



OPENGATE CAPITAL

A GLOBAL PRIVATE EQUITY FIRM

OPENGATE OPERATIONS MONTHLY PORTFOLIO REVIEW

SEPTEMBER 2ND 2020



1 | Global Portfolio Update

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

Industrials companies' revenue has continued to be impacted by COVID-19 but cost controls have resulted in over performance in EBITDA. Technology assets continue to performed well on ARR

Currency

USD

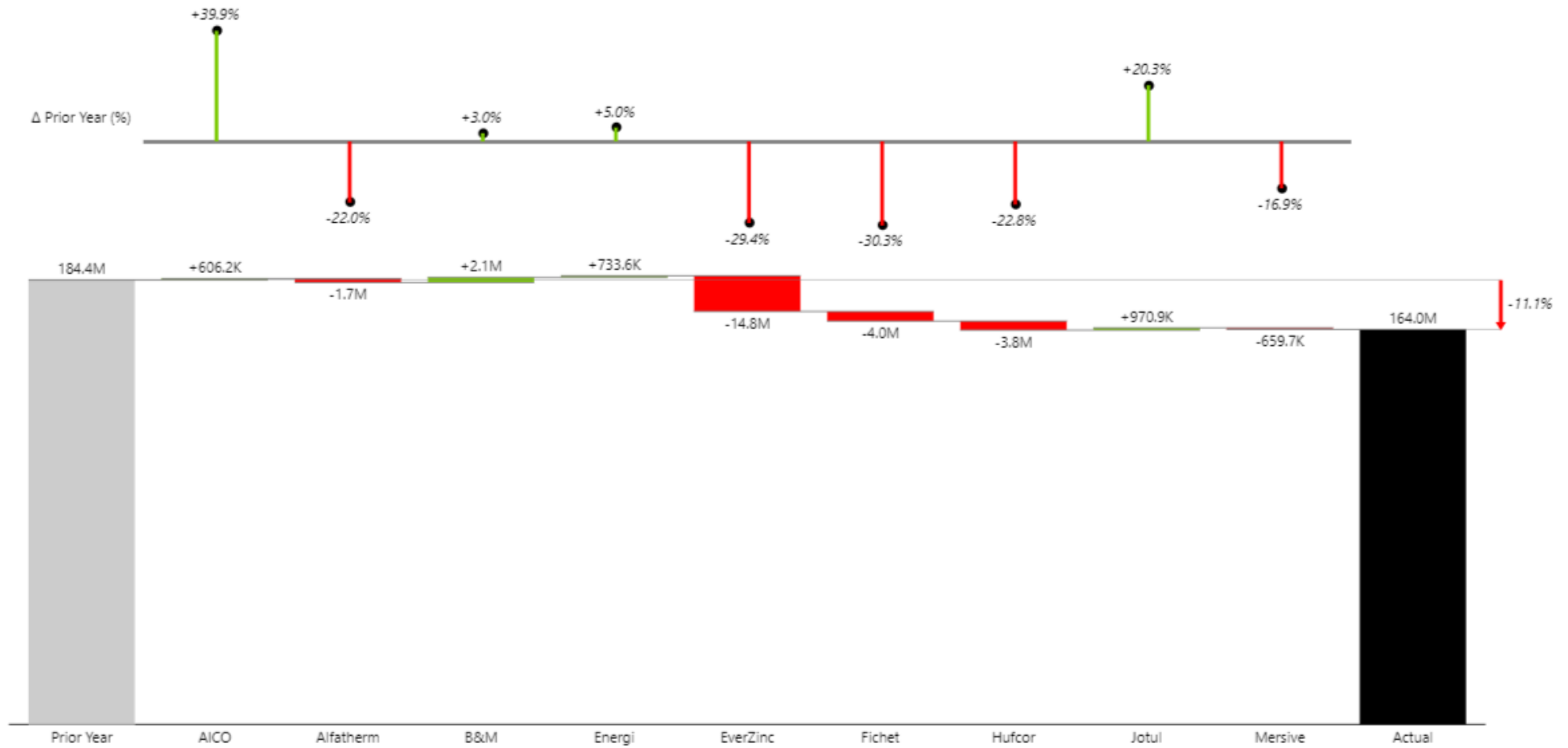
Jul 2020

	MTD Revenue vs. Prior Year	MTD EBITDA vs. Prior Year	YTD Revenue vs. Prior Year	YTD EBITDA vs. Prior Year
FUND I	164M! 2019: 184M (-11.1%)	17M✓ 2019: 13M (+27.54%)	970M! 2019: 1,187M (-18.35%)	48M! 2019: 63M (-23.95%)
	MTD Revenue vs. Prior Year	MTD EBITDA vs. Prior Year	YTD Revenue vs. Prior Year	YTD EBITDA vs. Prior Year
FUND II Industrials	86M! 2019: 92M (-7.03%)	9M✓ 2019: 9M (+0.59%)	462M! 2019: 573M (-19.35%)	36M! 2019: 42M (-14.37%)
	MTD Revenue vs. Prior Year	MTD ARR vs. Prior Year	YTD Revenue vs. Prior Year	YTD EBITDA vs. Prior Year
FUND II Global Tech	3M✓ 2019: 3M (+21.28%)	31M✓ 2019: 26M (+16.87%)	20M✓ 2019: 19M (+5.16%)	1,212K✓ 2019: 20K (+5833.38%)

2 | Fund 1 Portfolio Update

Fund I Summary: July Net Revenue bridge

Prior Year and Actual Net Revenue by Asset



Fund I Summary: July EBITDA bridge

Currency

USD

Include Realized Investments

No

MTD

QTD

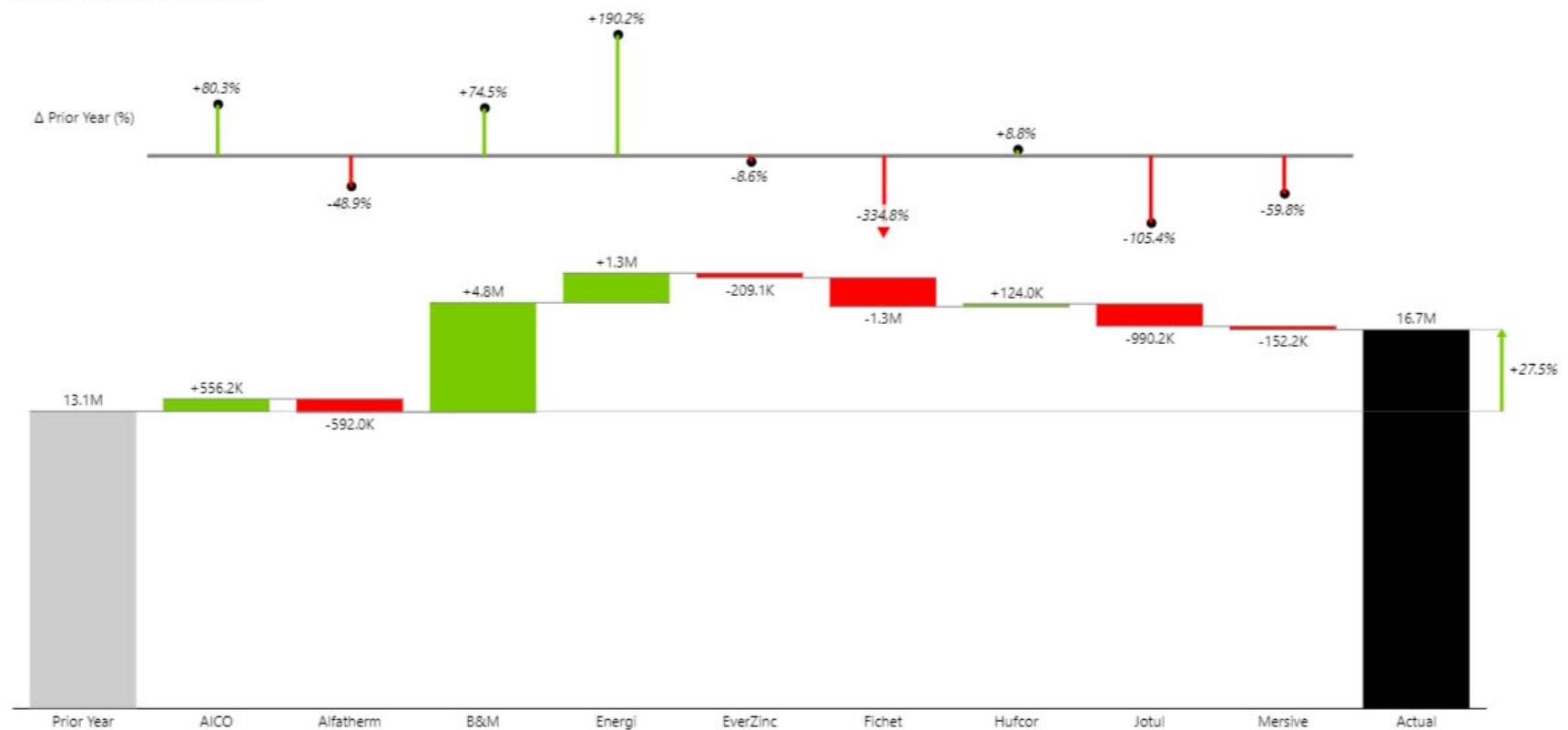
YTD

TTM

Jul 2020

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

Prior Year and Actual EBITDA by Asset






2.a | B&M

July with second record EBITDA after June supported by strong margin rates and reduced OPEX; exit process with BME/Blackstone on hold until end September

