | 1,986            | 1,983             | 4                 | 0.2%           | 1,985             | 2                | 0.1%           |  |
| Bad Debts                                    | –                | –                 | –                 | N/A            | 3                 | (3)              | (100.0%)       |  |
| FX   | –                | –                 | –                 | N/A            | –                 | –                | N/A            |  |
| JV Loss (Income)                             | –                | –                 | –                 | N/A            | –                 | –                | N/A            |  |
| Other Expenses                               | 99               | 96                | 3                 | 3.5%           | 76                | 23               | 30.4%          |  |
| <b>Total Opex</b>                            | <b>\$ 2,840</b>  | <b>\$ 2,876</b>   | <b>\$ (36)</b>    | <b>(1.2%)</b>  | <b>\$ 2,747</b>   | <b>\$ 93</b>     | <b>3.4%</b>    |  |

# Key Customers – Full Year Delmont

|                                    | Gross Sales (\$'000) |        |    |        |      |         |         |    |        | Gross Margin % |          |     |         |          |           |         |         |         |         |          |
|------------------------------------|----------------------|--------|----|--------|------|---------|---------|----|--------|----------------|----------|-----|---------|----------|-----------|---------|---------|---------|---------|----------|
|                                    | FY                   |        | FY |        | Var  |         | PY      |    | Var    |                | FY       | FY  | Var     |          | PY        | Var     |         |         |         |          |
|                                    | Fcst                 | Bud    | \$ | %      | Fcst | \$      | %       |    |        | Fcst           | Bud      | BPs | %       | Fcst     | BPs       | %       |         |         |         |          |
| <b>Customer:</b>                   |                      |        |    |        |      |         |         |    |        |                |          |     |         |          |           |         |         |         |         |          |
| PGT Industries Inc                 | \$                   | 23,238 | \$ | 22,984 | \$   | 255     | 1.1%    | \$ | 12,256 | \$             | 10,982   |     | 89.6%   | 19.6%    | 19.2%     | 40      | 2.1%    | 25.3%   | (568)   | (22.4%)  |
| Polaris Technologies               |                      | 5,477  |    | 5,822  |      | (345)   | (5.9%)  |    | 2,004  |                | 3,473    |     | 173.3%  | 17.6%    | 17.7%     | (8)     | (0.4%)  | 28.9%   | (1,133) | (39.1%)  |
| Comfort View Products              |                      | 2,706  |    | 3,135  |      | (429)   | (13.7%) |    | 1,932  |                | 774      |     | 40.1%   | 18.6%    | 16.1%     | 240     | 14.9%   | 18.6%   | (8)     | (0.4%)   |
| Sierra Pacific Windows             |                      | 2,506  |    | 2,560  |      | (54)    | (2.1%)  |    | 1,661  |                | 845      |     | 50.9%   | 10.5%    | 9.9%      | 54      | 5.4%    | 9.9%    | 52      | 5.3%     |
| Atrium Windows & Doors             |                      | 1,478  |    | 1,580  |      | (102)   | (6.5%)  |    | 601    |                | 877      |     | 145.9%  | 48.1%    | 47.4%     | 75      | 1.6%    | 94.0%   | (4,588) | (48.8%)  |
| Regency Plus, Inc.                 |                      | 2,105  |    | 2,060  |      | 45      | 2.2%    |    | 830    |                | 1,275    |     | 153.6%  | 17.9%    | 17.9%     | (0)     | (0.0%)  | 30.1%   | (1,223) | (40.6%)  |
| Brunswick Bowling And Billiards    |                      | 1,501  |    | 1,729  |      | (228)   | (13.2%) |    | 758    |                | 743      |     | 98.0%   | 49.0%    | 48.9%     | 4       | 0.1%    | 94.6%   | (4,564) | (48.2%)  |
| Qubicaamf Worlwide LCC             |                      | 851    |    | 892    |      | (41)    | (4.6%)  |    | 473    |                | 378      |     | 79.9%   | 56.4%    | 55.0%     | 143     | 2.6%    | 80.3%   | (2,390) | (29.7%)  |
| NewSouth Window Solutions, LLC     |                      | 535    |    | 682    |      | (147)   | (21.6%) |    | 396    |                | 139      |     | 35.1%   | 43.3%    | 39.6%     | 362     | 9.1%    | 68.4%   | (2,518) | (36.8%)  |
| Great Day Improvement, LLC         |                      | 417    |    | 463    |      | (46)    | (9.9%)  |    | 212    |                | 205      |     | 96.7%   | 36.4%    | 40.1%     | (366)   | (9.1%)  | 69.3%   | (3,292) | (47.5%)  |
| Yoders Window & Siding             |                      | 247    |    | 300    |      | (53)    | (17.7%) |    | 102    |                | 145      |     | 142.2%  | 46.1%    | 43.5%     | 251     | 5.8%    | 90.2%   | (4,414) | (48.9%)  |
| Fairway Building Products          |                      | 164    |    | 139    |      | 25      | 18.0%   |    | 79     |                | 85       |     | 107.6%  | 20.0%    | 26.9%     | (690)   | (25.6%) | 30.4%   | (1,036) | (34.1%)  |
| Graber Manufacturing Llc           |                      | 16     |    | 92     |      | (76)    | (82.6%) |    | 32     |                | (16)     |     | (50.0%) | 177.7%   | 42.9%     | 13,478  | 313.9%  | 121.9%  | 5,584   | 45.8%    |
| Columbia Industries, Inc.          |                      | 111    |    | 58     |      | 53      | 91.4%   |    | 29     |                | 82       |     | 282.8%  | 6.3%     | 17.2%     | (1,098) | (63.7%) | 41.4%   | (3,512) | (84.9%)  |
| Jeld-Wen Windows & Doors           |                      | 18     |    | 27     |      | (9)     | (33.3%) |    | 7      |                | 11       |     | 157.1%  | 44.9%    | 26.9%     | 1,796   | 66.7%   | 57.1%   | (1,226) | (21.5%)  |
| Constant Distribution LLC          |                      | 7      |    | –      |      | 7       | N/A     |    | –      |                | 7        |     | N/A     | (12.3%)  | #DIV/0! – |         | #DIV/0! | #DIV/0! | NA      | #DIV/0!  |
| CGI                                |                      | 62     |    | 48     |      | 14      | 29.2%   |    | 11     |                | 51       |     | 463.6%  | 2.5%     | 0.0%      | 247     | N/A     | 0.0%    | 247     | N/A      |
| East Central Indiana Vinyl MFG, LL |                      | 28     |    | 22     |      | 6       | 27.3%   |    | 16     |                | 12       |     | 75.0%   | 23.6%    | 45.5%     | (2,187) | (48.1%) | 100.0%  | (7,641) | (76.4%)  |
| Lakeland Polymers, LLC             |                      | 7      |    | 9      |      | (2)     | (22.2%) |    | –      |                | 7        |     | N/A     | (390.9%) | (316.7%)  | (7,420) | 23.4%   | #DIV/0! | NA      | #DIV/0!  |
| JP Industrial Products Inc         |                      | –      |    | –      |      | -       | N/A     |    | –      |                | -        |     | N/A     | #DIV/0!  | #DIV/0! – |         | #DIV/0! | #DIV/0! | NA      | #DIV/0!  |
| Other                              |                      | 580    |    | 498    |      | 82      | 16.5%   |    | 16,739 |                | (16,159) |     | (96.5%) | 67.0%    | 81.3%     | (1,426) | (17.5%) | 0.5%    | 6,657   | 14278.8% |
| Total Gross                        | \$                   | 42,054 | \$ | 43,100 | \$   | (1,045) | (2.4%)  | \$ | 38,138 | \$             | 3,916    |     | 10.3%   | 22.7%    | 22.7%     | 7       | 0.3%    | 17.8%   | 496     | 27.9%    |

# Everett Summary P&L

| \$'000                              | MTD      |          | Var      |           | YTD      |          | Var      |          |
|-------------------------------------|----------|----------|----------|-----------|----------|----------|----------|----------|
|                                     | Act      | Bud      | \$       | %         | Act      | Bud      | \$       | %        |
| Units Produced ('000)               | 1,361    | 1,431    | (70)     | (4.9%)    | 5,331    | 5,632    | (300)    | (5.3%)   |
| Units Shipped ('000)                | 1,459    | 1,375    | 84       | 6.1%      | 4,911    | 5,064    | (153)    | (3.0%)   |
| Bookings (\$'000)                   | 2,210    | \$ –     | \$ 2,210 | N/A       | 7,746    | \$ –     | \$ 7,746 | N/A      |
| Backlog ('000)                      | 1,043    | \$ –     | \$ 1,043 | N/A       | 1,043    | \$ –     | \$ 1,043 | N/A      |
| Gross Revenue                       | \$ 2,361 | \$ 2,371 | \$ (9)   | (0.4%)    | \$ 7,970 | \$ 8,659 | \$ (689) | (8.0%)   |
| Adj. to Gross Revenue               | (108)    | (125)    | 17       | (13.6%)   | (295)    | (468)    | 173      | (37.0%)  |
| Net Revenue                         | 2,253    | 2,245    | 8        | 0.3%      | 7,675    | 8,191    | (516)    | (6.3%)   |
| Material                            | 1,200    | 1,044    | 157      | 15.0%     | 3,880    | 3,826    | 54       | 1.4%     |
| Labor                               | 488      | 519      | (31)     | (5.9%)    | 1,975    | 2,011    | (36)     | (1.8%)   |
| Other COGS                          | 278      | 206      | 72       | 35.1%     | 785      | 654      | 131      | 20.1%    |
| Total COGS                          | 1,966    | 1,768    | 198      | 11.2%     | 6,640    | 6,491    | 149      | 2.3%     |
| Gross Margin                        | 287      | 477      | (191)    | (39.9%)   | 1,035    | 1,700    | (666)    | (39.1%)  |
| Gross Margin %                      | 12.7%    | 21.3%    |          |           | 13.5%    | 20.8%    |          |          |
| R&D                                 | –        | –        | –        | N/A       | –        | –        | –        | N/A      |
| Sales & Marketing                   | 31       | 110      | (78)     | (71.4%)   | 102      | 179      | (77)     | (43.0%)  |
| Administrative                      | 254      | 262      | (8)      | (2.9%)    | 1,015    | 1,041    | (26)     | (2.5%)   |
| Other Opex                          | 0        | –        | 0        | N/A       | (4)      | –        | (4)      | N/A      |
| Total Opex                          | 286      | 371      | (86)     | (23.1%)   | 1,113    | 1,220    | (107)    | (8.8%)   |
| EBITDA                              | 1        | 106      | (105)    | (98.8%)   | (78)     | 480      | (558)    | (116.2%) |
| EBITDA %                            | 0.1%     | 4.7%     |          |           | (1.0%)   | 5.9%     |          |          |
| Net Income (Loss)                   | \$ (98)  | \$ 2     | \$ (100) | (5831.9%) | \$ (477) | \$ 69    | \$ (546) | (790.4%) |
| Capex                               | \$ (170) | \$ (151) | \$ (19)  | 12.4%     | \$ (694) | \$ (627) | \$ (66)  | 10.6%    |
| <b>Opex Overview:</b>               |          |          |          |           |          |          |          |          |
| Payroll                             | \$ 72    | \$ 71    | \$ 1     | 1.7%      | \$ 261   | \$ 272   | \$ (10)  | (3.8%)   |
| Bonus                               | –        | –        | –        | N/A       | –        | –        | –        | N/A      |
| Commissions                         | –        | –        | –        | N/A       | –        | –        | –        | N/A      |
| Marketing                           | 19       | 97       | (78)     | (80.4%)   | 55       | 128      | (73)     | (57.1%)  |
| Benefits                            | –        | –        | –        | N/A       | –        | –        | –        | N/A      |
| Travel and entertainment            | –        | 0        | (0)      | (100.0%)  | 1        | 3        | (2)      | (82.8%)  |
| Rent and facilities                 | –        | –        | –        | N/A       | –        | –        | –        | N/A      |
| Insurance                           | 7        | 14       | (7)      | (49.4%)   | 44       | 51       | (7)      | (13.6%)  |
| Professional fees                   | –        | –        | –        | N/A       | –        | –        | –        | N/A      |
| Utilities, repair, maintenance, and | 0        | 0        | 0        | 344.3%    | 2        | 4        | (2)      | (55.2%)  |
| Corporate OH Fees                   | 177      | 178      | (1)      | (0.6%)    | 712      | 710      | 2        | 0.3%     |
| Bad Debts                           | 0        | –        | 0        | N/A       | 0        | –        | 0        | N/A      |
| FX                                  | 0        | –        | 0        | N/A       | (4)      | –        | (4)      | N/A      |
| JV Loss (Income)                    | –        | –        | –        | N/A       | –        | –        | –        | N/A      |
| Other Expenses                      | 10       | 12       | (2)      | (13.2%)   | 42       | 52       | (11)     | (20.1%)  |
| Total Opex                          | \$ 286   | \$ 371   | \$ (86)  | (23.1%)   | \$ 1,113 | \$ 1,220 | \$ (107) | (8.8%)   |

## Management Discussion

### Net Revenue – Apr-19: +\$8K

- Sales volume up 6.1% or \$145k. Increased volume from Solar; offset by decreased volumes from CDA, Windor, Northern and Western
- Lower rebates and accruals of \$17k primarily driven by customer mix
- Lower ASP by \$154k primarily driven by delay in Capstock sales & customer mix lower volumes to Win-Dor (higher ASP); new agreements with lower ASP for Cascade and Intl Yellow Dog, and Simonton Tooling Recovery true-up

### EBITDA – Apr-19: (\$105K)

- Material COGS:** Increase in costs by \$157k driven by higher sales volume \$64k; customer/product mix \$25k and decreased yield (89% vs 89.66%) & regrind/alt material usage (18.27% vs 25%) \$68k
- Labor COGS:** Decrease in costs by \$31k driven by lower HC and fringe benefit costs offset by additional OT to backfill absences and dark capstock training
- Other COGS:** Increase in cost by \$72k driven by unfavorable net absorption \$80k (decrease production); offset by true up of real estate and property tax adjustment
- Sales and Marketing:** Decrease in costs by \$78k driven by lower marketing costs for customer fabrication tooling support related to the West Coast Platform
- Administrative:** Decrease in costs by \$8k primarily driven by lower WA State B&O Tax
- Other Opex:** In line with plan



