



# OPENGATE CAPITAL

A GLOBAL PRIVATE EQUITY FIRM



## Portfolio Company Review – June 2019

24 July 2019



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NAM Portfolio Updates

**Executive Summary: Week of 07-22**

- Transition: Transition is on track, HR and benefits are complete with annual enrolment will occur first week of Aug.
- David and Brad are secured for the CEO and CFO positions, waiting on finalized contracts
- IT: Gray met with Duraco IT director. Preliminary review indicates significant integration of systems between Duraco and Essentra which will raise the level of difficulty and time to complete transition. Reaching out to Answerport to augment IT transition.
- Freight/supply chain: Smart Ventures project has kicked off to review the supply chain. We are also moving to close the service centers and consolidate into chicago
- Finance: Reporting packages are being finalized, and operational reporting is in development
- Preliminary June close indicate, EBITDA in June was above forecast by \$35K (3.6%), while YTD is over forecast by \$304K (5.7%)

**Status Update: Project Details**

Project	Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
			Projected	Actual
A: Sales Force effectiveness <i>(Blazy, Smart Ventures, Long)</i>	<ul style="list-style-type: none"> <li>Improve sales reporting, controls, organizational structure, coverage, and strategy</li> <li>SmartVentures to review proposal with David next week</li> </ul>	• Aug-Oct	\$750k	TBD
B: Pricing <i>(Blazy, Long)</i>	<ul style="list-style-type: none"> <li>Improve pricing through targeted pricing analytics</li> <li>On hold for ERP implementation</li> </ul>	• Aug-Oct	\$250K	TBD
C: Sourcing	<ul style="list-style-type: none"> <li>Identified key vendors and spend have been identified.</li> </ul>	• Q4	TBD	TBD
D: Freight <i>(Smart Ventures, Blazy, Long)</i>	<ul style="list-style-type: none"> <li>Optimize Duraco Logistics and supply chain, freeze</li> </ul>	• Jul-Aug	\$150-\$250K	TBD



## Executive Summary: Week of 07-22

- Q2 vs. AOP: Sales down 14% to AOP (\$42,202 vs. \$49,285) and EBITDA down 25% to AOP (\$3,125 vs. \$4,178), Q2 vs. PY: Sales down 11% (\$42,202 vs. \$47,503) and EBITDA down 1% (\$3,125 vs. \$3,168)
- YTD vs. AOP: Sales down 12% to AOP (\$75,333 vs. \$85,875) and EBITDA down 21% to AOP (\$3,893 vs. \$4,943), YTD vs. PY: Sales down 13% (\$75,333 vs. \$86,169) and EBITDA up 2% (\$3,893 vs. \$3,827)
- Plant Consolidation 2.5 analysis complete; 3.0 Analysis (due 8/19) will yield final Go/No-Go decision on Woodbridge closure
  - 3.0 Analysis will focus on pro forma production scheduling by line by week at destination facilities, refining assumptions around implementation costs (including severance), strategic planning of anticipated volume loss, HR strategy involved with the displacement of 188 Woodbridge FTE, and contingency planning for non-closure of Woodbridge
- Direct labor scaling is recommended, production down 11.1% vs labor reduction of 3.2% (direct, indirect and overhead)
- We are working to identify cause of topline performance, our current hypotheses is it's a combination of poor sales force design/ management combined with either market softness, or potentially a shift share to larger manufacturers
- Strategy session with the executive team last week has identified low awareness of their value chain, and poor sales team coverage/management
- SmartVentures is being engaged to conduct a commercial assessment focusing on the fidelity of the sales team, and broadly a review of our customers and market. M&A and Ops team are both concerned not only is the market soft, but we are losing share due to sales effectiveness, or reliance on customers who are losing share.

## Status Update: Project Details

Project	Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
			Projected	Actual
A: Plant consolidation (Patterson, Addorosio)	<ul style="list-style-type: none"> <li>3.0 Analysis underway</li> <li>3.0 Analysis to include: production scheduling by week at destination sites, specifying volume loss, HR factors in Woodbridge layoffs, gaining specificity around implementation costs, &amp; contingency planning</li> </ul>	8/19 (3.0 only)	Cost: TBD Return: ~\$4M annual	TBD
B: Commercial/GTM study (SmartVentures)	<ul style="list-style-type: none"> <li>Sales force effectiveness</li> <li>Customer review</li> <li>Market survey</li> </ul>	Start: 7/29 End: 8/26	TBD	TBD
C: Pricing	<ul style="list-style-type: none"> <li>On Hold</li> </ul>		TBD	TBD



### Executive Summary: Week of 07-22

- June Sales: \$12.4M (-\$547K to AOP, -\$24K vs. PY); June EBITDA: \$1,470K (-\$453K to AOP, -\$1,151 vs.PY); June 2018 EBITDA artificially high due to MGMT's elimination of various accruals
  - YTD EBITDA: \$3.2M (-\$1.0M vs. AOP, +\$4.4M vs. PY)
  - YTD GM 26.2% vs 24% 2018
- Management team is concerned of a Q4 liquidity issue due to the mega projects. NWC up \$4M driven by WIP inventory for mega-projects (i.e. Dubai, NZICC, Christchurch, others). Management is currently unable to provide a cash forecast. We are injecting a FP&A resource from Beckway next week to model cash needs and start a budgeting process. A second finance resource will be 1 Aug
- Flood Update: JVL has lost ~4.5 days in late June/early July between flooding event and resulting clean up activity; Hufcor mgmt. and Ops to determine best course of action regarding JVL storm drainage infrastructure and required capex to fix vs acceleration of Janesville closure and movement of production to other facilities
  - Insurance claim has been filed (\$50k deductible). Team is evaluating options for remediation.
- TCAR is not being managed by Hufcor after turnover. \$970K warranty/rework run-rate (starting in May 2019) which is \$150K greater than the prior 12 months (May 18 – Apr 19)

### Status Update: Project Details

Project	Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
			Projected	Actual
A. TCAR (Patterson, TBD @ Hufcor)	<ul style="list-style-type: none"> <li>Tracking dashboards developed</li> <li>Still lacking internal champion to own tool and drive improvements</li> <li>Roughly same warranty/rework run-rate vs. prior period (~\$850K)</li> </ul>	Transitioned to business – 5/6	\$500K	(\$30K)
B: Germany pricing (Long)	<ul style="list-style-type: none"> <li>Steve Long developing operational dashboards in the workbench</li> <li>Dashboarding/tracking to be done end of august</li> <li>Discovered flawed costing system in Germany affecting pricing efficacy</li> </ul>	Kick-off – 5/24 Realization – Sep	\$250k	TBD
C: Finance build (Miceli/Swain/OGC)	<ul style="list-style-type: none"> <li>Currently interviewing Controller (2), Payroll, and Accountant roles</li> <li>Need to determine offboarding timing for Robert Half consultants</li> </ul>	TBD	Enabler	Enabler
D: Logistics (Smith, Blazy)	<ul style="list-style-type: none"> <li>International locations use 3<sup>rd</sup> party logistics providers with cost paid for by customers</li> <li>Initial assessment of RVT indicates opportunity for savings, or exiting this business line</li> </ul>	TBD	TBD	TBD



**Status: Key Activities**

Key Activities	Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
			Projected	Actual
E. HX/700 (Smith)	<span style="color: red;">●</span> <ul style="list-style-type: none"> <li>Deeper review of cost of production of Athens and impact of Ohio cabinet manufacturer needed to identify impact to gross margins</li> <li>Only one customer contacted to convert backlog from 600 to 700 line</li> </ul>	Outsourcing – Jul 1	TBD	TBD
F. APAC consolidation (Miceli)	<span style="color: red;">●</span> <ul style="list-style-type: none"> <li>Not yet started, currently scheduled for 2020</li> </ul>	2020	TBD	TBD
G. Partition Studio 5 (Kontranowski)	<span style="color: red;">●</span> <ul style="list-style-type: none"> <li>Latest indication is a July launch</li> </ul>	Jul 1	Enabler	Enabler
H. International Business (Miceli)	<span style="color: red;">●</span> <ul style="list-style-type: none"> <li>Downturn in performance in recent periods, need to challenge leadership for solution</li> </ul>	TBD	TBD	TBD



## Executive Summary: Week of 07-01

- June ended with GAAP revenue of \$4.0M (116% of Plan) and EBITDA of \$583K (vs. Plan of \$12K)
- At 7/18 (59% through the month), Jul MTD invoiced sales were at \$2.8M (70% of Plan) and bookings were at \$3.0M (76% of Plan)
  - Jul 2019 invoiced sales and bookings target of \$4.0M, up from \$3.9M in Jun, up from \$3.5M in May, \$3.2M in Apr, and \$2.9M in Mar
- Management continuing to work through historical maintenance revenue recognition issues related to the audit; management has implemented an approach that doesn't require manually analyzing each individual transaction, and expects to complete data collection/analysis by late July, with Deloitte finalizing the audit by late August
  - Data collection/analysis will enable comprehensive historical reporting of recurring revenue metrics
- Based on Wed 5/29 call with Deloitte, management and OGC believe subscription model may not create the opportunity for recurring GAAP revenue, despite recurring cashflow; we have decided to pause exploring this effort until completion of the 2018 audit

## Status Update: Project Details

Project	Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
			Projected	Actual
A: Expand Product Offering <i>(Chris Jaynes, Jon Burns)</i>	Gen 3 hardware and Solstice 4.0 has launched; G3 pods were ~30% of Apr sales, >55% of May sales, and 60% of Jun sales; mgmt examining a low cost Enterprise version of Solstice based on the G2i HW platform	<ul style="list-style-type: none"> <li>Gen 3 / v4.0 complete</li> <li>Low-cost Enterprise timing TBD</li> </ul>	TBD	TBD
B: Develop VTC Strategy <i>(Chris Jaynes)</i>	Solstice Room Link (aka VTC integration) underway; prototype demo'd June 12-14 at Infocom, with very positive feedback	<ul style="list-style-type: none"> <li>Release timing TBD</li> </ul>	TBD	TBD
C: Expand Sales Coverage <i>(Rick Emery)</i>	Recent hires in US and EMEA; US WC RSD resigned to join ActionTec (a Taiwanese competitor); interviews ongoing in US and EMEA	<ul style="list-style-type: none"> <li>Ongoing</li> </ul>	TBD	TBD
D: Drive Recurring Revenue <i>(Rick Emery)</i>	Kepler engagement up >25% YTD from <2.0 sessions/user/wk in Jan to >2.5 sessions/user/wk in Apr; Mgmt has paused exploring full subscription offering	<ul style="list-style-type: none"> <li>Ongoing</li> </ul>	TBD	TBD
E: Enable Recurring Revenue Reporting <i>(Dan Hudspeth)</i>	NetSuite contract management module ready for deployment, but delayed until collection and analysis of historical maintenance revenue completed as part of the audit; deployment expected in Aug, with initial reporting on recurring revenue within ~2 months thereafter	<ul style="list-style-type: none"> <li>Initial reporting by Oct 2019</li> </ul>	Enabler	Enabler



## Executive Summary: Week of 07-22

- June Net Revenue: \$10,734 vs. AOP \$11,032, +\$570K better vs. June 2018
  - ASP starting to “drop” based on mix of orders coming in for summer, Last 20 day Avg \$1,079 vs. YTD \$1,206
- June EBITDA: \$1,313 (12.2% of Rev) vs. AOP \$863K (7.8% of Rev), +\$799K better vs. May 2018
- YTD 2019 EBITDA: \$5,867 (9.0% of Rev) vs. YTD 2018 EBITDA: \$2,803 (4.8% of Rev); June/Q2 performance takes LTM adjusted EBITDA to just over \$13M for the process
- Backlog at \$16M+...Oil and Gas, PG&E Line Hardening Continues & Summer Orders
- Single Phase Padmount: RUS Certification Received, 1<sup>st</sup> order progressing (Anixter) with July delivery, Additional Orders received from Anixter & Wesco - Total Orders: \$70K Revenue / ASP: \$1,262
- Monitoring Cash/Debt Closely, Capital Leases paid off (~\$2M), Focus on Working Capital and Target to minimize debt
  - Availability at end of June stands at \$5.7M
- Southern Company last and final bid submitted May 7, feedback expected end of July
- ABB Inside Sales Separation, EDI Set up behind schedule due to customer interaction delays; ABB coverage through Sep if needed

## Status Update: Project Details

Project	Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
			Projected	Actual
A. Project Bulldog (OGC/Lincoln)	 <ul style="list-style-type: none"> <li>Moving forward with 8-10 parties for MPs</li> <li>Valuation range from 5x-7x</li> </ul>	Close in Mid-Oct	n/a	n/a
B. Product development (Smith)	 <ul style="list-style-type: none"> <li>RUS Certification Received</li> <li>1<sup>st</sup> order progressing (Anixter) with July delivery, Additional Orders received from Anixter &amp; Wesco</li> <li>Total Orders: \$49K Revenue / ASP: \$1,358</li> </ul>	1 <sup>st</sup> Delivery – Mid-July	TBD	TBD
C. ABB separation (Smith)	 <ul style="list-style-type: none"> <li>[see above]</li> </ul>	Full separation – End of Aug	TBD	TBD





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Updated 07-21

# OGC Ops Weekly Summary

## Executive Summary: Week of 07-01

- Jun ended with MTD revenue of \$4.4M (110% of Revised AOP, 109% of underwriting model, 104% of PY Actual) and YTD revenue of \$22.8M (94% of Revised AOP, 100% of underwriting model, 101% of PY Actual)
- Jun ended with MTD EBITDA of \$1.7M (132% of Revised AOP, 182% of underwriting model, 118% of PY Actual) and YTD EBITDA of \$5.7M (93% of Revised AOP, 109% of underwriting model, 116% of PY Actual)
- At 7/18 (52% through the month), Jul MTD sales were at \$1.3M (29% of Plan), bookings were at \$1.5M (34% of Plan), and backlog was at \$8.8M (31% above July 2018 ending backlog)
  - Weak performance in the North American gun safe market due in part to lack of competitive product in key product segments; management beginning process of developing business case for low-cost electronic gun safe lock, high-end and low-cost biometric locks, and high-end smart lock; management believes these products may enable them to win back lost Liberty electronic business (~\$2.5-4M annual revenue) and significantly improve overall competitive position within the domestic gun safe market
- Mark LeMire (new CEO) started Wed 7/10; positive reaction from management team and broader employee base; strong performance during first week, with focus on quantifying biggest value drivers
- Steve Tonkel (CFO) started on Mon 6/24; Sean Barnes (IT Mgr) started Mon 7/1; Matt Williams (VP Sales) starts Mon 7/15; Husna Smith (Gov't BD Mgr) has accepted offer, start date TBD; India BD Mgr starts 9/3; Jerry Shapaka (Quality Mgr candidate) has accepted offer, start date TBD
- OGx kickoff and Strategic Planning sessions completed Tue 6/11 through Thu 6/13; management has developed workplans for strategic initiatives and is working with CFO to quantify financial impact

## Status Update: Project Details

Project	Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
			Projected	Actual
A. Develop key products to win back Liberty gun safe electronic lock business (low-cost electronic lock, high-end and low-end biometric locks, and high-end smart lock) <i>(Patrick Cunningham, Devon Ratliff)</i>	<ul style="list-style-type: none"> <li>• Preliminary low-cost electronic gun safe lock business case developed by Patrick (Product Mgr) shows ~\$300K development cost and ~\$700K steady-state EBITDA benefit achieved by Year 3; Devon (Dir Engineering) working to validate assumptions</li> <li>• Patrick and Devon developing business cases for biometric and high-end smart locks</li> </ul>	• Q4 2019	TBD	TBD
B. Develop new industrial design aesthetic for existing and new products <i>(Patrick Cunningham, Devon Ratliff, Kelly Edney, OGx)</i>	<ul style="list-style-type: none"> <li>• OGx to develop ~5 initial design options by mid-July</li> <li>• S&amp;G management team and OGC to select final design option in July</li> </ul>	• Q4 2019	TBD	TBD



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

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# OGC Ops Weekly Summary

Updated 06-28

## Status Update: Project Details

Project	Current Status & Next Steps	Timing	Annualized EBITDA Impact (\$MM)	
			Projected	Actual
C. Launch refreshed brand and website <i>(Kelly Edney, OGx)</i>	<span style="color: green;">●</span> Kelly has secured initial quotes for key elements of brand refresh, but will leverage OGx resources (including in-house photo/video studio) to significantly reduce cost	<span style="color: green;">●</span> Q1 2020	TBD	TBD
D. Modularize key product lines, starting with Digital Platform <i>(Patrick Cunningham, Devon Ratliff, OGx)</i>	<span style="color: green;">●</span> Devon working to understand firmware redesign required to transition to modular Digital Platform product line <span style="color: green;">●</span> Patrick and OGx will work to group broader product portfolio into product families that can be consolidated into modularized platforms	<span style="color: green;">●</span> Q4 2019	TBD	TBD
E. Establish globally consistent pricing strategy <i>(Steve Tonkel, Matt Williams)</i>	<span style="color: green;">●</span> Steve working to understand current pricing globally	<span style="color: green;">●</span> Q3-4 2019	TBD	TBD
F. Develop Augmented Reality installation instructions for key product lines <i>(Patrick Cunningham, Kelly Edney, OGx)</i>	<span style="color: green;">●</span> Patrick working with OGx to define path forward for AR installation instructions	<span style="color: green;">●</span> Q3 2019	TBD	TBD
G. Deploy Artificial Intelligence vision inspection system to improve quality <i>(Craig Saunders, OGx)</i>	<span style="color: green;">●</span> Craig working with OGx to define path forward for AI vision inspection system	<span style="color: green;">●</span> Q3 2019	TBD	TBD
H. Develop SIOP process using historical data analytics <i>(Michael Rose, Craig Saunders, OGx)</i>	<span style="color: green;">●</span> Michael working with OGx to define path forward to analyse historical demand data to inform SIOP process	<span style="color: green;">●</span> Q3-4 2019	TBD	TBD



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

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10

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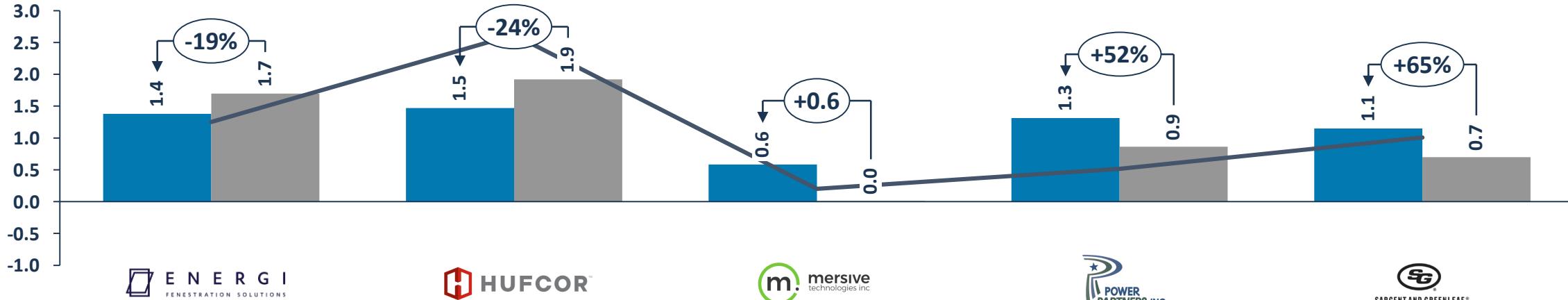
Portfolio Performance Charts (June YTD)

# Consolidated North America portfolio EBITDA performance

— 2018A  
■ 2019B  
■ 2019A

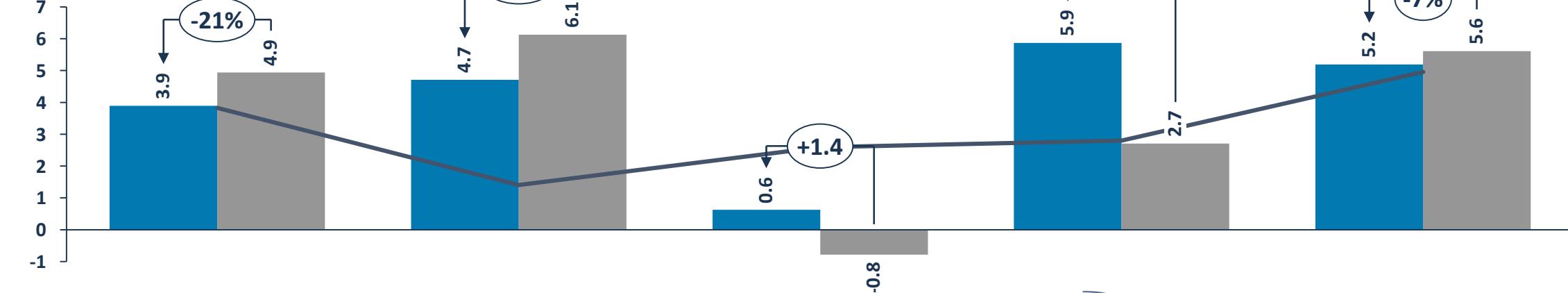
## JUNE MTD EBITDA

\$000s



## JUNE YTD EBITDA

\$ millions



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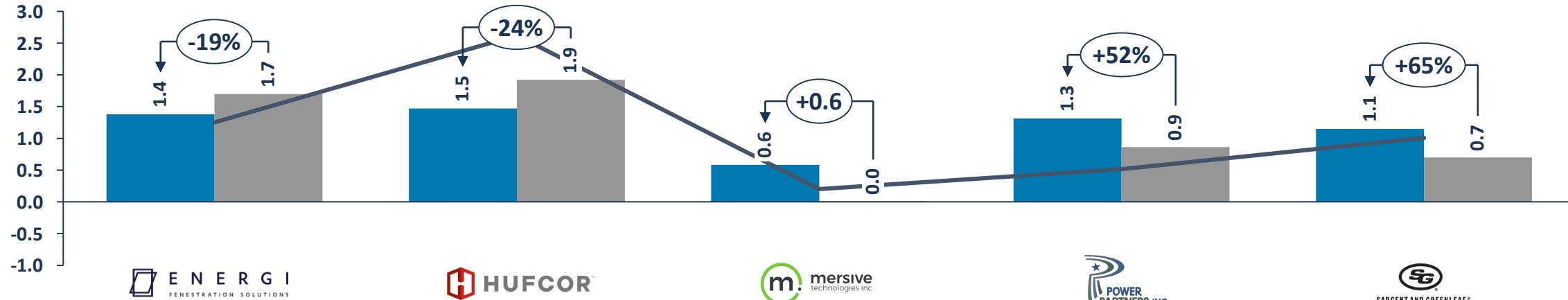
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# Consolidated North America portfolio EBITDA performance