Executive Summary

- **July Sales** with €62.7M was -2.6% below PY (1 day less of sales) and -0.7% below budget; activities stable in June and July by end of June while mid term outlook remains uncertain; the commercial margin rate with 19.8% was below June rate at 20.2% but above PY at 19.0% and budget at 19.2% due to better pricing and sales force effectiveness
- **YTD Sales** with €330.0M was -16% below PY and -17% below budget due to COVID-19 implications
- **July EBITDA** with €9.6M was +€3.8M above PY (including IFRS16) and +3.8M above budget; outperformance generated by higher gross margin rate and lower OPEX thanks to cost saving efforts such as temporary unemployment programs supported by the French government as well as a provision release of €2.4m (related to legal risks)
- **YTD EBITDA** with €24.9M was in line with PY (including IFRS16) and budget
- **2020 EBITDA outlook** further increased on the back of positive current trading from €35M in June to €36.6M which is now €1.6M above 2020 budget and €4.1M higher than PY due to a quicker recovery and more cost savings;
- **Current trading:** Sales in August at € 30.6M which is +12.7% above PY and +7.6% above budget; Commercial margin level at 21.8% versus 21.1% in PY and 19.9% in budget
- **COVID-19:** all 133 branches open and all staff returned to work in May however with strict social and physical distancing requirements implemented in the operating procedures
- **Exit process** after disappointing updated offer by BME/Blackstone in mid August process was stopped; blackout period to last until end September before re-engaging in any discussions

Status Update: Project Details

Project	Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
			Projected	Actual
A: Exit process	 <ul style="list-style-type: none"> • After disappointing updated offer by BME/Blackstone in mid August process was stopped; blackout period to last until end September before re-engaging in any discussions 	Year-end 2020	TBD	TBD
B: Split of PanoFrance network to increase exit options	 <ul style="list-style-type: none"> • Carve out finalized by May 31st, 2020 	May 2020	TBD	TBD
C: OGx initiatives	 <ul style="list-style-type: none"> • Pricing: Implementation of proprietary Big Data solution to optimize; Optimal pricing proposal based on the combination of past transactions & price sensitivity levels; Solution implemented in 80 branches by year end 2020 • Digitalization: Search engine & web traffic optimized (+40% natural referencing); Online catalog with real-time product availability; cross-selling & alternative product functionalities 	Ongoing	TBD	TBD



2.b | Energi

July revenue and EBITDA were both ahead of Plan and prior year due to continued strong demand levels and support from the Canadian Wage Subsidy program



Executive Summary

July results

- **Revenue:** \$15.4MM, 2% ahead of plan, 5% behind prior year, and 5% higher than reforecast, due to increased volumes in Woodbridge and Delmont partially offset by lower volumes in Everett due to slower ramp up in production output
- **EBITDA:** \$1.9MM, 39% ahead of plan, 190% ahead of prior year, and 50% ahead of reforecast, driven by higher volume and the Canadian Emergency Wage Subsidy (\$854k)
- **OGx:** No updates on Matt Pearlson / additive manufacturing. Deprioritized due to COVID-19.

Risks / Challenges to the Business and Plan:

- Past due backlog has increased vs. prior year since COVID-19 as management team continues to focus on conservative cash management and aligning production to demand
- Resin pricing: July CDI resin price index was increased by 2cpp and additional price increases are forecasted in September due to increases in export pricing, domestic demand and tighter demand

Outlook

- **Liquidity 8/21 projection:** Over the 13-week period we are projecting liquidity to decline by \$8mm (45%); largely driven by catching up on \$5MM in deferred A/P.
- **August commercial performance:** August bookings continue to be strong although part of the increase is due to customers bookings orders through September as lead times increase. July revenue expected to be at plan

Status Update: Project Details

Project	Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
			Projected	Actual
A: Project Panther / 2020 Sales Process	● • Project Panther preparation efforts have re-started with process officially resuming in September	Q3 2020	N/A	N/A
B: Improved Sales Management	● • Kicked-off 2H 2020 initiative to drive heightened funnel management	July – December 2020	TBD	TBD
C: Continue Ops Discipline	● • Kicked-off 2H 2020 initiative to drive yield improvement, increase regrind consumption and reduce back orders; target metrics for 2H tied to RFC bonus	July – December 2020	TBD	TBD



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Status Update: Project Details (cont.)

Project	Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
			Projected	Actual
D: Improve Inventory Planning	<ul style="list-style-type: none"> Kicked-off 2H 2020 initiative to improve inventory planning to drive improved working capital conditions as production / demand picks up. Key focus areas include assessing finished goods inventory stock plan and raw materials min/max values. 	July – December 2020	TBD	TBD
E: Extrusion Pricing	<ul style="list-style-type: none"> Analysis to be completed to identify opportunities (will be implemented in Feb 2021) 	Feb 2020-1	TBD	TBD
G: Terrebone Pricing	<ul style="list-style-type: none"> Phase I implemented in Q1 2020 and continues tracking towards \$700k Evaluating additional price increase to be finalized in September 		Phase I \$700k Phase 2: TBD	Phase I: \$700k Phase 2: TBD



2.C | Alfatherm

July sales +4% vs May/June activity but -27% vs Budget and PY

EBITDA in line with forecast

Liquidity is expected to last until **END of SEPTEMBER**



Executive Summary

- **July Sales** reached €5.1M, lower than both Budget (-27%) and PY (-26%), driven by low volumes on Furniture (-47%) and Metal Lamination (-24%) but slightly offset by Capsules & Sleeves (+21%). Nevertheless, it is +6% vs last month forecast
- **YTD Sales** is €38.6M, -12% lower than both Budget and PY due to Furniture (-15% or €-3.1M), Sleeves (-14% or €-1.4M), Metal Lamination (-8% or €-0.7M)
- **EBITDA in July** is €0.5M, -44% vs Budget, -52% vs PY and in line with Forecast. Unfavorable product mix driving down margin slightly offset with lower resin costs, reduced utility tariffs and short time Labor measures
- **YTD EBITDA** is €3.8M which is -30% vs Budget (€5.4M) and -24% vs PY (€5.0M). Gap vs Budget and PY mostly due to reduced demand and unvariabilized fixed costs
- FY Sales forecasts confirmed at €59M which is €-9.3M or -14% vs both Budget and PY
- **FY 2020 EBITDA** reforecast is maintained at €4.6M, which reflects an impact of €-3.6M or -43% vs Budget and €-2.5M or -35% vs PY
- Current credit lines phased out by BPM and ISP. Still €2M maintained with GF. Request to be submitted to the court 1st week of September. The current level of liquidity is expected to last until **End of SEPTEMBER**
- MB facta and Banca Ifis announced they are phasing out factoring (c. €7M) due to unfavorable court decision (25 June). Application sent to the Court beginning of August to allow reinstating factoring
- Pre-concordato status should expire 9th October. Request to be submitted to the court 3rd week of September for a 2 months extension
- Banks offered to finance the turnaround plan if granted Superpriority status by the Court at the end of the Pre-Concordato
- Negotiation with KemOne to get a 40% haircut (Monday 31st August)
- Management focused on finding potential investors: Strategic: Mondo Plastico(Gallarate only but not the full site); PE: Pillarstone should begin DD in September, New Swiss investors club interest introduced by Fante

Status Update: Project Details

Project	Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
			Projected	Actual
A: Legal Process	<ul style="list-style-type: none"> • Pre Concordato filed on 21st April and approved by the Court on 22nd April • 2 months extension to be requested to the court 3rd week of September 	TBD	TBD	TBD
B: Financial Turnaround	<ul style="list-style-type: none"> • Negotiation with KemOne to get a 40% haircut (Monday 31st August) • Banks supportive of additional financing if granted superpriority status • Management focused on finding potential investors 	TBD	TBD	TBD
C: Factoring + ST Credit lines	<ul style="list-style-type: none"> • Currently €2M credit line with General Finance. Unfavorable Court decision avoiding increased facility • MB facta (Italy, c. €5.5M) and Banca Ifis (International, €1.5M) withdrawing their factoring facilities due to the financial situation • Phasing out of the current credit line by BPM and ISP due to the Pre Concordato status 	TBD	TBD	TBD



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2.d | EverZinc

July results continue to reflect the lower LME and lower volumes, but order intake is improving. FY EBITDA forecast revised to €25M because of uncertainties around ZANO