# Key Customers – Gross Sales and Gross Margin %: Everett

|                     | Gross Sales (\$'000) |          |         |          |          |          |          |          |          |          |         |          |            |         | Gross Margin % |        |         |          |        |         |          |           |        |           |          |         |         |           |
|---------------------|----------------------|----------|---------|----------|----------|----------|----------|----------|----------|----------|---------|----------|------------|---------|----------------|--------|---------|----------|--------|---------|----------|-----------|--------|-----------|----------|---------|---------|-----------|
|                     | MTD                  |          | Var     |          | PY-MTD   | Var      |          | YTD      |          | Var      |         | PY-YTD   | Var        |         | MTD            |        | Var     |          | PY-MTD | Var     |          | YTD       |        | Var       |          | PY-YTD  | Var     |           |
|                     | Act                  | Bud      | \$      | %        | Act      | \$       | %        | Act      | Bud      | \$       | %       | Act      | \$         | %       | Act            | Bud    | BP's    | %        | Act    | BP's    | %        | Act       | Bud    | BP's      | %        | Act     | BP's    | %         |
| Customer:           |                      |          |         |          |          |          |          |          |          |          |         |          |            |         |                |        |         |          |        |         |          |           |        |           |          |         |         |           |
| Simonton            | \$ 824               | \$ 851   | \$ (27) | (3.2%)   | \$ 795   | \$ 29    | 3.7%     | \$ 2,965 | \$ 3,213 | \$ (248) | (7.7%)  | \$ 3,384 | \$ (419)   | (12.4%) | 8.2%           | 20.8%  | (1,261) | (60.5%)  | 11.2%  | (297)   | (26.5%)  | 16.7%     | 19.9%  | (328)     | (16.5%)  | 7.8%    | 890     | 114.8%    |
| Coeur d'Alene       | 242                  | 375      | (132)   | (35.3%)  | 288      | (46)     | (15.8%)  | 912      | 1,060    | (149)    | (14.0%) | 785      | 127        | 16.2%   | 3.9%           | 7.6%   | (378)   | (49.4%)  | 1.7%   | 213     | 122.5%   | 0.9%      | 7.6%   | (674)     | (88.1%)  | 3.0%    | (213)   | (70.1%)   |
| Westeck             | 166                  | 147      | 19      | 12.9%    | 103      | 63       | 61.0%    | 567      | 605      | (38)     | (6.3%)  | 580      | (13)       | (2.3%)  | 25.0%          | 26.8%  | (183)   | (6.8%)   | 21.4%  | 360     | 16.9%    | 23.0%     | 26.0%  | (302)     | (11.6%)  | 17.0%   | 593     | 34.8%     |
| Cascade             | 165                  | 100      | 65      | 65.4%    | 99       | 66       | 66.2%    | 734      | 443      | 292      | 65.9%   | 708      | 26         | 3.7%    | (28.3%)        | (1.9%) | (2,639) | 1390.1%  | (7.1%) | (2,122) | 300.1%   | (21.0%)   | (2.0%) | (1,909)   | 976.1%   | (10.4%) | (1,064) | 102.3%    |
| All Weather         | 113                  | 79       | 34      | 42.8%    | 95       | 18       | 18.5%    | 368      | 309      | 59       | 19.0%   | 410      | (42)       | (10.2%) | (9.3%)         | 1.1%   | (1,038) | (938.8%) | (1.1%) | (823)   | 781.4%   | (4.0%)    | 1.0%   | (499)     | (491.9%) | (0.7%)  | (328)   | 476.3%    |
| KGW                 | 92                   | 59       | 34      | 57.1%    | 89       | 3        | 3.7%     | 372      | 365      | 6        | 1.7%    | 375      | (3)        | (0.9%)  | 35.7%          | 13.7%  | 2,191   | 159.5%   | 32.6%  | 307     | 9.4%     | 33.8%     | 13.7%  | 2,008     | 146.5%   | 32.2%   | 157     | 4.9%      |
| Lindsay             | 45                   | 101      | (55)    | (55.0%)  | 104      | (59)     | (56.3%)  | 244      | 388      | (144)    | (37.1%) | 350      | (106)      | (30.3%) | 12.1%          | 15.6%  | (347)   | (22.3%)  | 8.7%   | 348     | 40.2%    | 13.0%     | 15.6%  | (256)     | (16.4%)  | 7.6%    | 547     | 72.4%     |
| Solar               | 237                  | 25       | 212     | 849.8%   | 275      | (38)     | (13.7%)  | 398      | 100      | 298      | 298.3%  | 675      | (277)      | (41.0%) | 19.3%          | 13.1%  | 618     | 47.2%    | 2.9%   | 1,635   | 562.2%   | 13.5%     | 13.0%  | 41        | 3.1%     | 2.8%    | 1,067   | 382.2%    |
| ATI                 | 7                    | 30       | (23)    | (77.0%)  | 52       | (45)     | (86.9%)  | 8        | 123      | (115)    | (93.7%) | 221      | (213)      | (96.5%) | 37.3%          | 12.4%  | 2,484   | 200.1%   | 11.5%  | 2,571   | 222.9%   | (1318.5%) | 12.3%  | (133,074) | #####    | 14.4%   | #####   | (9282.1%) |
| Win-Dor             | (0)                  | 95       | (96)    | (100.3%) | 76       | (76)     | (100.3%) | 6        | 389      | (382)    | (98.3%) | 307      | (301)      | (97.9%) | 26.1%          | 21.1%  | 498     | 23.6%    | (1.3%) | 2,738   | #####    | (21.6%)   | 19.2%  | (4,080)   | (212.1%) | 9.9%    | (3,141) | (318.8%)  |
| Northern - Yukon    | –                    | 65       | (65)    | (100.0%) | 71       | (71)     | (100.0%) | 94       | 213      | (119)    | (55.6%) | 272      | (178)      | (65.3%) | #DIV/0!        | 43.6%  | –       | #VALUE!  | 38.0%  | NA      | #VALUE!  | 38.4%     | 42.7%  | (432)     | (10.1%)  | 38.3%   | 12      | 0.3%      |
| Van Isle            | 51                   | 52       | (1)     | (1.9%)   | 53       | (2)      | (4.1%)   | 247      | 212      | 35       | 16.7%   | 203      | 44         | N/A     | 6.8%           | 24.5%  | (1,768) | (72.2%)  | 84.9%  | (7,809) | (92.0%)  | 12.5%     | 23.9%  | (1,131)   | (47.4%)  | 85.8%   | (7,329) | (85.4%)   |
| Whisper Walls       | 29                   | 40       | (11)    | (27.4%)  | 50       | (21)     | (42.3%)  | 195      | 190      | 5        | 2.6%    | 256      | (61)       | (24.0%) | 45.2%          | 47.2%  | (206)   | (4.4%)   | 60.0%  | (1,484) | (24.7%)  | 48.4%     | 46.4%  | 202       | 4.4%     | 49.8%   | (141)   | (2.8%)    |
| West Coast Designed | 40                   | 40       | (0)     | (0.1%)   | 47       | (7)      | (14.8%)  | 138      | 142      | (4)      | (2.6%)  | 138      | 0          | 0.2%    | 48.5%          | 44.3%  | 420     | 9.5%     | 55.3%  | (679)   | (12.3%)  | 45.9%     | 42.7%  | 322       | 7.5%     | 28.8%   | 1,710   | 59.3%     |
| Hometime            | 76                   | 42       | 35      | 82.8%    | 77       | (1)      | (1.0%)   | 85       | 138      | (54)     | (38.8%) | 108      | (23)       | (21.7%) | 34.7%          | 36.2%  | (155)   | (4.3%)   | 24.7%  | 998     | 40.4%    | 24.4%     | 34.3%  | (989)     | (28.9%)  | 26.6%   | (225)   | (8.4%)    |
| Western             | 13                   | 80       | (67)    | (83.9%)  | 33       | (20)     | (60.9%)  | 87       | 184      | (96)     | (52.6%) | 114      | (27)       | (23.6%) | (2.0%)         | 44.1%  | (4,611) | (104.6%) | 36.4%  | (3,838) | (105.5%) | 29.1%     | 44.2%  | (1,511)   | (34.2%)  | 6.2%    | 2,297   | 373.3%    |
| Coastal             | 71                   | 43       | 28      | 64.5%    | 36       | 35       | 98.5%    | 126      | 137      | (11)     | (8.3%)  | 130      | (4)        | (3.5%)  | 45.2%          | 31.6%  | 1,361   | 43.0%    | 38.9%  | 634     | 16.3%    | 35.4%     | 31.2%  | 419       | 13.4%    | 31.3%   | 418     | 13.4%     |
| Modern              | 30                   | 8        | 22      | 265.5%   | 7        | 23       | 332.9%   | 63       | 93       | (31)     | (32.9%) | 93       | (30)       | (32.6%) | 6.7%           | 37.5%  | (3,073) | (82.1%)  | 28.6%  | (2,185) | (76.5%)  | 10.3%     | 36.4%  | (2,607)   | (71.7%)  | 12.3%   | (200)   | (16.3%)   |
| Avanti              | 19                   | 9        | 9       | 102.0%   | 8        | 11       | 134.7%   | 61       | 73       | (11)     | (15.4%) | 119      | (58)       | (48.4%) | 33.4%          | 41.2%  | (782)   | (19.0%)  | 37.5%  | (409)   | (10.9%)  | 39.5%     | 41.4%  | (190)     | (4.6%)   | 30.0%   | 954     | 31.8%     |
| Oasis               | 3                    | 49       | (46)    | (93.7%)  | 49       | (46)     | (93.7%)  | 14       | 91       | (77)     | (84.9%) | 91       | (77)       | (84.9%) | 29.9%          | 18.2%  | 1,172   | 64.4%    | 8.2%   | 2,174   | 266.3%   | 21.3%     | 17.1%  | 416       | 24.3%    | 3.0%    | 1,829   | 608.2%    |
| Other               | 137                  | 82       | 56      | 68.1%    | 68       | 69       | 100.8%   | 286      | 192      | 93       | 48.5%   | 160      | 125        | 78.2%   | 25.5%          | 30.1%  | (463)   | (15.4%)  | 110.5% | (8,505) | (76.9%)  | 36.9%     | 35.1%  | 173       | 4.9%     | 51.9%   | (1,503) | (29.0%)   |
| Total Gross         | \$ 2,361             | \$ 2,371 | \$ (9)  | (0.4%)   | \$ 2,475 | \$ (114) | (4.6%)   | \$ 7,970 | \$ 8,659 | \$ (689) | (8.0%)  | \$ 9,479 | \$ (1,510) | (15.9%) | 12.1%          | 20.1%  | (799)   | (39.7%)  | 14.7%  | (256)   | (17.4%)  | 13.1%     | 19.6%  | (643)     | (32.9%)  | 12.2%   | 93      | 7.7%      |

## Management Discussion

- Coeur d’Alene – Slower April following a strong Q1
- Simonton – Improved pickup in Q2 following a slow Q1.
- Win-Dor - Lost business to competitor
- Solar – Witnessing strong order intake following a slow start in Q1
- ATI – Reduction in business

# Key Performance Indicators - Everett

| ENERGI Everett Extrusion January KPI Report | 2019 Targets | Jan-19   | Feb-19   | Mar-19   | Apr-19   | YTD 2019 |
|---|--------------|----------|----------|----------|----------|----------|
| <b>Health &amp; Safety</b>                  |              |          |          |          |          |          |
| Recordable Incidents                        | 1            | 0        | 0        | 0        | 1        | 1        |
| TRIR (Total Recordable Incident Rate)       | <1           | 0        | 0        | 0        | 1        |          |
| <b>Quality Performance</b>                  |              |          |          |          |          |          |
| Customer Complaints - per MLBS              | 3.2          | 1.38     | 2.70     | 3.5      | 2.2      | 2        |
| Return as % of sales                        | 0.30%        | 0.43%    | 0.32%    | 0.06%    | 0.40%    | 0.30%    |
| <b>Delivery Performance</b>                 |              |          |          |          |          |          |
| % on time in full                           | 95.00%       | 100%     | 100%     | 100%     | 100%     | 100%     |
| % by line items                             | 99.00%       | 100%     | 100%     | 100%     | 100%     | 100%     |
| <b>Costs</b>                                |              |          |          |          |          |          |
| Yield                                       | 85.7%        | 91%      | 91%      | 91%      | 89%      | 91%      |
| Alt/Regrind Compound Consumption Ratio      | 19.9%        | 32%      | 18%      | 21%      | 18%      | 23%      |
| Direct Labour \$/lb produced                | \$0.167      | \$ 0.182 | \$ 0.189 | \$ 0.170 | \$ 0.166 | \$ 0.176 |
| Indirect Labour (incl D&D) \$/lb produced   | \$0.176      | \$ 0.180 | \$ 0.201 | \$ 0.191 | \$ 0.192 | \$ 0.190 |
| <b>Inventory</b>                            |              |          |          |          |          |          |
| Days - TTM (Trailing 12 Months)             | 84.5         | 84       | 86       | 87       | 88       | 86       |

## Comments

**Safety:** Tooling employee pinched finger and did not report at time of accident. Blister became infected some days later and required anti-biotic treatment. No lost days. Appeal in progress

**Yield:** Working on additional supply (Simonton program). Discovered quality issues in last NPI regrind shipments. Running through optical sorter and working with NPI on issue.

**Labour:** Additional labor for new tooling project and lower production volume

**Inventory:** Strategic build up of inventory in response to anticipated Demand in Q2

# Full Year Everett P&L Summary

| \$'000                                       | FY        |           | Var       |          | PY         | Var       |          |
|--|-----------|-----------|-----------|----------|------------|-----------|----------|
|  | Fcst      | Bud       | \$        | %        | Act        | \$        | %        |
| Units Produced ('000)                        | 16,227    | 16,527    | (300)     | (1.8%)   | 18,519     | (2,292)   | (12.4%)  |
| Units Shipped ('000)                         | 17,111    | 17,263    | (153)     | (0.9%)   | 16,932     | 178       | 1.1%     |
| Bookings (\$'000)                            | \$ 28,684 | \$ —      | \$ 28,684 | N/A      | \$ —       | \$ 28,684 | N/A      |
| Backlog ('\$000)                             | \$ 2,601  | \$ —      | \$ 2,601  | N/A      | \$ —       | \$ 2,601  | N/A      |
| Gross Revenue                                | \$ 28,759 | \$ 29,448 | \$ (689)  | (2.3%)   | \$ 28,090  | \$ 669    | 2.4%     |
| Adj. to Gross Revenue                        | (1,395)   | (1,568)   | 173       | (11.0%)  | (1,483)    | 88        | (5.9%)   |
| Net Revenue                                  | 27,364    | 27,880    | (516)     | (1.9%)   | 26,607     | 756       | 2.8%     |
| Material                                     | 13,159    | 13,105    | 54        | 0.4%     | 13,359     | (200)     | (1.5%)   |
| Labor  | 6,107     | 6,142     | (36)      | (0.6%)   | 6,705      | (599)     | (8.9%)   |
| Other COGS                                   | 3,511     | 3,380     | 131       | 3.9%     | 2,876      | 635       | 22.1%    |
| Total COGS                                   | 22,776    | 22,627    | 149       | 0.7%     | 22,941     | (164)     | (0.7%)   |
| Gross Margin                                 | 4,588     | 5,253     | (666)     | (12.7%)  | 3,667      | 921       | 25.1%    |
| Gross Margin %                               | 16.8%     | 18.8%     |           |          | 13.8%      |           |          |
| R&D  | —         | —         | —         | N/A      | —          | —         | N/A      |
| Sales & Marketing                            | 259       | 335       | (77)      | (22.9%)  | 247        | 11        | 4.5%     |
| Administrative                               | 3,093     | 3,119     | (26)      | (0.8%)   | 3,129      | (35)      | (1.1%)   |
| Other Opex                                   | (4)       | —         | (4)       | N/A      | 11         | (15)      | (136.0%) |
| Total Opex                                   | 3,348     | 3,455     | (107)     | (3.1%)   | 3,387      | (39)      | (1.1%)   |
| EBITDA                                       | 1,240     | 1,798     | (558)     | (31.1%)  | 280        | 960       | 342.6%   |
| EBITDA %                                     | 4.5%      | 6.5%      |           |          | 1.1%       |           |          |
| Net Income (Loss)                            | \$ (6)    | \$ 541    | \$ (546)  | (101.1%) | \$ (775)   | \$ 769    | (99.2%)  |
| Capex  | \$ (694)  | \$ (752)  | \$ 59     | (7.8%)   | \$ (1,856) | \$ 1,162  | (62.6%)  |
| <u>Opex Overview:</u>                        |           |           |           |          |            |           |          |
| Payroll                                      | \$ 817    | \$ 827    | \$ (10)   | (1.3%)   | \$ 816     | \$ 0      | 0.0%     |
| Bonus  | —         | —         | —         | N/A      | —          | —         | N/A      |
| Commissions                                  | —         | —         | —         | N/A      | —          | —         | N/A      |
| Marketing                                    | 107       | 180       | (73)      | (40.6%)  | 104        | 3         | 2.5%     |
| Benefits                                     | —         | —         | —         | N/A      | —          | —         | N/A      |
| Travel and entertainment                     | 14        | 17        | (2)       | (14.7%)  | 14         | 0         | 1.3%     |
| Rent and facilities                          | —         | —         | —         | N/A      | —          | —         | N/A      |
| Insurance                                    | 154       | 161       | (7)       | (4.3%)   | 162        | (8)       | (4.9%)   |
| Professional fees                            | —         | —         | —         | N/A      | —          | —         | N/A      |
| Utilities, repair, maintenance, and security | 5         | 7         | (2)       | (31.9%)  | 7          | (3)       | (35.4%)  |
| Corporate OH Fees                            | 2,131     | 2,129     | 2         | 0.1%     | 2,129      | 3         | 0.1%     |
| Bad Debts                                    | 0         | —         | 0         | N/A      | (3)        | 3         | (101.0%) |
| FX   | (4)       | —         | (4)       | N/A      | 11         | (15)      | (136.0%) |
| JV Loss (Income)                             | —         | —         | —         | N/A      | —          | —         | N/A      |
| Other Expenses                               | 124       | 134       | (11)      | (7.8%)   | 149        | (26)      | (17.2%)  |
| Total Opex                                   | \$ 3,348  | \$ 3,455  | \$ (107)  | (3.1%)   | \$ 3,390   | \$ (42)   | (1.2%)   |