— 2018A  
■ 2019B  
■ 2019A

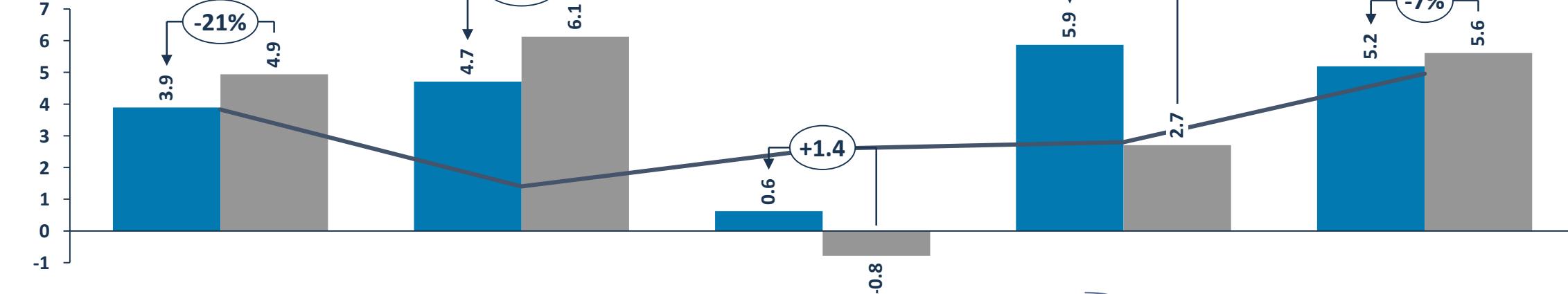
JUNE MTD EBITDA

\$000s



JUNE YTD EBITDA

\$ millions

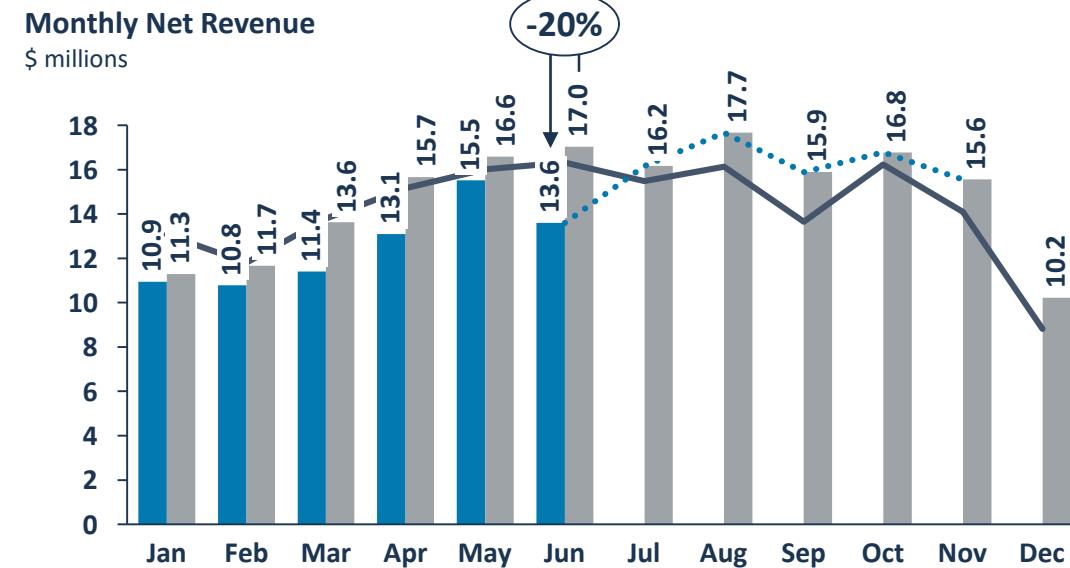
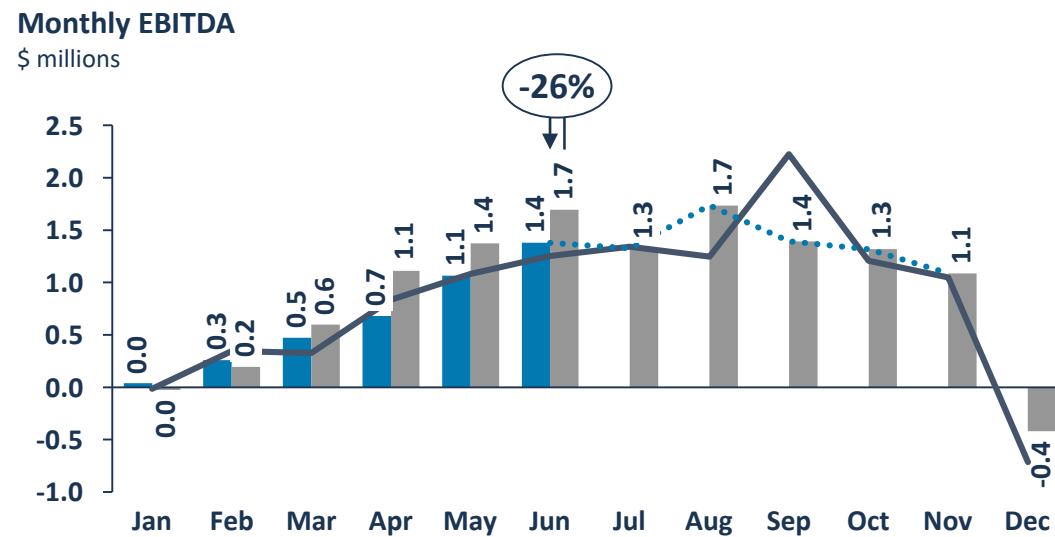
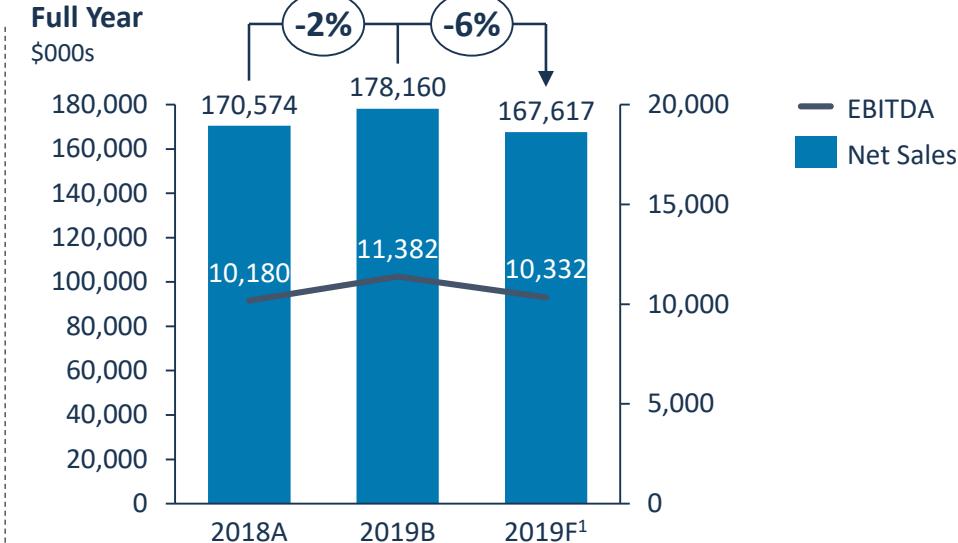
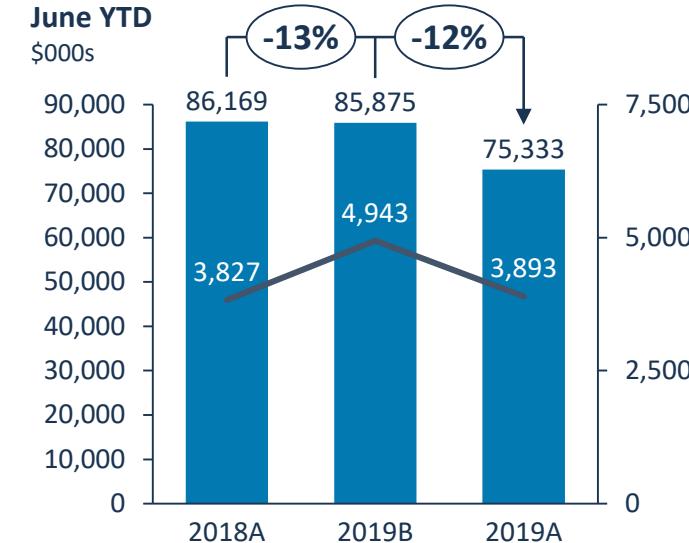
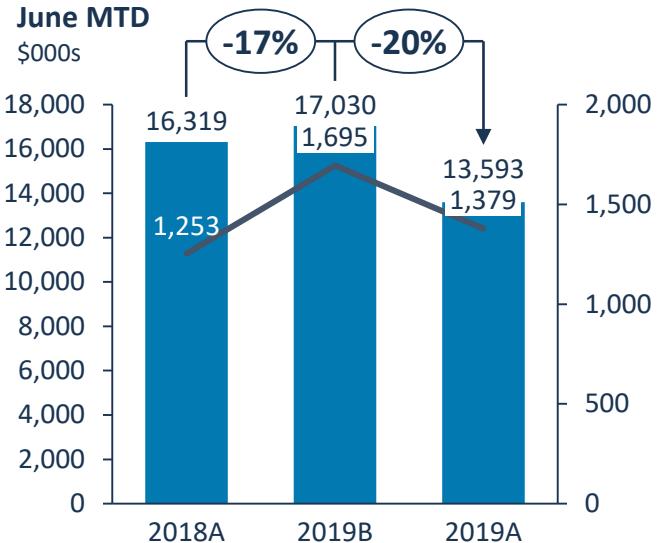


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13

# Monthly financial metrics



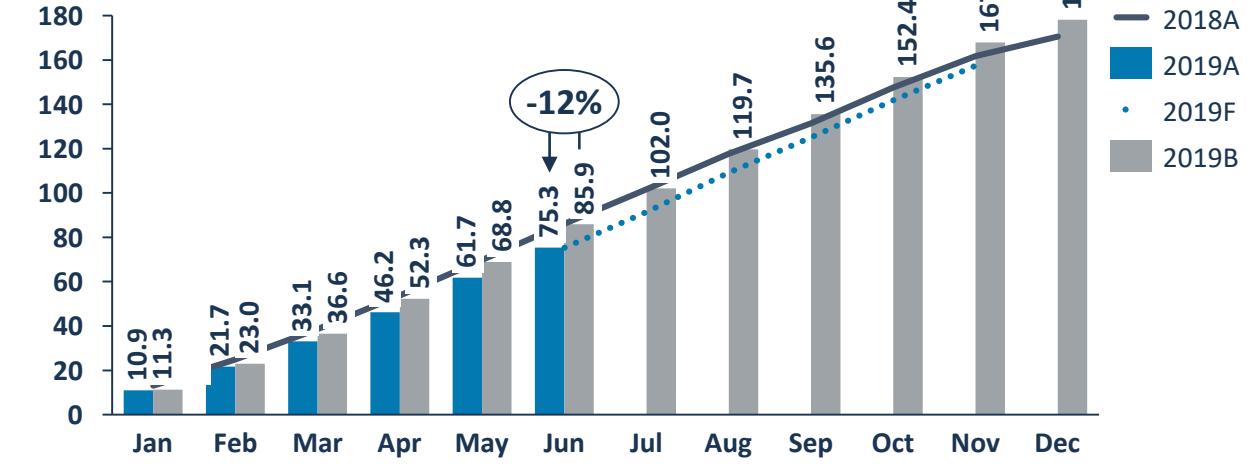
# Monthly financial metrics

**YTD EBITDA**

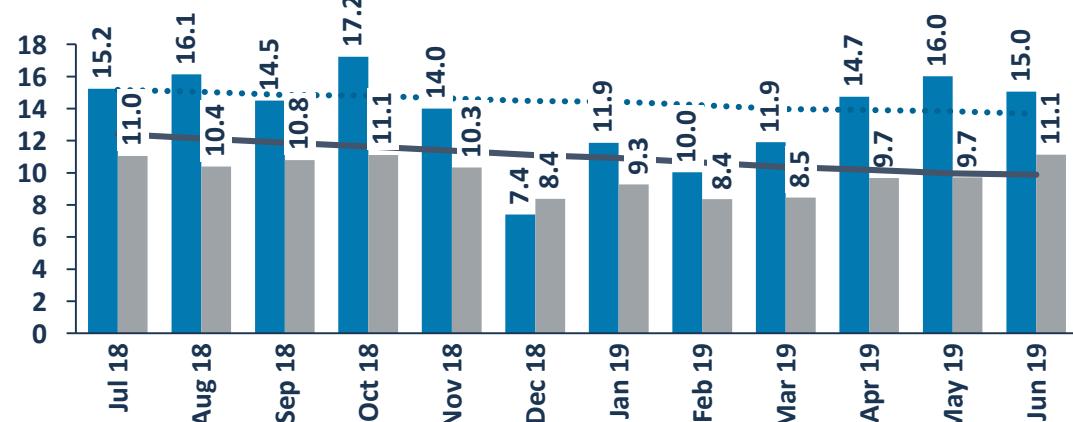
\$ millions


**YTD Revenue**

\$ millions


**Order Intake**

\$ millions

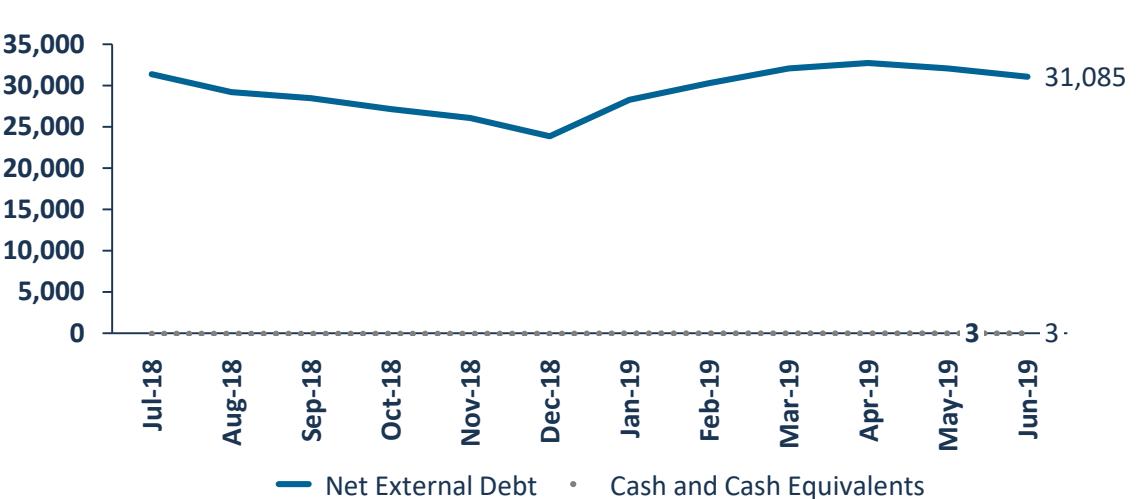


- TTM Avg Bookings
- MTD Bookings
- TTM Avg Backlog
- MTD Backlog

1. YTD actuals + remaining year forecast

**Liquidity**

\$ millions

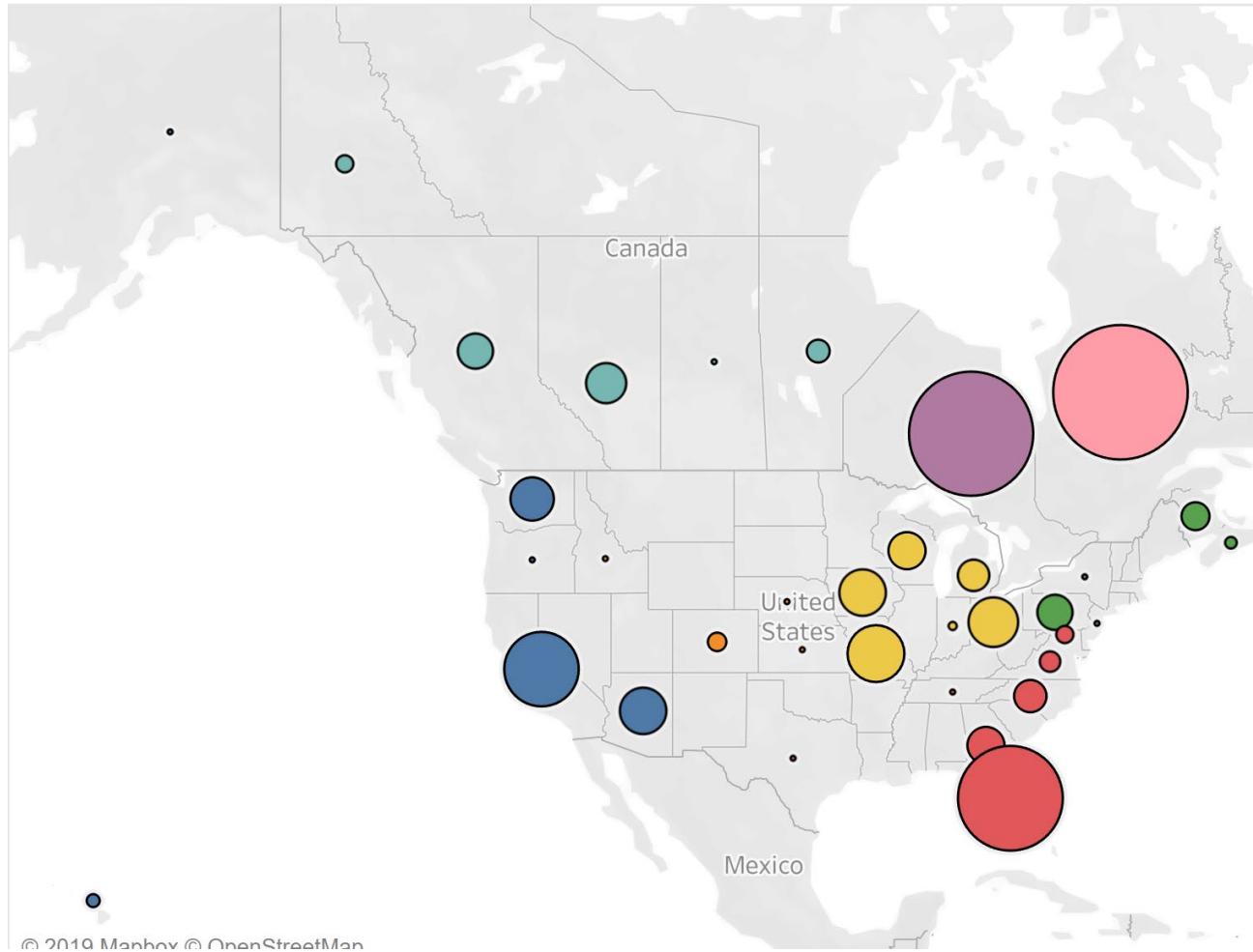


# 2018 Energi sales by region

2016, 2017 Laval data is not included

## 2018 Energi sales by region

Jan 1 - Dec 31 2018



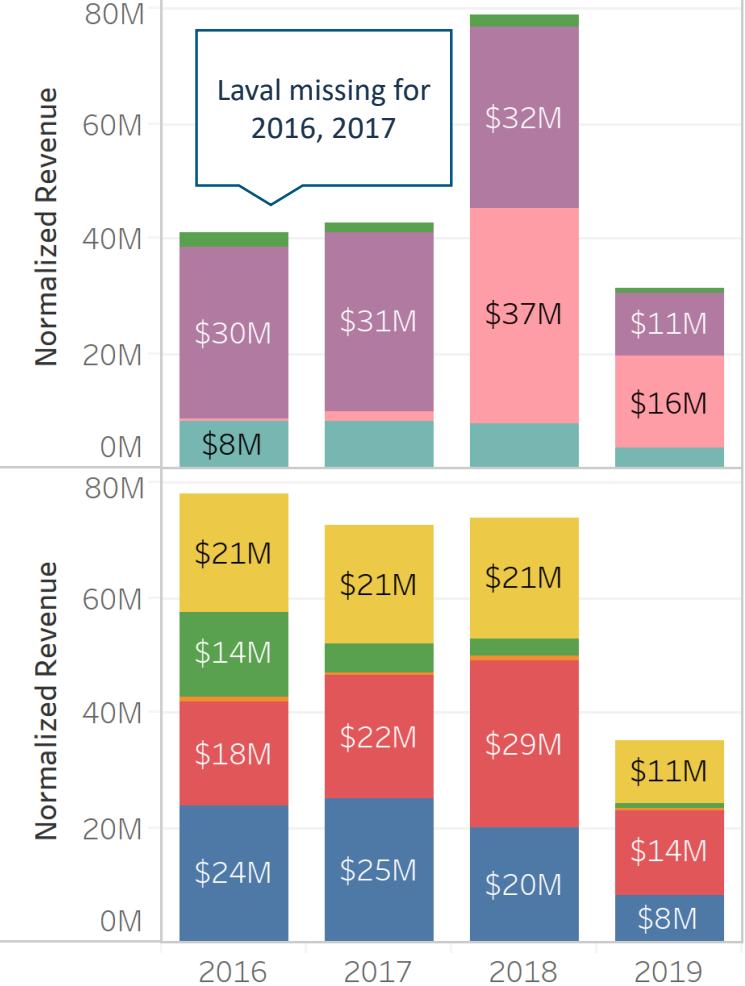
## Customer normalized revenue by year

Ship to Cou..

Invoice Date

CA

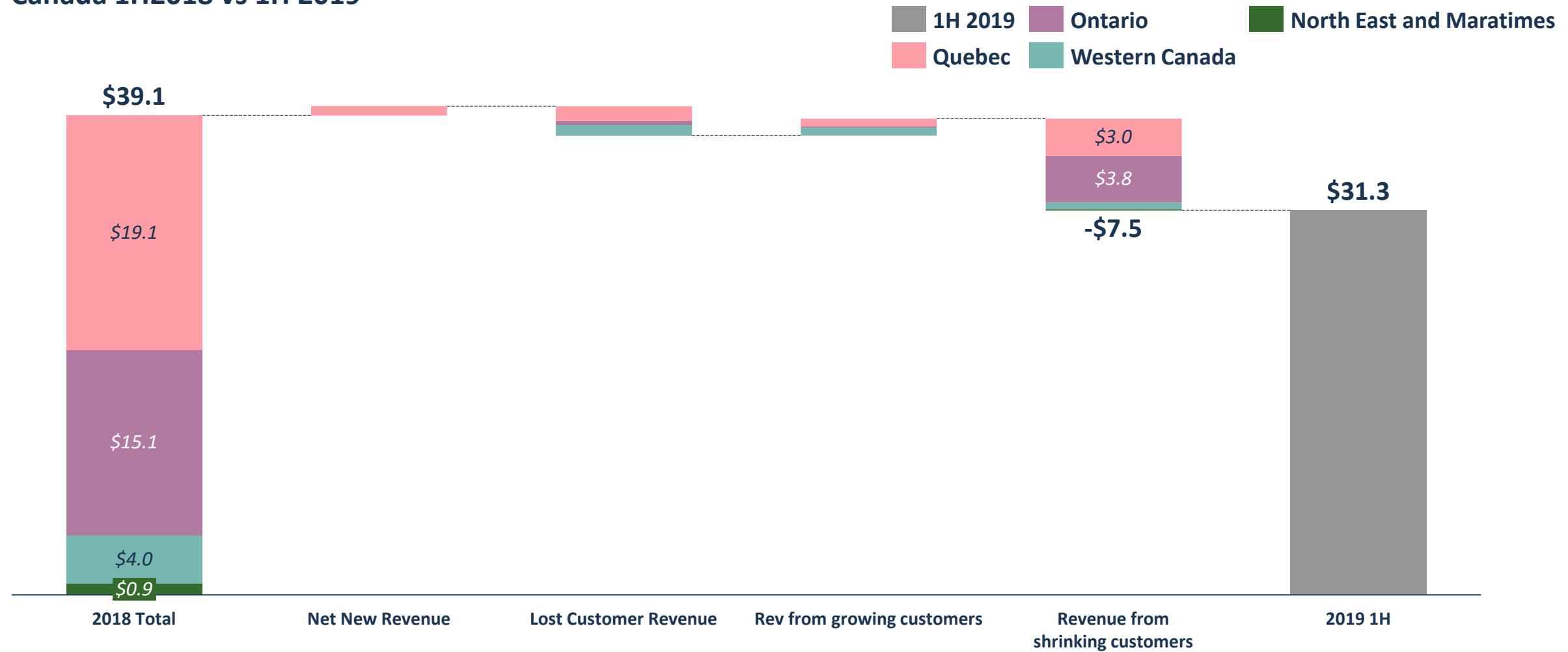
US



## Canada 1H 2018 – 1H 2019 revenue bridge

Energi lost 49 customers valued at -\$2.3mm, while gaining 16 customers valued at \$741k. 84 customers shrank in spend while remaining a customer accounting for -\$7.48mm, while 43 customers grew accounting for \$1.4mm in revenue

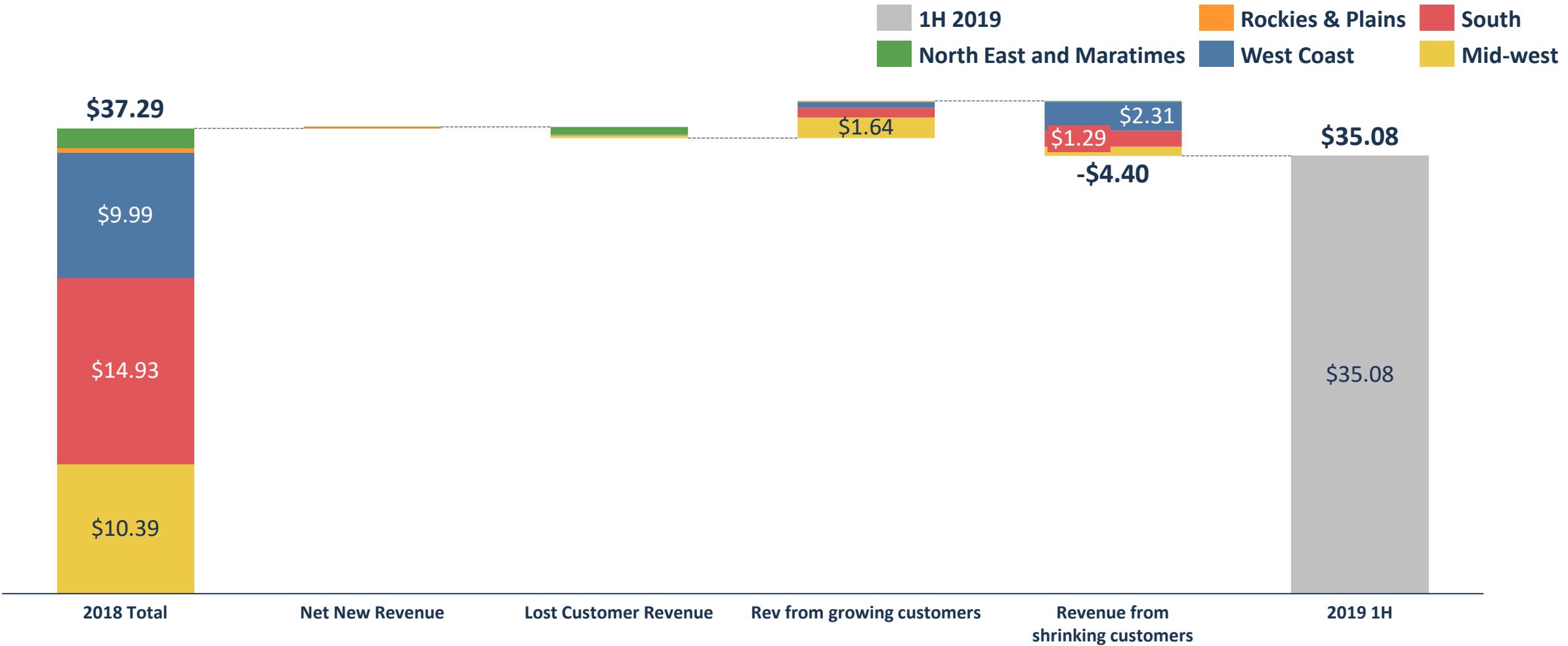
### Canada 1H2018 vs 1H 2019



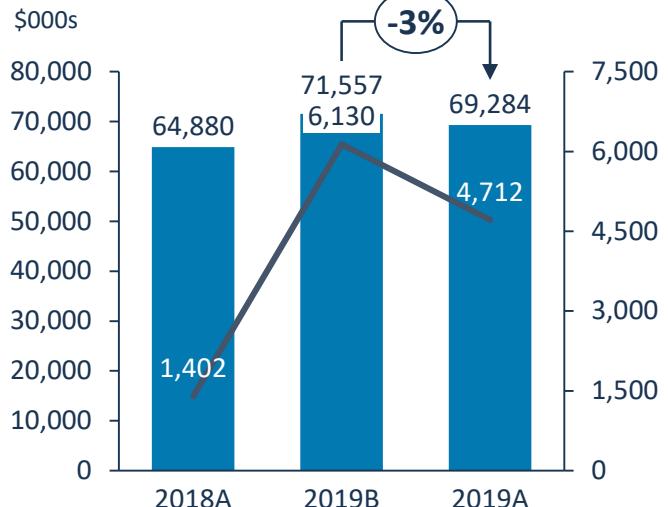
## USA 1H 2018 – 1H 2019 revenue bridge

Energi lost 12 customers valued at \$885k, while gaining 22 customers valued at \$107k. 32 customers shrank in spend while remaining a customer accounting for -\$4.3mm, while 26 customers grew accounting for +\$7.3mm in revenue