Executive Summary

- **1 new case of COVID-19** infection detected in Belgium on August 26th (2 in total since the beginning of the pandemic). Exposed employees put on quarantine and being monitored (7 people)
- **July sales** of €30.2M continues to be impacted by the lower LME and the lower volumes, being €-15M / -33% below PY (LME: €-8.1M / Volume: €-6.9M) and €-16.6M / -35% below budget (LME: €-8.6M / Volume: €-6.8M / Price: €-1.2M). This reflects a slower than expected ramp-up post lockdown, particularly for the ZANO business, which remains a point of concern
- **YTD sales** of €235.7M was €-76.8M / -25% below PY (LME: €-49.4M / Volume: €-30.1M / Price: €+2.7M) and €-95.2M / -29% below budget (LME: €-45.8M / Volume: €-46.6M / Price: €-2.7M)
- **July EBITDA** of €1.9M was below both PY (€2.2M) and budget (€3.3M), reflecting the lower volumes and LME, and further impacted by a negative FX variance of €-0.3M
- **YTD EBITDA** amounted to €14.1M vs. €16.7M PY and €21.7M in budget, with the impacts of lower volumes and the lower LME being equally responsible for most of the variance vs. budget (€-4.6M and €-4.4M, respectively), while the OPEX reduction program has contributed with €+1.3M vs. budget
- **Full-year EBITDA** was revised to €25M (versus €30M in PY and €37.9M in budget) and reflects the ongoing uncertainties around the ramp-up of ZANO volumes post COVID-19
- **Cash position** of €21.3M by the end of July is deemed sufficient to cover the business needs going forward but remains a point of attention. The covenants renegotiation was finalized for 2020, but the banks capped the payment of OGC management fees during Q3 and Q4 2020 to 50%, representing a cash impact of €-0.5M (to be paid in Q2 2021, subject to being compliant with the new covenants)
- **Current Trade** continues to improve, and order intake is currently at the level of 78% of PY (4-weeks average) vs. 71% by the end of July (ZBM performance remains strong and ZNO in North America is ramping-up)

Status Update: Project Details

Project	Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
			Projected	Actual
A: Project Hércules (ZANO Production)	● • Missing parts received and tests progressing in North America and Europe (oxidation issue resolved, thus team is now working on granulometry at industrial scale: 2/3 of target achieved)	H2 2021	>€2MM	n/a
B: Gunther Metall	● • Waiting for SPA mark-up and antitrust filing • Closing expected towards end of October	Q4 2020	>€1MM	n/a
C: Covenants Renegotiation	● • Completed for 2020 (DSCR waived for the entire year and leverage ratio adjusted to 4x vs. 2.5x previously). However, payment of management fees is capped to 50% for Q3 and Q4 2020	Complete	n/a	n/a



July results continue to reflect the lower LME and lower volumes, but order intake is improving. FY EBITDA forecast revised to €25M because of uncertainties around ZANO

Status Update: Project Details (cont.)

Project	Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
			Projected	Actual
D: Cyber Security Assessment	<ul style="list-style-type: none"> Following the completion of the assessment by Net System, Management is working on the remediation plan, with focus on (i) remote access and (ii) formalization of procedures Action plan reviewed and validated by Net System: implementation in progress 	Q3/Q4 2020	n/a	n/a
E: SGE Assessment	<ul style="list-style-type: none"> Following the completion of the assessment by ERM, Management is working to address the recommendations to (i) implement a whistleblowing channel, (ii) standardize SGE practices across the countries and (iii) perform a carbon footprint assessment 	2021	n/a	n/a
F. Commercial Excellence	<ul style="list-style-type: none"> Discussing scope and commercials with Simon Kucher and Arthur D. Little Selection of provider to take place this week, with diagnostic to be completed during Q4 	Q4 2020	TBD	TBD
G. ZANO Expansion (APAC / Plastic Film)	<ul style="list-style-type: none"> Just started discussions for accelerating the development of ZANO in APAC. Meeting with the sales team to review the action plan scheduled for September 15th 	H1 2021	TBD	TBD
H. WorkBench / BI Tool	<ul style="list-style-type: none"> Presented the WorkBench to the CEO as a BI tool to improve data transparency and support decision making within the organization. Ongoing BI project already had a scoping discussion scheduled for September. Gap analysis of capabilities between WorkBench and BI Tool to be performed and discussed 	Q4 2020	Enabler	Enabler
I. Inventory Reduction	<ul style="list-style-type: none"> Lack of production flexibility in Angleur (by-products) is penalizing the results: equipment modification and transfer of production ongoing to support offsetting the generation of by-products Implementation of consignment stock with Trafigura completed in July 	Q4 2020	-7.5k tons of Zinc during FY20: €11.7M	-4k tons of Zinc By the end of July: €4.4M



2.e | Hufcor

While July Revenue was 23% below 2019, tight cost controls and favorable timing of production at the end of July resulted in an over achievement of EBITDA by 9% vs 2019.



Executive Summary

July results

- **Revenue/EBITDA:** \$12.8mm vs \$13.9mm reforecast; \$16.5mm 2019A. Proforma Adj EBITDA of \$1.5mm vs \$0.9mm reforecast; \$1.4mm 2019A.
- **Operations:** July revenue underperformance was driven by COVID macro conditions, Asia is ~50% of plan due to weak recovery in the region. Australia performed strong; however, Melbourne is expected to slow in Aug due to a government shutdown.
- **Commercial:** Bookings in July remained soft with USA 93% of PY, Asia 50%, AU 83% and EU 107%.
 - Forecasted contraction of bookings is expected to impact Q4 and full year 2021 revenue with a forecasted revenue decline from 2020F of \$136mm to \$128mm
- **Gross Margin:** Consolidated GM 32% vs 2019 of 26% due to July production that was shipped / recognized in July
- **OGx:** MIT / Matt Pearson kicked off engagement to 3D print new acoustic films. Expecting pilot results in Q4, target commercialization late 2021 if successful

Risks / Challenges to the Business and Plan:

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

Outlook

- **Liquidity 8/24 projection:** Over the 13-week period we are projecting liquidity to decline by \$2mm (-20%); driven by \$300k LBC ECF Fee, \$200k reduction in borrowing base and \$1.5mm into NWC
- **Reforecast:** Projecting 2020 full year revenue to be \$135mm (-9.4% vs 2019) and EBITDA to be \$5.2mm (-38% vs 2019); expected covenants breach end of Q3. 2021 projected to decline to \$128mm in Revenue
- **Aug:** Bookings vs 2019 remained soft Asia 26%; Australia 110% Europe 110%, and USA 90%

Status Update: Project Details

Project		Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
				Projected	Actual
A: Production Efficiency	●	<ul style="list-style-type: none"> • Reduced Gross Pay per Unit by 18% MOM • Scheduling 8-hour days (no OT) plantwide starting 8/31. First time in 2020 (and I imagine for several years) 100% of employees start at 5:45am (contractual start) • Lead times (All lines): <=8 weeks • Digital production boards 75% complete 	Full year 2020	\$1.0mm (2020 impact)	In Process, tied to project Red
B: Quality	●	<ul style="list-style-type: none"> • TCAR% (% of orders that had >=1 TCAR claim) trending unfavorably in recent weeks/months <ul style="list-style-type: none"> • YTD: 10.9%, Rolling 4 weeks: 15.0%, Rolling 12 weeks: 12.9% • Mainly assembly errors and physical damage upon receipt 	Full year 2020	\$400k (2020 impact)	\$300 (run rate)
C: Inventory	●	<ul style="list-style-type: none"> • Current focus is on project Red and supply chain development in LATAM 	Full year 2020	N/A	N/A



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Status Update: Project Details (cont.)

Project	Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
			Projected	Actual
D: Project Red	<ul style="list-style-type: none"> IC today 9/2 AlixPartners and briefing to board complete 	2H 2020	\$10mm	In Process
E: IT	<ul style="list-style-type: none"> Pivoting focus to a project Red build out. If executed will be an extension of Janesville ERP in 2021 followed by ERP conversion in 2022 Partition Studio 5 targeting end of September for release. Delays due to furloughs and COVID 	Full year 2020	In Process	In Process
F: Commercial	<ul style="list-style-type: none"> Consultants are wrapping up phase I and mapping out potential opportunities Strategy session 10 Sep Converted SoCal to distributor, gained new distributor in West PA/Ohio/Kentucky 	Aug/Sep	In Process	In Process
G: ASIA	<ul style="list-style-type: none"> Kicking off overall strategy including commercial growth and manufacturing Hiring BD resource in China 	Aug/Sep	In Process	In Process



2.f | Mersive

Mersive's commercial performance has continued to improve through July and August, and the Solstice Conference feature launched as scheduled in early August



Executive Summary

July results

- Mersive ended July 2020 with revenue at \$3.2mm (96% of Rfc, 83% of PY), ARR at \$13.6mm (99% of Rfc, 156% of PY), and Adj EBITDA at \$102k vs. Rfc of (\$44k) and PY of \$254k
- OGx: No involvement

Risks / Challenges to the Business and Plan:

- COVID-19 impact:**
 - No further employee infections
 - All US and international employees working from home except 5 Logistics staff shipping pods from Denver HQ, and max of 8 other employees per day
 - Continuing to conduct some sales activity in-person, and engineering / product development have maintained productivity while working remotely

Outlook

- Liquidity 8/21 projection:** Over the 13-week period we are projecting liquidity to increase by \$1.4mm (16%); assumes cash collections ramp up from \$800k/wk in Aug (vs. \$900k/wk in prior 3 weeks) to \$1,100k/wk in Oct (in line with expected revenue growth), and avg. of ~\$900k/wk in operating cash outflows, including pickup in inventory purchases with Solstice Pod supplier
- Updated reforecast:** Projecting 2020 full year revenue to be \$44mm (101% of Rfc, 105% of PY) and EBITDA to be \$2.5mm (123% of Rfc, 215% of PY); sufficient liquidity for operations for the remainder of the year.
- August commercial performance:** The month ended with invoiced sales at \$3.8mm (97% of Rfc) and bookings at \$4.3mm (109% of Rfc); Rfc reflects Aug revenue of \$3.6mm (102% of PY) and EBITDA of \$104k (100% of Rfc, 186% of PY)