# Key Customers – Full Year Everett

|                     | Gross Sales (\$'000) |        |    |        |     |       |         |      |        | Gross Margin % |         |         |         |        |         |          |         |         |          |  |
|---------------------|----------------------|--------|----|--------|-----|-------|---------|------|--------|----------------|---------|---------|---------|--------|---------|----------|---------|---------|----------|--|
|                     | FY                   |        | FY |        | Var |       | PY      |      | Var    |                | FY      |         | FY      |        | Var     |          | PY      |         | Var      |  |
|                     | Fcst                 | Bud    | \$ | %      | Act | \$    | %       | Fcst | Bud    | BPs            | %       | Act     | BPs     | %      |         |          |         |         |          |  |
| Customer:           |                      |        |    |        |     |       |         |      |        |                |         |         |         |        |         |          |         |         |          |  |
| Simonton            | \$                   | 10,611 | \$ | 10,859 | \$  | (248) | (2.3%)  | \$   | 10,221 | \$             | 390     | 3.8%    | 18.1%   | 19.5%  | (147)   | (7.5%)   | 8.6%    | 944     | 109.5%   |  |
| Coeur d'Alene       |                      | 3,851  |    | 4,000  |     | (149) | (3.7%)  |      | 2,804  |                | 1,047   | 37.3%   | 4.6%    | 6.4%   | (180)   | (28.0%)  | 3.3%    | 134     | 40.8%    |  |
| Westeck             |                      | 1,934  |    | 1,972  |     | (38)  | (1.9%)  |      | 1,791  |                | 143     | 8.0%    | 24.5%   | 25.4%  | (96)    | (3.8%)   | 18.3%   | 617     | 33.7%    |  |
| Cascade             |                      | 2,280  |    | 1,988  |     | 292   | 14.7%   |      | 2,083  |                | 197     | 9.5%    | (10.6%) | (3.4%) | (721)   | 214.6%   | (10.7%) | 9       | (0.8%)   |  |
| All Weather         |                      | 1,176  |    | 1,117  |     | 59    | 5.3%    |      | 1,309  |                | (133)   | (10.2%) | (1.7%)  | 0.2%   | (196)   | (925.1%) | (3.1%)  | 139     | (44.3%)  |  |
| KGW                 |                      | 1,162  |    | 1,155  |     | 6     | 0.5%    |      | 1,081  |                | 81      | 7.5%    | 20.2%   | 12.8%  | 739     | 57.9%    | 29.3%   | (917)   | (31.3%)  |  |
| Lindsay             |                      | 1,134  |    | 1,278  |     | (144) | (11.3%) |      | 1,145  |                | (11)    | (1.0%)  | 13.5%   | 14.3%  | (85)    | (5.9%)   | 8.5%    | 500     | 59.1%    |  |
| Solar               |                      | 598    |    | 300    |     | 298   | 99.4%   |      | 1,651  |                | (1,053) | (63.8%) | 14.0%   | 11.9%  | 215     | 18.2%    | 7.6%    | 644     | 85.0%    |  |
| ATI                 |                      | 272    |    | 387    |     | (115) | (29.7%) |      | 345    |                | (73)    | (21.3%) | (15.0%) | 11.1%  | (2,612) | (235.4%) | 13.3%   | (2,836) | (212.7%) |  |
| Win-Dor             |                      | 389    |    | 771    |     | (382) | (49.6%) |      | 626    |                | (237)   | (37.9%) | 19.4%   | 19.8%  | (39)    | (2.0%)   | 18.1%   | 137     | 7.6%     |  |
| Northerm - Yukon    |                      | 576    |    | 694    |     | (119) | (17.1%) |      | 789    |                | (213)   | (27.0%) | 42.2%   | 43.0%  | (80)    | (1.9%)   | 39.4%   | 275     | 7.0%     |  |
| Van Isle            |                      | 730    |    | 694    |     | 35    | 5.1%    |      | 697    |                | 33      | 4.7%    | 18.9%   | 23.3%  | (444)   | (19.0%)  | 72.2%   | (5,326) | (73.8%)  |  |
| Whisper Walls       |                      | 609    |    | 604    |     | 5     | 0.8%    |      | 681    |                | (72)    | (10.6%) | 46.4%   | 45.8%  | 63      | 1.4%     | 46.0%   | 43      | 0.9%     |  |
| West Coast Designed |                      | 436    |    | 439    |     | (4)   | (0.8%)  |      | 429    |                | 7       | 1.5%    | 44.3%   | 43.1%  | 118     | 2.7%     | 36.1%   | 815     | 22.5%    |  |
| Hometime            |                      | 348    |    | 402    |     | (54)  | (13.4%) |      | 327    |                | 21      | 6.5%    | 33.8%   | 35.2%  | (137)   | (3.9%)   | 28.4%   | 537     | 18.9%    |  |
| Western             |                      | 575    |    | 671    |     | (96)  | (14.4%) |      | 238    |                | 337     | 141.4%  | 39.7%   | 43.0%  | (332)   | (7.7%)   | 22.3%   | 1,738   | 78.1%    |  |
| Coastal             |                      | 355    |    | 366    |     | (11)  | (3.1%)  |      | 321    |                | 34      | 10.6%   | 32.9%   | 30.2%  | 278     | 9.2%     | 38.3%   | (538)   | (14.0%)  |  |
| Modern              |                      | 343    |    | 374    |     | (31)  | (8.2%)  |      | 351    |                | (8)     | (2.2%)  | 30.7%   | 36.4%  | (568)   | (15.6%)  | 18.2%   | 1,247   | 68.4%    |  |
| Avanti              |                      | 287    |    | 298    |     | (11)  | (3.8%)  |      | 249    |                | 38      | 15.2%   | 39.8%   | 40.5%  | (72)    | (1.8%)   | 35.7%   | 402     | 11.2%    |  |
| Oasis               |                      | 116    |    | 193    |     | (77)  | (39.8%) |      | 188    |                | (72)    | (38.2%) | 18.2%   | 17.5%  | 75      | 4.3%     | 9.6%    | 863     | 90.2%    |  |
| Other               |                      | 978    |    | 885    |     | 93    | 10.6%   |      | 764    |                | 214     | 28.0%   | 34.5%   | 34.6%  | (3)     | (0.1%)   | 41.5%   | (694)   | (16.7%)  |  |
| Total Gross         | \$                   | 28,759 | \$ | 29,448 | \$  | (689) | (2.3%)  | \$   | 28,090 | \$             | 669     | 2.4%    | 16.5%   | 18.6%  | (213)   | (11.4%)  | 13.1%   | 342     | 26.2%    |  |

# Terrebonne Summary P&L

| \$'000                              | MTD      |          | Var      |         | YTD      |          | Var      |         |
|-------------------------------------|----------|----------|----------|---------|----------|----------|----------|---------|
|                                     | Act      | Bud      | \$       | %       | Act      | Bud      | \$       | %       |
| Units Produced ('000)               | –        | –        | –        | N/A     | –        | –        | –        | N/A     |
| Units Shipped ('000)                | –        | –        | –        | N/A     | –        | –        | –        | N/A     |
| Bookings (\$'000)                   | \$ 1,917 | \$ –     | \$ 1,917 | N/A     | \$ 5,637 | \$ –     | \$ 5,637 | N/A     |
| Backlog (\$'000)                    | \$ 1,420 | \$ –     | \$ 1,420 | N/A     | \$ 1,420 | \$ –     | \$ 1,420 | N/A     |
| Gross Revenue                       | \$ 1,565 | \$ 1,728 | \$ (164) | (9.5%)  | \$ 5,257 | \$ 5,529 | \$ (273) | (4.9%)  |
| Adj. to Gross Revenue               | (65)     | (80)     | 15       | (18.8%) | (313)    | (258)    | (54)     | 21.1%   |
| Net Revenue                         | 1,500    | 1,648    | (148)    | (9.0%)  | 4,944    | 5,271    | (327)    | (6.2%)  |
| Material                            | 928      | 952      | (24)     | (2.5%)  | 3,213    | 3,096    | 117      | 3.8%    |
| Labor                               | 279      | 385      | (107)    | (27.7%) | 1,055    | 1,372    | (317)    | (23.1%) |
| Other COGS                          | 160      | 186      | (26)     | (14.0%) | 546      | 653      | (107)    | (16.3%) |
| Total COGS                          | 1,367    | 1,524    | (157)    | (10.3%) | 4,814    | 5,120    | (306)    | (6.0%)  |
| Gross Margin                        | 133      | 124      | 8        | 6.6%    | 130      | 151      | (21)     | (13.8%) |
| Gross Margin %                      | 8.9%     | 7.6%     |          |         | 2.6%     | 2.9%     |          |         |
| R&D                                 | –        | –        | –        | N/A     | –        | –        | –        | N/A     |
| Sales & Marketing                   | 33       | 34       | (1)      | (4.0%)  | 132      | 131      | 2        | 1.2%    |
| Administrative                      | 194      | 194      | (0)      | (0.0%)  | 750      | 764      | (14)     | (1.8%)  |
| Other Opex                          | 5        | –        | 5        | N/A     | 4        | –        | 4        | N/A     |
| Total Opex                          | 232      | 228      | 3        | 1.4%    | 887      | 895      | (8)      | (0.9%)  |
| EBITDA                              | (99)     | (104)    | 5        | (4.9%)  | (756)    | (744)    | (13)     | 1.7%    |
| EBITDA %                            | (6.6%)   | (6.3%)   |          |         | (15.3%)  | (14.1%)  |          |         |
| Net Income (Loss)                   | \$ (105) | \$ (116) | \$ 11    | (9.7%)  | \$ (782) | \$ (790) | \$ 8     | (1.1%)  |
| Capex                               | \$ (10)  | \$ (68)  | \$ 58    | (85.2%) | \$ (24)  | \$ (233) | \$ 209   | (89.6%) |
| Opex Overview:                      |          |          |          |         |          |          |          |         |
| Payroll                             | \$ 85    | \$ 86    | \$ (1)   | (1.6%)  | \$ 320   | \$ 341   | \$ (21)  | (6.3%)  |
| Bonus                               | –        | –        | –        | N/A     | –        | –        | –        | N/A     |
| Commissions                         | –        | –        | –        | N/A     | –        | –        | –        | N/A     |
| Marketing                           | 2        | 6        | (4)      | (60.0%) | 14       | 24       | (10)     | (43.2%) |
| Benefits                            | –        | –        | –        | N/A     | –        | –        | –        | N/A     |
| Travel and entertainment            | 2        | 1        | 1        | 49.9%   | 2        | 4        | (1)      | (37.7%) |
| Rent and facilities                 | –        | –        | –        | N/A     | –        | –        | –        | N/A     |
| Insurance                           | –        | –        | –        | N/A     | –        | –        | –        | N/A     |
| Professional fees                   | 3        | 2        | 1        | 34.6%   | 11       | 8        | 3        | 37.7%   |
| Utilities, repair, maintenance, and | 5        | 6        | (1)      | (14.2%) | 23       | 20       | 3        | 14.2%   |
| Corporate OH Fees                   | 119      | 123      | (4)      | (3.1%)  | 479      | 485      | (7)      | (1.4%)  |
| Bad Debts                           | –        | –        | –        | N/A     | –        | –        | –        | N/A     |
| FX                                  | 5        | –        | 5        | N/A     | 4        | –        | 4        | N/A     |
| JV Loss (Income)                    | –        | –        | –        | N/A     | –        | –        | –        | N/A     |
| Other Expenses                      | 10       | 4        | 7        | 182.8%  | 35       | 13       | 22       | 169.5%  |
| Total Opex                          | \$ 232   | \$ 228   | \$ 3     | 1.4%    | \$ 887   | \$ 895   | \$ (8)   | (0.9%)  |

## Management Discussion

### Net Revenue – Apr-19: (\$148K)

- Sales volume decreased \$108k due to decreased demand from Vaillancourt, Concerto, & Ostaco; offset by increased demand from AMI and Abritek
- Favorable returns of \$17k due to improved quality
- Unfavorable rebates and lower ASP of \$14k due to customer mix
- Unfavorable F/X of \$44k (actual rate of 1.3378 [or \$USD 0.7475] vs. 1.30 [or \$USD 0.7692])

### EBITDA – Apr-19: +\$5K

- **Material COGS:** Decrease in costs by \$24K driven by lower sales volume \$62k, offset by increased material costs of \$38k (product mix & glass price increases)
- **Labor COGS:** Decrease in cost by \$107k driven by less headcount (31 employees) and increased efficiency
- **Other COGS:** Decrease in cost by \$26k driven by lower freight \$8k (sales volume), warranty costs \$6k, maintenance \$4k and true-up of rent adjustments \$8k
- **Sales and Marketing:** In line with budget
- **Administrative:** In line with budget
- **Other Opex:** Increase in cost by \$5k driven by unfavorable F/X revaluation of working capital balances

# Key Customers – Gross Sales and Gross Margin %: Terrebonne

|                             | Gross Sales (\$'000) |       |     |       |        |       |          |     |       |     |       |          |    |       | Gross Margin % |       |    |       |         |        |       |     |       |         |         |       |         |         |         |         |          |         |        |          |         |      |         |         |
|-----------------------------|----------------------|-------|-----|-------|--------|-------|----------|-----|-------|-----|-------|----------|----|-------|----------------|-------|----|-------|---------|--------|-------|-----|-------|---------|---------|-------|---------|---------|---------|---------|----------|---------|--------|----------|---------|------|---------|---------|
|                             | MTD                  |       | Var |       | PY-MTD | Var   |          | YTD |       | Var |       | PY-YTD   |    | Var   |                | MTD   |    | Var   |         | PY-MTD | Var   |     | YTD   |         | Var     |       | PY-YTD  | Var     |         |         |          |         |        |          |         |      |         |         |
|                             | Act                  | Bud   | \$  | %     | Act    | \$    | %        | Act | Bud   | \$  | %     | Act      | \$ | %     | Act            | Bud   | BP | %     | Act     | BP     | %     | Act | Bud   | BP      | %       | Act   | BP      | %       |         |         |          |         |        |          |         |      |         |         |
| Customer:                   |                      |       |     |       |        |       |          |     |       |     |       |          |    |       |                |       |    |       |         |        |       |     |       |         |         |       |         |         |         |         |          |         |        |          |         |      |         |         |
| A.M.I.                      | \$                   | 391   | \$  | 297   | \$     | 94    | 31.6%    | \$  | 321   | \$  | 70    | 21.7%    | \$ | 957   | \$             | 960   | \$ | (3)   | (0.3%)  | \$     | 977   | \$  | (20)  | (2.0%)  | 11.4%   | 0.0%  | 1,138   | N/A     | 0.0%    | 1,138   | N/A      | (1.8%)  | 0.0%   | (180)    | N/A     | 0.0% | (180)   | N/A     |
| GOLDEN WINDOWS              |                      | 149   |     | 161   |        | (12)  | (7.4%)   |     | 190   |     | (41)  | (21.5%)  |    | 558   |                | 521   |    | 37    | 7.2%    |        | 653   |     | (95)  | (14.5%) | (24.4%) | 0.0%  | (2,441) | N/A     | 0.0%    | (2,441) | N/A      | (27.8%) | 0.0%   | (2,778)  | N/A     | 0.0% | (2,778) | N/A     |
| OSTACO 2000 WINDOORS INC    |                      | 100   |     | 149   |        | (49)  | (33.0%)  |     | 148   |     | (48)  | (32.6%)  |    | 482   |                | 482   |    | (0)   | (0.0%)  |        | 398   |     | 84    | 21.1%   | 1.0%    | 0.0%  | 104     | N/A     | 0.0%    | 104     | N/A      | 5.6%    | 0.0%   | 564      | N/A     | 0.0% | 564     | N/A     |
| PORTES & FENETRES ABRITEK   |                      | 111   |     | 75    |        | 36    | 48.4%    |     | 109   |     | 2     | 2.1%     |    | 305   |                | 243   |    | 62    | 25.5%   |        | 375   |     | (70)  | (18.7%) | (3.2%)  | 0.0%  | (319)   | N/A     | 0.0%    | (319)   | N/A      | (24.6%) | 0.0%   | (2,456)  | N/A     | 0.0% | (2,456) | N/A     |
| DASHWOOD INDUSTRIES INC     |                      | 85    |     | 68    |        | 17    | 24.6%    |     | 128   |     | (43)  | (33.8%)  |    | 310   |                | 220   |    | 90    | 41.0%   |        | 320   |     | (10)  | (3.0%)  | 9.7%    | 0.0%  | 967     | N/A     | 0.0%    | 967     | N/A      | 8.7%    | 0.0%   | 868      | N/A     | 0.0% | 868     | N/A     |
| P & F ISOTHERMIC INC        |                      | 61    |     | 44    |        | 17    | 39.5%    |     | 19    |     | 42    | 223.1%   |    | 167   |                | 141   |    | 26    | 18.7%   |        | 245   |     | (78)  | (31.7%) | (4.7%)  | 0.0%  | (474)   | N/A     | 0.0%    | (474)   | N/A      | (15.5%) | 0.0%   | (1,554)  | N/A     | 0.0% | (1,554) | N/A     |
| VAILLANCOURT INC.           |                      | 51    |     | 180   |        | (129) | (71.8%)  |     | 59    |     | (8)   | (14.0%)  |    | 306   |                | 583   |    | (277) | (47.5%) |        | 332   |     | (26)  | (7.8%)  | (3.6%)  | 0.0%  | (361)   | N/A     | 0.0%    | (361)   | N/A      | (12.7%) | 0.0%   | (1,268)  | N/A     | 0.0% | (1,268) | N/A     |
| CANADIAN VINYLTEK WINDOWS C |                      | 43    |     | 28    |        | 15    | 52.4%    |     | 52    |     | (9)   | (18.0%)  |    | 141   |                | 91    |    | 50    | 55.1%   |        | 196   |     | (55)  | (28.0%) | 40.9%   | 0.0%  | 4,092   | N/A     | 0.0%    | 4,092   | N/A      | 37.3%   | 0.0%   | 3,728    | N/A     | 0.0% | 3,728   | N/A     |
| FENERGIC INC                |                      | 11    |     | 39    |        | (28)  | (72.2%)  |     | 28    |     | (17)  | (61.2%)  |    | 42    |                | 126   |    | (84)  | (66.6%) |        | 61    |     | (19)  | (30.9%) | 7.9%    | 0.0%  | 787     | N/A     | 0.0%    | 787     | N/A      | 11.1%   | 0.0%   | 1,109    | N/A     | 0.0% | 1,109   | N/A     |
| EXTREME WINDOW AND          |                      | 36    |     | 44    |        | (8)   | (18.1%)  |     | 32    |     | 4     | 12.7%    |    | 113   |                | 141   |    | (28)  | (19.7%) |        | 252   |     | (139) | (55.1%) | 5.2%    | 0.0%  | 518     | N/A     | 0.0%    | 518     | N/A      | 12.8%   | 0.0%   | 1,275    | N/A     | 0.0% | 1,275   | N/A     |
| VENTANA WINDOWS & DOORS INC |                      | –     |     | 38    |        | (38)  | (100.0%) |     | 44    |     | (44)  | (100.0%) |    | 68    |                | 124   |    | (56)  | (45.1%) |        | 186   |     | (118) | (63.4%) | #DIV/0! | 0.0%  | –       | N/A     | 0.0%    | NA      | N/A      | (6.2%)  | 0.0%   | (619)    | N/A     | 0.0% | (619)   | N/A     |
| Fenêtres Concept            |                      | 34    |     | 32    |        | 2     | 6.3%     |     | 50    |     | (16)  | (32.0%)  |    | 92    |                | 102   |    | (10)  | (10.1%) |        | 106   |     | (14)  | (13.5%) | (13.4%) | 0.0%  | (1,336) | N/A     | 0.0%    | (1,336) | N/A      | (7.4%)  | 0.0%   | (739)    | N/A     | 0.0% | (739)   | N/A     |
| MASON WINDOWS LTD           |                      | 11    |     | 24    |        | (13)  | (54.1%)  |     | 17    |     | (6)   | (35.3%)  |    | 86    |                | 78    |    | 8     | 9.8%    |        | 94    |     | (8)   | (8.9%)  | (6.0%)  | 0.0%  | (602)   | N/A     | 0.0%    | (602)   | N/A      | (13.1%) | 0.0%   | (1,308)  | N/A     | 0.0% | (1,308) | N/A     |
| CEN                         |                      | 37    |     | 24    |        | 13    | 55.4%    |     | 17    |     | 20    | 119.4%   |    | 146   |                | 78    |    | 68    | 86.8%   |        | 94    |     | 52    | 55.0%   | 5.0%    | 0.0%  | 504     | N/A     | 0.0%    | 504     | N/A      | 1.6%    | 0.0%   | 165      | N/A     | 0.0% | 165     | N/A     |
| TRI-STATE WINDOW FACTORY    |                      | 29    |     | 23    |        | 6     | 24.3%    |     | 22    |     | 7     | 30.0%    |    | 127   |                | 75    |    | 52    | 69.3%   |        | 116   |     | 11    | 9.5%    | 27.3%   | 0.0%  | 2,727   | N/A     | 0.0%    | 2,727   | N/A      | 19.7%   | 0.0%   | 1,966    | N/A     | 0.0% | 1,966   | N/A     |
| FMC                         |                      | 29    |     | 9     |        | 20    | 223.9%   |     | 8     |     | 21    | 264.4%   |    | 88    |                | 31    |    | 57    | 182.7%  |        | 61    |     | 27    | 43.7%   | 6.7%    | 0.0%  | 669     | N/A     | 0.0%    | 669     | N/A      | (4.4%)  | 0.0%   | (438)    | N/A     | 0.0% | (438)   | N/A     |
| ATLANTIC WINDOWS            |                      | 3     |     | 23    |        | (20)  | (85.6%)  |     | 26    |     | (23)  | (87.2%)  |    | 31    |                | 74    |    | (43)  | (58.0%) |        | 68    |     | (37)  | (54.3%) | 26.1%   | 0.0%  | 2,610   | N/A     | 0.0%    | 2,610   | N/A      | 20.7%   | 0.0%   | 2,071    | N/A     | 0.0% | 2,071   | N/A     |
| YKK AP VINYL                |                      | 36    |     | 23    |        | 13    | 57.4%    |     | 13    |     | 23    | 178.4%   |    | 128   |                | 74    |    | 54    | 72.6%   |        | 51    |     | 77    | 150.4%  | 44.7%   | 0.0%  | 4,473   | N/A     | 0.0%    | 4,473   | N/A      | 27.1%   | 0.0%   | 2,713    | N/A     | 0.0% | 2,713   | N/A     |
| LORENDO INC.                |                      | –     |     | 27    |        | (27)  | (100.0%) |     | 16    |     | (16)  | (100.0%) |    | 28    |                | 86    |    | (58)  | (67.2%) |        | 60    |     | (32)  | (53.0%) | #DIV/0! | 0.0%  | –       | N/A     | 0.0%    | NA      | N/A      | (4.8%)  | 0.0%   | (481)    | N/A     | 0.0% | (481)   | N/A     |
| MAR                         |                      | 17    |     | 13    |        | 4     | 33.5%    |     | 21    |     | (4)   | (17.4%)  |    | 71    |                | 41    |    | 30    | 72.6%   |        | 67    |     | 4     | 5.6%    | (27.9%) | 0.0%  | (2,795) | N/A     | 0.0%    | (2,795) | N/A      | (12.9%) | 0.0%   | (1,285)  | N/A     | 0.0% | (1,285) | N/A     |
| Other                       |                      | 331   |     | 407   |        | (77)  | (18.9%)  |     | 375   |     | (44)  | (11.9%)  |    | 1,011 |                | 1,258 |    | (248) | (19.7%) |        | 1,282 |     | (272) | (21.2%) | 25.7%   | 30.5% | (484)   | (15.8%) | (22.8%) | 4,853   | (212.6%) | 23.0%   | 745.0% | (72,198) | (96.9%) | 9.9% | 1,306   | 131.7%  |
| Total Gross                 | \$                   | 1,565 | \$  | 1,728 | \$     | (164) | (9.5%)   | \$  | 1,695 | \$  | (130) | (7.7%)   | \$ | 5,257 | \$             | 5,529 | \$ | (273) | (4.9%)  | \$     | 5,994 | \$  | (737) | (12.3%) | 8.5%    | 7.2%  | 128     | 17.8%   | (5.0%)  | 1,353   | (268.0%) | 1.4%    | 1.9%   | (48)     | (25.1%) | 2.1% | (69)    | (32.6%) |