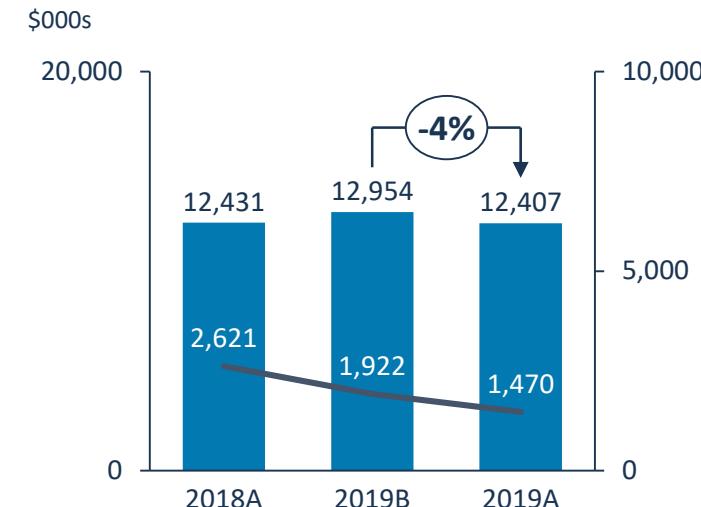
### USA 1H2018 vs 1H 2019



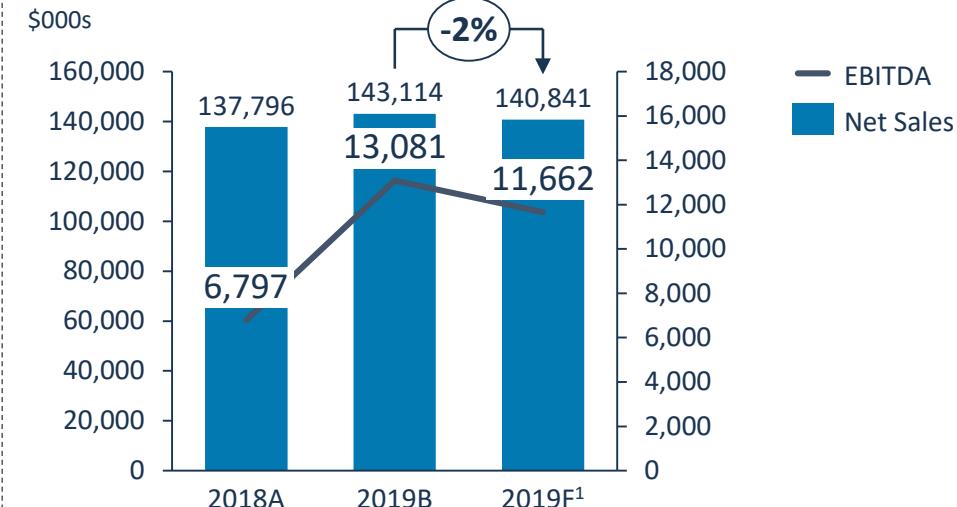
## June YTD



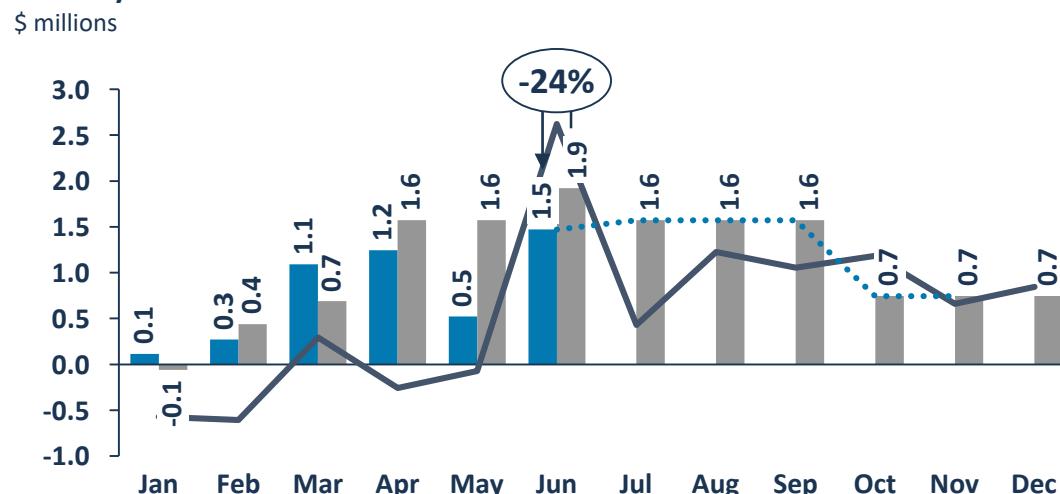
## June MTD



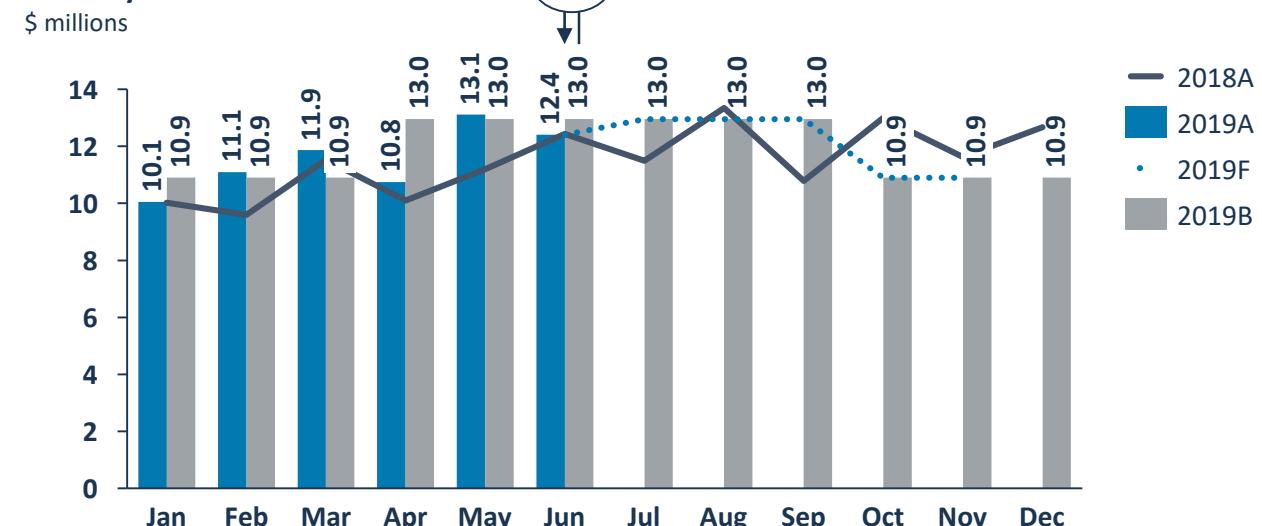
## Full Year



## Monthly EBITDA

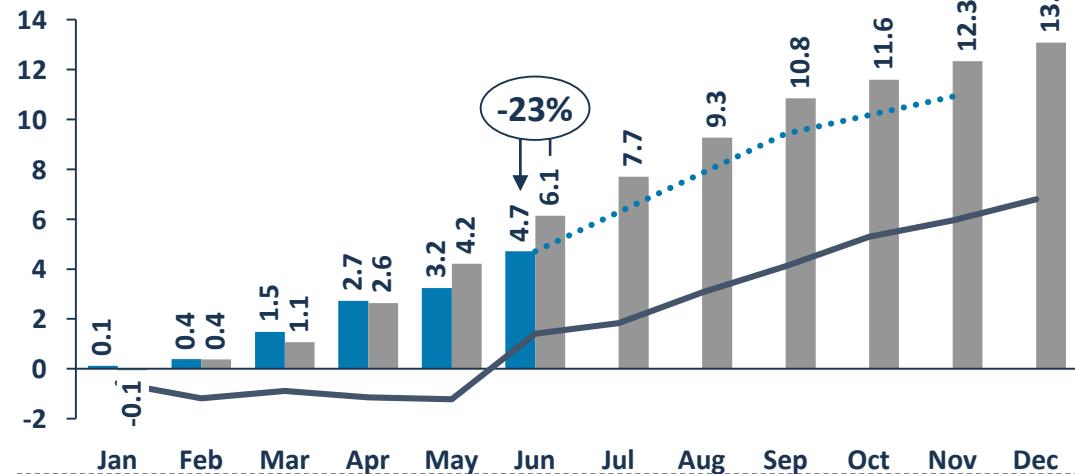


## Monthly Net Revenue



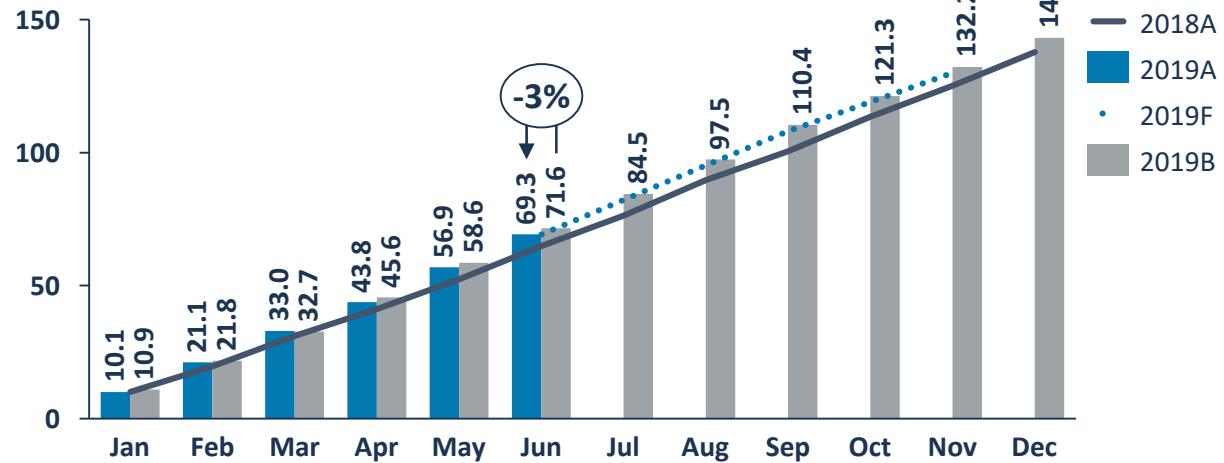
## YTD EBITDA

\$ millions



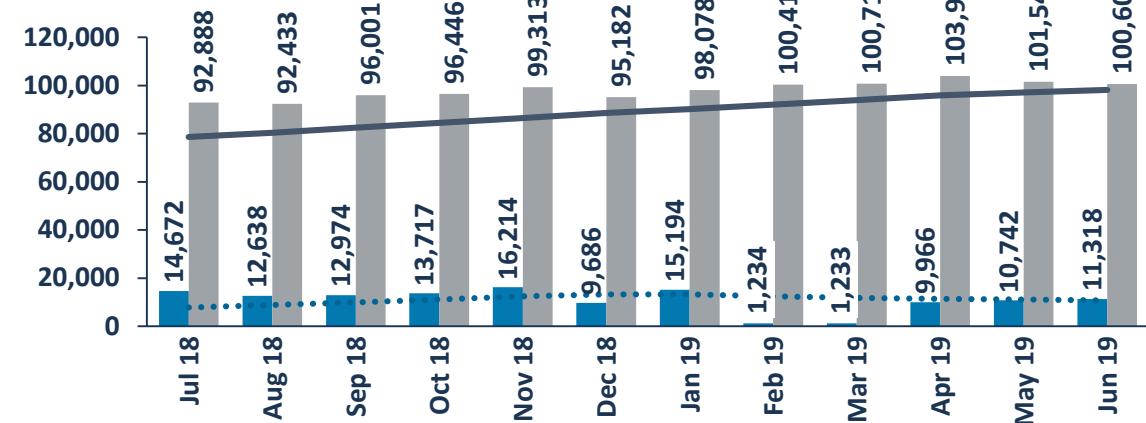
## YTD Revenue

\$ millions



## Order Intake

\$ millions

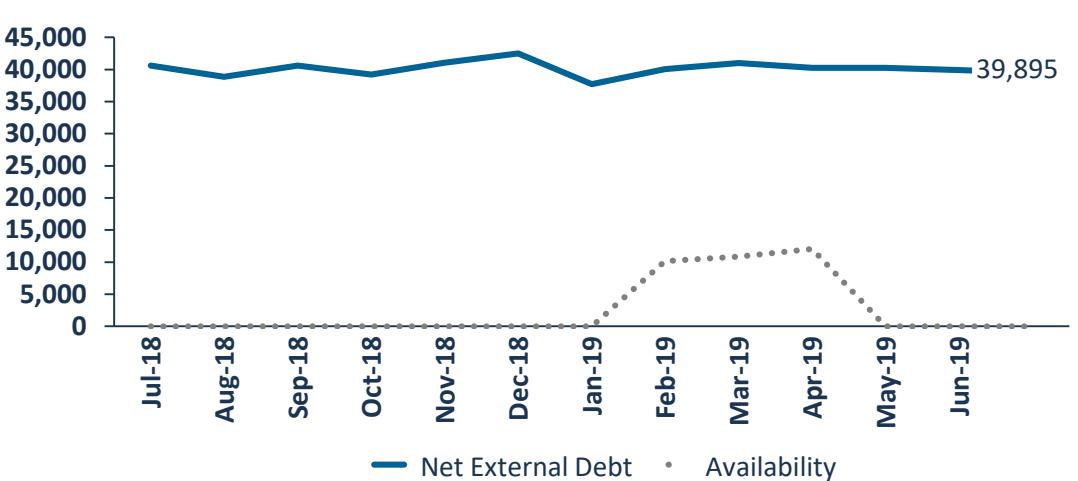


- TTM Avg Bookings
- MTD Bookings
- TTM Avg Backlog
- MTD Backlog

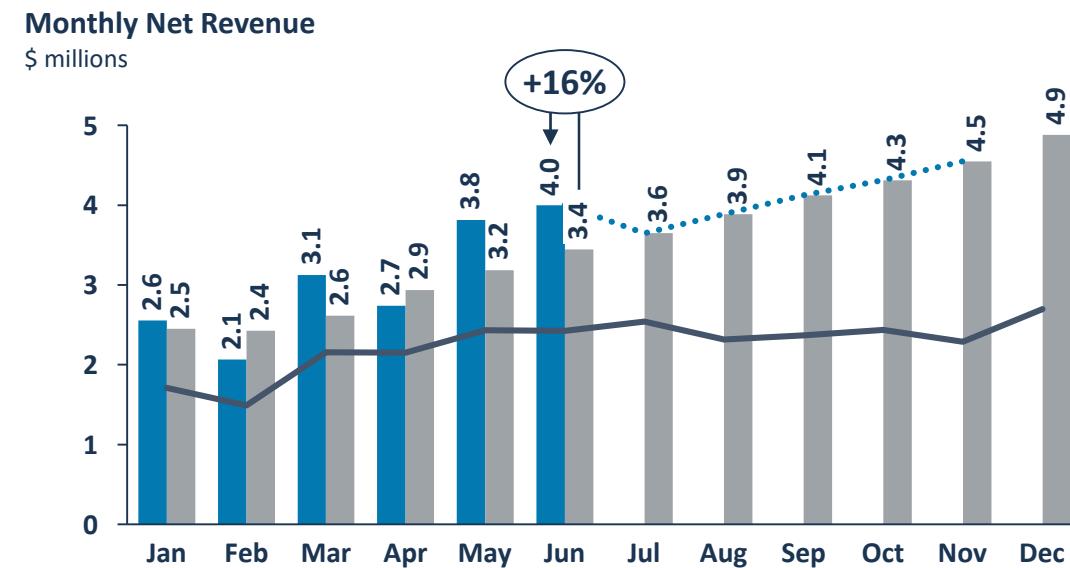
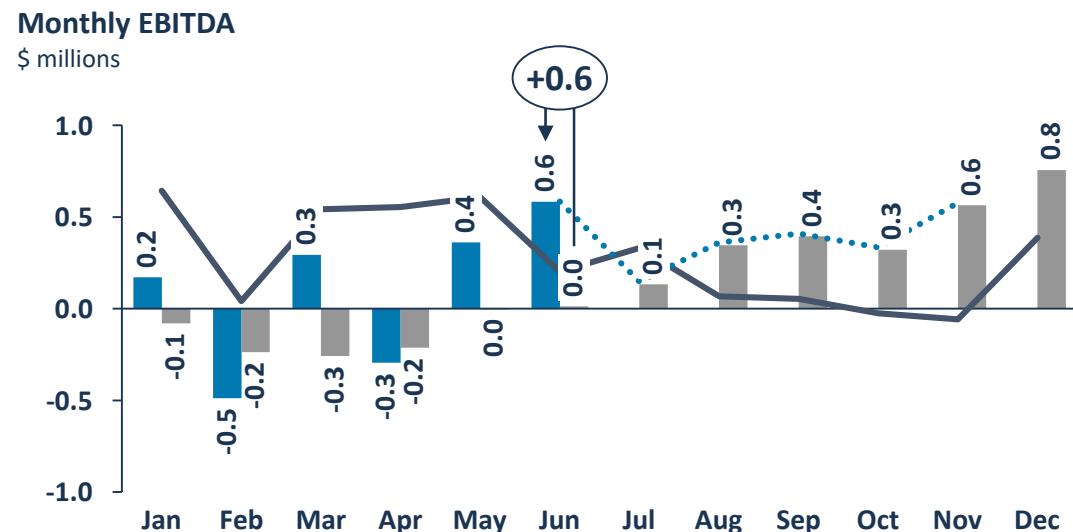
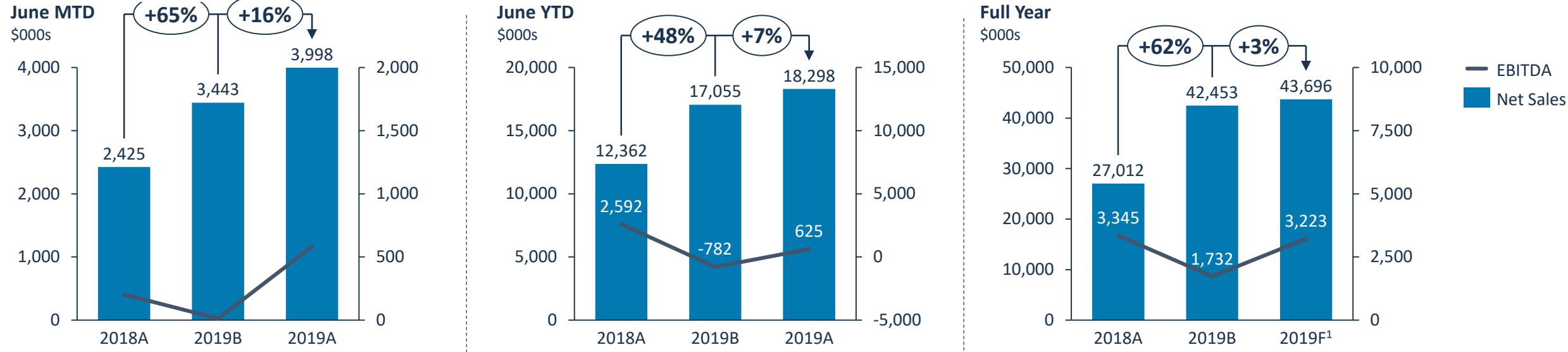
1. YTD actuals + remaining year forecast