Status Update: Project Details

Project		Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
				Projected	Actual
A: Expand Product Offering	●	<ul style="list-style-type: none"> Solstice Conference launched on Aug 5; market feedback has been very positive; working to expand compatibility with older versions of Windows and wider range of cameras Partnership with Logitech cameras has been expanded to include partnership with LG displays Mgmt. planning to develop Windows product for deployment in Zoom Rooms in Q4 	Q4 2020	TBD	TBD
B: Expand Sales Coverage	●	<ul style="list-style-type: none"> Offers accepted for Northeast Regional Sales Director and Southeast sales engineer (both replacements) New sales hiring remains frozen, but total sales headcount currently on-plan 	Ongoing	TBD	TBD
C: Drive Recurring Revenue	●	<ul style="list-style-type: none"> July 2020 subscription revenue of \$1.1mm vs. \$1.2mm Rfc and \$0.8mm PY Solstice Active Learning to be sold as a separate recurring revenue stream, although will likely be several months before customer interest translates into initial revenue 	Ongoing	TBD	TBD



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2.g | Jotul



Strong sales performance in July offset by negative mix effects and low productivity in Poland; First batch of 60 pellet stoves successfully produced in Poland in August



Executive Summary

- **July Sales** with NOK 52.4M were +25.2% above PY and +15.2% above budget; outperformance generated by Aico France and positive FX effects while most other markets were in line with PY; July Order Intake at NOK 65.9M which was +59% up vs PY; July was the second month in a row after June with strong outperformance vs PY catching up with the demand after the covid19 lockdown release
- **YTD Sales** with NOK 412.8M were -3% below PY and -14% below budget as a result of covid19 implications
- **July EBITDA** with NOK -0.5M below PY by -8.7M vs PY and up by +0.9M vs budget; higher sales volumes vs PY were more than offset by (1) a lower margin rate due to unfavorable mix, (2) higher operating expenses stemming from production inefficiencies in the new Polish plant and (3) the negative effect of the stock build-down on indirect cost capitalization vs a stock buildup in PY
- **YTD EBITDA** with NOK 3.0M below PY by -42.5M entirely due to the negative effect of the stock build-down on indirect cost capitalization
- **2020 EBITDA outlook** remained at NOK 81.0M, a reduction of NOK -58M vs PY and NOK -85M vs budget
- **Current trading:** Sales in August was at NOK 64.3M which is -20% below PY; Order Intake in August at NOK 58.7M, being +9% above PY; Order backlog at NOK 97.5M vs NOK 57.3M in PY (+70%)
- **AICO integration:** First batch of 60 pellet stoves successfully produced in Poland in August. Polish pellet production fully ramped up production by Q1-2021.
- **Productivity:** Productivity in Poland at 50% vs plan. Complete change in factory management in August. Temporary factory manager (Kaizen institute consultant) put in place by end August. Kaizen institute consultants are supporting management since mid July to accelerate productivity improvements. August efforts got interrupted due to absence of management resulting from covid19 infection suspicion (1 week) and one day lost production due to a fire alarm. Expectation to see clear productivity improvements in September.

Status Update: Project Details

Project	Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
			Projected	Actual
A: Polish plant ramp up	 <ul style="list-style-type: none"> • Productivity in Poland at 50% vs plan. Complete change in factory management in August. Temporary factory manager put in place by end August. Kaizen institute consultants are supporting management since mid July to accelerate productivity improvements. August efforts got interrupted due to absence of management resulting from covid19 infection suspicion (1 week) and one day lost production due to a fire alarm. 	September	N/A	N/A
B: AICO integration	 <ul style="list-style-type: none"> • First batch of 60 pellet stoves successfully produced in Poland in August. Polish pellet production fully ramped up production by Q1-2021. 	March-2021	N/A	N/A



2.h | Ravelli


Reasonable sales performance in July minimized losses in the month to -100k; First batch of 60 pellet stoves successfully produced in Poland in August



Executive Summary

- **July Sales** at €1.8M were +32% above PY and -32% below budget; some catchup sales in Italy and rest of the world markets drove good sales performance in July; order intake slowed down in July with €1.4M, being -12% below PY
- **YTD sales** at €8.0M were -38% below PY and -48% below budget due to COVID-19
- **July EBITDA** at -0.1M, losses reduced significantly versus PY which was at €-0.6M but underperformance versus budget by -0.1M; reasonably good performance due to cost saving measures and better sales volume
- **YTD EBITDA** at -2.0M, being +1.7M less losses than PY due to the reduced cost base;
- **2020 EBITDA outlook** remained at €-2.4M, which is +€2.6M lower losses vs PY but – 1.9M worse than budget due to COVID19 implications
- **Current trading:** Sales in August at € 1.3M which was -18% below PY; Order Intake in August at € 1.0M, being -23% versus PY; Order backlog at €5.7M vs €4.1M PY (+39%)
- **Liquidity:** remains very tight throughout August and September however 1.5M cash buffer at holding level ensures the business continuity if needed.
- **Jotul integration:** First batch of 60 pellet stoves successfully produced in Poland in August. Polish pellet production fully ramped up production by Q1-2021.
- New interim **CEO** assumed position in August to finalize the integration into Jotul.

Status Update: Project Details

Project	Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
			Projected	Actual
A: Integration into Jotul	 <ul style="list-style-type: none"> • First batch of 60 pellet stoves successfully produced in Poland in August. Polish pellet production fully ramped up production by Q1-2021. 	Q1 2021	€2.3M	0



2.i | Fichet

July Order Intake -19% vs 2019, Sales -34% behind 2019 €+2.3M of contingency plan savings identified to be implemented in H2 Full Year forecast revised to €100M sales and €-6.3M EBITDA



Executive Summary

- **July sales** reached €7.8M, -29% below Budget and -34% vs PY but in line with forecast. As in June, Electronic Security is -44% vs PY and SD&P -61%
- **YTD Sales** of €54.0M is -28% vs both Budget and PY due to Covid19 crisis since mid-March mainly impacting the banking sector with Safe&Vaults -39%, Electronic Security -35%, and SD&P and Service both -21%
- **EBITDA in July** is €-0.8M which is €-1.1M below both Budget and PY but +37% vs forecast. Results directly driven by the low level of activity but slightly improved by the implementation of partial activity measures (€0.2M)
- **YTD EBITDA** reached €-7.5M which is €-10M vs Budget and €-7.5M vs PY. Besides Covid19 impact, results are strongly penalized by poor projects performance (€-0.6M, delayed completion and product quality) and delayed use of temporary layoff and imposed holidays
- **FY 2020 Sales** have been revised down to €100.3M (€-5.3M vs previous month Forecast, -25% vs Budget and -21% vs PY) to reflect current market trend and postponed projects
- **FY 2020 EBITDA** has also been adjusted accordingly but also includes €+2.3M of contingency plan savings (detailed below) to reach €-6.3M (€+0.9M vs previous, €-12.3M vs Budget and €-7.7M vs PY)
- Current level of liquidity expected to last beyond end of year thanks to €14M received from State backed loans (in May €10M from BNP and in June €4M from LBP)
- Significant contingency plan (€2.3M savings) being deployed
- New strategy being defined (presentation in September) and new organisation to be drawn accordingly

Status Update: Project Details

Project	Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
			Projected	Actual
A: Recruitment	<div>●</div> <ul style="list-style-type: none"> Recruitments on hold Dismissal of the COO (3rd August) 	H2 2020	TBD	TBD
B: Purchasing savings	<div>●</div> <ul style="list-style-type: none"> Focus on Direct and indirect purchasing saving plan 	December	€0.2M	TBD
C: Legal organization	<div>●</div> <ul style="list-style-type: none"> Transfert of Fichet Belgium and Fichet Luxembourg under Fichet France to get a sole company reporting to the LuxCo and ease statutory consolidated accounts Project to merge FSSF and Fichet Technologies (Baldenheim) being aborted 	September	N/A	N/A



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July Order Intake -19% vs 2019, Sales -34% behind 2019
 €+2.3M of contingency plan savings identified to be implemented in H2
 Full Year forecast revised to €100M sales and €-6.3M EBITDA

Status Update: Project Details (cont.)