## Management Discussion

- AMI – Starting to pick-up after a quieter Q1
- Vaillancourt– Soft sales no big projects at hand

# Key Performance Indicators - Terrebonne

| ENERGI Terrebonne Patio Door<br>January KPI Report | 2019 Targets | Jan-19   | Feb-19  | Mar-19   | Apr-19   | YTD 2019 |
|--|--------------|----------|---------|----------|----------|----------|
| <b>Health &amp; Safety</b>                         |              |          |         |          |          |          |
| <i>Recordable Incidents</i>                        | 0            | 0        | 0       | 0        | 0        | 0        |
| <i>TRIR (Total Recordable Incident Rate)</i>       | <1           | 0        | 0       | 0        | 0        | 0        |
|  |              |          |         |          |          |          |
| <b>Quality Performance</b>                         |              |          |         |          |          |          |
| <i>Customer Complaints - per MLBS</i>              | 3.2          | 3.98     | 3.9     | 3.6      | 3.7      | 4        |
| <i>Return as % of sales</i>                        | 1.25%        | 1.57%    | 1.76%   | 0.58%    | 0.24%    | 0.97%    |
|  |              |          |         |          |          |          |
| <b>Delivery Performance</b>                        |              |          |         |          |          |          |
| <i>% on time in full</i>                           | 95.00%       | 100%     | 96%     | 96%      | 78%      | 92%      |
| <i>% by line items</i>                             | 95.00%       | 95%      | 96%     | 96%      | 78%      | 91%      |
|  |              |          |         |          |          |          |
| <b>Costs</b>                                       |              |          |         |          |          |          |
| <i>Direct Labour \$/FPV</i>                        | \$0.174      | \$ 0.143 | \$0.148 | \$ 0.159 | \$ 0.165 | \$ 0.155 |
| <i>Indirect Labour (incl D&amp;D) \$/FPV</i>       | \$0.069      | \$ 0.096 | \$0.073 | \$ 0.063 | \$ 0.054 | \$ 0.070 |
|  |              |          |         |          |          |          |
| <b>Inventory</b>                                   |              |          |         |          |          |          |
| <i>Days - TTM (Trailing 12 Months)</i>             | 71.0         | 75       | 71.4    | 70       | 69       | 72       |

## Comments:

**Quality:** winter season triggers higher complaints

**Delivery:** due to 3 day power outage causing delays

# Full Year Terrebonne P&L Summary

| \$'000                                       | FY         |            | Var       |         | PY         | Var       |          |
|--|------------|------------|-----------|---------|------------|-----------|----------|
|  | Fcst       | Bud        | \$        | %       |            | \$        | %        |
| Units Produced ('000)                        | —          | —          | —         | N/A     | —          | —         | N/A      |
| Units Shipped ('000)                         | —          | —          | —         | N/A     | —          | —         | N/A      |
| Bookings (\$'000)                            | \$ 21,592  | \$ —       | \$ 21,592 | N/A     | \$ —       | \$ 21,592 | N/A      |
| Backlog ('\$000)                             | \$ 3,301   | \$ —       | \$ 3,301  | N/A     | \$ —       | \$ 3,301  | N/A      |
| Gross Revenue                                | \$ 21,735  | \$ 22,008  | \$ (273)  | (1.2%)  | \$ 20,687  | \$ 1,049  | 5.1%     |
| Adj. to Gross Revenue                        | (1,086)    | (1,032)    | (54)      | 5.3%    | (1,023)    | (63)      | 6.2%     |
| Net Revenue                                  | 20,649     | 20,976     | (327)     | (1.6%)  | 19,664     | 986       | 5.0%     |
| Material                                     | 12,446     | 12,328     | 117       | 1.0%    | 12,124     | 321       | 2.6%     |
| Labor  | 4,085      | 4,402      | (317)     | (7.2%)  | 4,530      | (445)     | (9.8%)   |
| Other COGS                                   | 2,222      | 2,329      | (107)     | (4.6%)  | 3,397      | (1,175)   | (34.6%)  |
| Total COGS                                   | 18,753     | 19,059     | (306)     | (1.6%)  | 20,052     | (1,298)   | (6.5%)   |
| Gross Margin                                 | 1,896      | 1,917      | (21)      | (1.1%)  | (388)      | 2,284     | (588.7%) |
| Gross Margin %                               | 9.2%       | 9.1%       |           |         | (2.0%)     |           |          |
| R&D  | —          | —          | —         | N/A     | —          | —         | N/A      |
| Sales & Marketing                            | 425        | 424        | 2         | 0.4%    | 383        | 42        | 10.9%    |
| Administrative                               | 2,357      | 2,370      | (14)      | (0.6%)  | 2,381      | (24)      | (1.0%)   |
| Other Opex                                   | 4          | —          | 4         | N/A     | (63)       | 68        | (106.4%) |
| Total Opex                                   | 2,786      | 2,794      | (8)       | (0.3%)  | 2,701      | 85        | 3.2%     |
| EBITDA                                       | (890)      | (877)      | (13)      | 1.5%    | (3,089)    | 2,199     | (71.2%)  |
| EBITDA %                                     | (4.3%)     | (4.2%)     |           |         | (15.7%)    |           |          |
| Net Income (Loss)                            | \$ (1,018) | \$ (1,027) | \$ 8      | (0.8%)  | \$ (3,162) | \$ 2,143  | (67.8%)  |
| Capex  | \$ (24)    | \$ (287)   | \$ 263    | (91.5%) | \$ (517)   | \$ 493    | (95.3%)  |
| <b>Opex Overview:</b>                        |            |            |           |         |            |           |          |
| Payroll                                      | \$ 1,036   | \$ 1,058   | \$ (21)   | (2.0%)  | \$ 1,029   | \$ 8      | 0.8%     |
| Bonus  | —          | —          | —         | N/A     | —          | —         | N/A      |
| Commissions                                  | —          | —          | —         | N/A     | —          | —         | N/A      |
| Marketing                                    | 77         | 87         | (10)      | (11.9%) | 57         | 20        | 34.6%    |
| Benefits                                     | —          | —          | —         | N/A     | —          | —         | N/A      |
| Travel and entertainment                     | 13         | 15         | (1)       | (9.5%)  | 15         | (2)       | (11.1%)  |
| Rent and facilities                          | —          | —          | —         | N/A     | —          | —         | N/A      |
| Insurance                                    | —          | —          | —         | N/A     | 0          | (0)       | (100.0%) |
| Professional fees                            | 34         | 31         | 3         | 9.5%    | 59         | (24)      | (41.8%)  |
| Utilities, repair, maintenance, and security | 82         | 79         | 3         | 3.6%    | 70         | 12        | 16.8%    |
| Corporate OH Fees                            | 1,472      | 1,478      | (7)       | (0.5%)  | 1,484      | (12)      | (0.8%)   |
| Bad Debts                                    | —          | —          | —         | N/A     | 3          | (3)       | (100.0%) |
| FX   | 4          | —          | 4         | N/A     | (63)       | 68        | (106.4%) |
| JV Loss (Income)                             | —          | —          | —         | N/A     | —          | —         | N/A      |
| Other Expenses                               | 68         | 46         | 22        | 47.3%   | 51         | 17        | 34.1%    |
| Total Opex                                   | \$ 2,786   | \$ 2,794   | \$ (8)    | (0.3%)  | \$ 2,704   | \$ 82     | 3.0%     |



# Key Customers – Full Year Terrebonne

|                             | Gross Sales (\$'000) |        |    |        |     |       |         |      |        | Gross Margin % |       |         |        |        |          |         |        |       |          |
|-----------------------------|----------------------|--------|----|--------|-----|-------|---------|------|--------|----------------|-------|---------|--------|--------|----------|---------|--------|-------|----------|
|                             | FY                   |        | FY |        | Var |       | PY      |      | Var    |                | FY    | FY      |        | Var    |          | PY      | Var    |       |          |
|                             | Fcst                 | Bud    | \$ | %      | Act | \$    | %       | Fcst | Bud    | BPs            | %     | Act     | BPs    | %      |          |         |        |       |          |
| <b>Customer:</b>            |                      |        |    |        |     |       |         |      |        |                |       |         |        |        |          |         |        |       |          |
| A.M.I.                      | \$                   | 3,797  | \$ | 3,800  | \$  | (3)   | (0.1%)  | \$   | 3,511  | \$             | 286   | 8.2%    | 0.3%   | 0.0%   | 26       | N/A     | 0.0%   | 26    | N/A      |
| GOLDEN WINDOWS              |                      | 2,104  |    | 2,067  |     | 37    | 1.8%    |      | 2,290  |                | (186) | (8.1%)  | (8.4%) | 0.0%   | (836)    | N/A     | 0.0%   | (836) | N/A      |
| OSTACO 2000 WINDOORS INC    |                      | 1,909  |    | 1,909  |     | (0)   | (0.0%)  |      | 1,906  |                | 3     | 0.2%    | 1.5%   | 0.0%   | 151      | N/A     | 0.0%   | 151   | N/A      |
| PORTES & FENETRES ABRITEK   |                      | 1,024  |    | 962    |     | 62    | 6.4%    |      | 1,147  |                | (123) | (10.7%) | (7.0%) | 0.0%   | (704)    | N/A     | 0.0%   | (704) | N/A      |
| DASHWOOD INDUSTRIES INC     |                      | 963    |    | 873    |     | 90    | 10.3%   |      | 922    |                | 41    | 4.5%    | 3.2%   | 0.0%   | 324      | N/A     | 0.0%   | 324   | N/A      |
| P & F ISOTHERMIC INC        |                      | 584    |    | 558    |     | 26    | 4.7%    |      | 815    |                | (231) | (28.3%) | (4.5%) | 0.0%   | (445)    | N/A     | 0.0%   | (445) | N/A      |
| VAILLANCOURT INC.           |                      | 2,032  |    | 2,309  |     | (277) | (12.0%) |      | 800    |                | 1,232 | 154.0%  | (2.1%) | 0.0%   | (212)    | N/A     | 0.0%   | (212) | N/A      |
| CANADIAN VINYLTEK WINDOWS C |                      | 410    |    | 360    |     | 50    | 13.9%   |      | 555    |                | (145) | (26.1%) | 14.8%  | 0.0%   | 1,477    | N/A     | 0.0%   | 1,477 | N/A      |
| FENERGIC INC                |                      | 418    |    | 502    |     | (84)  | (16.7%) |      | 532    |                | (114) | (21.4%) | 1.3%   | 0.0%   | 128      | N/A     | 0.0%   | 128   | N/A      |
| EXTREME WINDOW AND          |                      | 533    |    | 561    |     | (28)  | (5.0%)  |      | 511    |                | 22    | 4.3%    | 2.9%   | 0.0%   | 286      | N/A     | 0.0%   | 286   | N/A      |
| VENTANA WINDOWS & DOORS IN  |                      | 434    |    | 490    |     | (56)  | (11.4%) |      | 484    |                | (50)  | (10.3%) | (1.1%) | 0.0%   | (114)    | N/A     | 0.0%   | (114) | N/A      |
| Fenêtres Concept            |                      | 395    |    | 405    |     | (10)  | (2.5%)  |      | 437    |                | (42)  | (9.7%)  | (2.3%) | 0.0%   | (229)    | N/A     | 0.0%   | (229) | N/A      |
| MASON WINDOWS LTD           |                      | 318    |    | 310    |     | 8     | 2.5%    |      | 328    |                | (10)  | (3.1%)  | (3.9%) | 0.0%   | (392)    | N/A     | 0.0%   | (392) | N/A      |
| CEN                         |                      | 371    |    | 303    |     | 68    | 22.3%   |      | 292    |                | 79    | 27.0%   | 0.9%   | 0.0%   | 92       | N/A     | 0.0%   | 92    | N/A      |
| TRI-STATE WINDOW FACTORY    |                      | 217    |    | 165    |     | 52    | 31.5%   |      | 356    |                | (139) | (39.0%) | 13.0%  | 0.0%   | 1,300    | N/A     | 0.0%   | 1,300 | N/A      |
| FMC                         |                      | 306    |    | 249    |     | 57    | 22.7%   |      | 259    |                | 47    | 18.0%   | (0.8%) | 0.0%   | (83)     | N/A     | 0.0%   | (83)  | N/A      |
| ATLANTIC WINDOWS            |                      | 247    |    | 290    |     | (43)  | (14.8%) |      | 274    |                | (27)  | (9.8%)  | 3.1%   | 0.0%   | 314      | N/A     | 0.0%   | 314   | N/A      |
| YKK AP VINYL                |                      | 383    |    | 329    |     | 54    | 16.3%   |      | 225    |                | 158   | 70.1%   | 11.2%  | 0.0%   | 1,124    | N/A     | 0.0%   | 1,124 | N/A      |
| LORENDO INC.                |                      | 147    |    | 205    |     | (58)  | (28.2%) |      | 226    |                | (79)  | (34.9%) | (1.1%) | 0.0%   | (111)    | N/A     | 0.0%   | (111) | N/A      |
| MAR                         |                      | 152    |    | 122    |     | 30    | 24.4%   |      | 250    |                | (98)  | (39.3%) | (7.6%) | 0.0%   | (758)    | N/A     | 0.0%   | (758) | N/A      |
| Other                       |                      | 4,991  |    | 5,239  |     | (248) | (4.7%)  |      | 4,567  |                | 425   | 9.3%    | 37.6%  | 207.1% | (16,947) | (81.8%) | (8.5%) | 4,608 | (542.4%) |
| Total Gross                 | \$                   | 21,735 | \$ | 22,008 | \$  | (273) | (1.2%)  | \$   | 20,687 | \$             | 1,049 | 5.1%    | 8.4%   | 8.4%   | 1        | 0.1%    | (1.9%) | 1,029 | (548.8%) |