## Liquidity

\$ millions



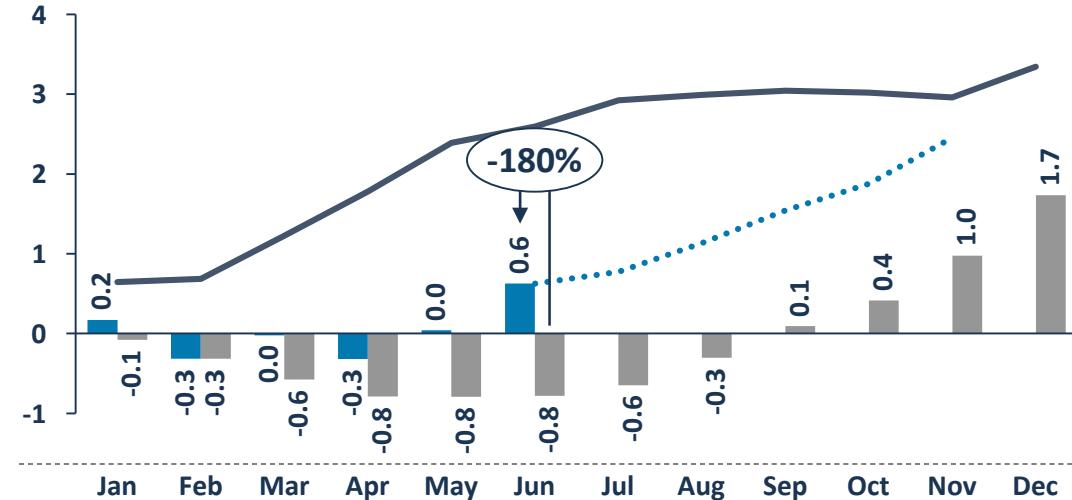
## Monthly financial metrics



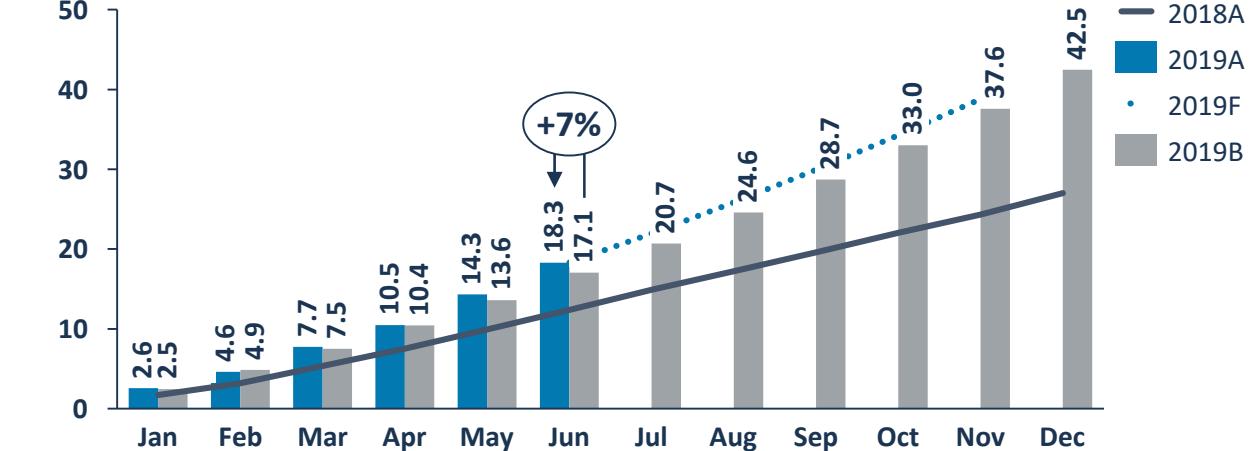
# Monthly financial metrics

**YTD EBITDA**

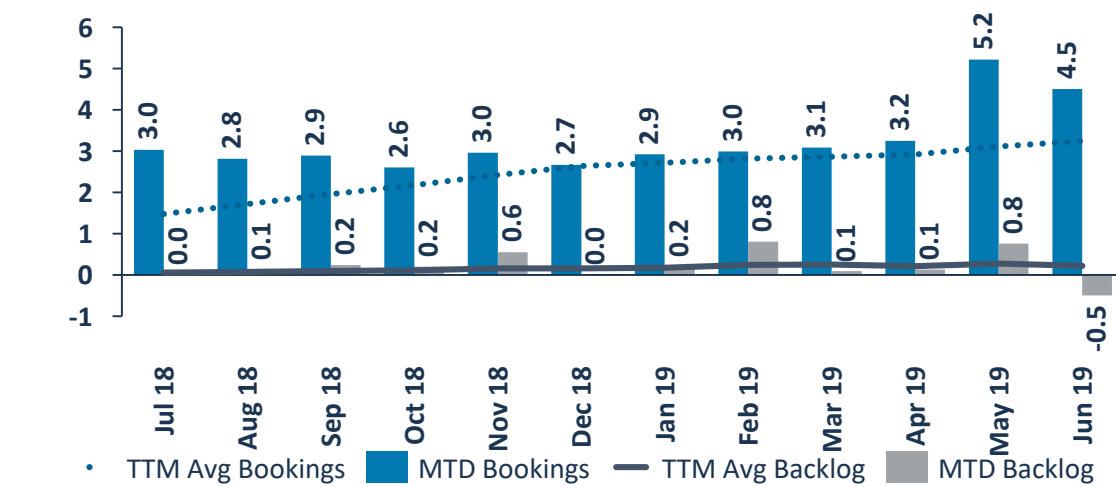
\$ millions


**YTD Revenue**

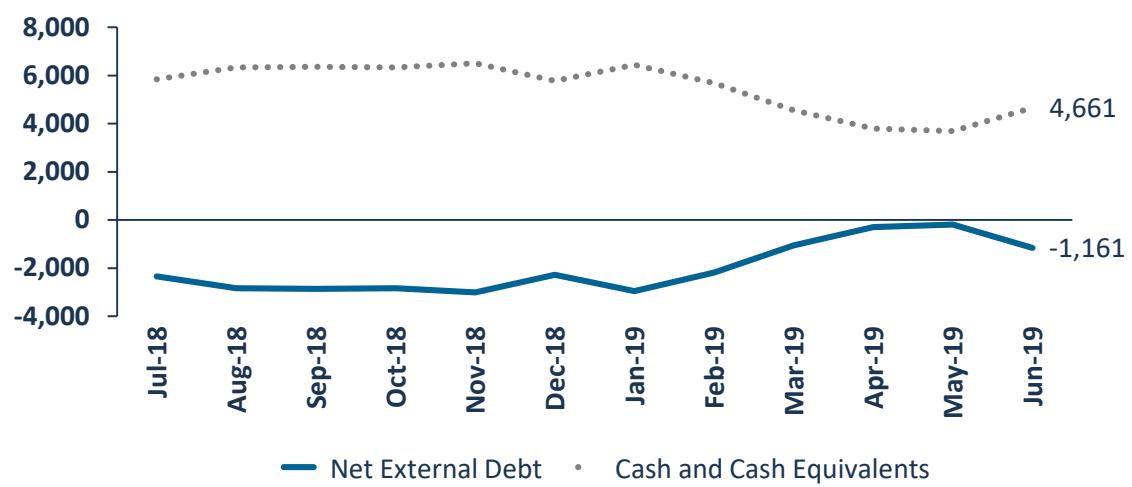
\$ millions


**Order Intake**

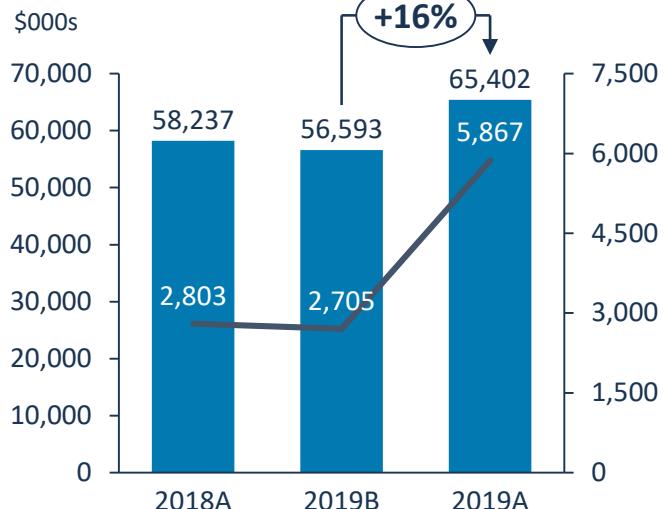
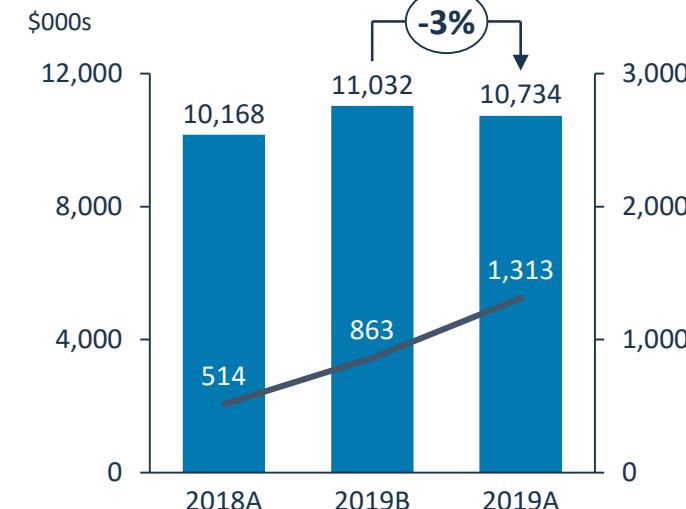
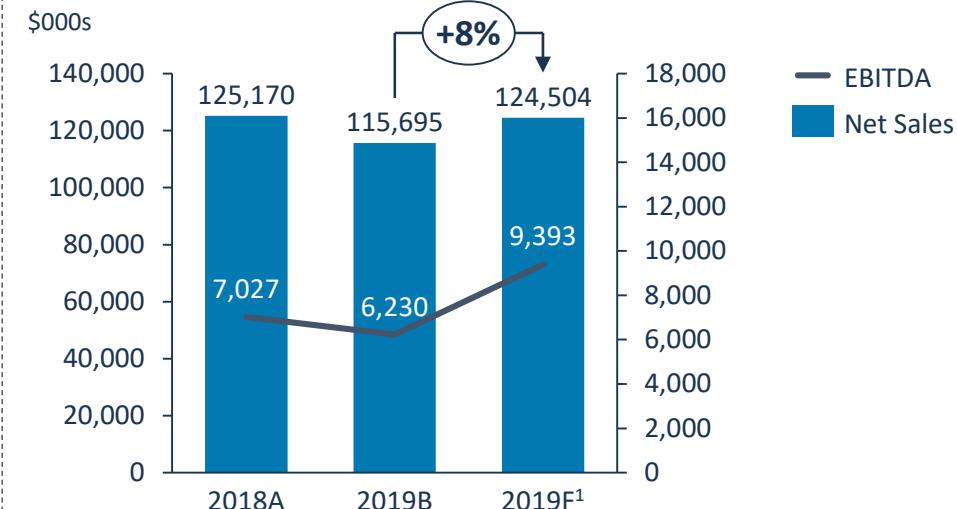
\$ millions

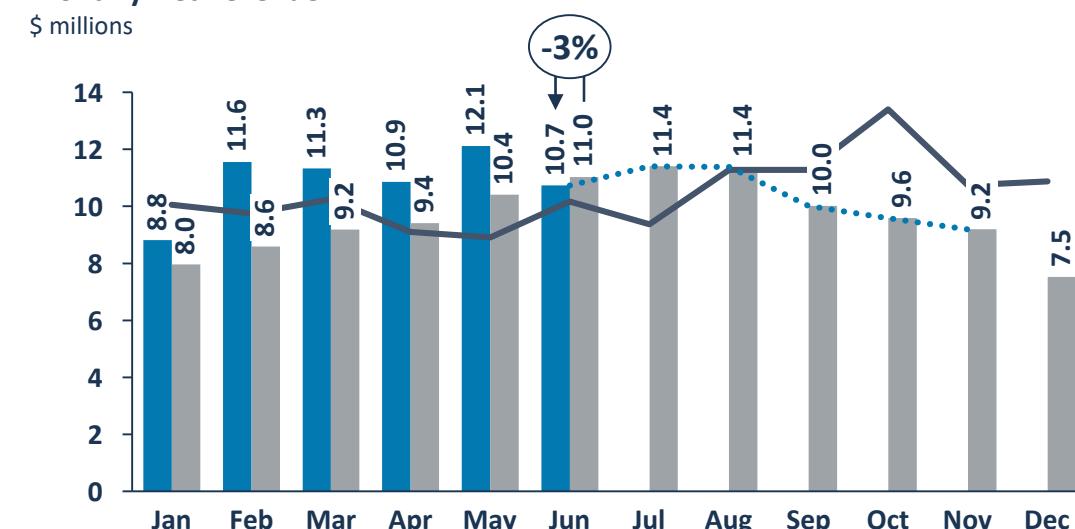

**Liquidity**

\$ millions



# Monthly financial metrics

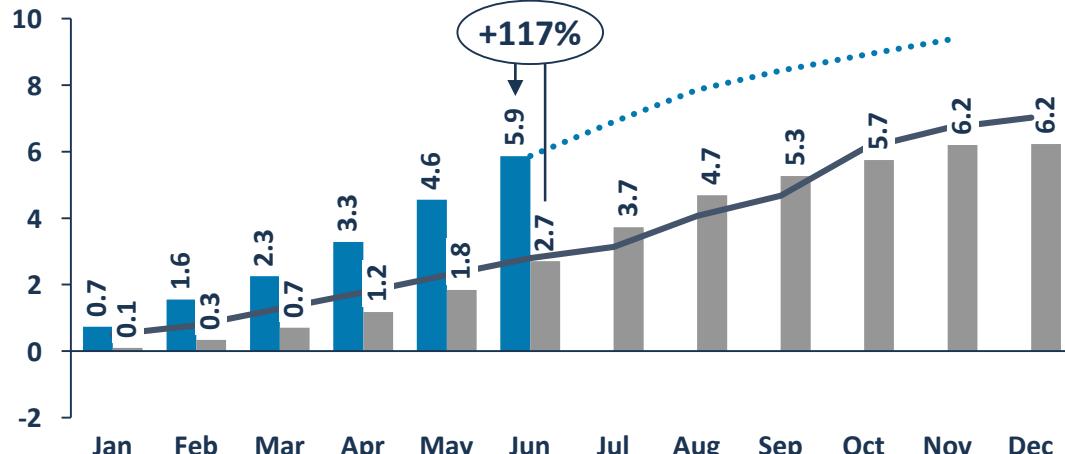
**June YTD**

**June MTD**

**Full Year**

**Monthly EBITDA**

**Monthly Net Revenue**


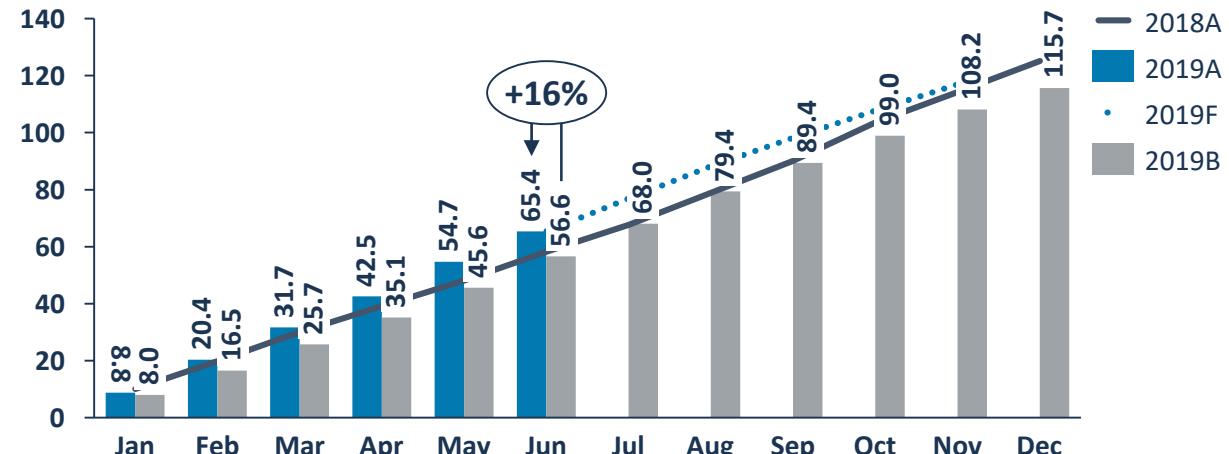
# Monthly financial metrics

**YTD EBITDA**

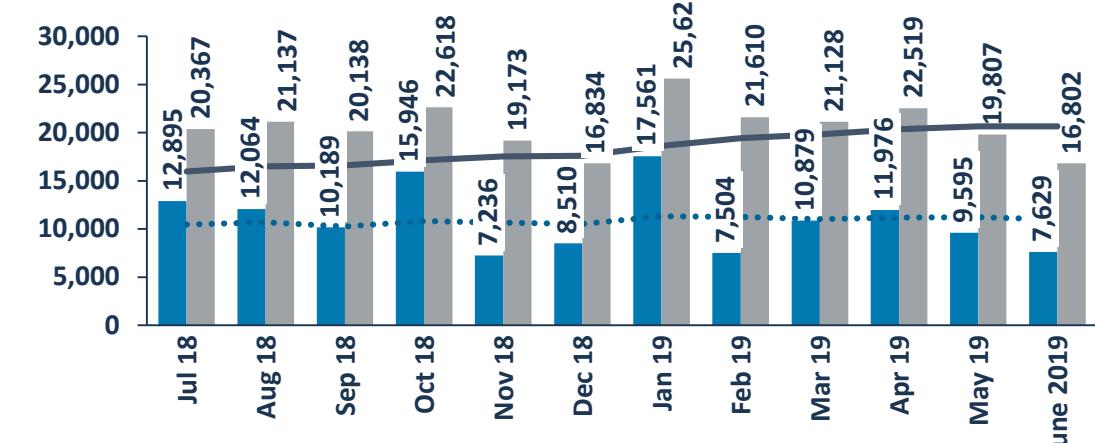
\$ millions


**YTD Revenue**

\$ millions


**Order Intake**

\$ millions

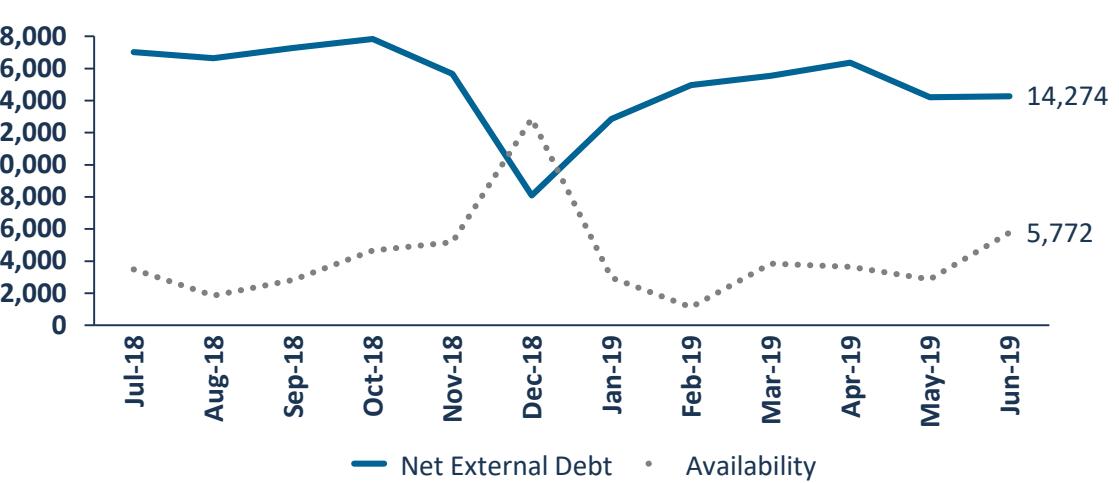


- TTM Avg Bookings
- MTD Bookings
- TTM Avg Backlog
- MTD Backlog

1. YTD actuals + remaining year forecast

**Liquidity**

\$ millions

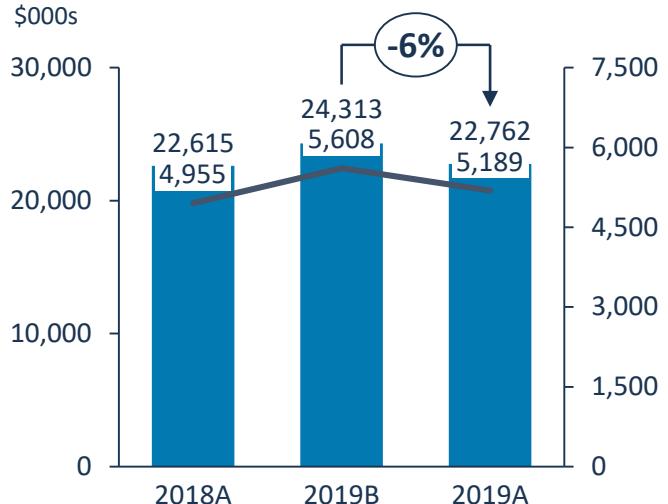




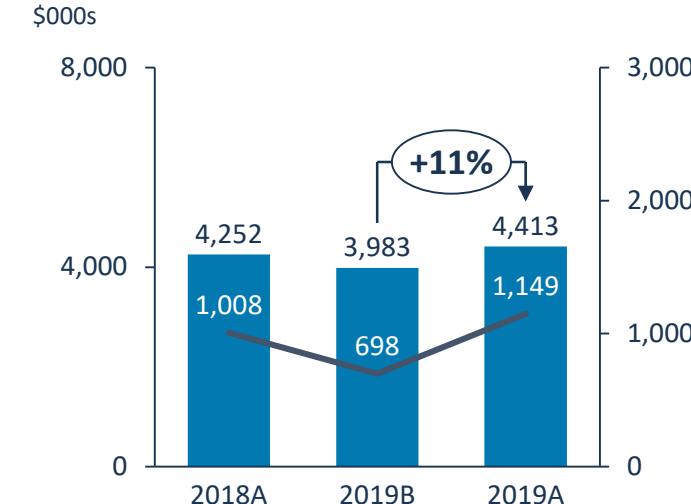
SARGENT AND GREENLEAF®

## Monthly financial metrics

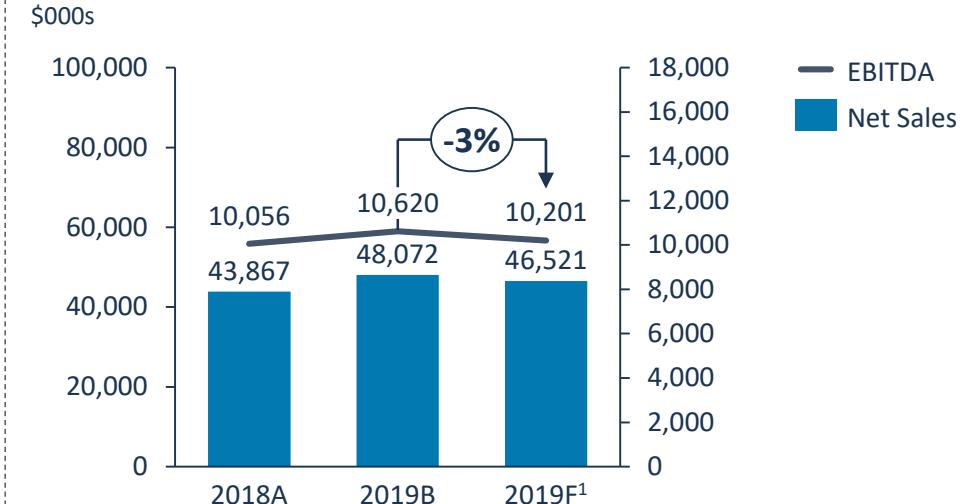
### June YTD



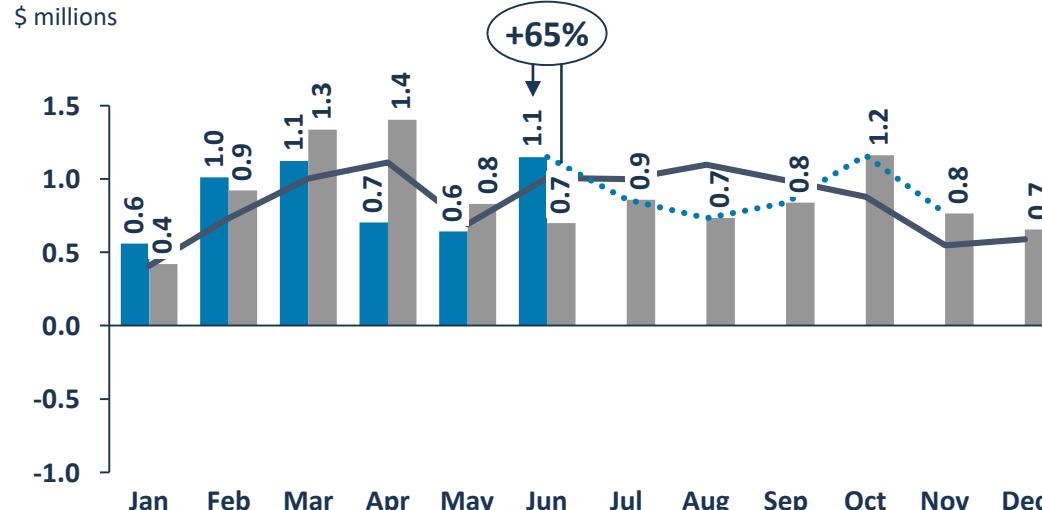
### June MTD



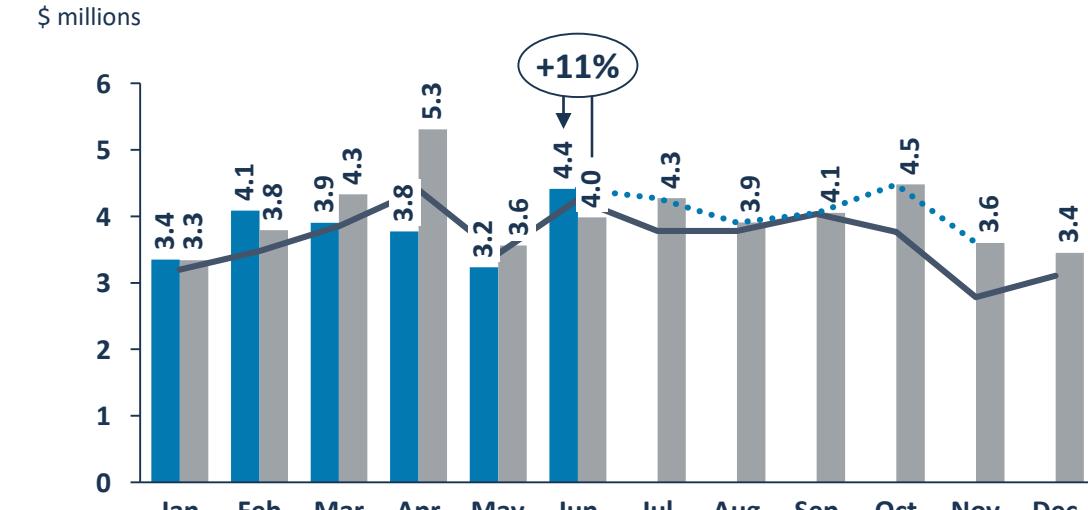
### Full Year



### Monthly EBITDA



### Monthly Net Revenue



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1. YTD actuals + remaining year forecast

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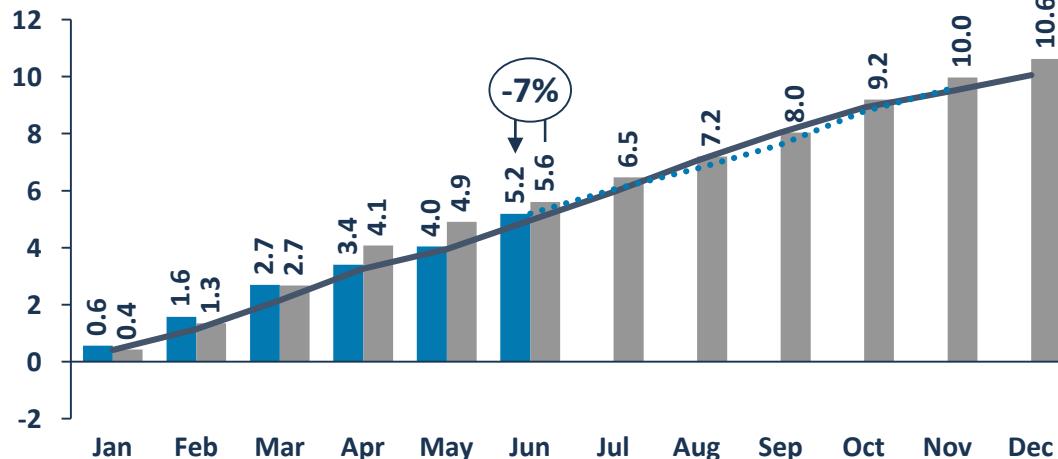


SARGENT AND GREENLEAF®

# Monthly financial metrics

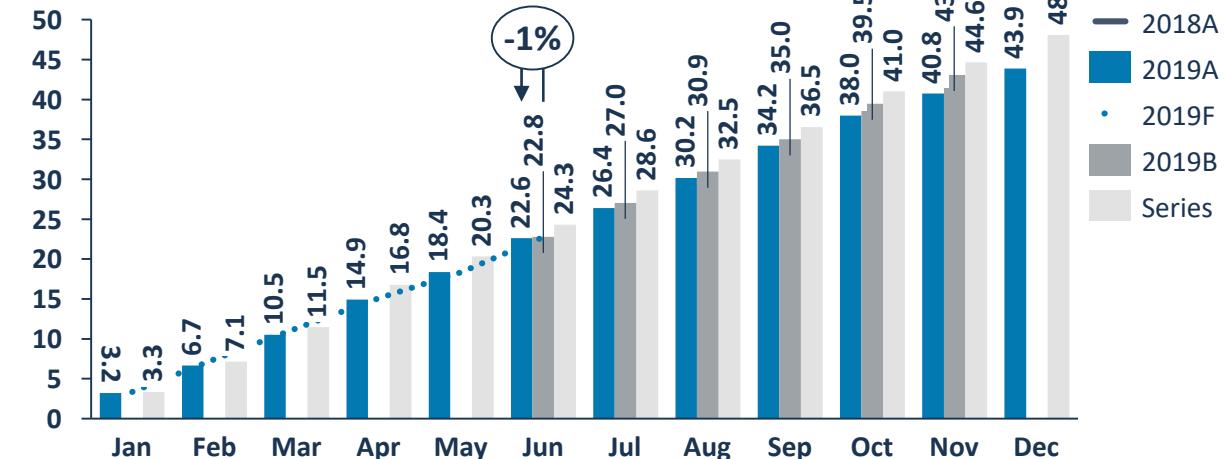
## YTD EBITDA

\$ millions



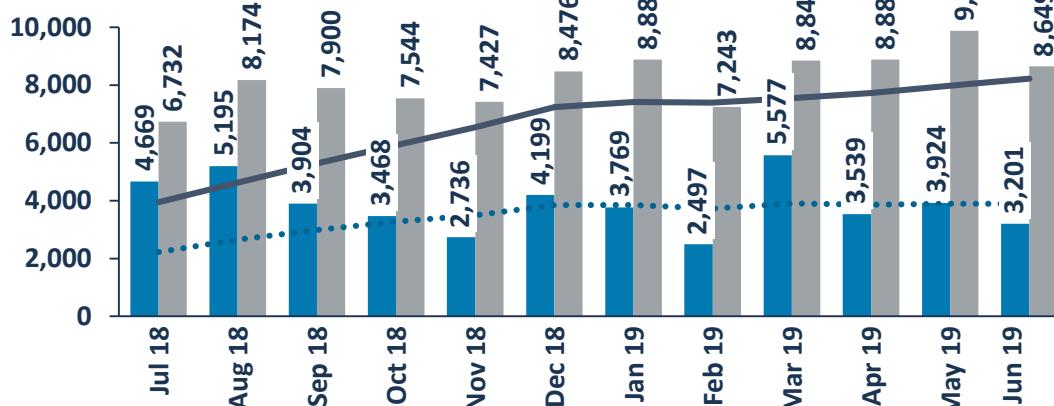
## YTD Revenue

\$ millions



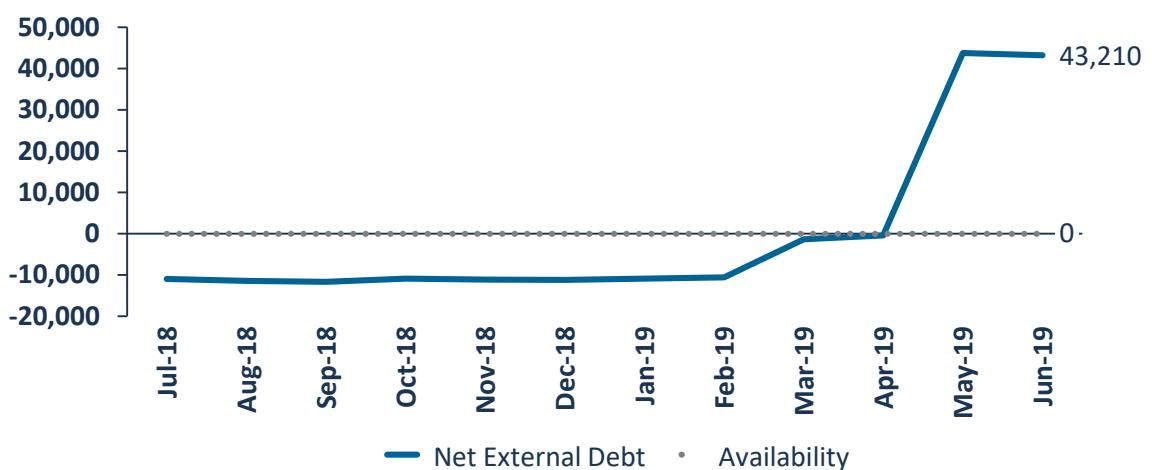
## Order Intake

\$ millions



## Liquidity

\$ millions



- TTM Avg Bookings
- MTD Bookings
- TTM Avg Backlog
- MTD Backlog



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1. YTD actuals + remaining year forecast