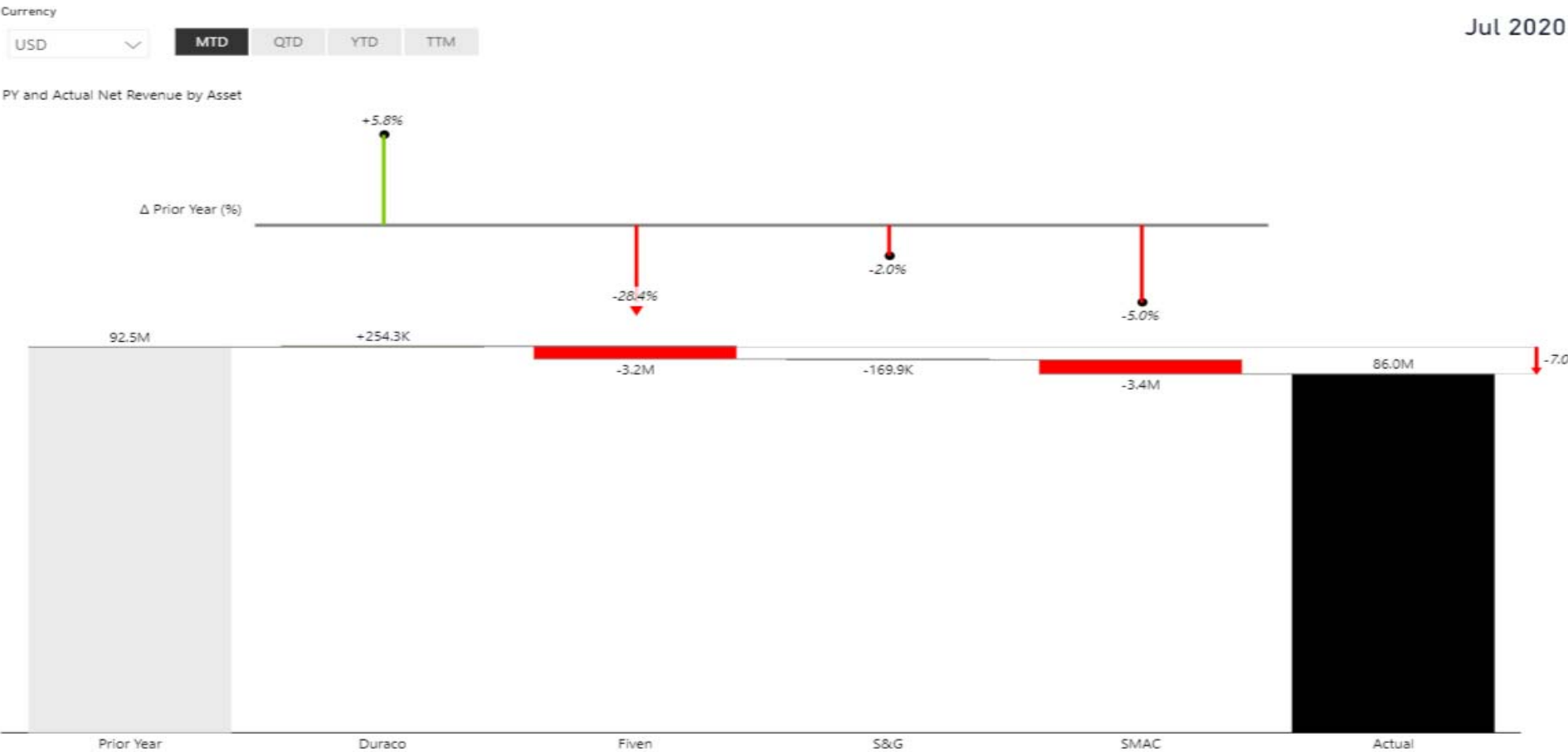
Project	Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
			Projected	Actual
D: New commercial strategy implementation/transformation	 <ul style="list-style-type: none"> New commercial strategy definition Reducing the number of regions 	September November	TBD	TBD
E: Contingency plan	 <ul style="list-style-type: none"> Bonus accrual reversal (€0.8M) Partial activity measures (imposed holidays and subsidized layoffs (€0.8M) Price increase (€0.3M) Low performers/retirement + new Work/Payroll agreement (APC) (€0.2M) 	H2 2020	2.1M	TBD
F: OGx initiatives	 <ul style="list-style-type: none"> Implementing digital processes (geolocation, Asset QR, E-procurement, ProFi, Anatrade), Contacts in Germany and France about 3D printing solutions (Metal and mineral)- 5 prototypes to test 	TBD	TBD	TBD
G: Liquidity	 <ul style="list-style-type: none"> Received €10m for the BNP PGE in May and €4M PGE from La Banque Postale. Factoring terms temporary enhancement €2M 	March-December	XXXX	XXXX
H: Overdue	 <ul style="list-style-type: none"> Maintained focus on overdue collection. In July: €5.4M (€-0.8M on overdue above 30 days vs June) Contracting Sidetrade to support overdue collection for invoices below €2k (total €1M over 990 accounts) 	On-going	XXXX	XXXX
I: Downpayment	 <ul style="list-style-type: none"> Promote customer downpayment on order (Invoiced in July YTD 2020: €2.6M or 6.6% of sales vs FY 19 €4.6M or 5.8% of sales) 	On-going	XXXX	XXXX



3 | Fund 2 Portfolio Update

Fund II Industrials Summary: July Net Revenue bridge

Net revenue decline was largely driven by Fiven and SMAC at the fund-level



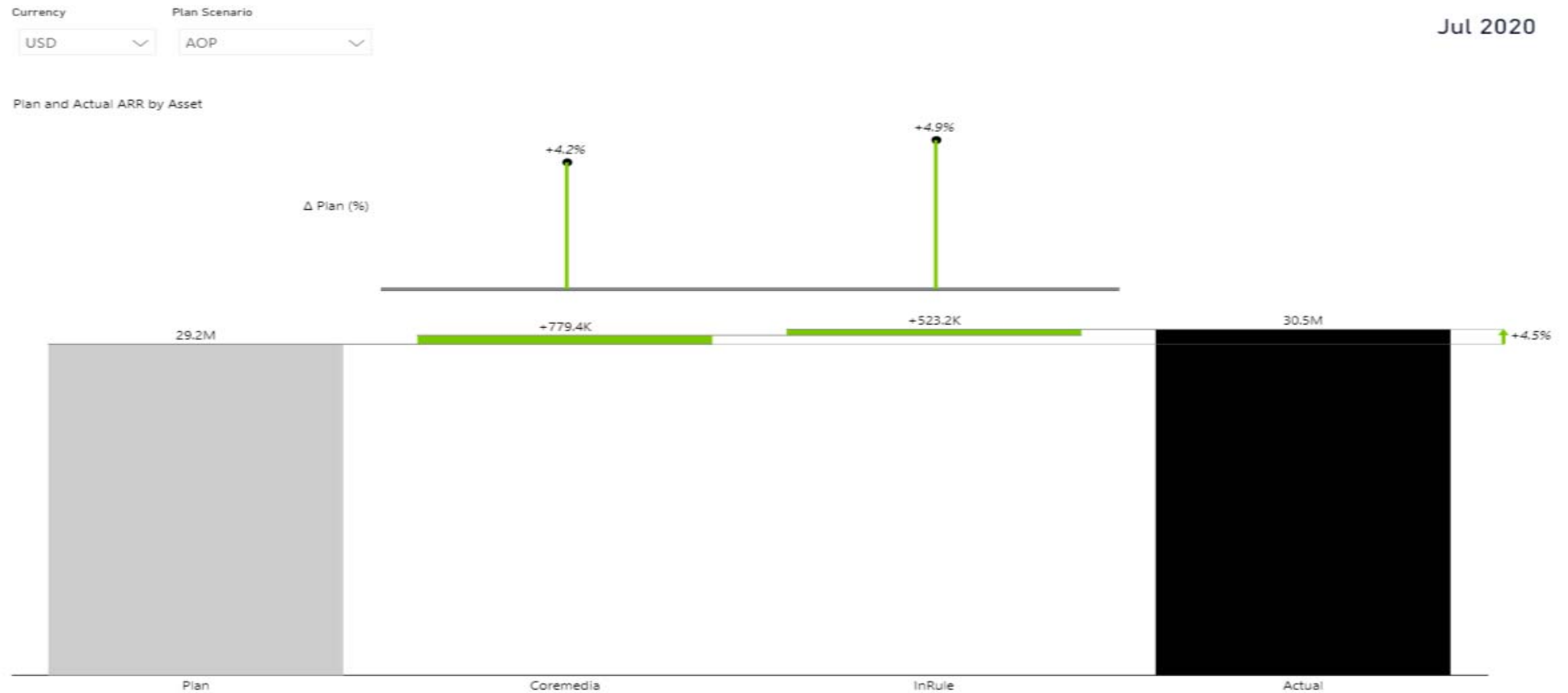
Fund II Industrials Summary: July EBITDA bridge

EBITDA growth was seen in all assets except Fiven at the fund-level



Fund II Technology Summary: July ARR bridge

Both technology assets continued to perform well with ARR exceeding Plan



3.a | Fiven

July 2020 EBITDA at € 1 M in line with forecast in a context of -32% sales decrease vs. 2019.



YTD EBITDA at € 11.9 M still higher than LY by 3.5% despite COVID effects since March.