# ECS Summary P&L

| \$'000                              | MTD      |          | Var        |          | YTD       |           | Var        |          |
|-------------------------------------|----------|----------|------------|----------|-----------|-----------|------------|----------|
|                                     | Act      | Bud      | \$         | %        | Act       | Bud       | \$         | %        |
| Units Produced ('000)               | 7,717    | 8,885    | (1,167)    | (13.1%)  | 30,872    | 32,570    | (1,698)    | (5.2%)   |
| Units Shipped ('000)                | 7,417    | 8,885    | (1,468)    | (16.5%)  | 30,794    | 32,570    | (1,776)    | (5.5%)   |
| Bookings (\$'000)                   | \$ 670   | \$ –     | \$ 670     | N/A      | \$ 2,362  | \$ –      | \$ 2,362   | N/A      |
| Backlog ('\$000)                    | \$ 146   | \$ –     | \$ 146     | N/A      | \$ 146    | \$ –      | \$ 146     | N/A      |
| External Revenue                    | \$ 643   | \$ 789   | \$ (146)   | (18.5%)  | \$ 2,269  | \$ 2,707  | \$ (439)   | (16.2%)  |
| Affiliate Revenue                   | \$ 4,659 | \$ 5,570 | \$ (912)   | (16.4%)  | \$ 19,724 | \$ 20,565 | \$ (841)   | (4.1%)   |
| Gross Revenue                       | \$ 5,302 | \$ 6,360 | \$ (1,058) | (16.6%)  | \$ 21,992 | \$ 23,272 | \$ (1,280) | (5.5%)   |
| Adj. to Gross Revenue               | (2)      | (2)      | 1          | (30.6%)  | 11        | (10)      | 21         | (211.1%) |
| Net Revenue                         | 5,300    | 6,357    | (1,057)    | (16.6%)  | 22,003    | 23,262    | (1,259)    | (5.4%)   |
| Material                            | 4,400    | 5,475    | (1,075)    | (19.6%)  | 18,696    | 19,910    | (1,214)    | (6.1%)   |
| Labor                               | 149      | 171      | (22)       | (12.6%)  | 580       | 647       | (67)       | (10.3%)  |
| Other COGS                          | 442      | 509      | (67)       | (13.1%)  | 1,839     | 1,948     | (109)      | (5.6%)   |
| Total COGS                          | 4,991    | 6,154    | (1,163)    | (18.9%)  | 21,116    | 22,506    | (1,390)    | (6.2%)   |
| Gross Margin                        | 309      | 203      | 106        | 52.1%    | 887       | 756       | 131        | 17.4%    |
| Gross Margin %                      | 5.8%     | 3.2%     |            |          | 4.0%      | 3.3%      |            |          |
| R&D                                 | –        | –        | –          | N/A      | –         | –         | –          | N/A      |
| Sales & Marketing                   | 17       | 14       | 3          | 20.4%    | 57        | 51        | 6          | 11.9%    |
| Administrative                      | 142      | 149      | (7)        | (4.4%)   | 575       | 592       | (17)       | (2.9%)   |
| Other Opex                          | (33)     | –        | (33)       | N/A      | (140)     | –         | (140)      | N/A      |
| Total Opex                          | 127      | 163      | (37)       | (22.5%)  | 492       | 643       | (151)      | (23.5%)  |
| EBITDA                              | 183      | 40       | 143        | 356.0%   | 395       | 113       | 282        | 250.2%   |
| EBITDA %                            | 3.4%     | 0.6%     |            |          | 1.8%      | 0.5%      |            |          |
| Net Income (Loss)                   | \$ 128   | \$ (22)  | \$ 149     | (683.3%) | \$ 173    | \$ (132)  | \$ 305     | (230.7%) |
| Capex                               | \$ (18)  | \$ (65)  | \$ 47      | (72.2%)  | \$ (18)   | \$ (259)  | \$ 241     | (93.0%)  |
| <b>Opex Overview:</b>               |          |          |            |          |           |           |            |          |
| Payroll                             | \$ 51    | \$ 49    | \$ 2       | 4.9%     | \$ 186    | \$ 184    | \$ 3       | 1.4%     |
| Bonus                               | –        | –        | –          | N/A      | –         | –         | –          | N/A      |
| Commissions                         | (0)      | 1        | (1)        | (101.0%) | 1         | 4         | (2)        | (68.9%)  |
| Marketing                           | –        | –        | –          | N/A      | –         | –         | –          | N/A      |
| Benefits                            | –        | –        | –          | N/A      | –         | –         | –          | N/A      |
| Travel and entertainment            | 0        | 1        | (0)        | (22.1%)  | 1         | 1         | (0)        | (23.7%)  |
| Rent and facilities                 | –        | –        | –          | N/A      | –         | –         | –          | N/A      |
| Insurance                           | 5        | 5        | (0)        | (4.5%)   | 22        | 23        | (1)        | (4.7%)   |
| Professional fees                   | –        | –        | –          | N/A      | –         | –         | –          | N/A      |
| Utilities, repair, maintenance, and | 1        | 2        | (1)        | (32.7%)  | 4         | 6         | (2)        | (33.7%)  |
| Corporate OH Fees                   | 102      | 106      | (4)        | (3.5%)   | 412       | 424       | (12)       | (2.8%)   |
| Bad Debts                           | –        | –        | –          | N/A      | –         | –         | –          | N/A      |
| FX                                  | (33)     | –        | (33)       | N/A      | (140)     | –         | (140)      | N/A      |
| JV Loss (Income)                    | –        | –        | –          | N/A      | –         | –         | –          | N/A      |
| Other Expenses                      | (0)      | 0        | (0)        | (114.6%) | 5         | 1         | 4          | 614.6%   |
| Total Opex                          | \$ 127   | \$ 163   | \$ (37)    | (22.5%)  | \$ 492    | \$ 643    | \$ (151)   | (23.5%)  |

## Management Discussion

### Net Revenue – Apr-19: (\$1,057K)

- Sales volume down 16.5% or \$1,050k mainly driven by decreased demand from affiliate customers (Everett - 22%, Woodbridge -20%, Delmont -16%) and decrease in external customers (Vinyl Profiles)
- Favorable price/mix of \$100K driven by tolling business with Resin Tech & increased scrap sales
- Unfavorable F/X of \$106k (actual rate of 1.3378 [or \$USD 0.7475] vs. 1.30 [or \$USD 0.7692])

### EBITDA – Apr-19: +\$143K

- Material COGS:** Decrease in costs by \$1,075k due to decreased sales volume \$904k, improved scrap utilization & MUV \$24k, lower material prices \$82k (mainly driven by price decrease in resin; offset by increases in additive pricing) and product mix \$65k
- Labor COGS:** Decrease in costs by \$22k due to less headcount and reduced hours weekly by 4 driven by lower production volumes
- Other COGS:** Decrease in cost by \$67k primarily driven by favorable freight expenses \$45k (lower volume & new PDI contract), favorable utilities \$19k (decreased volume), favorable net absorption of \$13k & fav F/X of \$15k; offset by \$25k leased railcar repair
- Sales and Marketing:** In line with budget
- Administrative:** Decrease in cost by \$7k (fav F/X)
- Other Opex:** Decrease in cost by \$33k driven by favorable F/X revaluation of working capital balances

# Key Customers – Gross Sales and Gross Margin %: ECS

|                                  | Gross Sales (\$'000) |       |     |       |        |         |          |     |       |     |       |         |    |        |     | Gross Margin % |       |          |         |        |        |         |          |         |         |       |         |         |         |         |         |         |         |          |         |          |          |         |
|----------------------------------|----------------------|-------|-----|-------|--------|---------|----------|-----|-------|-----|-------|---------|----|--------|-----|----------------|-------|----------|---------|--------|--------|---------|----------|---------|---------|-------|---------|---------|---------|---------|---------|---------|---------|----------|---------|----------|----------|---------|
|                                  | MTD                  |       | Var |       | PY-MTD | Var     |          | YTD |       | Var |       | PY-YTD  |    | Var    |     | MTD            |       | Var      |         | PY-MTD | Var    |         | YTD      |         | Var     |       | PY-YTD  |         | Var     |         |         |         |         |          |         |          |          |         |
|                                  | Act                  | Bud   | \$  | %     | Act    | \$      | %        | Act | Bud   | \$  | %     | Act     | \$ | %      | Act | Bud            | BPs   | %        | Act     | BPs    | %      | Act     | Bud      | BPs     | %       | Act   | BPs     | %       |         |         |         |         |         |          |         |          |          |         |
| Customer:                        |                      |       |     |       |        |         |          |     |       |     |       |         |    |        |     |                |       |          |         |        |        |         |          |         |         |       |         |         |         |         |         |         |         |          |         |          |          |         |
| Vinyl Profiles, LLC              | \$                   | 218   | \$  | 355   | \$     | (137)   | (38.6%)  | \$  | 167   | \$  | 51    | 30.2%   | \$ | 796    | \$  | 1,183          | \$    | (387)    | (32.7%) | \$     | 730    | \$      | 66       | 9.0%    | 23.5%   | 20.7% | 274     | 13.2%   | 14.7%   | 875     | 59.5%   | 38.1%   | 47.7%   | (965)    | (20.2%) | 12.2%    | 2,591    | 213.0%  |
| Nuform Building Technologies Inc |                      | 153   |     | 146   |        | 7       | 4.8%     |     | 227   |     | (74)  | (32.7%) |    | 460    |     | 510            | (50)  | (9.7%)   |         | 895    |        | (435)   | (48.6%)  | 25.0%   | 27.8%   | (278) | (10.0%) | 18.8%   | 620     | 33.0%   | 15.0%   | 12.1%   | 289     | 23.9%    | 22.7%   | (773)    | (34.0%)  |         |
| The Vinyl Company Inc.           |                      | 82    |     | 101   |        | (19)    | (19.1%)  |     | 102   |     | (20)  | (19.4%) |    | 432    |     | 335            | 97    | 28.9%    |         | 439    |        | (7)     | (1.6%)   | 21.6%   | 17.9%   | 373   | 20.8%   | 27.1%   | (545)   | (20.1%) | 17.4%   | 17.9%   | (53)    | (2.9%)   | 27.1%   | (971)    | (35.8%)  |         |
| Vinylume Products Inc            |                      | 64    |     | 32    |        | 32      | 100.6%   |     | 32    |     | 32    | 98.0%   |    | 197    |     | 190            | 7     | 3.6%     |         | 214    |        | (17)    | (7.9%)   | 30.9%   | 21.3%   | 962   | 45.2%   | 19.7%   | 1,118   | 56.8%   | 26.1%   | 21.3%   | 479     | 22.5%    | 19.7%   | 636      | 32.3%    |         |
| Accord Plastics Corp.            |                      | 28    |     | 56    |        | (28)    | (50.1%)  |     | 8     |     | 20    | 241.5%  |    | 184    |     | 176            | 8     | 4.4%     |         | 52     |        | 132     | 254.0%   | 19.2%   | 19.4%   | (19)  | (1.0%)  | 3.3%    | 1,593   | 482.8%  | 19.5%   | 19.4%   | 10      | 0.5%     | 3.3%    | 1,622    | 491.6%   |         |
| Window Seal Limited              |                      | –     |     | 44    |        | (44)    | (100.0%) |     | –     |     | –     | N/A     |    | –      |     | 133            | (133) | (100.0%) |         | 7      |        | (7)     | (100.0%) | #DIV/0! | 10.9%   | –     | #VALUE! | #DIV/0! | NA      | #DIV/0! | 0.0%    | 68.2%   | (6,822) | (100.0%) | 8.0%    | (798)    | (100.0%) |         |
| New Customers (L.B. Plastics)    |                      | –     |     | 44    |        | (44)    | (100.0%) |     | –     |     | –     | N/A     |    | –      |     | 89             | (89)  | (100.0%) |         | 45     |        | (45)    | (100.0%) | #DIV/0! | 10.9%   | –     | #VALUE! | #DIV/0! | NA      | #DIV/0! | 0.0%    | 14.6%   | (1,456) | (100.0%) | 102.9%  | (10,295) | (100.0%) |         |
| Prasad Plastics Limited          |                      | 2     |     | 2     |        | 0       | 4.5%     |     | –     |     | 2     | N/A     |    | 4      |     | 51             | (47)  | (92.1%)  |         | 12     |        | (8)     | (66.0%)  | #DIV/0! | 26.7%   | –     | #VALUE! | #DIV/0! | NA      | #DIV/0! | 0.0%    | #DIV/0! | –       | #DIV/0!  | 69.4%   | (6,937)  | (100.0%) |         |
| Superior Extrusions Ltd          |                      | 3     |     | –     |        | 3       | N/A      |     | –     |     | 3     | N/A     |    | 12     |     | 18             | (6)   | (32.3%)  |         | 16     |        | (4)     | (26.5%)  | #DIV/0! | #DIV/0! | –     | #DIV/0! | #DIV/0! | NA      | #DIV/0! | #DIV/0! | 8.3%    | –       | #VALUE!  | 8.8%    | NA       | #VALUE!  |         |
| Vytron Corporation               |                      | –     |     | 6     |        | (6)     | (100.0%) |     | –     |     | –     | N/A     |    | 4      |     | 13             | (9)   | (68.8%)  |         | 11     |        | (7)     | (64.9%)  | #DIV/0! | 28.6%   | –     | #VALUE! | #DIV/0! | NA      | #DIV/0! | 4.2%    | #DIV/0! | –       | #DIV/0!  | #DIV/0! | NA       | #DIV/0!  |         |
| Plastibec Ltee                   |                      | –     |     | –     |        | –       | N/A      |     | –     |     | –     | N/A     |    | 3      |     | –              | 3     | N/A      |         | 3      |        | (0)     | (2.0%)   | 66.7%   | #DIV/0! | –     | #DIV/0! | #DIV/0! | NA      | #DIV/0! | 13.8%   | #DIV/0! | –       | #DIV/0!  | #DIV/0! | NA       | #DIV/0!  |         |
| Vinyl Profiles (2011)            |                      | –     |     | –     |        | –       | N/A      |     | –     |     | –     | N/A     |    | 18     |     | –              | 18    | N/A      |         | 6      |        | 12      | 212.4%   | #DIV/0! | #DIV/0! | –     | #DIV/0! | #DIV/0! | NA      | #DIV/0! | #DIV/0! | 0.0%    | –       | N/A      | 47.6%   | NA       | #VALUE!  |         |
| Fence Outlet MDC, LLC            |                      | –     |     | –     |        | –       | N/A      |     | –     |     | –     | N/A     |    | 24     |     | –              | 24    | N/A      |         | –      |        | 24      | N/A      | #DIV/0! | #DIV/0! | –     | #DIV/0! | #DIV/0! | NA      | #DIV/0! | 150.0%  | 0.0%    | 15,000  | N/A      | 0.0%    | 15,000   | N/A      |         |
| INFINITY EXTRUSIONS INC.         |                      | 15    |     | –     |        | 15      | N/A      |     | –     |     | 15    | N/A     |    | 22     |     | –              | 22    | N/A      |         | –      |        | 22      | N/A      | #DIV/0! | #DIV/0! | –     | #DIV/0! | #DIV/0! | NA      | #DIV/0! | 83.3%   | #DIV/0! | –       | #DIV/0!  | 0.0%    | 8,333    | N/A      |         |
| Resin Technology, LLC            |                      | 62    |     | –     |        | 62      | N/A      |     | –     |     | 62    | N/A     |    | 71     |     | –              | 71    | N/A      |         | –      |        | 71      | N/A      | #DIV/0! | #DIV/0! | –     | #DIV/0! | #DIV/0! | NA      | #DIV/0! | 70.0%   | #DIV/0! | –       | #DIV/0!  | #DIV/0! | NA       | #DIV/0!  |         |
| 0                                |                      | –     |     | –     |        | –       | N/A      |     | –     |     | –     | N/A     |    | –      |     | –              | –     | N/A      |         | –      |        | –       | N/A      | #DIV/0! | 58.6%   | –     | #VALUE! | 0.0%    | NA      | N/A     | #DIV/0! | #DIV/0! | –       | #DIV/0!  | #DIV/0! | NA       | #DIV/0!  |         |
| 0                                |                      | –     |     | –     |        | –       | N/A      |     | –     |     | –     | N/A     |    | –      |     | –              | –     | N/A      |         | –      |        | –       | N/A      | #DIV/0! | 58.6%   | –     | #VALUE! | 0.0%    | NA      | N/A     | #DIV/0! | #DIV/0! | –       | #DIV/0!  | #DIV/0! | NA       | #DIV/0!  |         |
| 0                                |                      | –     |     | –     |        | –       | N/A      |     | –     |     | –     | N/A     |    | –      |     | –              | –     | N/A      |         | –      |        | –       | N/A      | #DIV/0! | 58.6%   | –     | #VALUE! | 0.0%    | NA      | N/A     | #DIV/0! | #DIV/0! | –       | #DIV/0!  | #DIV/0! | NA       | #DIV/0!  |         |
|                                  |                      | –     |     | –     |        | –       | N/A      |     | –     |     | –     | N/A     |    | –      |     | –              | –     | N/A      |         | –      |        | –       | N/A      | #DIV/0! | 58.6%   | –     | #VALUE! | 0.0%    | NA      | N/A     | #DIV/0! | #DIV/0! | –       | #DIV/0!  | #DIV/0! | NA       | #DIV/0!  |         |
|                                  |                      | –     |     | –     |        | –       | N/A      |     | –     |     | –     | N/A     |    | –      |     | –              | –     | N/A      |         | –      |        | –       | N/A      | #DIV/0! | 58.6%   | –     | #VALUE! | 0.0%    | NA      | N/A     | #DIV/0! | #DIV/0! | –       | #DIV/0!  | #DIV/0! | NA       | #DIV/0!  |         |
| Other                            |                      | 4,675 |     | 5,572 |        | (898)   | (16.1%)  |     | 5,426 |     | (751) | (13.8%) |    | 19,765 |     | 20,574         | (809) | (3.9%)   |         | 24,538 |        | (4,773) | (19.4%)  | 3.0%    | 0.7%    | 230   | 308.7%  | 15.6%   | (1,251) | (80.4%) | 1.7%    | 0.9%    | 75      | 80.3%    | 7.9%    | (621)    | (78.7%)  |         |
| Total Gross                      | \$                   | 5,302 | \$  | 6,360 | \$     | (1,058) | (16.6%)  | \$  | 5,963 | \$  | (661) | (11.1%) | \$ | 21,992 | \$  | 23,272         | \$    | (1,280)  | (5.5%)  | \$     | 26,968 | \$      | (4,975)  | (18.4%) | 5.8%    | 3.2%  | 264     | 82.4%   | 15.9%   | (1,002) | (63.2%) | 3.8%    | 3.3%    | 53       | 16.4%   | 8.9%     | (514)    | (57.6%) |