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2

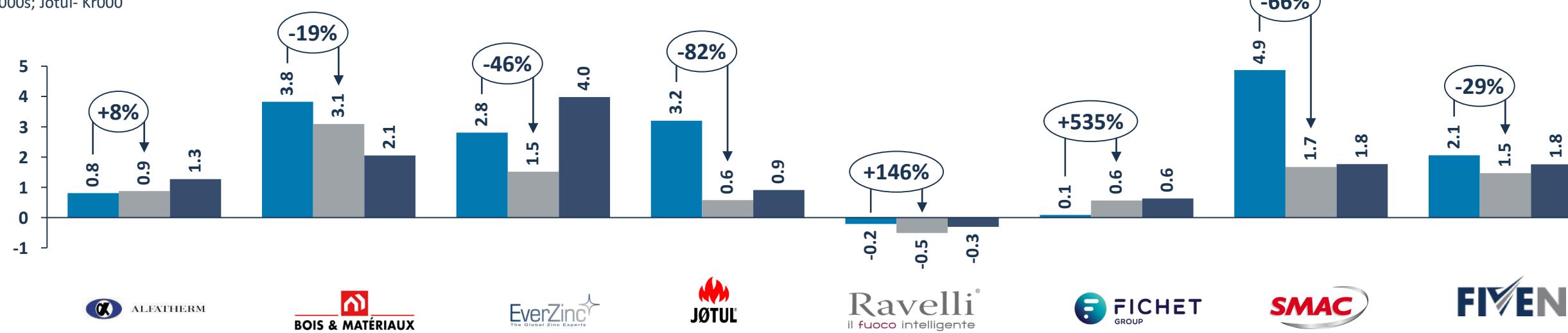
European portfolio update

# Consolidated Europe portfolio EBITDA performance (without IFRS16)

2018A 2019A 2019B

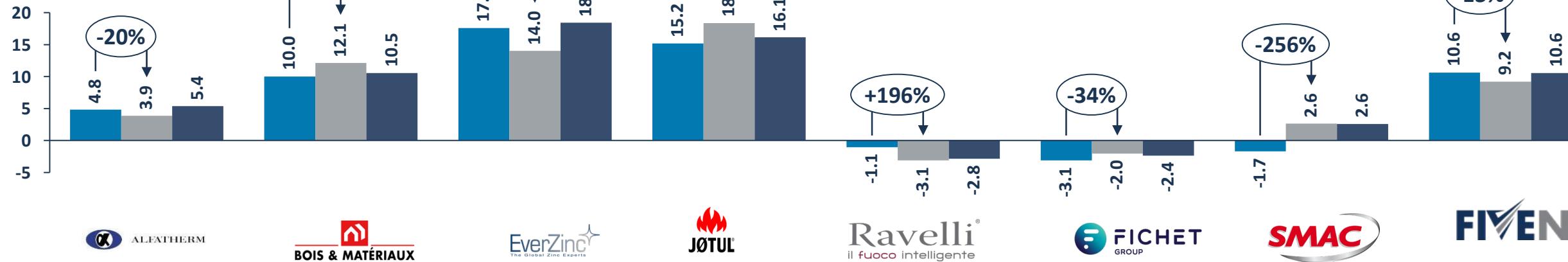
## EBITDA MTD

€ 000s; Jotul- Kr000



## EBITDA YTD

€ millions; Jotul- Krmillions

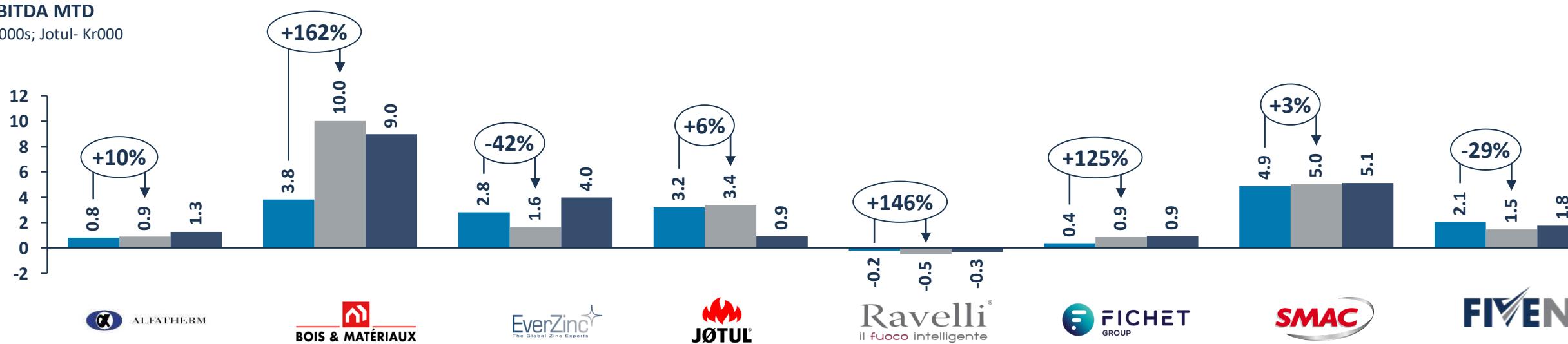


# Consolidated Europe portfolio EBITDA performance (with IFRS 16)

2018A 2019A 2019B

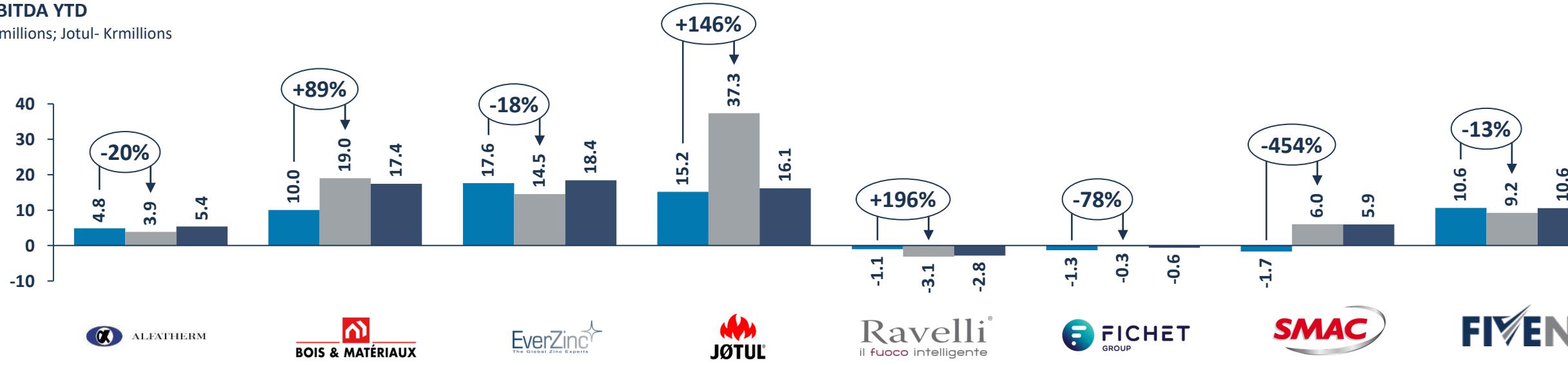
## EBITDA MTD

€ 000s; Jotul- Kr000



## EBITDA YTD

€ millions; Jotul- Krmillions



2.a

Alfatherm



## Executive Summary: Week of 07-24

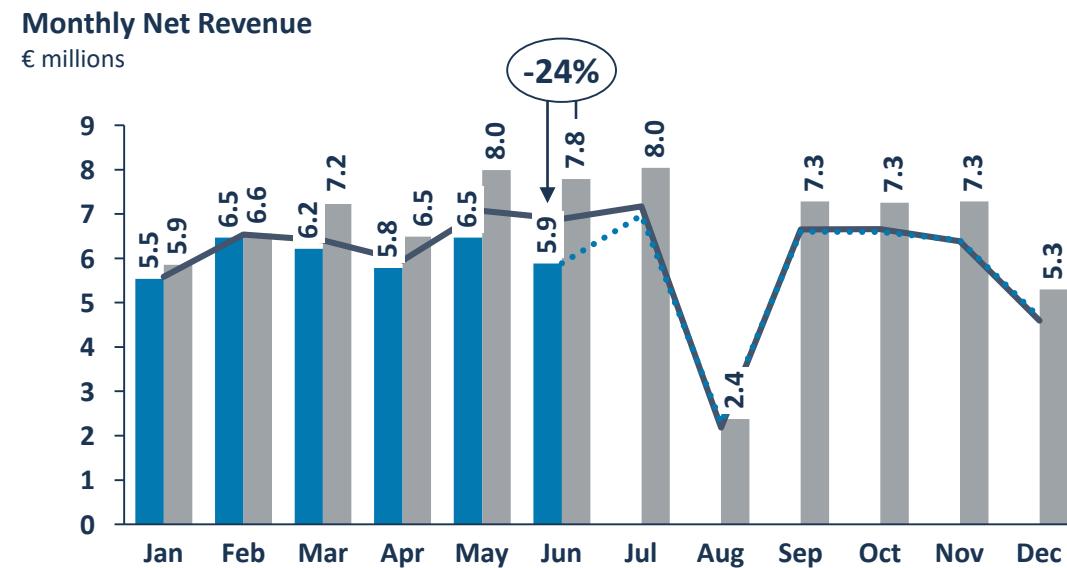
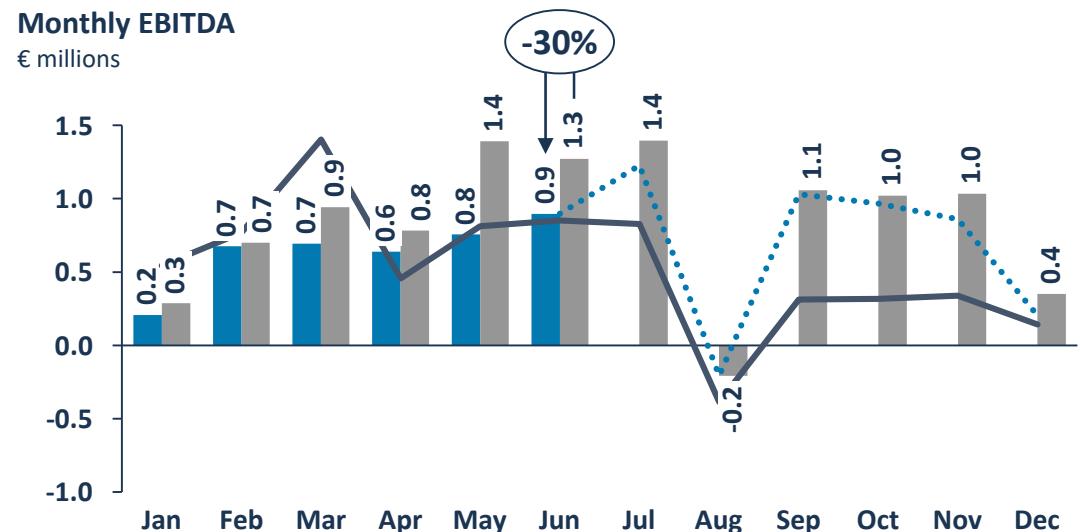
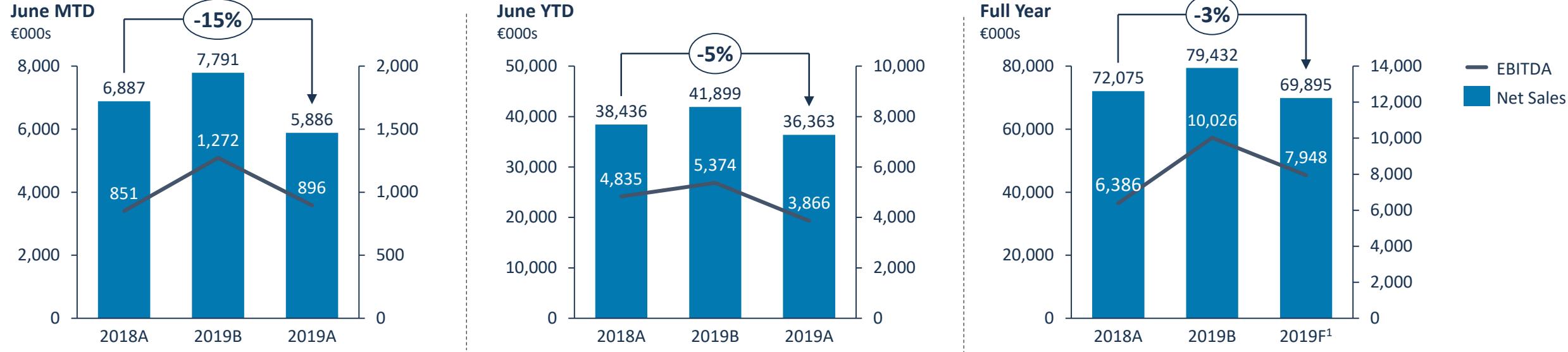
- June Gross Sales reached €6,4M which is below both Budget (-24%) and PY (-13%), with furniture segment (-30% vs. Budget) driven by a manufacturers' shift to polypropylene and a downsizing of the kitchen market. Sleeves business is also down (-15% vs. Budget). Lower activity is also significantly impacted by non quality and important level of rework this month.
- June EBITDA reached €896k which is €-376k or -30% below budget due to the low sales but is improving compared to previous months topping at 15,2% of sales. It is above PY (+5% or +€45k)
- YTD EBITDA with +€3,9M is €-1,5M below Budget and €-1M below PY
- FY EBITDA is forecasted at €7,9M vs. PY at €6.4M and budget at €10M
- The cash situation is extremely stretched. Daily monitoring of the treasury. The management team asked for a cash injection of €3M in September 19
- CFO has resigned and will leave at the end of July. Recruitment for his successor is on-going with Korn Ferry and EIM
- Schatt visit forecasted for 10<sup>th</sup> September
- Meeting with AlixPartners Italy planned for the 24<sup>th</sup> July
- Factories are planned to shut down 3 weeks in August

## Status Update: Project Details

Project	Current Status & Next Steps	Annualized EBITDA Impact (€MM)	
		Projected	Actual
A. Sales Director recruitment	<span>Behind Schedule</span> <ul style="list-style-type: none"><li>Mandate with Korn Ferry – 4 candidates declined offers.</li><li>Reviewing profile expectations</li></ul>	0,3	
B. Inventory	<span>Behind Schedule</span> <ul style="list-style-type: none"><li>Focus on inventory reduction, workshop started to control WIP and improve production scheduling: Cycle counting to be put in place</li></ul>	N/A	N/A
C. Factoring	<span>At Risk</span> <ul style="list-style-type: none"><li>Signature with MB Facta on 2<sup>nd</sup> July</li><li>Working with Duval to get an alternative factoring facility (FactoFrance or Eurofactor)</li></ul>	N/A	N/A
D. Production efficiency	<span>At Risk</span> <ul style="list-style-type: none"><li>Kaizen institute to look at the whole material flow</li><li>Scrap improvement are being recorded but not fully stabilized</li></ul>	0,5	
E. Profitability analysis	<span>On Track</span> <ul style="list-style-type: none"><li>Appointment of Profit Velocity for a multi level profitability analysis (product, customer, etc)</li><li>Data gathering from SAP</li></ul>		



# Monthly financial metrics



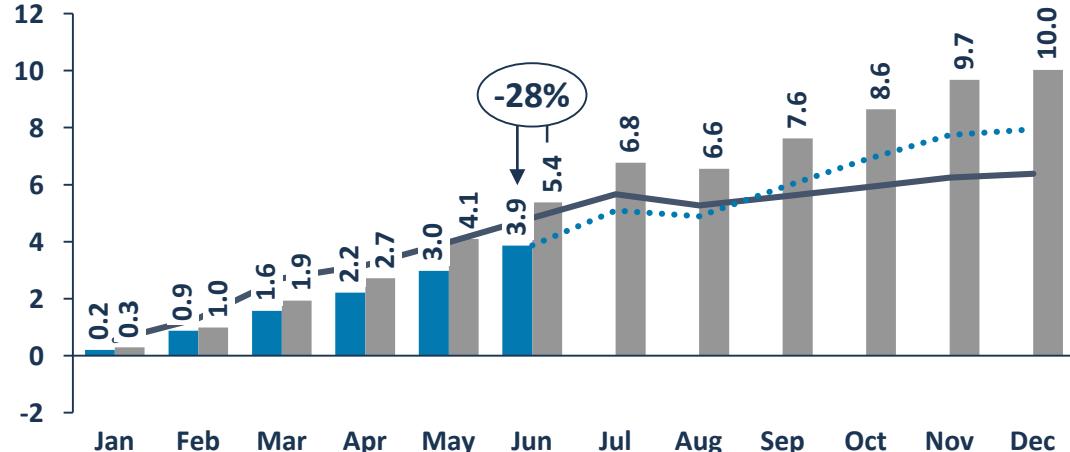


ALFATHERM

# Monthly financial metrics

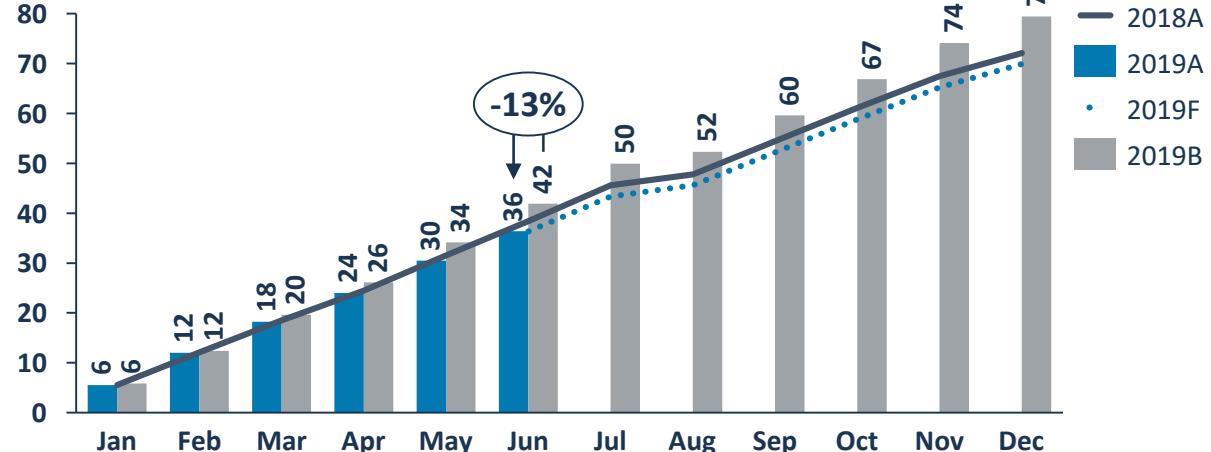
## YTD EBITDA

€ millions



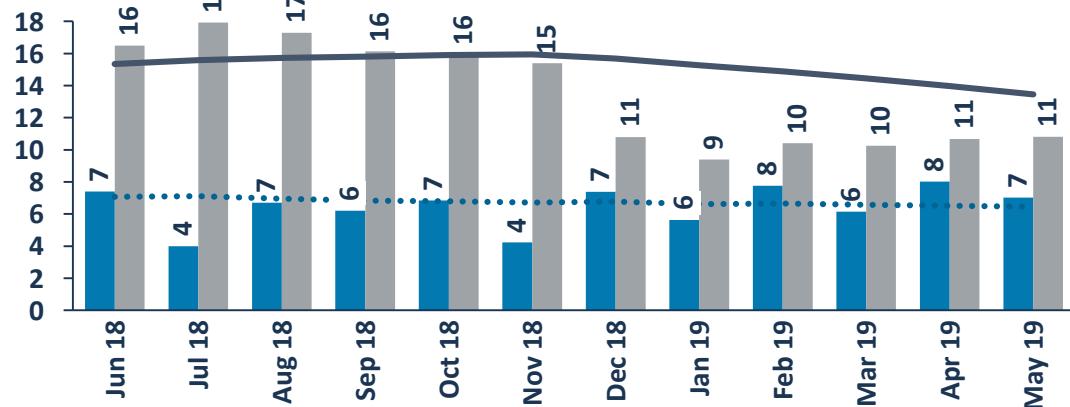
## YTD Revenue

€ millions



## Order Intake

€ millions



- TTM Avg Bookings
- MTD Bookings
- TTM Avg Backlog
- MTD Backlog

## Liquidity

€ millions



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1. YTD actuals + remaining year forecast

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33



€'000s	Currency	Month						YTD						FY						Var									
		MTD		MTD		Var		MTD		MTD		Var		YTD		YTD		Var		YTD		Var		FY		FY		Var	
		Act	Bud	\$	%	PY	€	%	Act	Bud	\$	%	PY	€	%	Act	Bud	\$	%	PY	€	%	Fsct	Bud	\$	%	PY	€	%
Alfatherm S.p.A.	EUR																												
Gross Revenue		€ 6 437	€ 8 522	€ (2 084)	(24,5%)	€ 7 430	€ (993)	(13,4%)	€ 39 726	€ 45 826	€ (6 100)	(13,3%)	€ 41 841	€ (2 115)	(5,1%)	€ 76 345	€ 86 893	€ (10 548)	(12,1%)	€ 78 983	€ (2 638)	(3,3%)							
Adj. to Gross Revenue		€ (552)	€ (731)	179	(24,5%)	€ (543)	€ (8)	1,5%	€ (3 363)	€ (3 927)	564	(14,4%)	€ (3 405)	42	(1,2%)	€ (6 451)	€ (7 461)	1 011	(13,5%)	€ (6 909)	458	(6,6%)							
Net Revenue		5 886	7 791	(1 905)	(24,5%)	6 887	(1 001)	(14,5%)	36 363	41 899	€ (5 535)	(13,2%)	38 436	(2 073)	(5,4%)	69 895	79 432	(9 537)	(12,0%)	72 075	(2 180)	(3,0%)							
Other COGS		730	1 251	(521)	(41,7%)	705	25	3,5%	13 171	7 463	5 708	76,5%	3 926	9 245	235,5%	17 237	14 200	3 037	21,4%	7 872	9 365	119,0%							
Total COGS		4 557	6 016	(1 459)	(24,2%)	5 588	(1 031)	(18,4%)	29 745	33 704	(3 959)	(11,7%)	30 690	(945)	(3,1%)	56 636	63 950	(7 314)	(11,4%)	60 270	(3 633)	(6,0%)							
Gross Margin		1 329	1 775	(446)	(25,1%)	1 298	30	2,3%	6 618	8 195	(1 576)	(19,2%)	7 746	(1 128)	(14,6%)	13 259	15 482	(2 223)	(14,4%)	11 805	1 453	12,3%							
Gross Margin %		22,6%	22,8%			18,9%			18,2%		19,6%			20,2%			19,0%		19,5%			16,4%							
Sales & Marketing		139	186	(46)	(24,9%)	179	(40)	(22,1%)	1 013	1 094	(80)	(7,4%)	1 158	(145)	(12,5%)	1 984	2 111	(127)	(6,0%)	2 200	(217)	(9,8%)							
Administrative		293	291	3	0,9%	249	45	18,0%	1 706	1 571	135	8,6%	1 573	132	8,4%	3 294	3 045	249	8,2%	2 866	428	14,9%							
Total Opex		432	502	(70)	(13,9%)	448	(15)	(3,4%)	2 753	2 820	(68)	(2,4%)	2 912	(159)	(5,5%)	5 311	5 455	(145)	(2,7%)	5 419	(109)	(2,0%)							
EBITDA		896	1 272	(376)	(29,6%)	851	45	5,3%	3 866	5 374	(1 508)	(28,1%)	4 835	(969)	(20,0%)	7 948	10 026	(2 078)	(20,7%)	6 386	1 562	24,5%							
EBITDA %		15,2%	16,3%			12,4%			10,6%		12,8%			12,6%			11,4%		12,6%			8,9%							
Net Income (Loss)		€ (349)	€ 508	€ (857)	(168,6%)	€ (502)	€ 154	(30,6%)	€ (2 905)	€ 130	€ (3 035)	(2335,1%)	€ (1 783)	€ (1 123)	63,0%	€ (3 734)	€ 84	€ (3 819)	(4542,0%)	€ (11 351)	€ 7 617	(67,1%)							
Capex		€ (239)	€ (172)	€ (68)	39,4%	€ (113)	€ (126)	111,1%	€ (658)	€ (1 250)	592	(47,3%)	€ (1 769)	€ 1 110	(62,8%)	€ (2 964)	€ (2 920)	€ (44)	1,5%	€ (2 446)	€ (518)	21,2%							