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

Executive Summary

- Order intake at € 7.2 M in July, 58% of July 2019 level.
- **July 2020 Net sales** at € 6.8 M were -36% vs. budget, -32% vs. 2019, and -3% vs. forecast as a result of COVID impacts on the SIC industry. Vs 2019, organic variation is mainly driven by sales decrease on standard products by -46% (of which decrease in prices by -9% and -41% on volumes) partly compensated by specialties products that increased by +9% of which +19% on volumes and -9% on prices.
- July 2020 YTD Net sales at € 60.9 M, -19% vs. budget and -18% vs. 2019. Vs 2019, organic variation is mainly driven by the decrease in sales on standard products by -31% (of which decrease in prices by -6% and -27% on volumes) partly compensated by specialties products increasing by +18% of which +19% on volumes and decrease in prices by -1%.
- **EBITDA in July** at € 1 M is lower than budget (-50%), lower than LY (-31%) and in-line with latest reforecast post COVID. Vs. 2019, significant organic decrease in top line (-32%) is not compensated by favorable mix effect pushed by specialties. In July, Impact of unfavorable power costs variation vs. LY especially in Norway, as well as MET recycling costs in Brazil. Impact of € 0.4 M decrease in SG&A vs. last year.
- Like-for-like YTD EBITDA in July at € 11.9 M is now lower than budget (-2%) and still higher than LY (+3.5%). Vs. 2019, organic decrease in top line (-19%) is compensated by the decrease in raw materials costs (petcoke mainly) and decrease in SG&A by € -1.8 M (of which lack of SG management fees).
- Fifth EBITDA reforecast since start of COVID revised upwards at € 18.3 M (€ -3.3 M vs. budget, € -0.8 M vs. last year and € +0.7M vs. previous reforecast). Q3 sales : -25% vs. 2019 and -39% vs. budget / Q4 sales : -11% vs. 2019 and -31% vs. budget.
- Action plan included in forecast for € 2.8 M (see below)

Status Update: Project Details

Project	Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
			Projected	Actual
A: Cost savings Plan	<ul style="list-style-type: none"> • € 2.8 M plan expected of which 2.1 M€ on labor costs and 0.7 M€ on other OPEX. • 125 headcounts decrease of which 86 in Norway and Brazil and rest in Venezuela which represent an overall decrease by 20% of total headcounts. Expected 500 HC end of Dec 2020. 	Dec 2020	€ 2.8 M	0
B: Management and HQ	<ul style="list-style-type: none"> • COO : Fernando Miquel, ex senior manager at INEOS Group joined Fiven in May as new Group COO despite COVID situation. Very positive feedback and very active on action plans. 	July 2	N/A	N/A
C: Add-ons	<ul style="list-style-type: none"> • Aluchem : on hold despite contacts taken with one of the 3 existing shareholders. • ESK Germany (€ 50M of revenues) : back and forth with shareholder on anti-trust matters. • New list of add-ons prepared with M&A. 	Dec-2020	N/A	N/A



July 2020 EBITDA at € 1 M in line with forecast in a context of -32% sales decrease vs. 2019.

YTD EBITDA at € 11.9 M still higher than LY by 3.5% despite COVID effects since March.

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



Status Update: Project Details (cont.)

Project	Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
			Projected	Actual
D: Pricing project	<ul style="list-style-type: none"> Project close to completion with Simon Kucher. Detailed competition map done and implementation roadmap under completion. Pricing tool under completion Expectations of EBITDA yearly run-rate gains up to € 2.6 M. 	Sept-2020	€ 2.6 M	N/A
E: Venezuela	<ul style="list-style-type: none"> Administrative issues with permits on petcoke not solved yet (waiting for signed paper version), Plant closed temporarily as a result of COVID situation and lockdown in Venezuela. Action plan to decrease headcounts asap assuming all uncertainties on-going. 1200 tons shipped to Europe. But 14300 tons of petcoke still on standby on site. 	TBD	+ [x] M€	N/A
F: OGx initiatives	<ul style="list-style-type: none"> Development of new product (E-SIC with purity at 99.999%). Project taken by new COO as internal First lay out of the plant presented in business review. 	2021	+ [x] M€	+ [x].m€
XXXXXX	<ul style="list-style-type: none"> XXXXXX 	XXXXXX	XXXXXX	XXXXXX
XXXXXX	<ul style="list-style-type: none"> XXXXXX 	XXXXXX	XXXXXX	XXXXXX
XXXXXX	<ul style="list-style-type: none"> XXXXXX 	XXXXXX	XXXXXX	XXXXXX



3.b | Smac

EBITDA in July at € 4.5 M, close to budget and last year levels and fueled by back to business as usual mode following COVID interruption.






YTD EBITDA at € 5.9 M, penalized by Covid stop in March-May. RF FY 2020 at € 19.4 M.

Executive Summary

- Order intake in July at € 50 M (-14% vs. July 2019)
- 22 business days in July 2020 vs. 23 in 2019.
- **Like for like sales in July 2020** at € 55.1 M are – 6% vs. 2019 (at iso business days) and – 7.6% vs. budget. Vs. 2019, Works activity declined by -7% on a like-for-like basis. Activity in France is at the same level than 2019 but International is -58% down compared to last year especially in Morocco and Peru that are still very much impacted by COVID effects. Industry division decreased by -6% compared to 2019 with +3% change in volumes on membranes, -10% change in volumes on skylights and decrease in resin volumes by -33%.
- **Like for like YTD sales** at € 276.5 M are -22.5% vs. 2019 and -20.4% vs. budget. Works : YTD sales : € 203.2 M, -21.6% vs. budget and -24.4% vs. 2019. Industry : YTD sales : € 90.1 M -17.6% vs. budget and -17.6% vs. 2019 with -19% variation in membranes volumes, -16% variation in skylights volumes, -24% variation in resin volumes.
- **EBITDA in July** at € 4.5M vs. € 4.6 M in 2019 and € 4.9M in budget and € 4.2 M in latest reforecast. (impact of € -1.2 M non-recurring items of which € -0.8M risk appraisal on accounts receivables). Vs. 2019, € - 0.1M of which € -1.6 M on Works (ow € -1.2M of non-recurring) and € +1.5M on Industry. Vs. budget and excl. non-recurring items € + 0.4 M variation on Works and € + 0.5 M on Industry.
- **YTD EBITDA** at € 5.9M (of which € 0.2M on Works and € 5.7 M on Industry) vs. € 10.6 M in 2019 and € 12.4 M in budget. Vs. 2019, € - 4.7 M of which € - 6.2 M on Works and € +1.5 M on Industry. Positive trend in January / February on profitability totally offset by very low performance from March to May following COVID impacts and catch up since June 2020.
- Fifth reforecast under COVID crisis for 2020 at € 19.4 M EBITDA (€ - 6.9 M vs. budget, € -3 M vs. 2019 and € -0.8 M vs. previous reforecast. Risk appraisal taken into account on accounts receivables to be further analyzed by year-end. Reforecast does include over € 2m net savings action plan vs. budget. Q3 sales : +0.9% vs. 2019 and -2.3% vs. budget / Q4 : +5.3 % vs. 2019 and -2% vs. budget.

Status Update: Project Details

Project	Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
			Projected	Actual
A: Social Roadmap	 <ul style="list-style-type: none"> • New framework agreements in place for internal mutual fund and social benefits including profit sharing agreement. 	TBD	€ + 2m	N/A
B: Operational excellence implementation	 <ul style="list-style-type: none"> • COVID has slowed down effective step by step deployment ongoing in all SMAC local branches following standards defined in 2019 and testing done in different proofs of concept led. On top of that standards defined might be revisited due to new H&S Covid requirements. Catching now post COVID. 	TBD	+ [2] m€ min	N/A
C: IT Carve-Out and SAP implementation	 <ul style="list-style-type: none"> • IT carve out progressing. All O 365 environment migrated. 40% of PC migrated so far. • SAP ERP project : moving forward, planning under review to make sure deadlines will be achieved. Designed solution presentation on Sept 10. • Industry business carved out from Colas on O365, PC, Servers, ERP Industria (but not on accounting software) 	TBD	+ [x] m€ - TBD	N/A



EBITDA in July at € 4.5 M, close to budget and last year levels and fueled by back to business as usual mode following COVID interruption.



YTD EBITDA at € 5.9 M, penalized by Covid stop in March-May. RF FY 2020 at € 19.4 M.

Status Update: Project Details (cont.)

Project	Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
			Projected	Actual
D: M&A Sale of Industry Division	<ul style="list-style-type: none"> Deck presented to IC on Aug 24 about current project status. Expected signing with one bidder by Mid September. Spin-off of skylights business as a major subproject to come. Restart of tuck-in opportunities review in Paris region for Works activity 	December 2020	TBD	N/A
E: OGx initiatives	<ul style="list-style-type: none"> ERP project at the heart of improved productivity expected Pricing project with Simon Kucher on Industry to compensate the future impact of supply agreement with SMAC after the sale of Industry. 	Jan 2021 Sept 2020.	€ 2.5 M	N/A
F. Liquidity	<ul style="list-style-type: none"> Secured € 40 M government backed loan for SMAC Group with 3 banks to face COVID crisis. Liquidity OK as of today. Sale of Industry may trigger early repayment of Industry € 9M loan. (planned in SPA discussions with the the Buyer). Factoring contract renegotiated with Eurofactor decreasing factor fees, improving definancing conditions. 	July 2020	N/A	N/A
G. Savings action plan	<ul style="list-style-type: none"> Action plan to mitigate Covid effects and potential drop in order intake that would impact 2021 P&L 	July 2020	€ 2M Net of covid costs.	TBD
XXXX	* XXXX	XXXX	XXXX	XXXX
XXXX	* XXXX	XXXX	XXXX	XXXX



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

S&G's commercial performance remained stable through July and strengthened in August