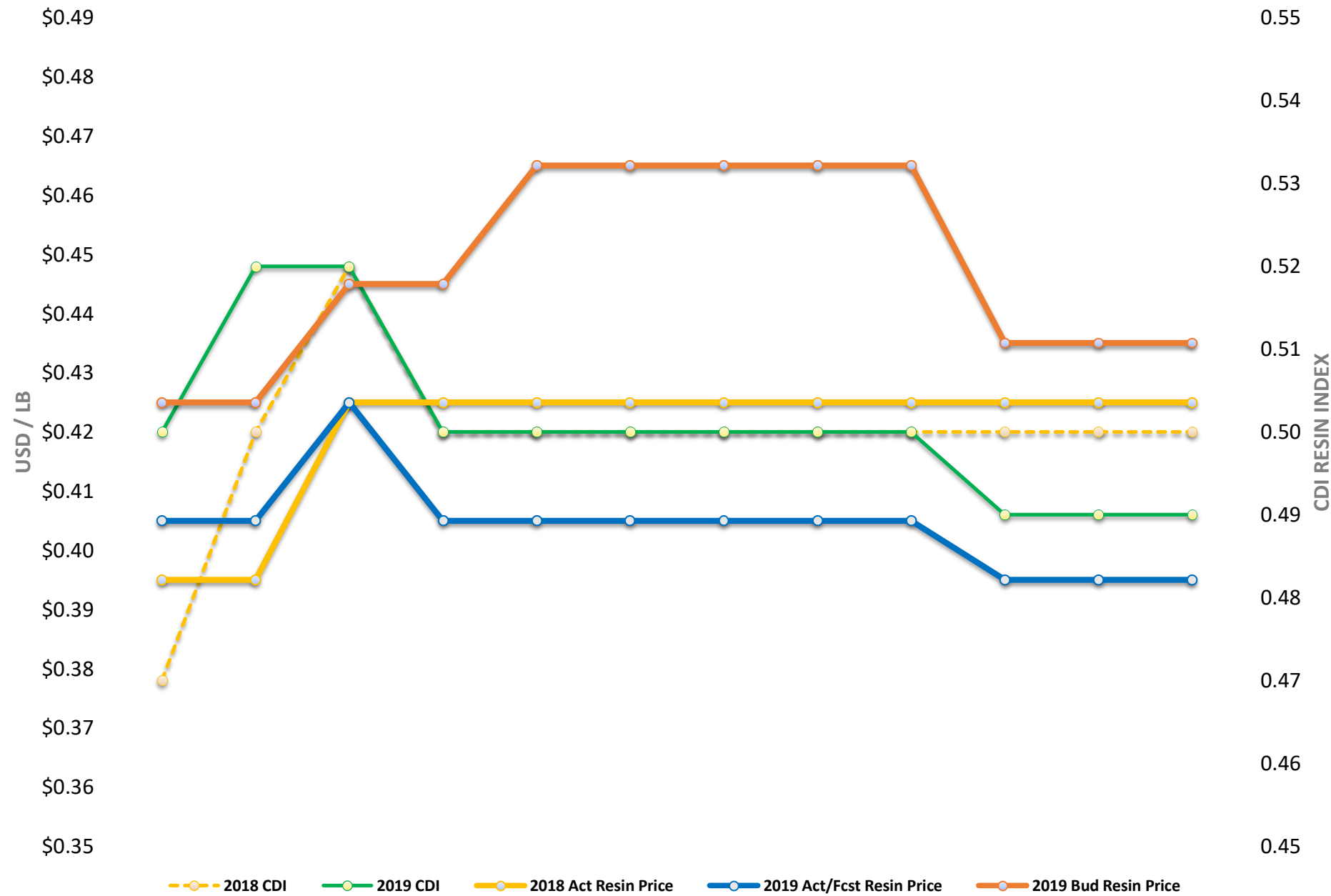
## Management Discussion

- Vinyl Profiles – Market conditions impacting sales

ECS Material Cost Summary

|   | Q1 2019 |         | Apr-19 | YTD    |    | Q1 2019 |    | Apr-19  | YTD |        | Q1         | Apr-19     | YTD        |          |    |          |    |         |
|---|---------|---------|--------|--------|----|---------|----|---------|-----|--------|------------|------------|------------|----------|----|----------|----|---------|
| US \$'000                               | Act     |         | Act    | Act    |    | AOP     |    | AOP     | AOP |        | Actual-AOP | Actual-AOP | Actual-AOP |          |    |          |    |         |
| Sales                                   |         |         |        |        |    |         |    |         |     |        |            |            |            |          |    |          |    |         |
| Total Sales - Non-Patio & Doors - S'000 | \$      | 16,703  | \$     | 5,300  | \$ | 22,003  | \$ | 16,905  | \$  | 6,357  | \$         | 23,262     | \$         | (202)    | \$ | (1,057)  | \$ | (1,259) |
| Total Sales - Non-Patio & Doors - Lbs   | \$      | 23,377  | \$     | 7,417  | \$ | 30,794  | \$ | 23,685  | \$  | 8,885  | \$         | 32,570     | \$         | (309)    | \$ | (1,468)  | \$ | (1,776) |
| FX Rate                                 |         | 1.3368  |        | 1.3378 |    |         |    | 1.3368  |     | 1.3000 |            |            |            |          |    |          |    |         |
| Materials - units                       |         |         |        |        |    |         |    |         |     |        |            |            |            |          |    |          |    |         |
| ADDITIVE                                |         | 95      |        | 28     |    | 123     |    | 96      |     | 40     |            | 136        |            | (1)      |    | (13)     |    | (14)    |
| ADDITIVE (IMPACT MODIFIER)              |         | 852     |        | 284    |    | 1,136   |    | 863     |     | 324    |            | 1,188      |            | (11)     |    | (40)     |    | (51)    |
| ADDITIVE (PROCESSING AID)               |         | 141     |        | 43     |    | 185     |    | 143     |     | 57     |            | 200        |            | (2)      |    | (14)     |    | (16)    |
| FILLER                                  |         | 1,339   |        | 415    |    | 1,754   |    | 1,357   |     | 502    |            | 1,859      |            | (18)     |    | (87)     |    | (105)   |
| LUBRICANT                               |         | 530     |        | 170    |    | 699     |    | 537     |     | 195    |            | 732        |            | (7)      |    | (25)     |    | (32)    |
| PIGMENT - C                             |         | —       |        | 0      |    | 0       |    | —       |     | 1      |            | 1          |            | —        |    | (1)      |    | (1)     |
| PIGMENT - G                             |         | 84      |        | 24     |    | 108     |    | 85      |     | 32     |            | 118        |            | (1)      |    | (8)      |    | (9)     |
| PIGMENT - HC                            |         | 39      |        | 4      |    | 44      |    | 40      |     | 12     |            | 52         |            | (1)      |    | (8)      |    | (9)     |
| PIGMENT - PC                            |         | 3       |        | 1      |    | 5       |    | 3       |     | 1      |            | 5          |            | (0)      |    | 0        |    | 0       |
| PKG                                     |         | —       |        | —      |    | —       |    | —       |     | —      |            | —          |            | —        |    | —        |    | —       |
| PLASTICIZER                             |         | 116     |        | 20     |    | 136     |    | 118     |     | 34     |            | 151        |            | (2)      |    | (13)     |    | (15)    |
| RESIN                                   |         | 18,099  |        | 5,769  |    | 23,867  |    | 18,337  |     | 6,901  |            | 25,238     |            | (239)    |    | (1,132)  |    | (1,371) |
| STABILIZER                              |         | 288     |        | 91     |    | 378     |    | 291     |     | 109    |            | 400        |            | (4)      |    | (18)     |    | (22)    |
| TIO2                                    |         | 1,785   |        | 567    |    | 2,352   |    | 1,809   |     | 670    |            | 2,478      |            | (24)     |    | (103)    |    | (126)   |
| Material Other                          |         |         |        |        |    | —       |    |         |     | —      |            | —          |            | —        |    | —        |    | —       |
| Total Materials - Lbs                   |         | 23,371  |        | 7,417  |    | 30,788  |    | 23,679  |     | 8,878  |            | 32,558     |            | (309)    |    | (1,461)  |    | (1,770) |
| Materials - ASP                         |         |         |        |        |    |         |    |         |     |        |            |            |            |          |    |          |    |         |
| ADDITIVE                                | \$      | 3.63    | \$     | 3.6282 | \$ | 3.63    | \$ | 3.52    | \$  | 3.5633 | \$         | 3.54       | \$         | 0.1089   | \$ | 0.0649   | \$ | 0.09    |
| ADDITIVE (IMPACT MODIFIER)              | \$      | 1.64    | \$     | 1.5755 | \$ | 1.61    | \$ | 1.67    | \$  | 1.6650 | \$         | 1.67       | \$         | (0.0283) | \$ | (0.0895) | \$ | (0.06)  |
| ADDITIVE (PROCESSING AID)               | \$      | 1.70    | \$     | 1.5840 | \$ | 1.64    | \$ | 1.70    | \$  | 1.7010 | \$         | 1.70       | \$         | (0.0050) | \$ | (0.1170) | \$ | (0.06)  |
| FILLER                                  | \$      | 0.20    | \$     | 0.2115 | \$ | 0.20    | \$ | 0.21    | \$  | 0.2109 | \$         | 0.21       | \$         | (0.0094) | \$ | 0.0006   | \$ | (0.00)  |
| LUBRICANT                               | \$      | 0.92    | \$     | 0.9306 | \$ | 0.93    | \$ | 0.93    | \$  | 0.9329 | \$         | 0.93       | \$         | (0.0117) | \$ | (0.0023) | \$ | (0.01)  |
| PIGMENT - C                             |         |         |        | 2.8123 |    | 2.8123  |    |         |     | 2.8123 |            | 2.8123     | \$         | —        | \$ | (0.0000) |    | 2.8123  |
| PIGMENT - G                             | \$      | 3.02    | \$     | 2.9620 | \$ | 2.99    | \$ | 3.16    | \$  | 3.1592 | \$         | 3.16       | \$         | (0.1376) | \$ | (0.1971) | \$ | (0.17)  |
| PIGMENT - HC                            | \$      | 5.44    | \$     | 5.7519 | \$ | 5.60    | \$ | 5.89    | \$  | 5.8923 | \$         | 5.89       | \$         | (0.4490) | \$ | (0.1404) | \$ | (0.29)  |
| PIGMENT - PC                            | \$      | 7.19    | \$     | 6.6591 | \$ | 6.92    | \$ | 7.13    | \$  | 7.1296 | \$         | 7.13       | \$         | 0.0555   | \$ | (0.4705) | \$ | (0.21)  |
| PKG                                     |         |         |        |        |    |         |    |         |     | 7.6761 |            |            | \$         | —        | \$ | (7.6761) |    |         |
| PLASTICIZER                             | \$      | 0.86    | \$     | 0.8573 | \$ | 0.86    | \$ | 0.90    | \$  | 0.8993 | \$         | 0.90       | \$         | (0.0434) | \$ | (0.0420) | \$ | (0.04)  |
| RESIN                                   | \$      | 0.41    | \$     | 0.4051 | \$ | 0.41    | \$ | 0.44    | \$  | 0.4454 | \$         | 0.44       | \$         | (0.0268) | \$ | (0.0403) | \$ | (0.03)  |
| STABILIZER                              | \$      | 3.40    | \$     | 3.4966 | \$ | 3.45    | \$ | 3.32    | \$  | 3.3188 | \$         | 3.32       | \$         | 0.0852   | \$ | 0.1778   | \$ | 0.13    |
| TIO2                                    | \$      | 1.41    | \$     | 1.4110 | \$ | 1.41    | \$ | 1.43    | \$  | 1.4520 | \$         | 1.44       | \$         | (0.0200) | \$ | (0.0410) | \$ | (0.03)  |
| Material Other                          |         | -       |        | -      |    | -       |    | -       |     | -      |            | -          | \$         | —        | \$ | —        |    |         |
| Materials - \$'000                      |         |         |        |        |    |         |    |         |     |        |            |            |            |          |    |          |    |         |
| ADDITIVE                                | \$      | 344     | \$     | 101    | \$ | 445     | \$ | 338     | \$  | 144    | \$         | 482        | \$         | 6        | \$ | (43)     | \$ | (37)    |
| ADDITIVE (IMPACT MODIFIER)              | \$      | 1,395   | \$     | 448    | \$ | 1,843   | \$ | 1,438   | \$  | 540    | \$         | 1,977      | \$         | (43)     | \$ | (92)     | \$ | (135)   |
| ADDITIVE (PROCESSING AID)               | \$      | 239     | \$     | 69     | \$ | 308     | \$ | 243     | \$  | 97     | \$         | 340        | \$         | (4)      | \$ | (28)     | \$ | (32)    |
| FILLER                                  | \$      | 263     | \$     | 88     | \$ | 351     | \$ | 279     | \$  | 106    | \$         | 385        | \$         | (16)     | \$ | (18)     | \$ | (34)    |
| LUBRICANT                               | \$      | 488     | \$     | 158    | \$ | 646     | \$ | 501     | \$  | 182    | \$         | 682        | \$         | (13)     | \$ | (24)     | \$ | (37)    |
| PIGMENT - C                             | \$      | —       | \$     | 1      | \$ | 1       | \$ | —       | \$  | 3      | \$         | 3          | \$         | —        | \$ | (2)      | \$ | (2)     |
| PIGMENT - G                             | \$      | 254     | \$     | 71     | \$ | 325     | \$ | 269     | \$  | 102    | \$         | 371        | \$         | (15)     | \$ | (31)     | \$ | (46)    |
| PIGMENT - HC                            | \$      | 215     | \$     | 23     | \$ | 238     | \$ | 236     | \$  | 71     | \$         | 307        | \$         | (21)     | \$ | (48)     | \$ | (68)    |
| PIGMENT - PC                            | \$      | 24      | \$     | 10     | \$ | 33      | \$ | 24      | \$  | 9      | \$         | 33         | \$         | (0)      | \$ | 1        | \$ | 0       |
| PKG                                     | \$      | —       | \$     | —      | \$ | -       | \$ | —       | \$  | 29     | \$         | 29         | \$         | —        | \$ | (29)     | \$ | (29)    |
| PLASTICIZER                             | \$      | 99      | \$     | 17     | \$ | 117     | \$ | 106     | \$  | 30     | \$         | 136        | \$         | (6)      | \$ | (13)     | \$ | (19)    |
| RESIN                                   | \$      | 7,456   | \$     | 2,337  | \$ | 9,793   | \$ | 8,045   | \$  | 3,108  | \$         | 11,153     | \$         | (589)    | \$ | (771)    | \$ | (1,360) |
| STABILIZER                              | \$      | 979     | \$     | 317    | \$ | 1,297   | \$ | 967     | \$  | 361    | \$         | 1,328      | \$         | 12       | \$ | (43)     | \$ | (31)    |
| TIO2                                    | \$      | 2,520   | \$     | 800    | \$ | 3,321   | \$ | 2,590   | \$  | 972    | \$         | 3,562      | \$         | (69)     | \$ | (172)    | \$ | (242)   |
| Scrap                                   | \$      | 39      | \$     | 22     | \$ | 61      | \$ | 39      | \$  | —      | \$         | 39         | \$         | —        | \$ | 22       | \$ | 22      |
| BOM Scrap (not in P&L and 2019 AOP)     |         |         |        |        |    | -       |    |         |     | -      |            | -          | \$         | —        | \$ | —        | \$ | -       |
| PIP Savings                             | \$      | (8)     | \$     | (4)    | \$ | (12)    | \$ | (62)    | \$  | (16)   | \$         | (79)       | \$         | 54       | \$ | 12       | \$ | 67      |
| Kronos Rebates (\$0.075/lb)             | \$      | (137)   | \$     | (36)   | \$ | (173)   | \$ | (134)   | \$  | (50)   | \$         | (184)      | \$         | (3)      | \$ | 15       | \$ | 12      |
| Resin Rebate & Discount                 | \$      | (228)   | \$     | (47)   | \$ | (275)   | \$ | (244)   | \$  | (92)   | \$         | (336)      | \$         | 16       | \$ | 45       | \$ | 61      |
| Amortization Timing                     | \$      | 126     | \$     | (21)   | \$ | 105     | \$ | (178)   | \$  | (175)  | \$         | (353)      | \$         | 304      | \$ | 154      | \$ | 458     |
| Packaging                               | \$      | 84      | \$     | 21     | \$ | 105     | \$ | 84      | \$  | 21     | \$         | 105        | \$         | —        | \$ | —        | \$ | -       |
| Material Other                          | \$      | (8,936) | \$     | 24     | \$ | (8,913) | \$ | (9,524) | \$  | 33     | \$         | (9,491)    | \$         | 588      | \$ | (9)      | \$ | 579     |
| Total Material Costs                    | \$      | 5,216   | \$     | 4,399  | \$ | 9,615   | \$ | 5,016   | \$  | 5,475  | \$         | 10,491     | \$         | 200      | \$ | (1,076)  | \$ | (875)   |
| Total Material Costs \$CAD              | \$      | 6,973   | \$     | 5,885  | \$ | 31,862  | \$ | 6,705   | \$  | 7,117  | \$         | 88,979     | \$         | 268      | \$ | (1,232)  | \$ | (726)   |