## Balance Sheet

€'000s	Alfatherm S.p.A.	Currency EUR	Mar-19	Apr-19	May-19	Jun-19	Variance LM	
			Act	Act	Act	Act	€	%
<b><u>Current Assets</u></b>								
Cash and cash equivalents	€ 1 063	€ 848	€ 646	€ 776	€ (130)	(16,8%)		
Short term investments	–	–	–	–	–	–	0,0%	
<i>Accounts receivable, gross</i>	12 678	12 446	14 004	14 727	(723)	(4,9%)		
<i>Accounts receivable, reserves</i>	(1 351)	(1 368)	(1 370)	(1 387)	17	(1,2%)		
Accounts receivable, net	11 327	11 078	12 634	13 340	(706)	(5,3%)		
<i>Inventory, gross</i>	17 127	17 129	17 352	17 506	(153)	(0,9%)		
<i>Inventory, reserves</i>	(4 459)	(4 459)	(4 459)	(4 459)	–	0,0%		
Inventory, net	12 669	12 670	12 894	13 047	(153)	(1,2%)		
Other current assets	2 243	2 441	2 690	2 549	141	5,5%		
<b>Total Current Assets</b>	<b>27 302</b>	<b>27 037</b>	<b>28 863</b>	<b>29 713</b>	<b>(849)</b>	<b>(2,9%)</b>		
<b><u>Non-Current Assets</u></b>								
Property, plant & equipment, net	33 278	33 091	32 847	32 751	96	0,3%		
Goodwill	21 636	21 636	21 636	21 636	(0)	(0,0%)		
Other non-current assets	192	192	187	187	0	0,0%		
<b>Total Non-Current Assets</b>	<b>57 693</b>	<b>57 506</b>	<b>57 257</b>	<b>57 212</b>	<b>46</b>	<b>0,1%</b>		
<b>Total Assets</b>	<b>€ 84 995</b>	<b>€ 84 543</b>	<b>€ 86 121</b>	<b>€ 86 924</b>	<b>€ (803)</b>	<b>(0,9%)</b>		
<b><u>Current Liabilities</u></b>								
Accounts payable	22 999	23 269	23 353	23 351	2	0,0%		
Accrued liabilities	2 601	2 719	2 822	3 391	(569)	(16,8%)		
Other current liabilities	912	776	654	705	(52)	(7,3%)		
<b>Total Current Liabilities</b>	<b>38 889</b>	<b>38 753</b>	<b>40 610</b>	<b>42 085</b>	<b>(1 476)</b>	<b>(3,5%)</b>		
<b><u>Long-term liabilities</u></b>								
Deferred income taxes	994	994	994	994	0	0,0%		
Deferred liabilities	2 552	2 551	2 556	2 664	(108)	(4,0%)		
Other non-current liabilities	4 054	4 044	4 024	3 826	198	5,2%		
<b>Total Long-Term Liabilities</b>	<b>27 982</b>	<b>23 012</b>	<b>23 036</b>	<b>22 713</b>	<b>324</b>	<b>1,4%</b>		
<b>Total Liabilities</b>	<b>66 871</b>	<b>61 765</b>	<b>63 646</b>	<b>64 798</b>	<b>(1 152)</b>	<b>(1,8%)</b>		
<b>Total Shareholders' Equity</b>	<b>18 124</b>	<b>22 779</b>	<b>22 475</b>	<b>22 126</b>	<b>349</b>	<b>1,6%</b>		
<b>Total Liabilities and Shareholders' Equity</b>	<b>€ 84 995</b>	<b>€ 84 543</b>	<b>€ 86 121</b>	<b>€ 86 924</b>	<b>€ (803)</b>	<b>(0,9%)</b>		
<i>Memo:</i>								
<b>Net Working Capital</b>	<b>€ 26 239</b>	<b>€ 26 189</b>	<b>€ 28 217</b>	<b>€ 28 936</b>	<b>€ (719)</b>	<b>(2,5%)</b>		
<b>Total Net External Debt</b>	<b>€ 23 383</b>	<b>€ 23 014</b>	<b>€ 24 817</b>	<b>€ 25 609</b>	<b>€ (792)</b>	<b>(3,1%)</b>		





## Cash Flow

All numbers shown are in K€

## Forecast 2019

	2018	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	2019
	Actual	Forecast												
Inventories (gross value)	15.981	16.794	17.293	17.300	17.286	17.269	17.194	17.227	17.260	17.294	17.327	17.360	17.194	17.194
Trade account receivables	9.369	11.135	10.385	11.327	11.078	12.634	13.340	14.062	11.512	11.749	10.514	10.280	8.645	8.645
Trade account payables	-22.880	-24.565	-22.305	-22.999	-23.269	-23.353	-23.351	-22.479	-19.938	-20.127	-18.056	-19.487	-18.261	-18.261
<b>Total Trade Working Capital</b>	<b>2.470</b>	<b>3.364</b>	<b>5.373</b>	<b>5.628</b>	<b>5.095</b>	<b>6.549</b>	<b>7.182</b>	<b>8.809</b>	<b>8.835</b>	<b>8.916</b>	<b>9.785</b>	<b>8.154</b>	<b>7.578</b>	<b>7.578</b>
<b>EBITDA</b>	<b>6.418</b>	<b>207</b>	<b>675</b>	<b>692</b>	<b>639</b>	<b>757</b>	<b>896</b>	<b>1.226</b>	<b>-206</b>	<b>1.031</b>	<b>967</b>	<b>860</b>	<b>204</b>	<b>7.948</b>
Change in gross inventories	-267	-812	-499	-7	14	17	75	-33	-33	-33	-33	-33	167	-1.212
Change in Receivables	3.002	-1.767	750	-942	249	-1.556	-706	-722	2.549	-237	1.235	234	1.634	723
Change in Payables	-2.811	1.501	-2.443	511	270	84	-2	-872	-2.542	190	-2.071	1.431	-1.226	-5.169
<b>Total TWC Changes</b>	<b>-75</b>	<b>-1.078</b>	<b>-2.192</b>	<b>-438</b>	<b>533</b>	<b>-1.454</b>	<b>-633</b>	<b>-1.627</b>	<b>-26</b>	<b>-81</b>	<b>-869</b>	<b>1.632</b>	<b>575</b>	<b>-5.658</b>
Change in Other current assets	154	14	-218	-284	-203	-249	141	0	0	0	0	0	0	-799
Change in Other Current Liabilities	485	649	-340	15	180	300	312	-1.771	-381	-209	-42	-121	-354	-1.762
<b>Total Other Working Capital</b>	<b>639</b>	<b>663</b>	<b>-558</b>	<b>-269</b>	<b>-24</b>	<b>52</b>	<b>453</b>	<b>-1.771</b>	<b>-381</b>	<b>-209</b>	<b>-42</b>	<b>-121</b>	<b>-354</b>	<b>-2.562</b>
Capex	-2.910	-41	-51	-88	-148	-91	-239	-500	-500	-355	-200	-500	-251	-2.964
R&D Costs	-1.905	-99	-135	-183	-183	-183	-283	-183	-83	-133	-133	-133	-133	-1.866
Payment of TFR	-966	-7	-31	35	-9	-20	-54	-13	-15	-13	-13	-13	-13	-165
Payment of other provisions	-284	-47	-23	23	0	0	-144	0	0	0	0	0	0	-191
Other Operating Cash Flow	-2.110	-320	-199	-228	-318	-623	-639	-285	-147	-210	-220	-217	-180	-3.587
<b>Total Operating Cash Flow</b>	<b>-1.194</b>	<b>-722</b>	<b>-2.515</b>	<b>-455</b>	<b>490</b>	<b>-1.563</b>	<b>-644</b>	<b>-3.152</b>	<b>-1.359</b>	<b>30</b>	<b>-510</b>	<b>1.508</b>	<b>-152</b>	<b>-9.044</b>
Restructuring cash out	-3.633	-72	-196	-17	-24	-154	-7	0	-37	0	-37	0	3	-539
Tax	-187	0	23	-23	0	0	-38	-1	6	0	0	0	-118	-152
Fiscal moratorium debt repayment	-854	-1	5	5	-1	5	0	-6	0	0	-6	0	-244	-243
Financial Interests	-763	-38	-45	-94	-56	-41	-409	4	4	-126	4	4	-394	-1.186
<b>Total non-recurring items</b>	<b>6.000</b>	<b>6.000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>82</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6.082</b>
<b>Total Non-Operating Cash Flow</b>	<b>563</b>	<b>5.889</b>	<b>-212</b>	<b>-129</b>	<b>-81</b>	<b>-190</b>	<b>-371</b>	<b>-3</b>	<b>-27</b>	<b>-126</b>	<b>-38</b>	<b>4</b>	<b>-754</b>	<b>3.962</b>
<b>Total Cash flow before finance</b>	<b>-631</b>	<b>5.166</b>	<b>-2.727</b>	<b>-584</b>	<b>409</b>	<b>-1.753</b>	<b>-1.015</b>	<b>-3.155</b>	<b>-1.386</b>	<b>-96</b>	<b>-548</b>	<b>1.513</b>	<b>-906</b>	<b>-5.082</b>
Paydown of leasing	-208	-12	0	0	0	0	-21	-4	-4	-4	-4	-4	-4	-54
Paydown of long term debt	-1.700	-12	0	0	0	0	-21	-4	-4	-4	-4	-4	-4	0
Cash flow from Short Term NFP	2.539	-5.154	2.727	584	-409	1.753	1.036	3.159	1.390	99	552	-1.509	910	5.136
<b>Cash Flow from Total NFP</b>	<b>631</b>	<b>-5.166</b>	<b>2.727</b>	<b>584</b>	<b>-409</b>	<b>1.753</b>	<b>1.015</b>	<b>3.155</b>	<b>1.386</b>	<b>96</b>	<b>548</b>	<b>-1.513</b>	<b>906</b>	<b>5.082</b>
<b>Start Total NFP</b>	<b>-23.813</b>	<b>-24.938</b>	<b>-20.029</b>	<b>-22.802</b>	<b>-23.383</b>	<b>-23.014</b>	<b>-24.817</b>	<b>-25.608</b>	<b>-28.851</b>	<b>-30.325</b>	<b>-30.379</b>	<b>-31.015</b>	<b>-29.590</b>	<b>-24.938</b>
<b>Change in Total NFP</b>	<b>-631</b>	<b>5.166</b>	<b>-2.727</b>	<b>-584</b>	<b>409</b>	<b>-1.753</b>	<b>-1.015</b>	<b>-3.155</b>	<b>-1.386</b>	<b>-96</b>	<b>-548</b>	<b>1.513</b>	<b>-906</b>	<b>-5.082</b>
Short term debt	-9.794	-8.767	-7.996	-9.002	-8.378	-9.929	-11.074	-13.823	-15.228	-15.306	-15.854	-14.343	-15.240	-15.240
Positive balance on banks account	217	4.139	640	1.063	848	646	776	370	389	371	371	372	363	363
<b>Short term debt net</b>	<b>-9.578</b>	<b>-4.628</b>	<b>-7.355</b>	<b>-7.939</b>	<b>-7.530</b>	<b>-9.283</b>	<b>-10.298</b>	<b>-13.453</b>	<b>-14.839</b>	<b>-14.935</b>	<b>-15.483</b>	<b>-13.970</b>	<b>-14.876</b>	<b>-14.876</b>
Leasing per IAS 17	-18	-5	-5	-5	-5	-5	-99	-96	-92	-89	-85	-82	-78	-78
Long TermDebt	-15.061	-15.061	-15.061	-15.061	-15.061	-15.061	-15.061	-15.061	-15.061	-15.061	-15.061	-15.061	-15.061	-15.061
<b>Long term debt net</b>	<b>-15.079</b>	<b>-15.067</b>	<b>-15.067</b>	<b>-15.067</b>	<b>-15.067</b>	<b>-15.067</b>	<b>-15.161</b>	<b>-15.157</b>	<b>-15.154</b>	<b>-15.150</b>	<b>-15.147</b>	<b>-15.143</b>	<b>-15.140</b>	<b>-15.140</b>
Accrued interests on short term	-85	-99	-105	-62	-62	-72	-82	-133	-184	-106	-157	-208	-102	-102
Accrued interests on long term	-195	-235	-275	-315	-355	-395	-68	-108	-148	-188	-228	-268	-67	-67
<b>End Total NFP</b>	<b>-24.938</b>	<b>-20.029</b>	<b>-22.802</b>	<b>-23.383</b>	<b>-23.014</b>	<b>-24.817</b>	<b>-25.608</b>	<b>-28.851</b>	<b>-30.325</b>	<b>-30.379</b>	<b>-31.015</b>	<b>-29.590</b>	<b>-30.185</b>	<b>-30.185</b>
Factoring without recourse	-8.558	-8.632	-9.149	-8.792	-8.178	-7.888	-8.124	-8.517	-7.434	-7.718	-7.718	-7.218	-6.618	-6.618
<b>NFP + Factoring without recourse</b>	<b>-33.496</b>	<b>-28.662</b>	<b>-31.951</b>	<b>-32.175</b>	<b>-31.192</b>	<b>-32.705</b>	<b>-33.733</b>	<b>-37.368</b>	<b>-37.759</b>	<b>-38.097</b>	<b>-38.733</b>	<b>-36.808</b>	<b>-36.803</b>	<b>-36.803</b>
Working capital lines	11.343	11.343	11.343	11.343	11.343	11.343	13.343	13.343	13.343	13.343	13.343	13.343	13.343	13.343
Closing short term net financial position	-9.794	-8.767	-7.996	-9.002	-8.378	-9.929	-11.074	-13.823	-15.228	-15.306	-15.854	-14.343	-15.240	-15.240
Guarantees	-650	-650	-650	-650	-650	-650	-650	-650	-650	-650	-650	-650	-650	-650
<b>Unused working capital lines</b>	<b>2.827</b>	<b>1.926</b>	<b>2.697</b>	<b>1.691</b>	<b>2.315</b>	<b>764</b>	<b>1.619</b>	<b>-1.130</b>	<b>-2.535</b>	<b>-2.613</b>	<b>-3.161</b>	<b>-1.650</b>	<b>-2.547</b>	<b>-2.547</b>
Estimated usable receivables	480	1.919	1.583	623	895	907	314	300	100	300	300	300	300	300
Positive balance on banks accounts	217	4.139	640	1.063	848	646	776	370	389	371	372	363	363	363
<b>Liquidity</b>	<b>697</b>	<b>6.058</b>	<b>2.223</b>	<b>1.686</b>	<b>1.743</b>	<b>1.410</b>	<b>1.090</b>	<b>-760</b>	<b>-2.146</b>	<b>-2.242</b>	<b>-2.790</b>	<b>-1.277</b>	<b>-2.183</b>	<b>-2.183</b>
Change in accrued interests not paid in NFP	-54	-46	3	-40	-50	318	-91	-91	38	-91	-91	307	111	



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B&M

## Executive Summary: Week of 07-24

- Strong level of sales continues in June with €55.7M, -5.9% vs PY due to 2 days less of trade (like-for-like growth was +4.7%) and +2.8% versus budget. In June the strong top line performance was obtained with a strong gross margin rate of 29.7% vs 29.9% PY and 29.6% in the budget. ReseauPro achieved market share gains, while PanoFrance market share remains stable
- Overall market of residential construction in France continues to decline although at a lower pace than in previous months (12 months rolling: order book of builders -4.8%, new housing permits -8.6%, new housing starts -4.5%). Negative B&M sales impact expected in Q4.
- YTD Sales at €327M, +3.7% above PY and +3.7% above budget
- June like-for-like EBITDA with +€3.1M was -€0.8M below PY due to the lesser trading days and +€1M above budget pushed by higher sales levels and lower OPEX; IFRS 16 impact pushed reported EBITDA by €6.9M to €10M
- YTD like-for-like EBITDA with +€12.1M was +€1.9M above PY and +€1.6M above budget; IFRS 16 impact pushed reported YTD EBITDA by +€6.9M to €19M
- FY EBITDA outlook remained at €19.0M versus PY at €15.7M and budget at €18.1 due to higher sales; IFRS 16 impact will push reported YTD EBITDA by +€13.7M to €32.8M
- Current trading: Sales in July after 14 days out of 23 stands at €40.9M, +6.5% above PY and +5.4% above budget; margin rate is at 19.1% versus 18.7% in PY and 19.2% in budget
- Exit process: (1) CRH was sold told to Blackstone, (2) Saint Gobain expressed interest in buying the PanoFrance network; an NDA is in progress based on which some info exchange follows leading to an expected non-binding offer in August

## Status Update: Project Details

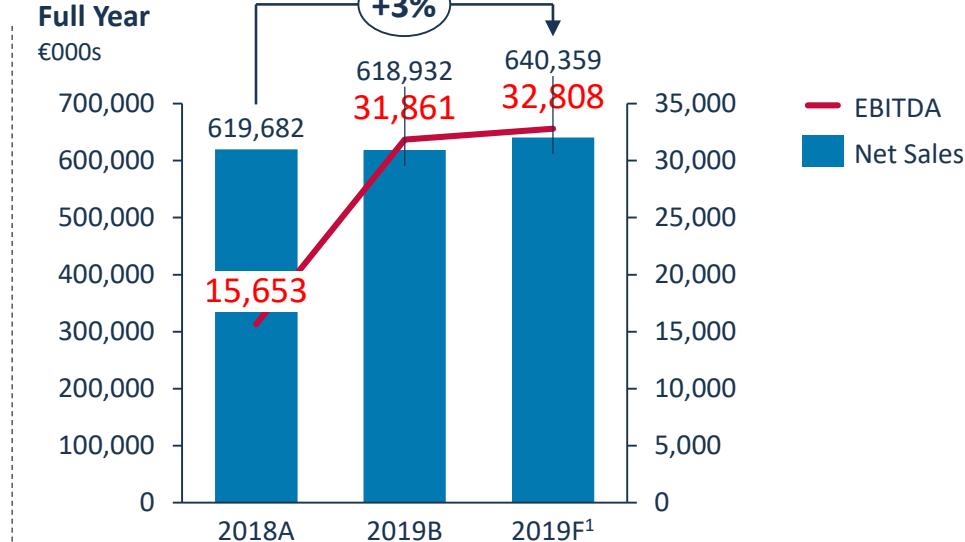
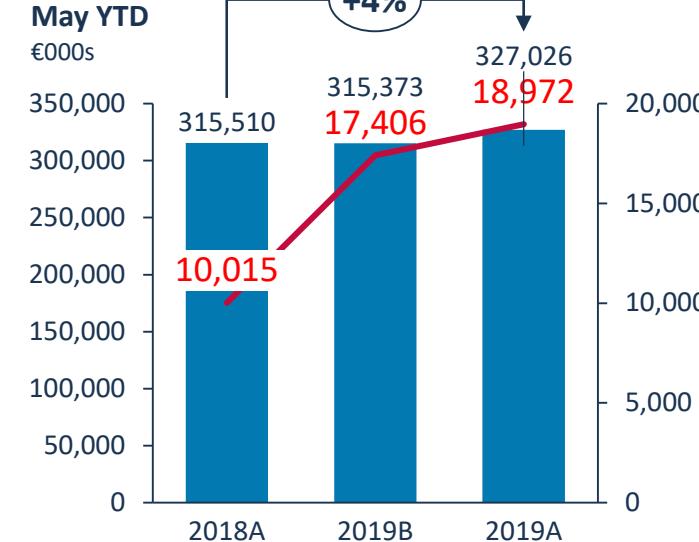
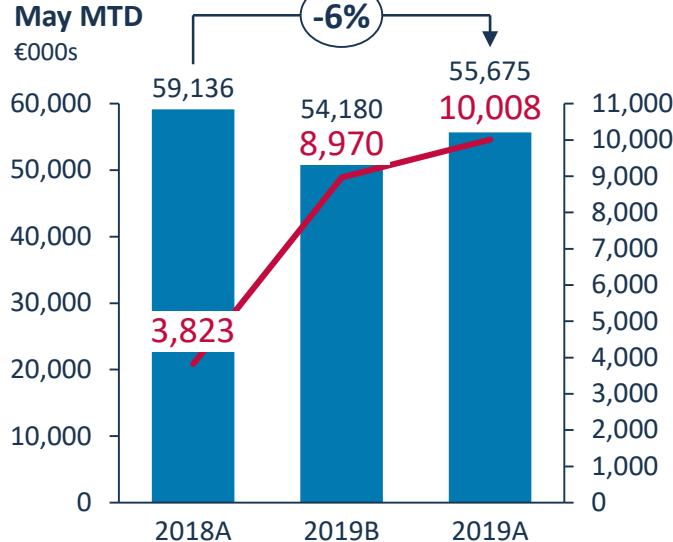
Project	Current Status & Next Steps	Annualized EBITDA Impact (\$MM)	
		Projected	Actual
A. Exit process	 <ul style="list-style-type: none"> <li>Saint Gobain expressed interest in buying the PanoFrance network; an NDA is in progress based on which some info exchange follows leading to an expected non-binding offer in August</li> </ul>	TBD	TBD
B. Split of PanoFrance network to increase exit options	 <ul style="list-style-type: none"> <li>Next step is to prepare 2 main scenarios with its respective tax implications by law firm BDGS and split of financials (P&amp;L and Balance Sheet) by end July</li> <li>Prepare step plan until September to be executed until Q1-2020</li> </ul>	TBD	TBD
C. Increase of management fees	 <ul style="list-style-type: none"> <li>Increase of management fees from €1.25M p.a. to €1.6M; risk to trigger acceleration of Wolesely vendor loan due to violation of covenants</li> </ul>	TBD	TBD



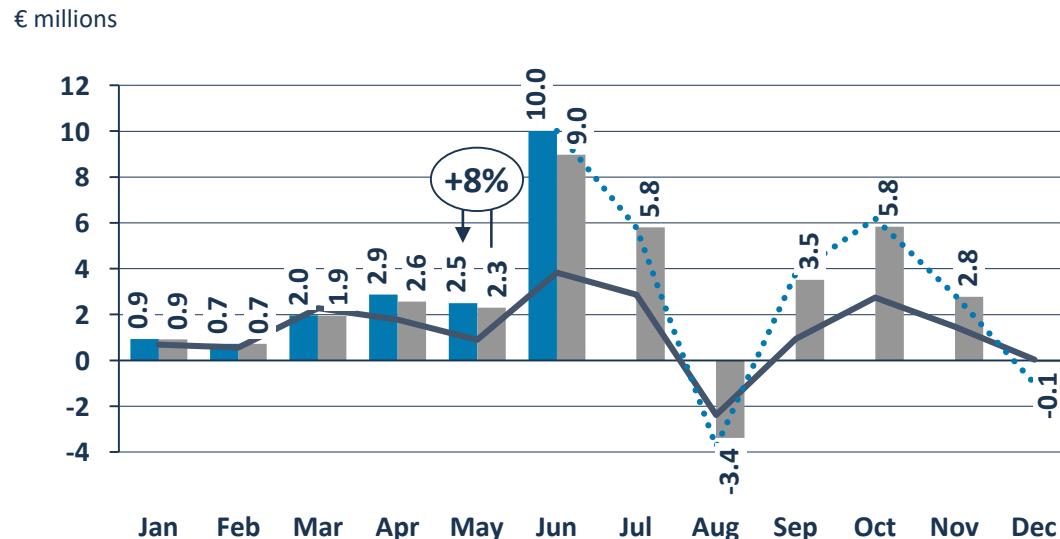


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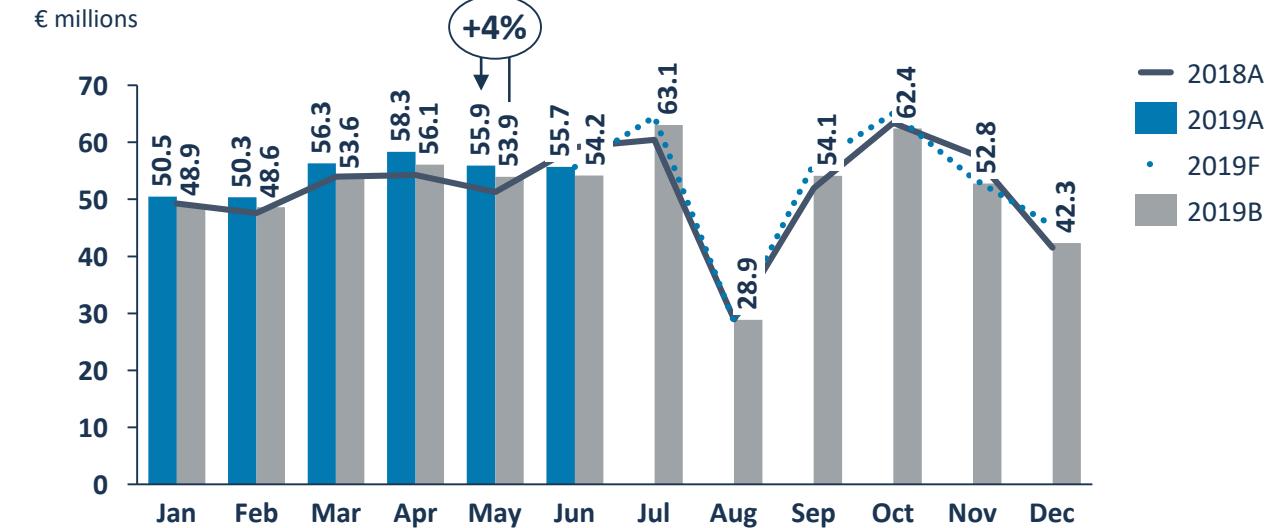
## Monthly financial metrics