Executive Summary

July results

- S&G ended July 2020 with sales at \$3.4mm (100% of Rfc, 80% of PY), PF Adj EBITDA at \$0.9mm (93% of Rfc, 85% of PY), bookings at \$3.3mm (83% of Rfc, 118% of PY), and backlog at \$11.8mm (158% of PY)
- Customer Relationship Director (new position) started on Mon 8/3, and has already become a strong contributor to the senior executive team
- OGx: supporting firmware development on new keypad

Risks / Challenges to the Business and Plan:

- COVID-19 impact:**
 - Ability to ship product continues to improve, although still experiencing some shipment delays due to customers unable or unwilling to take shipment
 - No furlough for the month of August as a result of sustained customer demand
- DCSA indicated that SH's proposed adjustment to the OGC fund structure related to S&G investment will eliminate restrictions on OGC's ability to interact with and manage the business; will know more after SH's Thu 9/3 call with DCSA

Outlook

- S&G August commercial performance:** Ended the month with revenue at \$3.5mm (123% of Rfc, 114% of PY) and bookings at \$4.7mm (136% of Rfc, 186% of PY)
- Consolidated liquidity 8/21 projection:** Over the 13-week period we are projecting liquidity to decline by \$0.9mm (5%) due to ~\$1.8mm of operational cashflow offset by ~\$2.2mm loan payment and \$0.5mm OGC monitoring fee
- Consolidated reforecast:** Projecting 2020 full year revenue at \$94mm (100% of Rfc, 98% of PY) and PF Adj EBITDA at \$20.3mm (100% of Rfc, 97% of PY); expected to meet our financial covenants and maintain sufficient liquidity for the remainder of the year.
- Consolidated August commercial performance:** Ended the month with revenue at ~\$8.3mm (~110% of Rfc, ~105% of PY); reflects preliminary estimates for Delaney and Premier; expect to exceed Rfc PF Adj EBITDA of \$1.7mm

Status Update: Project Details

Project	Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
			Projected	Actual
A: Address quality issues	<ul style="list-style-type: none"> In process of interviewing Quality Mgr candidates Aaron Olmsted and Rick Melito have completed their Quality Mgmt System project, although will be engaged in incoming inspection of new keypad and final handoff to new Quality Mgr 	Jul 2020 project completion Quality Mgr TBD	\$290K	TBD
B: Establish globally consistent pricing strategy	<ul style="list-style-type: none"> Price increases recommended as part of pricing project went into effect on 4/1 Will be working to develop globally consistent pricing model (to be used as the basis for quarterly price adjustments) after new keypad is developed and SKU rationalization / product modularization is complete 	Q1 2021	\$275K	TBD
C: Develop new platform digital keypad with updated industrial design	<ul style="list-style-type: none"> Resolved new keypad UL screen issue (passed test) and driving toward regaining lost time for early Q4 commercial launch Preparing for phase 2 biometric feature addition to base digital keypad 	Phase 1: Oct-Nov 2020 Phase 2: Nov 2020	\$1.3mm	TBD



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Status Update: Project Details (cont.)

Project	Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
			Projected	Actual
D: Develop new core products	<ul style="list-style-type: none"> New product development efforts on track for planned commercialization dates In Q3, mgmt will begin identifying and developing business cases for potential 2021 product development pipeline 	Commercialization dates through Dec 2020	2020: \$0.5mm 2022: \$1.7mm	TBD
E: Freight and logistics project	<ul style="list-style-type: none"> SmartVentures has quantified LTL and small parcel savings opportunity Also focused on determining optimal freight setup once S&G moves off the Stanley TSA freight service in Nov 2020 	Nov 2020	LTL: \$25k Small parcel: \$40k	TBD
F. Europe Footprint Analysis	<ul style="list-style-type: none"> Kicking off analysis of potential options for Switzerland facility, including potentially shutting down the facility and fulfilling orders from the US (as with EMEA and LatAm) 	TBD	\$250-400k	TBD



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



Executive Summary

July results

- Delaney ended July 2020 with sales at \$3.5mm (109% of Rfc, 127% of PY) and Adj EBITDA at \$0.8mm (119% of Rfc, 162% of PY)
- Premier ended July 2020 with sales at \$1.6mm (98% of Rfc, 98% of PY) and Adj EBITDA at \$0.4mm (103% of Rfc, 107% of PY)
- **OGx:** No involvement

Risks / Challenges to the Business and Plan:

- **COVID-19 impact:**
 - **Delaney:** No current employee infections/quarantines; low inventory continues to create backorder situations that are expected to negatively impact revenue by ~\$100-200k each in Aug and Sep, but new product is on its way from factories in Asia, and we expect the inventory position to improve by Oct; customer demand remains strong, and major competitor lead times remain extended at 8-12 weeks
 - **Premier:** Employee infections and quarantines are back under control, with only 2 quarantines and 1 infection, although COVID continues to be a challenge more broadly in LA; all Premier COVID-19 mitigation measures remain in-place, including weekly facility sanitizations, and have been effective in preventing further spread of the recent infections among the staff. Market demand remains strong, although mgmt continuing to monitor construction climate.
- Libby (President of Delaney) formally announced her resignation to employees on Fri 8/21; will remain full-time through September and part-time through year-end to facilitate transition; accelerating integration of some functional areas, with sales, customer service, and HR reporting to the respective S&G functional heads; kicking off formal search for a General Manager focused on executing strategic priorities of the business

Outlook:

- **Delaney August commercial performance:** Preliminary estimate of Aug revenue at \$3.3mm (107% of Rfc, 95% of PY)
- **Premier August commercial performance:** Preliminary estimate of Aug revenue at \$1.7mm (98% of Rfc, 98% of PY); slight miss due to continued production challenges, including facility closure resulting from Hurricane Laura

Status Update: Project Details

Project	Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
			Projected	Actual
A: Launch Delaney multi-family smart lock	<ul style="list-style-type: none"> • Launch expected in January • Held call with Stratis (MF SaaS platform partner); they are still excited to partner with Delaney on this product and believe it meets a need for a slightly lower-priced, high quality alternative to the incumbents • In process of recruiting Residential Product Mgr to lead MF smart lock, Bravura brand, and NPD 	Jan 2021 launch	TBD	TBD
B: Define NPD process and develop new product roadmap	<ul style="list-style-type: none"> • Delaney has finalized updated Delaney NPD process for new products and product updates • Residential Product Mgr will lead NPD process 	TBD, pending Residential Product Mgr hire	TBD	TBD
C: Develop eCommerce growth strategy	<ul style="list-style-type: none"> • Working to identify opportunities with each e-Commerce partner and create 2020 growth plan to include: ideal catalog per partner, optimize merchandising, optimize images, copy & lifestyles images, start partner page (sponsored advertising), create a cross-channel promotion plan 	TBD	TBD	TBD



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Status Update: Project Details (cont.)

Project		Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
				Projected	Actual
D: Develop sales growth strategies among existing and new customers	●	<ul style="list-style-type: none"> Continued progress on National Account programs Continuing execution of Builder Playbook with target list of Top Builders (250+ homes/annually) 	Dec 2020	TBD	TBD
E: Develop strategy to drive growth in Delaney Bravura product	●	<ul style="list-style-type: none"> Conducted 7 sales rep interviews, which highlighted importance of refreshed catalogue (nearly complete), new website (to be completed in early Q4), a sales playbook (mgmt in process of developing), and product displays (working with mgmt to finalize proposed investments – this is the key driver of revenue growth) Residential Product Mgr will be responsible for driving this growth plan 	Dec 2020	TBD	TBD
F: Pursue Delaney sourcing savings	●	<ul style="list-style-type: none"> Focus has shifted to managing factory lead times and leveraging alternative suppliers to mitigate against COVID-19 impact on suppliers 	TBD	TBD	TBD
G: Pursue Delaney freight and logistics savings	●	<ul style="list-style-type: none"> Focused on identifying and executing on logistics savings identified during diligence SmartVentures has quantified LTL and small parcel savings opportunity 	Sep 2020	LTL: \$150k Small parcel: \$150k	TBD
H: Premier capacity and sales growth plan	●	<ul style="list-style-type: none"> Mgmt has ordered all equipment as part of the ~\$1.6mm capex to address recent equipment failures and capacity constraints; new equipment has begun to arrive, with additional pieces arriving through mid-Sep; installation and training expected to be complete by Nov Increased capacity expected to enable ~\$6mm incremental revenue (~\$2.4mm incremental EBITDA), fueling growth through 2022 	2020-2022	\$2.4mm	TBD



3.d | Duraco

July financial results were ahead of plan, prior year and reforecast due to continued growth of transit packaging, wall hanging, and Infinity Tapes



Executive Summary

July results

- **Revenue:** \$4.6MM, 6% ahead of prior year, 12% higher than reforecast, and 2% above plan. Revenue performance driven by continued growth in transit packaging, wall hanging and Infinity Tapes which set another all-time monthly sales record (\$1.2MM vs. \$748k PY). PoP demand continues to be soft, down 30% vs. plan.
- **EBITDA:** \$0.79MM, 7% ahead of plan, 14% ahead of prior year and 48% higher than RFC, largely due to opex cost savings measures in Forest Park and increased demand from Infinity Tapes' customers
- **OGx:** Matt Pearson site visit completed on 8/11; agenda focused on improving New Product Development process and potential partnership opportunities

Risks / Challenges to the Business and Plan:

- POP sector continues to be soft into August due to impact of COVID-19 on retail end market demand

Outlook

- **Liquidity 8/21 projection:** Over the 13-week period we are projecting liquidity to decline by \$0.1mm (2%) as volume declines are offset by cost savings measures
- **August commercial performance:** August revenue expected to be ~\$3.8MM; above RFC but ~15% below plan and ~12% below PY as demand trends continue with transit packaging and Infinity Tapes continuing to grow to partially offset low PoP demand

Status Update: Project Details

Project	Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
			Projected	Actual
A: Project ADAPT	<ul style="list-style-type: none"> • New Southwest RSM hired and starting in September • New streamlined lead management process implemented • Kicking off CRM project; assessing business requirements 	July – December 2020	Enabler	Enabler
B: New Market Entry	<ul style="list-style-type: none"> • Top 20 pipeline increased \$800k from June; transit packaging opportunities remain most promising 	April – December 2020	TBD (Target pipeline \$ value to be set)	TBD
C: Operational Cost Savings Program	<ul style="list-style-type: none"> • June cost savings delivered \$31k vs. AOP plan of \$37k driven by savings from UPS, LTL and liner savings programs • 2H 2020 RFC cost savings program target is \$220k for 2H based on expected lower volume levels 	January – 2020 December	\$440k	\$298k







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Status Update: Project Details (cont.)