# Historical Resin Price Chart



# Key Performance Indicators - ECS

| ENERGI Compound Solutions                            | 2018 Actual | 2019 Targets | Jan-19 | Feb-19 | Mar-19 | YTD 2019 |
|--|-------------|--------------|--------|--------|--------|----------|
| <b>Health &amp; Safety</b>                           |             |              |        |        |        |          |
| <i>Recordable( effects TRIR)</i>                     | 0           | 0            | 0      | 0      | 0      | 0        |
| <i>Near Misses</i>                                   | 25          | 2            | 0      | 0      | 0      | 0        |
| <b>Environmental</b>                                 |             |              |        |        |        |          |
| <i>Recordable( effects TRIR)</i>                     | 0           | 0            | 0      | 0      | 0      | 0        |
| <i>Near Misses</i>                                   | 8           | 2            | 0      | 1      | 0      | 1        |
| <b>Quality Performance</b>                           |             |              |        |        |        |          |
| <i>Concerns per million Good Lbs</i>                 | 0.2         | 0.3          | 0.3    | 0.1    | 0.0    | 0.1      |
| <i>Return as % of sales (%)</i>                      | 0.05        | 0.3          | 0%     | 0%     | 0%     | 0%       |
| <b>Delivery Performance</b>                          |             |              |        |        |        |          |
| <i>% on time</i>                                     | 100%        | 100%         | 100%   | 100%   | 100%   | 100%     |
| <b>Material Cost</b>                                 |             |              |        |        |        |          |
| <i>Yield</i>   | 99%         | 99%          | 100%   | 100%   | 100%   | 100%     |
| <i>Production Scrap</i>                              | 0.7%        | 1.00%        | 0%     | 0%     | 0%     | 0%       |
| <i>Total Material Usage Variance</i>                 | 1.2%        | 2.00%        | 1%     | 1%     | 0%     | 0%       |
| <i>Direct Labour \$/lb produced</i>                  | 0.008       | 0.009        | 0.009  | 0.008  | 0.007  | 0.008    |
| <i>Indirect Labour (incl D&amp;D) \$/lb produced</i> | 0.015       | 0.017        | 0.020  | 0.018  | 0.015  | 0.017    |
| <b>Inventory</b>                                     |             |              |        |        |        |          |
| <i>Days - TTM (Trailing 12 Months)</i>               | 47          | 46           | 50     | 49     | 42     | 47       |
| <b>Freight</b>                                       |             |              |        |        |        |          |
| <i>Freight \$ as % of net sales</i>                  | 3.7%        | 3.9%         | 3.2%   | 3.6%   | 4.0%   | 4%       |

## COMMENTS:

**Indirect Labour:** Clean up carryover vacation for the operator at long term disability

**Inventory:** Seasonal in addition to increased buildup due to anticipated price increase.

**Freight** - 65% higher sales volume to Everett in March.

# Full Year ECS P&L Summary

| \$'000                                       |                   | FY         |            | Var        |         | PY        |            | Var      |  |
|--|-------------------|------------|------------|------------|---------|-----------|------------|----------|--|
|  |                   | Fcst       | Bud        | \$         | %       | Act       | \$         | %        |  |
| Units Produced ('000)                        |                   | 99,648     | 101,346    | (1,698)    | (1.7%)  | 106,695   | (7,047)    | (6.6%)   |  |
| Units Shipped ('000)                         |                   | 99,569     | 101,346    | (1,776)    | (1.8%)  | 106,807   | (7,237)    | (6.8%)   |  |
| Bookings (\$'000)                            |                   | \$ 8,489   | \$ —       | \$ 8,489   | N/A     | \$ —      | \$ 8,489   | N/A      |  |
| Backlog ('\$000)                             |                   | \$ 181     | \$ —       | \$ 181     | N/A     | \$ —      | \$ 181     | N/A      |  |
|  | External Revenue  | \$ 8,413   | \$ 8,852   | \$ (439)   | (5.0%)  | \$ 8,388  | \$ 25      | 0.3%     |  |
|  | Affiliate Revenue | \$ 62,731  | \$ 63,572  | \$ (841)   | (1.3%)  | \$ 68,481 | \$ (5,749) | (8.4%)   |  |
| Gross Revenue                                |                   | \$ 71,144  | \$ 72,424  | \$ (1,280) | (1.8%)  | \$ 76,869 | \$ (5,724) | (7.4%)   |  |
| Adj. to Gross Revenue                        |                   | (7)        | (28)       | 21         | (74.9%) | (14)      | 7          | (51.3%)  |  |
| Net Revenue                                  |                   | 71,137     | 72,396     | (1,259)    | (1.7%)  | 76,854    | (5,717)    | (7.4%)   |  |
| Material                                     |                   | 62,073     | 63,287     | (1,214)    | (1.9%)  | 60,763    | 1,310      | 2.2%     |  |
| Labor  |                   | 1,942      | 2,009      | (67)       | (3.3%)  | 1,880     | 62         | 3.3%     |  |
| Other COGS                                   |                   | 5,923      | 6,032      | (109)      | (1.8%)  | 5,926     | (3)        | (0.0%)   |  |
| Total COGS                                   |                   | 69,938     | 71,328     | (1,390)    | (1.9%)  | 68,569    | 1,369      | 2.0%     |  |
| Gross Margin                                 |                   | 1,199      | 1,068      | 131        | 12.3%   | 8,286     | (7,086)    | (85.5%)  |  |
| Gross Margin %                               |                   | 1.7%       | 1.5%       |            |         | 10.8%     |            |          |  |
| R&D  |                   | —          | —          | —          | N/A     | —         | —          | N/A      |  |
| Sales & Marketing                            |                   | 169        | 163        | 6          | 3.7%    | 156       | 13         | 8.2%     |  |
| Administrative                               |                   | 1,764      | 1,782      | (17)       | (1.0%)  | 1,765     | (0)        | (0.0%)   |  |
| Other Opex                                   |                   | (140)      | —          | (140)      | N/A     | 369       | (509)      | (137.9%) |  |
| Total Opex                                   |                   | 1,794      | 1,945      | (151)      | (7.8%)  | 2,290     | (496)      | (21.7%)  |  |
| EBITDA                                       |                   | (594)      | (877)      | 282        | (32.2%) | 5,996     | (6,590)    | (109.9%) |  |
| EBITDA %                                     |                   | (0.8%)     | (1.2%)     |            |         | 7.8%      |            |          |  |
| Net Income (Loss)                            |                   | \$ (1,311) | \$ (1,616) | \$ 305     | (18.9%) | \$ 5,305  | \$ (6,617) | (124.7%) |  |
| Capex  |                   | \$ (18)    | \$ (601)   | \$ 583     | (97.0%) | \$ (600)  | \$ 582     | (97.0%)  |  |
| <b>Opex Overview:</b>                        |                   |            |            |            |         |           |            |          |  |
| Payroll                                      |                   | \$ 564     | \$ 562     | \$ 3       | 0.5%    | \$ 550    | \$ 15      | 2.7%     |  |
| Bonus  |                   | —          | —          | —          | N/A     | —         | —          | N/A      |  |
| Commissions                                  |                   | 10         | 13         | (2)        | (19.4%) | 1         | 9          | 1159.4%  |  |
| Marketing                                    |                   | 1          | 1          | —          | 0.0%    | —         | 1          | N/A      |  |
| Benefits                                     |                   | —          | —          | —          | N/A     | —         | —          | N/A      |  |
| Travel and entertainment                     |                   | 9          | 9          | (0)        | (3.5%)  | 9         | 0          | 1.0%     |  |
| Rent and facilities                          |                   | —          | —          | —          | N/A     | —         | —          | N/A      |  |
| Insurance                                    |                   | 68         | 69         | (1)        | (1.6%)  | 68        | 1          | 1.1%     |  |
| Professional fees                            |                   | (0)        | (0)        | —          | 0.0%    | —         | (0)        | N/A      |  |
| Utilities, repair, maintenance, and security |                   | 18         | 20         | (2)        | (10.6%) | 18        | (0)        | (1.7%)   |  |
| Corporate OH Fees                            |                   | 1,259      | 1,271      | (12)       | (0.9%)  | 1,276     | (17)       | (1.3%)   |  |
| Bad Debts                                    |                   | —          | —          | —          | N/A     | 3         | (3)        | (100.0%) |  |
| FX   |                   | (140)      | —          | (140)      | N/A     | 369       | (509)      | (137.9%) |  |
| JV Loss (Income)                             |                   | —          | —          | —          | N/A     | —         | —          | N/A      |  |
| Other Expenses                               |                   | 5          | 1          | 4          | 554.3%  | 0         | 5          | 11209.7% |  |
| Total Opex                                   |                   | \$ 1,794   | \$ 1,945   | \$ (151)   | (7.8%)  | \$ 2,293  | \$ (499)   | (21.8%)  |  |

# Key Customers – Full Year ECS

|                                  | Gross Sales (\$'000) |        |    |        |     |         |         |      |        | Gross Margin % |         |         |         |         |         |         |         |         |          |
|----------------------------------|----------------------|--------|----|--------|-----|---------|---------|------|--------|----------------|---------|---------|---------|---------|---------|---------|---------|---------|----------|
|                                  | FY                   |        | FY |        | Var |         | PY      |      | Var    |                | FY      | FY      | Var     |         | PY      | Var     |         |         |          |
|                                  | Fcst                 | Bud    | \$ | %      | Act | \$      | %       | Fcst | Bud    | BPs            | %       | Act     | BPs     | %       |         |         |         |         |          |
| <u>Customer:</u>                 |                      |        |    |        |     |         |         |      |        |                |         |         |         |         |         |         |         |         |          |
| Vinyl Profiles, LLC              | \$                   | 3,439  | \$ | 3,826  | \$  | (387)   | (10.1%) | \$   | 1,961  | \$             | 1,478   | 75.4%   | 45.7%   | 49.6%   | (384)   | (7.7%)  | 16.2%   | 2,950   | 181.7%   |
| Nuform Building Technologies Inc |                      | 1,546  |    | 1,596  |     | (50)    | (3.1%)  |      | 2,950  |                | (1,404) | (47.6%) | 12.5%   | 11.6%   | 87      | 7.5%    | 20.0%   | (749)   | (37.5%)  |
| The Vinyl Company Inc.           |                      | 1,196  |    | 1,099  |     | 97      | 8.8%    |      | 1,834  |                | (637)   | (34.8%) | 17.7%   | 17.9%   | (23)    | (1.3%)  | 27.0%   | (934)   | (34.6%)  |
| Vinylume Products Inc            |                      | 657    |    | 650    |     | 7       | 1.1%    |      | 688    |                | (32)    | (4.6%)  | 22.8%   | 21.3%   | 155     | 7.3%    | 20.7%   | 212     | 10.2%    |
| Accord Plastics Corp.            |                      | 601    |    | 593    |     | 8       | 1.3%    |      | 378    |                | 223     | 59.0%   | 19.4%   | 19.4%   | (1)     | (0.0%)  | 16.1%   | 335     | 20.8%    |
| Window Seal Limited              |                      | 340    |    | 474    |     | (133)   | (28.1%) |      | 17     |                | 324     | 1946.4% | 100.5%  | 124.7%  | (2,419) | (19.4%) | 27.9%   | 7,255   | 259.7%   |
| New Customers (L.B. Plastics)    |                      | 333    |    | 422    |     | (89)    | (21.1%) |      | 113    |                | 220     | 194.4%  | 51.0%   | 37.6%   | 1,338   | 35.6%   | 26.8%   | 2,426   | 90.7%    |
| Prasad Plastics Limited          |                      | 64     |    | 111    |     | (47)    | (42.2%) |      | 36     |                | 28      | 76.2%   | 81.9%   | #DIV/0! | —       | #DIV/0! | 25.7%   | 5,623   | 218.9%   |
| Superior Extrusions Ltd          |                      | 32     |    | 38     |     | (6)     | (15.2%) |      | 46     |                | (14)    | (30.3%) | 3.2%    | 3.1%    | 7       | 2.3%    | 25.5%   | (2,236) | (87.6%)  |
| Vytron Corporation               |                      | 8      |    | 17     |     | (9)     | (51.7%) |      | 29     |                | (21)    | (71.5%) | 6.7%    | #DIV/0! | —       | #DIV/0! | 41.6%   | (3,491) | (83.9%)  |
| Plastibec Ltee                   |                      | 3      |    | —      |     | 3       | N/A     |      | 6      |                | (3)     | (52.7%) | 9.1%    | #DIV/0! | —       | #DIV/0! | 24.0%   | (1,491) | (62.1%)  |
| Vinyl Profiles (2011)            |                      | 18     |    | —      |     | 18      | N/A     |      | 6      |                | 12      | 212.4%  | 1.4%    | 0.0%    | 142     | N/A     | 57.5%   | (5,608) | (97.5%)  |
| Fence Outlet MDC, LLC            |                      | 24     |    | —      |     | 24      | N/A     |      | —      |                | 24      | N/A     | 98.0%   | 0.0%    | 9,804   | N/A     | #DIV/0! | NA      | #DIV/0!  |
| INFINITY EXTRUSIONS INC.         |                      | 22     |    | —      |     | 22      | N/A     |      | 20     |                | 2       | 11.8%   | 133.3%  | #DIV/0! | —       | #DIV/0! | 13.8%   | 11,952  | 865.3%   |
| Resin Technology, LLC            |                      | 71     |    | —      |     | 71      | N/A     |      | —      |                | 71      | N/A     | 70.4%   | #DIV/0! | —       | #DIV/0! | #DIV/0! | NA      | #DIV/0!  |
| 0                                |                      | —      |    | —      |     | -       | N/A     |      | —      |                | -       | N/A     | #DIV/0! | #DIV/0! | —       | #DIV/0! | 0.0%    | NA      | N/A      |
| 0                                |                      | —      |    | —      |     | -       | N/A     |      | —      |                | -       | N/A     | #DIV/0! | #DIV/0! | —       | #DIV/0! | 0.0%    | NA      | N/A      |
| 0                                |                      | —      |    | —      |     | -       | N/A     |      | —      |                | -       | N/A     | #DIV/0! | #DIV/0! | —       | #DIV/0! | 0.0%    | NA      | N/A      |
| 0                                |                      | —      |    | —      |     | -       | N/A     |      | —      |                | -       | N/A     | #DIV/0! | #DIV/0! | —       | #DIV/0! | 0.0%    | NA      | N/A      |
| 0                                |                      | —      |    | —      |     | -       | N/A     |      | —      |                | -       | N/A     | #DIV/0! | #DIV/0! | —       | #DIV/0! | 0.0%    | NA      | N/A      |
| Other                            |                      | 62,791 |    | 63,600 |     | (809)   | (1.3%)  |      | 68,786 |                | (5,995) | (8.7%)  | (0.8%)  | (1.1%)  | 30      | (28.5%) | 9.6%    | (1,037) | (108.0%) |
| Total Gross                      | \$                   | 71,144 | \$ | 72,424 | \$  | (1,280) | (1.8%)  | \$   | 76,869 | \$             | (5,724) | (7.4%)  | 1.8%    | 1.6%    | 24      | 15.2%   | 10.8%   | (894)   | (83.0%)  |