## Monthly EBITDA



## Monthly Net Revenue



OPENGATE CAPITAL

1. YTD actuals + remaining year forecast

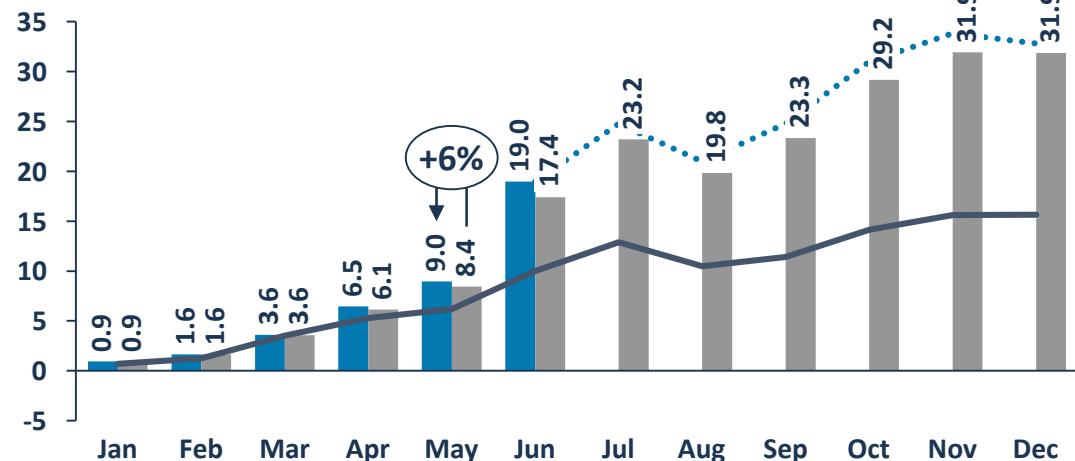
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39

## Monthly financial metrics

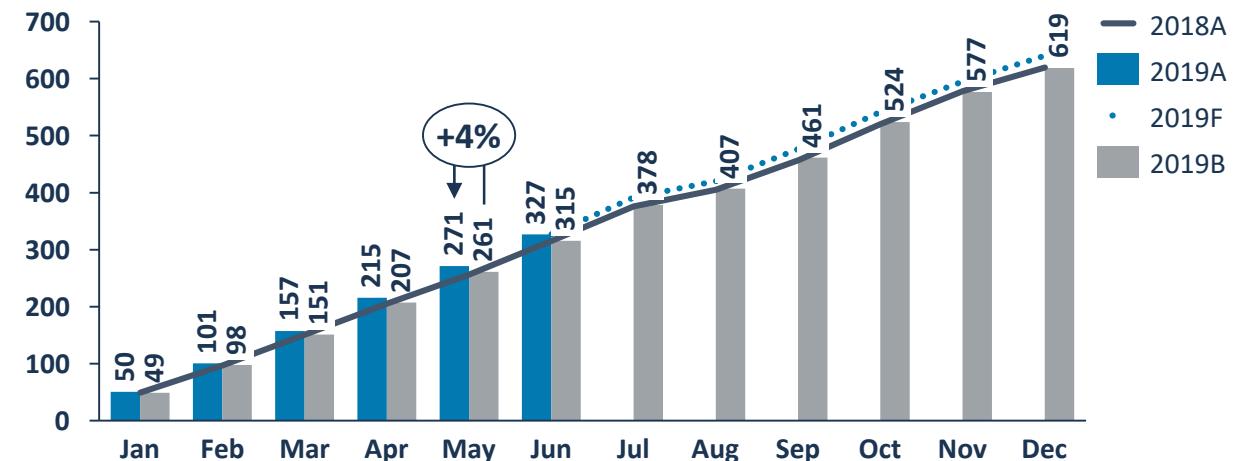
**YTD EBITDA**

€ millions



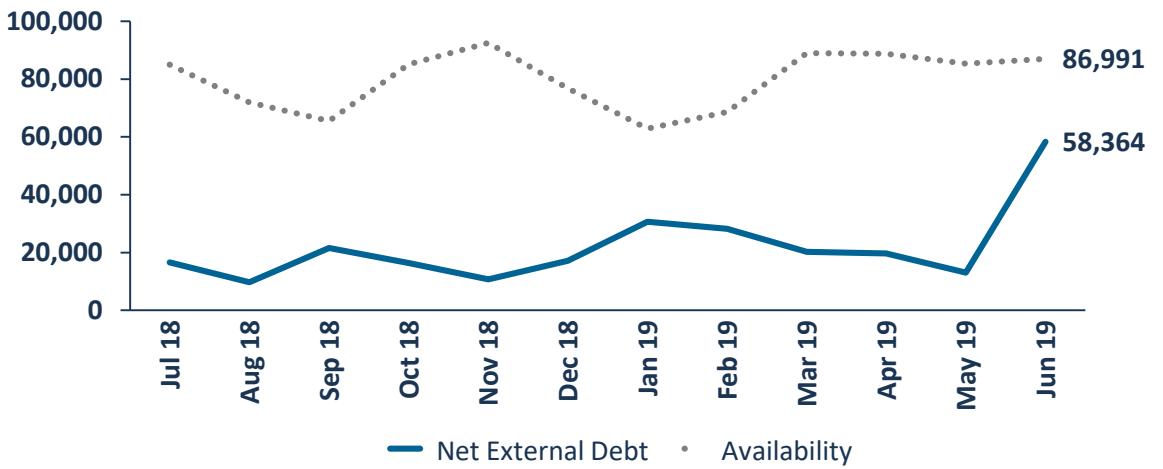
**YTD Revenue**

€ millions



**Liquidity**

€ millions





€'000s	MTD		MTD		Var		MTD		Var		YTD		YTD		Var		YTD		Var		FY		FY		Var		FY		Var	
	Bois & Materiaux	Act	Bud	\$	%	PY	€	%	Act	Bud	\$	%	PY	€	%	Act	Bud	\$	%	Fsct	Bud	\$	%	PY	€	%				
Gross Revenue	€ 56,010	\$ 54,639	€ 1,371	2.5%	€ 60,807	€ (4,798)	(7.9%)	€ 330,154	€ 318,439	€ 11,715	3.7%	€ 319,102	€ 11,052	3.5%	€ 645,447	€ 623,964	€ 21,483	3.4%	€ 624,831	€ 20,615	3.3%									
Adj. to Gross Revenue	(335)	(459)	124	(27.1%)	(1,671)	1,337	(80.0%)	(3,128)	(3,066)	(61)	2.0%	(3,592)	464	(12.9%)	(5,087)	(5,032)	(55)	1.1%	(5,149)	62	(1.2%)									
Net Revenue	55,675	54,180	1,495	2.8%	59,136	(3,461)	(5.9%)	327,026	315,373	11,653	3.7%	315,510	11,516	3.7%	640,359	618,932	21,428	3.5%	619,682	20,677	3.3%									
Other COGS	39,113	38,144	968	2.5%	41,463	(2,350)	(5.7%)	232,132	222,315	9,817	4.4%	222,108	10,024	4.5%	455,735	437,030	18,705	4.3%	439,836	15,899	3.6%									
Total COGS	39,113	38,144	968	2.5%	41,463	(2,350)	(5.7%)	232,132	222,315	9,817	4.4%	222,108	10,024	4.5%	455,735	437,030	18,705	4.3%	439,836	15,899	3.6%									
Gross Margin	16,562	16,035	527	3.3%	17,673	(1,110)	(6.3%)	94,894	93,058	1,836	2.0%	93,402	1,492	1.6%	184,624	181,901	2,723	1.5%	179,847	4,778	2.7%									
Gross Margin %	29.7%	29.6%			29.9%			29.0%	29.5%			29.6%			28.8%	29.4%			29.0%											
Sales & Marketing	11,320	11,622	(302)	(2.6%)	11,933	(614)	(5.1%)	69,302	68,635	667	1.0%	70,362	(1,060)	(1.5%)	136,805	136,129	675	0.5%	138,794	(1,989)	(1.4%)									
Administrative	(4,766)	(4,556)	(210)	4.6%	1,916	(6,682)	(348.7%)	6,620	7,017	(397)	(5.7%)	13,025	(6,405)	(49.2%)	15,012	13,911	1,102	7.9%	25,400	(10,388)	(40.9%)									
Total Opex	6,554	7,066	(512)	(7.2%)	13,850	(7,296)	(52.7%)	75,922	75,652	270	0.4%	83,387	(7,465)	(9.0%)	151,817	150,040	1,777	1.2%	164,193	(12,377)	(7.5%)									
EBITDA	10,008	8,970	1,039	11.6%	3,823	6,185	161.8%	18,972	17,406	1,566	9.0%	10,015	8,957	89.4%	32,808	31,861	946	3.0%	15,653	17,154	109.6%									
EBITDA %	18.0%	16.6%			6.5%			5.8%	5.5%			3.2%			5.1%	5.1%			2.5%											
Net Income (Loss)	€ 1,624	\$ 578	\$ 1,046	180.8%	€ 2,799	€ (1,176)	(42.0%)	€ 4,801	€ 3,042	€ 1,759	57.8%	€ 3,884	€ 916	23.6%	€ 3,155	€ 2,440	€ 715	29.3%	€ 1,744	€ 1,411	80.9%									
Capex	€ (855)	\$ (2,315)	\$ 1,460	(63.1%)	€ (445)	€ (410)	92.0%	€ (3,880)	€ (10,891)	€ 7,011	(64.4%)	€ (1,671)	€ (2,209)	132.2%	€ (15,271)	€ (16,641)	€ 1,370	(8.2%)	€ (14,329)	€ (942)	6.6%									





# Balance Sheet

Bois & Materiaux	€'000s	Jun-18		Mar-19		Apr-19		May-19		Jun-19		Variance LM	
		Act	Act	Act	Act	Act	Act	Act	Act	€	%		
<b>Current Assets</b>													
Cash and cash equivalents	€ 19,895	€ 17,913	€ 21,082	€ 23,244	€ 20,293	€ 2,951						14.5%	
Accounts receivable, net	109,494	104,585	111,479	104,513	106,545	(2,032)						(1.9%)	
Inventory, net	93,561	92,217	92,282	91,454	92,680	(1,226)						(1.3%)	
Prepaid expenses and other current assets	3,539	3,590	3,248	2,125	1,887	238						12.6%	
Other current assets	4,915	2,994	2,951	2,943	2,931	12						0.4%	
<b>Total Current Assets</b>	<b>231,404</b>	<b>221,299</b>	<b>231,042</b>	<b>224,279</b>	<b>224,337</b>	<b>(57)</b>	<b>(0.0%)</b>						
<b>Non-Current Assets</b>													
Property, plant & equipment, net	29,910	35,050	34,679	34,532	77,492	(42,959)						(55.4%)	
Identifiable intangible assets, net	4,323	6,934	7,077	7,292	7,499	(206)						(2.8%)	
Deferred tax asset	8,339	8,454	8,454	8,454	8,454	–						0.0%	
Other non-current assets	–	–	–	–	–	–						0.0%	
<b>Total Non-Current Assets</b>	<b>42,572</b>	<b>50,439</b>	<b>50,210</b>	<b>50,279</b>	<b>93,445</b>	<b>(43,166)</b>	<b>(46.2%)</b>						
<b>Total Assets</b>	<b>€ 273,976</b>	<b>€ 271,737</b>	<b>€ 281,252</b>	<b>€ 274,558</b>	<b>€ 317,781</b>	<b>€ (43,223)</b>	<b>(13.6%)</b>						
<b>Current Liabilities</b>													
Current portion of long-term debt	€ 6,513	€ 2,401	€ 5,181	€ 762	€ -	€ 762						0.0%	
Accounts payable	100,925	101,052	107,818	104,706	104,947	(241)						(0.2%)	
Accrued liabilities	–	–	–	–	–	–						0.0%	
Income taxes payable	–	–	–	–	–	–						0.0%	
Other current liabilities	27,168	27,521	26,187	25,647	24,484	1,163						4.8%	
<b>Total Current Liabilities</b>	<b>134,606</b>	<b>130,974</b>	<b>139,185</b>	<b>131,115</b>	<b>129,431</b>	<b>1,684</b>	<b>1.3%</b>						
<b>Long-term liabilities</b>													
Vendor loan & Capital lease	13,729	17,216	16,955	16,906	59,995	(43,089)						(71.8%)	
Debt owing to OpenGate	12,302	12,571	12,600	12,630	12,660	(29)						(0.2%)	
<b>Total Long-Term Liabilities</b>	<b>61,715</b>	<b>64,497</b>	<b>64,162</b>	<b>64,185</b>	<b>107,468</b>	<b>(43,283)</b>	<b>(40.3%)</b>						
<b>Total Liabilities</b>	<b>196,321</b>	<b>195,470</b>	<b>203,347</b>	<b>195,299</b>	<b>236,899</b>	<b>(41,599)</b>	<b>(17.6%)</b>						
<b>Total Shareholders' Equity</b>	<b>77,654</b>	<b>76,267</b>	<b>77,905</b>	<b>79,259</b>	<b>80,883</b>	<b>(1,624)</b>	<b>(2.0%)</b>						
<b>Total Liabilities and Shareholders' Equity</b>	<b>€ 273,976</b>	<b>€ 271,737</b>	<b>€ 281,252</b>	<b>€ 274,558</b>	<b>€ 317,781</b>	<b>€ (43,223)</b>	<b>(13.6%)</b>						

Memo:

Net Working Capital	€ 211,509	€ 203,386	€ 209,960	€ 201,035	€ 204,043	€ (3,008)	(1.5%)
Total Net Debt	€ 30,805	€ 32,810	€ 32,232	€ 25,675	€ 71,024	€ (45,349)	(63.9%)

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## Cash Flow

	December N-1	January	February	March	April	May	June	July	August	September	October	November	December	YTD	FY	Budget
Inventories	89 777	90 389	91 689	92 217	92 282	91 454	92 680	92 604	91 139	92 171	91 572	90 692	89 210	92 680	89 210	88 984
AR	98 492	101 775	109 089	104 585	111 479	104 513	106 545	123 187	77 932	94 717	122 579	110 994	104 144	106 545	104 144	93 986
Other current assets & CICE	7 878	6 288	6 130	6 584	6 199	5 068	4 818	4 818	4 818	2 830	2 480	2 480	2 480	4 818	2 480	3 930
AP	(96 563)	(85 405)	(97 001)	(101 052)	(107 818)	(104 706)	(104 947)	(112 953)	(85 597)	(84 710)	(110 026)	(107 538)	(100 136)	(104 947)	(100 136)	(86 432)
Other Current Liabilities & Provision	(28 176)	(28 026)	(27 618)	(27 521)	(26 187)	(25 647)	(24 484)	(23 186)	(20 712)	(23 516)	(25 094)	(24 541)	(25 673)	(24 484)	(25 673)	(29 896)
<b>Total Working Capital</b>	<b>71 408</b>	<b>85 020</b>	<b>82 290</b>	<b>74 813</b>	<b>75 956</b>	<b>70 682</b>	<b>74 613</b>	<b>84 470</b>	<b>67 580</b>	<b>81 492</b>	<b>81 512</b>	<b>72 087</b>	<b>70 024</b>	<b>74 613</b>	<b>70 024</b>	<b>70 572</b>
EBITDA	15 653	943	751	1 976	2 864	2 495	3 089	4 637	(4 923)	2 649	5 041	1 704	(2 161)	12 118	19 065	18 108
Change in WC	7 944	(13 612)	2 731	7 476	(1 142)	5 273	(3 930)	(9 857)	16 890	(13 912)	(20)	9 425	2 063	(3 204)	1 384	5 389
Other Operating Cash Flow	(1 562)	(68)	(196)	(165)	(145)	(1)	123	18	15	18	18	18	18	(453)	(348)	(2 814)
Capex	(14 329)	(396)	(478)	(848)	(499)	(805)	(855)	(1 773)	(1 524)	(3 550)	(1 483)	(1 378)	(1 683)	(3 880)	(15 271)	(16 641)
<b>OPERATING CASH FLOW</b>	<b>7 706</b>	<b>(13 133)</b>	<b>2 808</b>	<b>8 439</b>	<b>1 078</b>	<b>6 962</b>	<b>(1 573)</b>	<b>(6 974)</b>	<b>10 458</b>	<b>(14 795)</b>	<b>3 556</b>	<b>9 768</b>	<b>(1 763)</b>	<b>4 580</b>	<b>4 830</b>	<b>4 041</b>
Restructuring and exceptionnal	(1 956)	(96)	(16)	(207)	(159)	(72)	(321)	(34)	-	(64)	(45)	(35)	(610)	(871)	(1 658)	(581)
Management Fees	(1 286)	(100)	(100)	(102)	(100)	(100)	(100)	(105)	(105)	(105)	(105)	(105)	(105)	(602)	(1 232)	(1 260)
Financial Incomes & Charges	(2 236)	(216)	(210)	(214)	(203)	(233)	(202)	(241)	(241)	(241)	(241)	(241)	(241)	(1 279)	(2 725)	(2 412)
Corporate Income Tax	-	(29)	-	-	29	-	-	-	-	-	-	-	-	-	-	-
Other Cash Flow	980	0	1	1	(66)	0								(63)	(63)	
<b>NON OPERATING CASH FLOW</b>	<b>(4 498)</b>	<b>(440)</b>	<b>(325)</b>	<b>(522)</b>	<b>(499)</b>	<b>(405)</b>	<b>(623)</b>	<b>(380)</b>	<b>(346)</b>	<b>(410)</b>	<b>(391)</b>	<b>(381)</b>	<b>(956)</b>	<b>(2 815)</b>	<b>(5 679)</b>	<b>(4 252)</b>
Variation Leasing Debt	2 171	(215)	(347)	(322)	(261)	(49)	(64)	908	725	3 664	15	251	(302)	(1 258)	4 003	3 383
Vendor Loan	508	42	42	42	42	42	42	42	42	42	42	42	42	254	506	504
Compound interests on I/C loan	322	30	27	30	29	30	29	27	27	27	27	27	27	177	339	324
<b>FINANCING CASH FLOW</b>	<b>3 002</b>	<b>(142)</b>	<b>(277)</b>	<b>(249)</b>	<b>(189)</b>	<b>24</b>	<b>8</b>	<b>977</b>	<b>794</b>	<b>3 733</b>	<b>84</b>	<b>320</b>	<b>(233)</b>	<b>(826)</b>	<b>4 849</b>	<b>4 211</b>
<b>NET CASH FLOW</b>	<b>6 210</b>	<b>(13 715)</b>	<b>2 206</b>	<b>7 667</b>	<b>389</b>	<b>6 581</b>	<b>(2 189)</b>	<b>(6 377)</b>	<b>10 906</b>	<b>(11 472)</b>	<b>3 249</b>	<b>9 707</b>	<b>(2 952)</b>	<b>939</b>	<b>4 000</b>	<b>4 000</b>
<b>Opening cash balance</b>	<b>17 498</b>	<b>19 355</b>	<b>20 893</b>	<b>20 782</b>	<b>17 913</b>	<b>21 082</b>	<b>23 244</b>	<b>20 293</b>	<b>19 610</b>	<b>24 822</b>	<b>19 610</b>	<b>19 610</b>	<b>26 306</b>	<b>19 355</b>	<b>19 355</b>	<b>19 610</b>
Variation in Net Cash Flow	6 210	(13 715)	2 206	7 667	389	6 581	(2 189)	(6 377)	10 906	(11 472)	3 249	9 707	(2 952)	939	4 000	4 000
Var. in Factor Debt	(4 354)	15 254	(2 317)	(10 536)	2 780	(4 419)	(762)	5 694	(5 694)	6 260	(3 249)	(3 011)	-	(0)	(0)	(1 406)
<b>Closing cash balance</b>	<b>19 355</b>	<b>20 893</b>	<b>20 782</b>	<b>17 913</b>	<b>21 082</b>	<b>23 244</b>	<b>20 293</b>	<b>19 610</b>	<b>24 822</b>	<b>19 610</b>	<b>19 610</b>	<b>26 306</b>	<b>23 354</b>	<b>20 293</b>	<b>23 354</b>	<b>22 204</b>
Line of credit (available for drawdown)	57 493	57 268	60 769	65 063	67 799	66 257	65 072	73 075	47 249	56 296	72 155	68 415	61 191	65 072	61 191	55 327
Less factor debt	-	(15 254)	(12 937)	(2 401)	(5 181)	(762)	-	(5 694)	-	(6 260)	(3 011)	-	-	-	-	-
<b>Total liquidity</b>	<b>76 848</b>	<b>62 907</b>	<b>68 614</b>	<b>80 575</b>	<b>83 700</b>	<b>88 739</b>	<b>85 365</b>	<b>86 991</b>	<b>72 071</b>	<b>69 646</b>	<b>88 754</b>	<b>94 721</b>	<b>84 546</b>	<b>85 365</b>	<b>84 546</b>	<b>77 531</b>
<b>Opening Financial Debt</b>	<b>(32 841)</b>	<b>(29 632)</b>	<b>(43 205)</b>	<b>(40 722)</b>	<b>(32 806)</b>	<b>(32 227)</b>	<b>(25 670)</b>	<b>(71 020)</b>	<b>(78 374)</b>	<b>(68 262)</b>	<b>(83 467)</b>	<b>(80 302)</b>	<b>(70 915)</b>	<b>(29 632)</b>	<b>(29 632)</b>	<b>(30 512)</b>
Variation Leasing Debt	(2 171)	215	347	322	261	49	(43 089)	(908)	(725)	(3 664)	(15)	(251)	302	(41 895)	(47 156)	(2 215)
Vendor Loan	(508)	(42)	(42)	(42)	(42)	(42)	(42)	(42)	(42)	(42)	(42)	(42)	(42)	(254)	(506)	
I/C loan with B&M Holdings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Compound interests on I/C loan	(322)	(30)	(27)	(30)	(29)	(30)	(29)	(27)	(27)	(27)	(27)	(27)	(27)	(177)	(339)	(324)
Net Cash Flow	6 210	(13 715)	2 206	7 667	389	6 581	(2 189)	(6 377)	10 906	(11 472)	3 249	9 707	(2 952)	939	4 000	4 000
<b>Closing Financial Debt</b>	<b>(29 632)</b>	<b>(43 205)</b>	<b>(40 722)</b>	<b>(32 806)</b>	<b>(32 227)</b>	<b>(25 670)</b>	<b>(71 020)</b>	<b>(78 374)</b>	<b>(68 262)</b>	<b>(83 467)</b>	<b>(80 302)</b>	<b>(70 915)</b>	<b>(73 634)</b>	<b>(71 020)</b>	<b>(73 634)</b>	<b>(29 051)</b>



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Everzinc

# Lower volumes continue to affect EBITDA, but cash position is secured through working capital management

## Executive Summary: Week of 07-08

- June volumes were 3.6k tons below budget (mostly for the fine zinc powder segment, which was impacted by the contraction of the Chinese economy and the phase-out of Nyrstar in Europe) and along with the declining LME level (USD\$2.5k/t vs. USD\$2.7k/t in budget and USD\$3.1k/t LY), led sales to €42.7m vs. €50.3m in budget and €50.7m LY (YTD at €267.3m vs. €285.9m in budget and €313.9m LY)
- Consequently, the EBITDA generation within the month was impaired and at the level of €1.6m vs. €4m in budget and €2.4m LY, leading to a YTD position of €14.5m vs. €18.4m in budget and €15.9m LY, which reflects the missing 12.6k tons in sales
- Outlook for the rest of the year remains challenging and the FY EBITDA forecast was revised to €36.5m (vs. €38.4m in budget and €29.3m LY). Management has launched a €1.6m cost reduction program and was challenged to find additional €1m. Meeting to review all initiatives and the status of implementation is scheduled for July 26<sup>th</sup>
- Cash position at the end of the month reached €45.3m, mostly due to the management of working capital. Inventory reduction initiative was kicked-off and is expected to enable a 22% reduction by December 2019 (€5.8m reduction already achieved from May to June and additional €13.8m until December). Factoring implementation in Canada (October 2019) will bring additional €6m in liquidity
- Meeting with DB to discuss refinancing scenarios scheduled for July 31<sup>st</sup>. Conversation with other banks kept at management level while waiting for the outcomes of the DB discussion
- Group CFO recruitment progressing slower than expected, with the last candidate before switching recruiters to K&F to be seen on July 26<sup>th</sup>. Canada Finance Manager accepted offer (start by end of August)

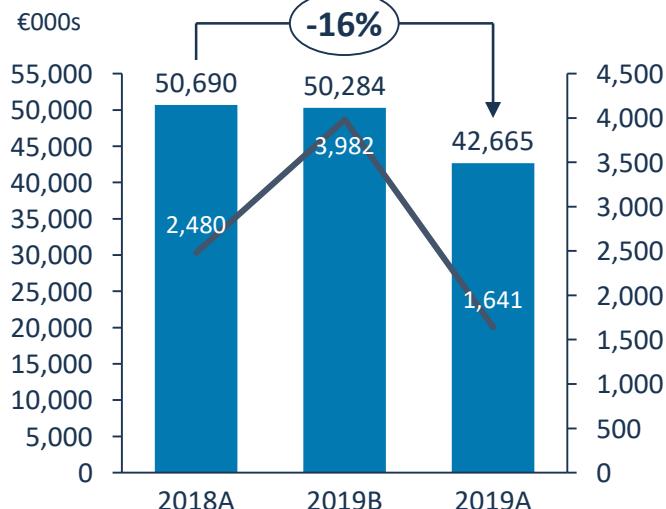
## Status Update: Project Details

Project	Current Status & Next Steps	Annualized EBITDA Impact (\$MM)	
		Projected	Actual
Finance Function Strengthening	🔴 Offer accepted by Canada Finance Manager / K&F hired for the Group CFO recruitment	...	...
Inventory Reduction	🟢 First review of action plans took place on July 2 <sup>nd</sup> . Target to achieve a 22% reduction by 12/2019	...	...
DB Debt Refinancing	🟢 Meeting with DB scheduled for July 31 <sup>st</sup> to assess potential refinancing scenarios	...	...
Zano Carve-Out	🟢 Legal carve-out completion expected for Q3 with retroactive effect to July 31 <sup>st</sup> 2019	...	...
Volumes Recovery	🔴 Plan to compensate lost FZP volumes progressing, but behind schedule	...	...
Fixed Cost and SG&A Reduction	🟡 Implementation of cost reduction plan to partially offset volume reduction just initiated. Management identified €1.6m in savings and was challenged to find additional €1m. Review of initiatives to take place on July 26 <sup>th</sup>	€2.6m	...