Project	Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
			Projected	Actual
D: Infinity Tapes Value Creation	 <ul style="list-style-type: none"> Examining more strategic, lower cost options for Infinity business beyond re-location to Forest Park including capex projects at Infinity and move to greenfield site 	April – December 2020	\$800k	TBD
E: Digital Marketing Strategy	 <ul style="list-style-type: none"> New website for Duraco and Teacher's Tape launched at July end; initial metrics are all trending positive in terms of website traffic, revenue and return on ad spend 	February – October 2020	Enabler	Enabler
F: Pricing Review	 <ul style="list-style-type: none"> Stage I price increased implemented on low industrial contribution margin products; expected to yield \$75-125k Additional opportunities (improved discounting controls, rounding MSRPs, additional increase on other non-industrial low CM% products) expected to yield additional upside; finalizing analysis 	Q4 2020	\$300k	TBD
				



3.e | InRule

Strong performance in July, ARR was +20% of prior year and +6% vs revised forecast

inrule

Executive Summary

July results

ARR: \$11.2mm vs \$10.5mm reforecast (+6%); \$9.3mm 2019 (+20%)

- **Revenue/Adjusted EBITDA:** Net Revenue: \$1.2mm (\$101mm 2020 reforecast, \$0.7mm PY); EBITDA of \$236k vs \$(87k) prior year
 - Projecting Q3 ARR AOP target to be met
 - Renewal rate continues to be strong with minimal customer churn

Risks / Challenges to the Business and Plan:

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

Outlook

- **Liquidity 8/24 projection:** Over the 13-week period we are projecting liquidity to decline by \$0.3mm (6%) driven by increased hiring with alliance manager and VP of services
- **Reforecast:** Projecting 2020 full year ARR to be \$11.6mm vs. April forecast of \$11.3mm and AOP of \$12.1mm.
- **Aug / Q3:** Pipeline and bookings are ahead of plan to meet Q3 bookings target of \$861k

Status Update: Project Details

Project	Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
			Projected	Actual
A: SOC II Certification	<ul style="list-style-type: none"> • Official virtual audit period scheduled for Oct 21-22. Barr will be requesting data starting early Sep • Information security policies and business-processes posted on BambooHR. Employees signature next • Next milestone: completion of audit period Oct 31. SOC2 cert issuance by mid-December. 	15 Dec	TBD	TBD
B: Web Authoring	<ul style="list-style-type: none"> • Mid-Sept: API work to support end point overrides in Bupa's CI/CD pipeline deal commitment • Complete: irVerify for Dynamics and Salesforce • End-Aug: irVerify integration to enable decision testing by Salesforce/Dynamics users 	1 Sep	TBD	TBD
C: FY 2020 Digital content	<ul style="list-style-type: none"> • Events and content completed: Money 2020 virtual event, first draft of Insurance e-book, PWC case study • Submitted Forrester Wave Report questionnaire including customer references, product overview • Next Steps: Deliver demo company strategy to Forrester on Digital Decisioning Wave Report; planning virtual IUCM; explainer videos for vertical solutions 	1 Aug	TBD	TBD



OPENGATE CAPITAL

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

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Status Update: Project Details (cont.)

Project		Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
				Projected	Actual
D: Strategic Technology	●	<ul style="list-style-type: none"> Tested two AutoML products for initial fit and to understand strengths/weaknesses Reviewed DD materials from Project Overture Next Steps: Review information request materials from AutoML companies. Make go, no go decision 	Dec	TBD	TBD
E: Dynamics and Salesforce partnership	●	<ul style="list-style-type: none"> SalesForce review process is undermanned and unprepared causing delays in AppExchange review After three weeks of scheduling delays, received feedback that there are two apparent technical issues blocking approval Next Steps: Address tech issues and resubmit for approval. 	Sep	TBD	TBD
F: Implement ERP system	●	<ul style="list-style-type: none"> Integration between NetSuite and Dynamics CRM in process Setup of Professional Services module and training for employee time tracking underway UAT testing complete Next Steps: Historical balance and open transaction import, training. NS & QB in parallel for September 	Sep	TBD	TBD
G: Services Utilization	●	<ul style="list-style-type: none"> CEO interviewed 4 candidates from pipeline. 3 candidates moved to 2nd round interviews. 2nd round interviews scheduled week of 8/17 and 8/24. Next steps: CEO to interview two candidates for 1st round. Complete 2nd round for 2 candidates. Get comp requirements for one candidate. 	Sep	TBD	TBD
H: Obtain GSA Schedule	●	<ul style="list-style-type: none"> Signed agreement with Centre Law Next steps: Provide documentation and work with Centre to build MAS proposal 	Nov	TBD	TBD
I: Cloud costs	●	<ul style="list-style-type: none"> 50% reduction in hosting and cloud costs While only saving \$3600/month, savings will scale with growth of SAAS offering which is expected at 30%+ CAGR 	Nov	\$50k annually with current SAAS subscription base	\$11k



3.f | CoreMedia

July finished ahead of plan on Revenue (+1%); EBIDA (+104%) and ARR (+5%)1%; Increased investment for commercial growth and product innovation has been approved **COREMEDIA**

Executive Summary

July results

- **ARR:** €16.4mm vs €15.6mm 2020 reforecast, €15.1mm 2019; VF Corp closed
- **Revenue/Adjusted EBITDA:** Net Revenue: €1.8mm vs €1.6mm reforecast vs €1.8 2019A; EBITDA of €309k vs, (€0.2mm) reforecast; services continue to over perform well and ended Q2 +30% over budget
- **OGx:** CRM is connected to workbench, Dashboards for commercial reporting are complete

Risks / Challenges to the Business and Plan:

- **Hiring/Talent:** Settlement with CFO is complete, he will exit in the next two weeks.
- **Finance team:** Patrick Loekman will assume CFO role and begin to restructure the Finance team
- **COVID-19:** All employees working remotely from home
 - Two customers (Bild.de, Freenet) have provided notice of termination, which will account for €520k of lost ARR by the end of the year
- **Product:** Investment into MTT and headless offering have been approved

Outlook

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

Status Update: Project Details

Project	Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
			Projected	Actual
A: Management & Organization	<ul style="list-style-type: none"> • Klemens has accepted exit terms and will go on “garden leave” in two weeks • Patrick Loekman to assume CFO role • Working to identify resolution with former head of sales Florian 	2Q 2020	N/A	N/A
B: Sales & Marketing	<ul style="list-style-type: none"> • Upgraded Sales processes, training and tooling to increase sales productivity • Established Strategic Account Planning to drive Customer Success & Upselling • Ramped up Strategic Account Planning & launch Bundled Offerings to drive consulting business • Kicking off revision to the website 	4Q 2020	N/A	Growth in Q2: <ul style="list-style-type: none"> - MQLs: 146 (+342%) - SQLs: 11 (+120%) - Opport. Value: € 3m (+114%)
C: Process Improvements	<ul style="list-style-type: none"> • Identifying multi-tenant use of components like databases etc. to save costs • Make "dedicated hardware" a premium option 	4Q 2020	TBD	Reduction of cloud infrastructure cost per instance in the last 18 months: -20%

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



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Status Update: Project Details (cont.)

Project	Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
			Projected	Actual
D: Product Innovations	<ul style="list-style-type: none"> • Setup Task Force: Future-roof platform with Multi-tenant Content Server • Proposed backfill for Product Management & Development • Moving forward on investment in Partner Enablement and Future Proofing • New “Editions” pricing structure being rolled out (for Salesforce ecosystem first) 	4Q 2020	TBD	TBD
E: Execution of Cash Preservation Measures	<ul style="list-style-type: none"> • Implemented measures to preserve cash defined in budget, on track to achieve cost of budget • Negotiations with workers’ council regarding “Bonus & Tantieme” agreement, potential to turn 50% into discretionary bonus 	2Q 2020	TBD	Preserved additional liquidity of €567k compared with initial AOP



Appendix






















1 | Operations Enablement OG^x and Portfolio Wide Initiatives

Ops enablement deployments

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


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


OG^x operations deployments

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

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

Workbench deployment

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



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