# Corporate Office Summary P&L

| \$'000                   | MTD       |          | Var     |          | YTD        |            | Var      |          |
|--------------------------|-----------|----------|---------|----------|------------|------------|----------|----------|
|                          | Act       | Bud      | \$      | %        | Act        | Bud        | \$       | %        |
| Units Produced ('000)    | –         | –        | –       | N/A      | –          | –          | –        | N/A      |
| Units Shipped ('000)     | –         | –        | –       | N/A      | –          | –          | –        | N/A      |
| Bookings (\$'000)        | \$ –      | \$ –     | \$ –    | N/A      | \$ –       | \$ –       | \$ –     | N/A      |
| Backlog (\$'000)         | \$ –      | \$ –     | \$ –    | N/A      | \$ –       | \$ –       | \$ –     | N/A      |
| Gross Revenue            | \$ –      | \$ 17    | \$ (17) | (100.0%) | \$ –       | \$ 32      | \$ (32)  | (100.0%) |
| Adj. to Gross Revenue    | –         | –        | –       | N/A      | –          | –          | –        | N/A      |
| Net Revenue              | –         | 17       | (17)    | (100.0%) | –          | 32         | (32)     | (100.0%) |
| Material                 | 67        | 250      | (183)   | (73.4%)  | 501        | 800        | (299)    | (37.3%)  |
| Labor                    | 101       | 103      | (2)     | (1.5%)   | 407        | 412        | (5)      | (1.3%)   |
| Other COGS               | 61        | 92       | (31)    | (33.6%)  | 301        | 368        | (67)     | (18.1%)  |
| Total COGS               | 229       | 445      | (216)   | (48.5%)  | 1,209      | 1,580      | (371)    | (23.5%)  |
| Gross Margin             | (229)     | (428)    | 199     | (46.6%)  | (1,209)    | (1,548)    | 339      | (21.9%)  |
| Gross Margin %           | (2591.8%) |          |         |          | (4828.7%)  |            |          |          |
| R&D                      | –         | –        | –       | N/A      | –          | –          | –        | N/A      |
| Sales & Marketing        | 340       | 303      | 37      | 12.1%    | 1,292      | 1,320      | (28)     | (2.1%)   |
| Administrative           | (398)     | (352)    | (46)    | 12.9%    | (1,592)    | (1,437)    | (155)    | 10.8%    |
| Other Opex               | (4)       | –        | (4)     | N/A      | 26         | –          | 26       | N/A      |
| Total Opex               | (61)      | (49)     | (13)    | 26.1%    | (274)      | (117)      | (157)    | 134.6%   |
| EBITDA                   | (168)     | (380)    | 212     | (55.9%)  | (936)      | (1,431)    | 496      | (34.6%)  |
| EBITDA %                 | (2297.0%) |          |         |          | (4464.7%)  |            |          |          |
| Net Income (Loss)        | \$ (613)  | \$ (977) | \$ 364  | (37.2%)  | \$ (2,239) | \$ (3,618) | \$ 1,380 | (38.1%)  |
| Capex                    | \$ –      | \$ (334) | \$ 334  | (100.0%) | \$ 12      | \$ (595)   | \$ 607   | (102.0%) |
| <b>Opex Overview:</b>    |           |          |         |          |            |            |          |          |
| Payroll                  | \$ 473    | \$ 462   | \$ 11   | 2.3%     | \$ 1,768   | \$ 1,770   | \$ (2)   | (0.1%)   |
| Bonus                    | 112       | 113      | (2)     | (1.4%)   | 448        | 454        | (5)      | (1.2%)   |
| Commissions              | 19        | 29       | (10)    | (35.5%)  | 71         | 115        | (44)     | (38.6%)  |
| Marketing                | 15        | 25       | (9)     | (38.2%)  | 163        | 217        | (54)     | (24.9%)  |
| Benefits                 | –         | –        | –       | N/A      | –          | –          | –        | N/A      |
| Travel and entertainment | 100       | 120      | (20)    | (16.9%)  | 359        | 501        | (142)    | (28.4%)  |
| Rent and facilities      | –         | –        | –       | N/A      | –          | –          | –        | N/A      |
| Insurance                | –         | –        | –       | N/A      | –          | –          | –        | N/A      |
| Professional fees        | 35        | 35       | (0)     | (0.9%)   | 165        | 165        | 0        | 0.0%     |
| Office Expense           | 2         | 3        | (1)     | (33.1%)  | 8          | 15         | (7)      | (45.6%)  |
| IT                       | 142       | 149      | (7)     | (5.0%)   | 539        | 583        | (43)     | (7.4%)   |
| Bad Debts                | 23        | –        | 23      | N/A      | 57         | –          | 57       | N/A      |
| FX                       | (4)       | –        | (4)     | N/A      | 26         | –          | 26       | N/A      |
| JV Loss (Income)         | –         | –        | –       | N/A      | –          | –          | –        | N/A      |
| Other Expenses           | (977)     | (985)    | 7       | (0.7%)   | (3,879)    | (3,936)    | 57       | (1.5%)   |
| Total Opex               | \$ (61)   | \$ (49)  | \$ (13) | 26.1%    | \$ (274)   | \$ (117)   | \$ (157) | 134.6%   |

## Management Discussion

### EBITDA – April 2019: +\$212K

- **Gross Revenue:** Represents Consolidated price increase adjustment not achieved
- **Material COGS:** Favorable intercompany profit elimination as a result of lower intercompany inventory levels
- **Other COGS:** Property Insurance extension lower vs budget. Expected to increase from May 2019
- **Sales & Marketing:** higher by \$37K largely due to Bad Debt of \$23K, Wages lower by \$20K, Travel and Entertainment by \$14K. Offset by lower Marketing expenditure of \$9K related to timing and lower Commissions by \$10K due to revise in estimate
- **Administrative:** lower by \$46K due to lower Staff Travel costs by \$33K, lower Salaries by \$11K and lower IT costs by \$8K and miscellaneous expenses by \$11K offset by unfavorable FX on Corporate OH Recovery of \$19K
- **Other Opex:** represents FX Loss on CAD/US Cash Transactions

# Full Year Corporate Office P&L Summary

| \$'000                   | FY         |            | Var      |          | PY         | Var        |          |
|--------------------------|------------|------------|----------|----------|------------|------------|----------|
|                          | Fsct       | Bud        | \$       | %        | Act        | \$         | %        |
| Units Produced ('000)    | –          | –          | –        | N/A      | –          | –          | N/A      |
| Units Shipped ('000)     | –          | –          | –        | N/A      | –          | –          | N/A      |
| Bookings (\$'000)        | \$ –       | \$ –       | \$ –     | N/A      | \$ –       | \$ –       | N/A      |
| Backlog (\$'000)         | \$ –       | \$ –       | \$ –     | N/A      | \$ –       | \$ –       | N/A      |
| Gross Revenue            | \$ 132     | \$ 164     | \$ (32)  | (19.5%)  | \$ 0       | \$ 132     | 84259.5% |
| Adj. to Gross Revenue    | –          | –          | –        | N/A      | 72         | (72)       | (100.0%) |
| Net Revenue              | 132        | 164        | (32)     | (19.5%)  | 72         | 61         | 84.5%    |
| Material                 | (299)      | –          | (299)    | N/A      | (293)      | (6)        | 2.0%     |
| Labor                    | 1,230      | 1,236      | (5)      | (0.4%)   | 159        | 1,071      | 674.0%   |
| Other COGS               | 1,038      | 1,104      | (67)     | (6.0%)   | 802        | 236        | 29.4%    |
| Total COGS               | 1,969      | 2,340      | (371)    | (15.8%)  | 668        | 1,301      | 194.9%   |
| Gross Margin             | (1,837)    | (2,175)    | 339      | (15.6%)  | (596)      | (1,241)    | 208.2%   |
| Gross Margin %           | (1387.0%)  | (1322.6%)  |          |          | (830.5%)   |            |          |
| R&D                      | –          | –          | –        | N/A      | –          | –          | N/A      |
| Sales & Marketing        | 3,953      | 3,982      | (28)     | (0.7%)   | 3,842      | 111        | 2.9%     |
| Administrative           | (4,335)    | (4,179)    | (155)    | 3.7%     | (6,735)    | 2,400      | (35.6%)  |
| Other Opex               | 26         | –          | 26       | N/A      | 134        | (107)      | (80.2%)  |
| Total Opex               | (355)      | (198)      | (157)    | 79.4%    | (2,759)    | 2,404      | (87.1%)  |
| EBITDA                   | (1,482)    | (1,978)    | 496      | (25.1%)  | 2,163      | (3,645)    | (168.5%) |
| EBITDA %                 | (1119.1%)  | (1202.4%)  |          |          | 3013.6%    |            |          |
| Net Income (Loss)        | \$ (7,021) | \$ (8,401) | \$ 1,380 | (16.4%)  | \$ (3,324) | \$ (3,697) | 111.2%   |
| Capex                    | \$ 12      | \$ (2,706) | \$ 2,718 | (100.4%) | \$ (366)   | \$ 378     | (103.3%) |
| <b>Opex Overview:</b>    |            |            |          |          |            |            |          |
| Payroll                  | \$ 5,476   | \$ 5,478   | \$ (2)   | (0.0%)   | \$ 5,077   | \$ 399     | 7.9%     |
| Bonus                    | 1,355      | 1,361      | (5)      | (0.4%)   | 159        | 1,196      | 752.7%   |
| Commissions              | 301        | 345        | (44)     | (12.9%)  | 186        | 115        | 61.9%    |
| Marketing                | 540        | 594        | (54)     | (9.1%)   | 584        | (44)       | (7.6%)   |
| Benefits                 | –          | –          | –        | N/A      | –          | –          | N/A      |
| Travel and entertainment | 1,367      | 1,509      | (142)    | (9.4%)   | 1,137      | 230        | 20.2%    |
| Rent and facilities      | –          | –          | –        | N/A      | –          | –          | N/A      |
| Insurance                | –          | –          | –        | N/A      | 2          | (2)        | (100.0%) |
| Professional fees        | 444        | 444        | 0        | 0.0%     | 395        | 49         | 12.3%    |
| Office Expense           | 39         | 46         | (7)      | (14.8%)  | 53         | (14)       | (25.8%)  |
| IT                       | 1,787      | 1,830      | (43)     | (2.4%)   | 1,367      | 420        | 30.7%    |
| Bad Debts                | 57         | –          | 57       | N/A      | (58)       | 115        | (198.1%) |
| FX                       | 26         | –          | 26       | N/A      | 134        | (107)      | (80.2%)  |
| JV Loss (Income)         | –          | –          | –        | N/A      | –          | –          | N/A      |
| Other Expenses           | (11,747)   | (11,805)   | 57       | (0.5%)   | (11,793)   | 46         | (0.4%)   |
| Total Opex               | \$ (355)   | \$ (198)   | \$ (157) | 79.4%    | \$ (2,757) | \$ 2,402   | (87.1%)  |

# Plant Capacity Utilization

## ENERGI Capacity Utilization: 2019

### ENERGI Everett Monthly Capacity Utilization

|   | Jan-19    | Feb-19    | Mar-19    | Apr-19    | May-19 | Jun-19 | Jul-19 | Aug-19 | Sep-19 | Oct-19 | Nov-19 | Dec-19 |
|---|-----------|-----------|-----------|-----------|--------|--------|--------|--------|--------|--------|--------|--------|
| *based on current plant speed and product mix               |           |           |           |           |        |        |        |        |        |        |        |        |
| Good lbs Produced(L)(lbs                                    | 1,444,542 | 1,111,051 | 1,414,685 | 1,361,135 |        |        |        |        |        |        |        |        |
| Monthly capacity utilization(L/K)%( No seasonal adjustment) | 60%       | 46%       | 59%       | 56%       | 0%     | 0%     | 0%     | 0%     | 0%     | 0%     | 0%     | 0%     |

### ENERGI Delmont Monthly Capacity Utilization

|   | Jan-19    | Feb-19    | Mar-19    | Apr-19    | May-19 | Jun-19 | Jul-19 | Aug-19 | Sep-19 | Oct-19 | Nov-19 | Dec-19 |
|---|-----------|-----------|-----------|-----------|--------|--------|--------|--------|--------|--------|--------|--------|
| *based on current plant speed and product mix               |           |           |           |           |        |        |        |        |        |        |        |        |
| Good lbs Produced(L)(lbs                                    | 1,809,686 | 1,765,002 | 1,904,176 | 1,699,937 |        |        |        |        |        |        |        |        |
| Monthly capacity utilization(L/K)%( No seasonal adjustment) | 57%       | 56%       | 60%       | 54%       | 0%     | 0%     | 0%     | 0%     | 0%     | 0%     | 0%     | 0%     |

### ENERGI Woodbridge Monthly Capacity Utilization

|  | Jan-19    | Feb-19    | Mar-19    | Apr-19    | May-19 | Jun-19 | Jul-19 | Aug-19 | Sep-19 | Oct-19 | Nov-19 | Dec-19 |
|--|-----------|-----------|-----------|-----------|--------|--------|--------|--------|--------|--------|--------|--------|
| *based on current plant speed and product mix              |           |           |           |           |        |        |        |        |        |        |        |        |
| Good lbs Produced(L)(lbs                                   | 2,601,062 | 2,268,000 | 2,750,274 | 2,196,896 |        |        |        |        |        |        |        |        |
| Monthly capacity utilization(L/K)%(No seasonal adjustment) | 50%       | 44%       | 53%       | 43%       | 0%     | 0%     | 0%     | 0%     | 0%     | 0%     | 0%     | 0%     |

### ENERGI Laval Capacity Utilization

|   | Jan-19    | Feb-19    | Mar-19    | Apr-19    | May-19 | Jun-19 | Jul-19 | Aug-19 | Sep-19 | Oct-19 | Nov-19 | Dec-19 |
|---|-----------|-----------|-----------|-----------|--------|--------|--------|--------|--------|--------|--------|--------|
| *based on current plant speed and product mix |           |           |           |           |        |        |        |        |        |        |        |        |
| Good lbs Produced(L)(lbs                      | 1,327,474 | 1,510,928 | 1,657,493 | 1,701,406 |        |        |        |        |        |        |        |        |
| Monthly capacity utilization(L/K)%            | 36%       | 41%       | 45%       | 46%       | 0%     | 0%     | 0%     | 0%     | 0%     | 0%     | 0%     | 0%     |

### ECS Capacity utilization

|   | Jan-19     | Feb-19    | Mar-19    | Apr-19    | May-19 | Jun-19 | Jul-19 | Aug-19 | Sep-19 | Oct-19 | Nov-19 | Dec-19 |
|---|------------|-----------|-----------|-----------|--------|--------|--------|--------|--------|--------|--------|--------|
| Total available capacity lbs/month (A)* | 13,227,720 |           |           |           |        |        |        |        |        |        |        |        |
| Actual Good Lbs produced(B)             | 7,187,792  | 7,248,608 | 8,717,783 | 7,717,344 |        |        |        |        |        |        |        |        |
| Monthly Capacity utilization %(B/A)%    | 54%        | 55%       | 66%       | 58%       | 0%     | 0%     | 0%     | 0%     | 0%     | 0%     | 0%     | 0%     |

### Terrebonne Capacity Utilization

|   | Jan-19   | Feb-19   | Mar-19   | Apr-19   | May-19   | Jun-19   | Jul-19   | Aug-19   | Sep-19   | Oct-19   | Nov-19   | Dec-19   |
|---|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Available Shift Capacity(based on One 10Hr shift)(\$)(000)              | \$3,000  |          |          |          |          |          |          |          |          |          |          |          |
| Actual Gross Sales (000)(\$CAD)   | \$ 1,533 | \$ 1,646 | \$ 1,728 | \$ 2,093 |          |          |          |          |          |          |          |          |
| Available Shift Capacity(based on One 10Hr shift)(\$)(000)              | \$ 3,000 | \$ 3,000 | \$ 3,000 | \$ 3,000 | \$ 3,000 | \$ 3,000 | \$ 3,000 | \$ 3,000 | \$ 3,000 | \$ 3,000 | \$ 3,000 | \$ 3,000 |
| Capacity utilization based on NO seasonal adjustment and one 10hr shift | 51%      | 55%      | 58%      | 70%      | 0%       | 0%       | 0%       | 0%       | 0%       | 0%       | 0%       | 0%       |