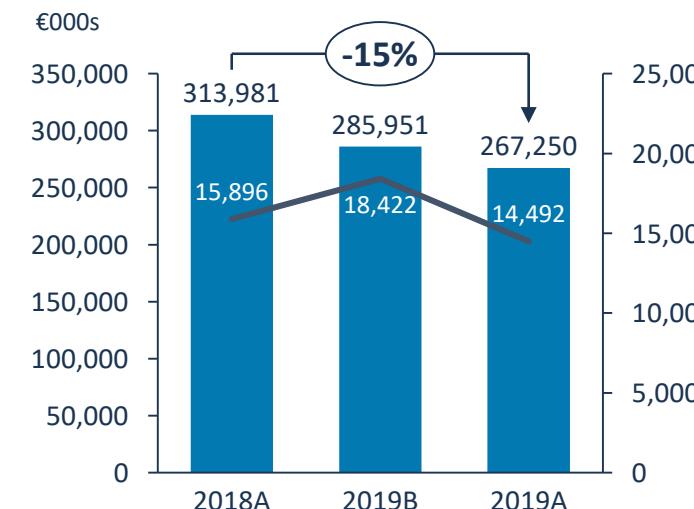


## Monthly financial metrics

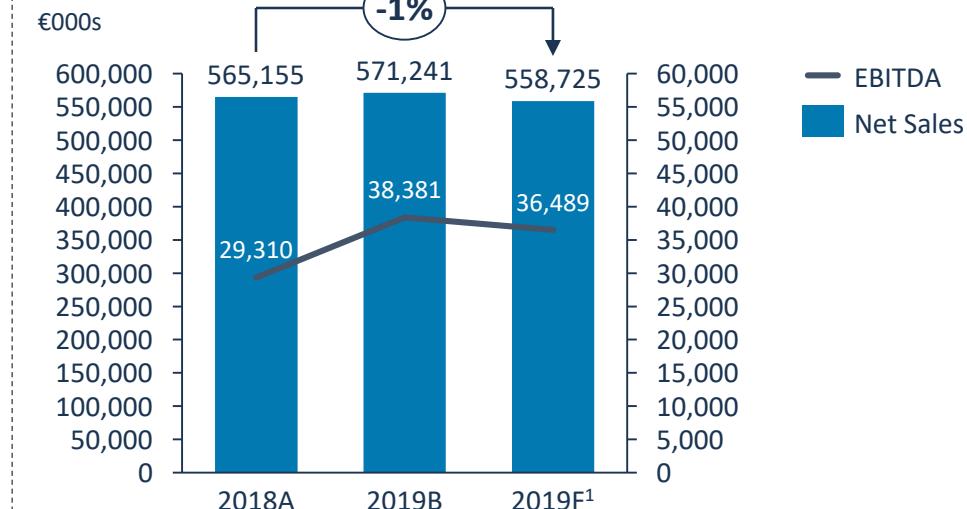
**June MTD**



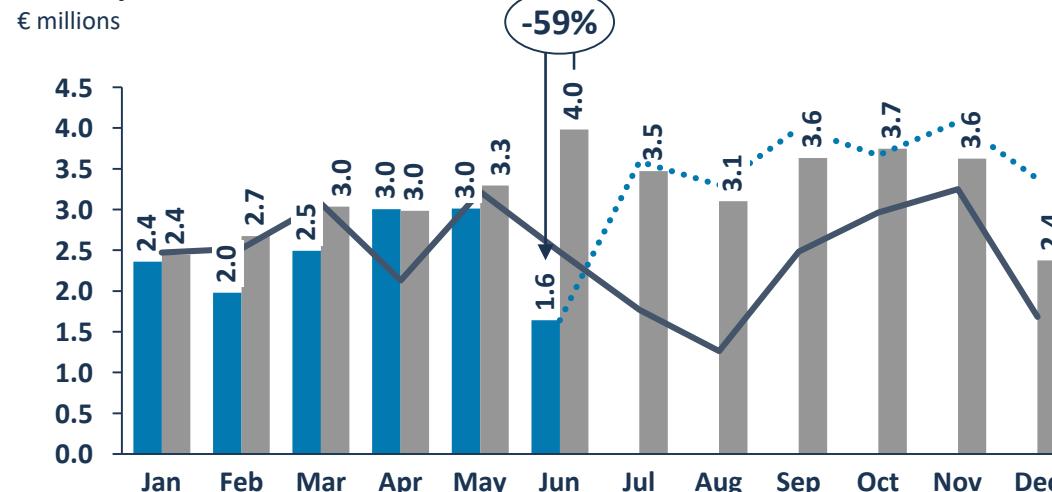
**June YTD**



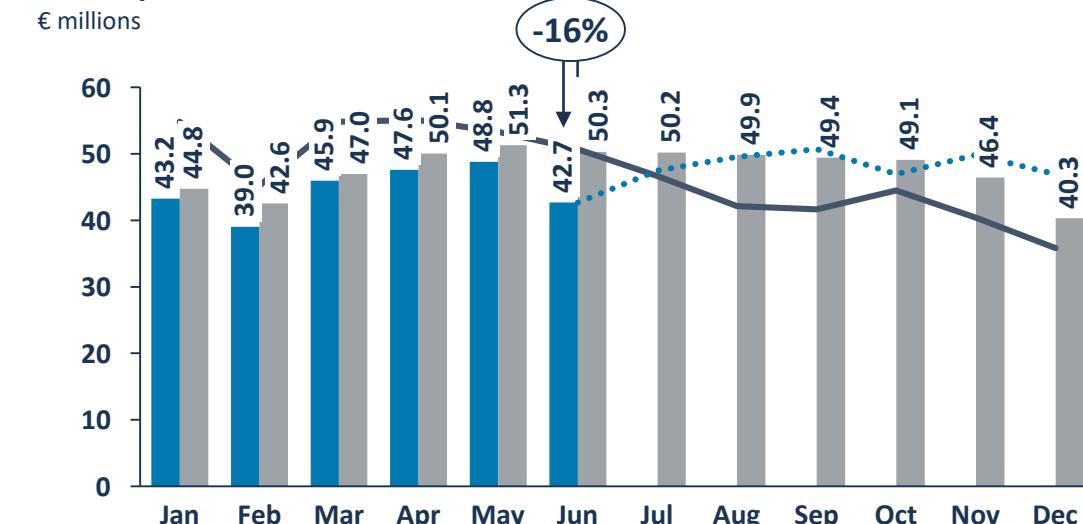
**Full Year**



**Monthly EBITDA**



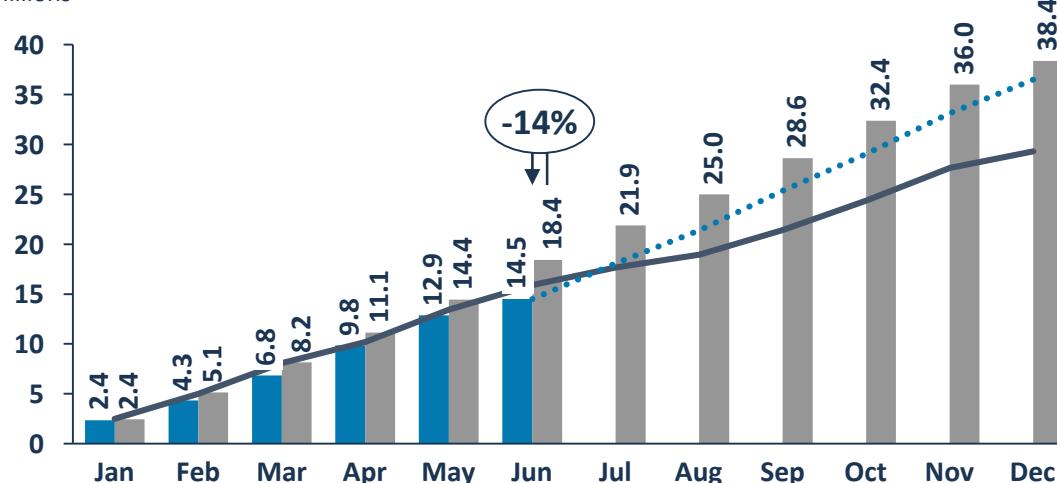
**Monthly Net Revenue**



## Monthly financial metrics

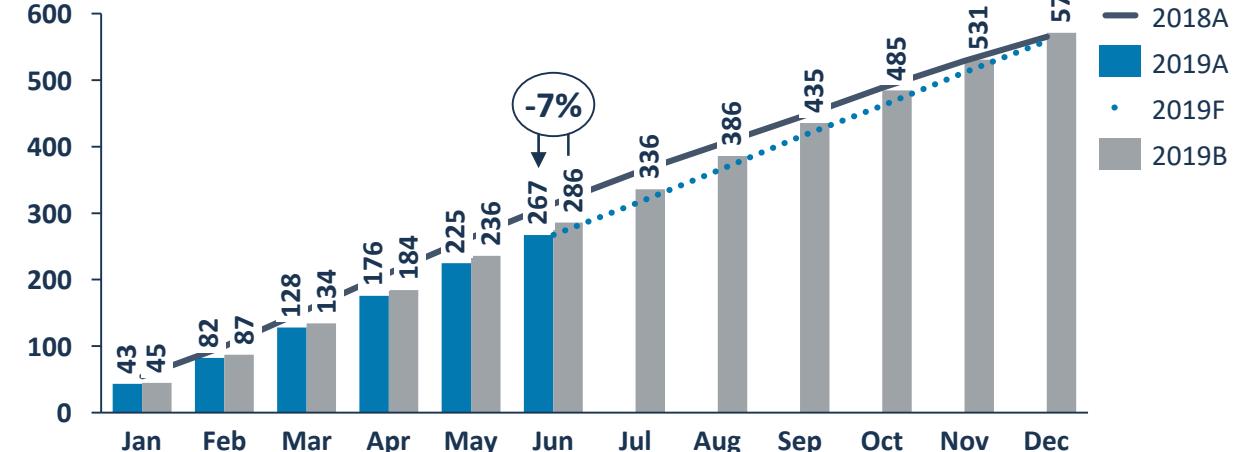
**YTD EBITDA**

€ millions



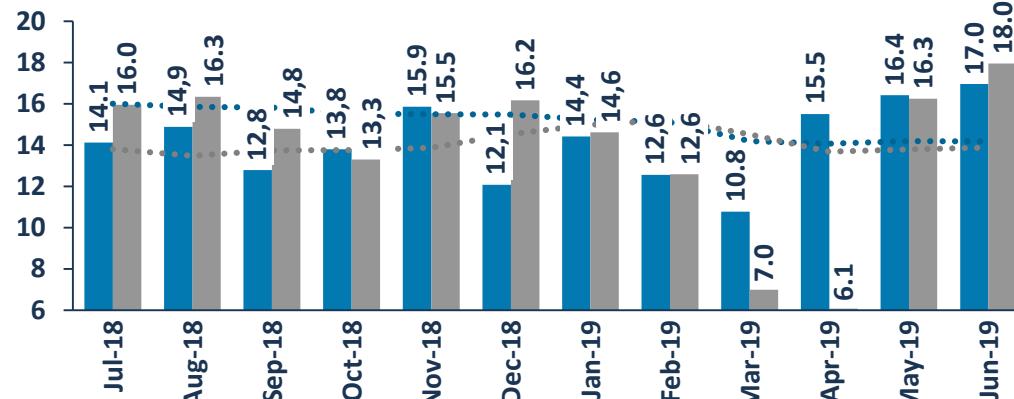
**YTD Revenue**

€ millions



**Order Intake**

€ millions



- TTM Avg Bookings
- MTD Bookings



- TTM Avg Backlog
- MTD Backlog



**Liquidity**

€ millions



1. YTD actuals + remaining year forecast

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€'000s	Month						YTD						FY						FY					
	MTD		MTD		Var		MTD		Var		YTD		YTD		Var		YTD		Var		FY			
	EverZinc BV	Act	Bud	\$	%	PY	€	%	Act	Bud	\$	%	PY	€	%	Fcst	Bud	\$	%	PY	€	%		
Units Produced	13,557	17,786	(4,229)	(23.8%)		15,616	(2,059)	(13.2%)	92,804	103,832	(11,029)	(10.6%)	88,860	3,944	4.4%	196,054	209,866	(13,812)	(6.6%)	171,158	24,896	14.5%		
Units Shipped	15,270	18,854	(3,584)	(19.0%)		15,262	8	0.1%	95,872	108,502	(12,630)	(11.6%)	93,636	2,236	2.4%	200,637	215,986	(15,349)	(7.1%)	177,930	22,707	12.8%		
Gross Revenue	€ 42,636	€ 50,108	€ (7,472)	(14.9%)	€ (83.6%)	€ 50,803	€ (8,167)	(16.1%)	€ 267,355	€ 285,343	€ (17,988)	(6.3%)	€ 314,433	€ (47,078)	(15.0%)	€ 556,837	€ 568,897	€ (12,060)	(2.1%)	€ 566,043	€ (9,206)	(1.6%)		
Adj. to Gross Revenue	29	176	(147)			(113)	142	(125.6%)	(105)	607	(713)	(117.3%)	(452)	347	(76.7%)	1,889	2,344	(456)	(19.4%)	(888)	2,776	(312.7%)		
Net Revenue	42,665	50,284	(7,619)	(15.2%)		50,690	(8,025)	(15.8%)	267,250	285,951	(18,701)	(6.5%)	313,981	(46,731)	(14.9%)	558,725	571,241	(12,516)	(2.2%)	565,155	(6,429)	(1.1%)		
Material	33,699	38,708	(5,008)	(12.9%)		38,884	(5,185)	(13.3%)	209,116	222,453	(13,336)	(6.0%)	251,736	(42,620)	(16.9%)	434,796	442,761	(7,966)	(1.8%)	445,439	(10,643)	(2.4%)		
Labor	2,025	2,049	(24)	(1.2%)		1,884	141	7.5%	12,145	12,102	43	0.4%	11,280	865	7.7%	24,025	24,352	(327)	(1.3%)	22,307	1,718	7.7%		
Other COGS	3,014	3,277	(263)	(8.0%)		4,126	(1,112)	(27.0%)	18,501	19,563	(1,063)	(5.4%)	22,181	(3,681)	(16.6%)	37,819	39,165	(1,346)	(3.4%)	43,554	(5,735)	(13.2%)		
Total COGS	38,738	44,033	(5,295)	(12.0%)		44,894	(6,156)	(13.7%)	239,762	254,118	(14,356)	(5.6%)	285,197	(45,435)	(15.9%)	496,640	506,278	(9,638)	(1.9%)	511,300	(14,660)	(2.9%)		
Gross Margin	3,927	6,251	(2,324)	(37.2%)		5,796	(1,869)	(32.2%)	27,488	31,833	(4,345)	(13.6%)	28,784	(1,296)	(4.5%)	62,086	64,963	(2,878)	(4.4%)	53,855	8,230	15.3%		
Gross Margin %	9.2%	12.4%				11.4%			10.3%	11.1%			9.2%			11.1%	11.4%			9.5%				
Sales & Marketing	310	335	(24)	(7.3%)		355	(45)	(12.6%)	2,092	1,880	212	11.3%	1,724	368	21.3%	4,104	3,925	179	4.6%	3,786	318	8.4%		
Administrative	740	1,099	(359)	(32.7%)		1,566	(826)	(52.7%)	5,212	7,125	(1,913)	(26.9%)	7,193	(1,981)	(27.5%)	10,423	13,712	(3,288)	(24.0%)	16,293	(5,870)	(36.0%)		
Other Opex	1,236	835	401	48.0%		1,395	(160)	(11.4%)	5,691	4,405	1,286	29.2%	3,971	1,720	43.3%	11,068	8,945	2,123	23.7%	4,466	6,602	147.8%		
Total Opex	2,286	2,269	17	0.7%		3,316	(1,030)	(31.1%)	12,995	13,411	(416)	(3.1%)	12,888	107	0.8%	25,596	26,582	(986)	(3.7%)	24,545	1,051	4.3%		
EBITDA	1,641	3,982	(2,340)	(58.8%)		2,480	(839)	(33.8%)	14,492	18,422	(3,930)	(21.3%)	15,896	(1,404)	(8.8%)	36,489	38,381	(1,891)	(4.9%)	29,310	7,180	24.5%		
EBITDA %	3.8%	7.9%				4.9%			5.4%	6.4%			5.1%			6.5%	6.7%			5.2%				



# Balance Sheet

€'000s EverZinc BV	Dec-18 Act	Apr-19 Act	May-19 Act	Jun-19 Act	Variance LM		Variance LY	
					€	%	€	%
<b>Current Assets</b>								
Cash and cash equivalents	€ 42,245	€ 36,609	€ 42,193	€ 45,261	€ 3,068	6.8%	€ 3,016	7.1%
Accounts receivable, net	62,884	66,994	67,680	74,469	6,789	9.1%	11,585	18.4%
Inventory, net	57,405	87,988	90,741	84,858	(5,883)	(6.9%)	27,453	47.8%
Other current assets	9,363	11,723	11,237	9,880	(1,356)	(13.7%)	518	5.5%
<b>Total Current Assets</b>	<b>171,896</b>	<b>203,315</b>	<b>211,851</b>	<b>214,468</b>	<b>2,617</b>	<b>1.2%</b>	<b>42,572</b>	<b>24.8%</b>
<b>Non-Current Assets</b>								
Property, plant & equipment, net	48,613	48,435	48,088	50,733	2,645	5.2%	2,121	4.4%
Goodwill	12,455	21,957	22,342	21,182	(1,160)	(5.5%)	8,727	70.1%
Deferred financing cost	11,152	14,417	4,717	4,717	—	0.0%	(6,435)	(57.7%)
Other non-current assets	2,749	2,783	2,699	2,617	(81)	(3.1%)	(132)	(4.8%)
<b>Total Non-Current Assets</b>	<b>74,969</b>	<b>87,592</b>	<b>77,846</b>	<b>79,250</b>	<b>1,404</b>	<b>1.8%</b>	<b>4,281</b>	<b>5.7%</b>
<b>Total Assets</b>	<b>€ 246,865</b>	<b>€ 290,907</b>	<b>€ 289,697</b>	<b>€ 293,718</b>	<b>€ 4,021</b>	<b>1.4%</b>	<b>€ 46,853</b>	<b>19.0%</b>
<b>Current Liabilities</b>								
Accounts payable	73,940	90,371	101,578	109,273	7,694	7.0%	35,332	47.8%
Accrued liabilities	2,201	6,925	4,106	5,080	974	19.2%	2,879	130.8%
Other current liabilities	10,858	9,937	10,082	8,999	(1,082)	(12.0%)	(1,858)	(17.1%)
<b>Total Current Liabilities</b>	<b>86,998</b>	<b>107,901</b>	<b>117,101</b>	<b>123,352</b>	<b>6,250</b>	<b>5.1%</b>	<b>36,353</b>	<b>41.8%</b>
<b>Long-term liabilities</b>								
Long-term debt less current maturities	92,250	103,550	103,550	103,550	—	0.0%	11,300	12.2%
Long-term unearned revenue	2,334	2,404	2,399	2,393	(5)	(0.2%)	59	2.5%
Other non-current liabilities	26,303	22,229	22,209	22,111	(98)	(0.4%)	(4,192)	(15.9%)
<b>Total Long-Term Liabilities</b>	<b>120,888</b>	<b>128,183</b>	<b>128,158</b>	<b>128,055</b>	<b>(103)</b>	<b>(0.1%)</b>	<b>7,167</b>	<b>5.9%</b>
<b>Total Liabilities</b>	<b>207,886</b>	<b>236,084</b>	<b>245,259</b>	<b>251,407</b>	<b>6,148</b>	<b>2.4%</b>	<b>43,521</b>	<b>20.9%</b>
<b>Shareholders' Equity</b>								
Capital in excess of stated value	43,851	53,551	53,551	53,551	—	0.0%	9,700	22.1%
Retained earnings	(4,872)	1,271	(9,113)	(11,240)	(2,127)	0.0%	(6,368)	130.7%
<b>Total Shareholders' Equity</b>	<b>38,979</b>	<b>54,822</b>	<b>44,438</b>	<b>42,311</b>	<b>(2,127)</b>	<b>(5.0%)</b>	<b>3,332</b>	<b>8.5%</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>€ 246,865</b>	<b>€ 290,907</b>	<b>€ 289,697</b>	<b>€ 293,718</b>	<b>€ 4,021</b>	<b>1.4%</b>	<b>€ 46,853</b>	<b>19.0%</b>
<i>Memo:</i>								
<b>Net Working Capital</b>	<b>€ 44,854</b>	<b>€ 66,398</b>	<b>€ 57,998</b>	<b>€ 50,935</b>	<b>€ (7,063)</b>	<b>(13.9%)</b>	<b>€ 6,082</b>	<b>13.6%</b>
<b>Total Net External Debt</b>	<b>€ 50,005</b>	<b>€ 66,941</b>	<b>€ 61,357</b>	<b>€ 58,289</b>	<b>€ (3,068)</b>	<b>(5.3%)</b>	<b>€ 8,284</b>	<b>16.6%</b>



# Cash Flow

In kEur	YTD 06/2019	YTD Budget 06/2019
<b>CASH FLOW</b>		
EBITDA	<b>14.492</b>	<b>18.422</b>
Delta WC (trades)	-973	-3.950
Capex	-4.805	-5.342
<b>Operating Cash Flow</b>	<b>8.715</b>	<b>9.130</b>
Financial results	-3.934	-4.007
Restructuring	-792	
Non recurring (reclass DB adjustments)	-800	-500
OGC Fees	-830	-600
Other	376	-863
CIT	-2.004	-2.160
<b>Other cash flow</b>	<b>-7.984</b>	<b>-8.130</b>
Investment	-21.000	-21.000
Equity	9.700	9.700
Net debt	11.300	11.300
<b>Investment Cash Flow</b>	<b>0</b>	<b>0</b>
<b>Total Cash Flow</b>	<b>730</b>	<b>1.000</b>

Forecast 2019	Budget 2019
36.489	38.381
6.229	5.264
-7.540	-8.485
<b>35.178</b>	<b>35.160</b>
-8.316	-8.014
-897	
-800	-500
-2.170	-1.200
-224	-1.675
-4.354	-4.354
<b>-16.761</b>	<b>-15.742</b>
-21.000	-21000
9.700	9700
11.300	11300
<b>0</b>	<b>0</b>
<b>18.417</b>	<b>19.417</b>

FINANCIAL POSITION DEVELOPMENT		
<b>Opening fin. position</b>		
Cash and cash equivalent	44.530	44.530
Fin. debt	-92.250	-92.250
<b>Total</b>	<b>-47.720</b>	<b>-47.720</b>
<b>Closing fin. position</b>		
Cash and cash equivalent	45.261	45.531
Fin. debt	-103.550	-103.550
<b>Total</b>	<b>-58.289</b>	<b>-58.019</b>
<b>Variance cash &amp; cash equivalents</b>	<b>730</b>	<b>1.001</b>

44.530	44.530
-92.250	-92.250
<b>-47.720</b>	<b>-47.720</b>
62.947	63.947
-103.550	-103.550
<b>-40.603</b>	<b>-39.603</b>
<b>18.417</b>	<b>19.417</b>



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JOTUL

# Low summer activities versus PY and budget

## Executive Summary: Week of 07-24

- June net sales with NOK 54.0M were -12.5% below PY but -5.7% below budget; June sales performance was down vs PY and budget in all countries except the US where sales was up as a catchup effect of previous months underperformance
- YTD Net sales at NOK 383.6M were -0.4% below PY and +2.8% above budget; while sales in Q1 outperformed both PY and budget in Q2 the trend is reversing; positive strong order intake in the US is signaling a good second semester for sales in North America
- Gross margin at 33.5% above PY at 32.1% and below budget at 31.4%; strong margin mainly driven by positive sales mix and FX effects; YTD GM rate at 30.7% above PY at 28.3% and in line with budget at 30.8%
- Like-for-like EBITDA in June with NOK 576k significantly below PY by -2.6M due to lower sales and lower production efficiencies and below budget by -NOK339k; Accounting adjustment (IFRS 16) of +NOK 2.8M inflated EBITDA to a reported EBITDA of NOK3.4M
- Like-for-like YTD EBITDA at NOK18.4M better than PY at NOK 15.2M and budget at NOK 16.1M; accounting IFRS 16 impact of NOK +19.0M boosted reported EBITDA to 37.3M
- Like for like FY 2019 EBITDA outlook remained at NOK 104.8M vs PY at NOK 92.1M and a budget at NOK 107.1 and an LTM performance of NOK 97.9M; full year IFRS 16 impact of NOK +38M will increase reported EBITDA to NOK 143M in 2019
- Current trading: both Jotul factories in Norway and Denmark are closed down in July and hence no weekly current trading reporting available
- Meeting with Morso (Danish wood stove manufacturer) happened July 16<sup>th</sup> in Paris without concrete next steps given the lower strategic interest of Jotul for Morso

## Status Update: Project Details

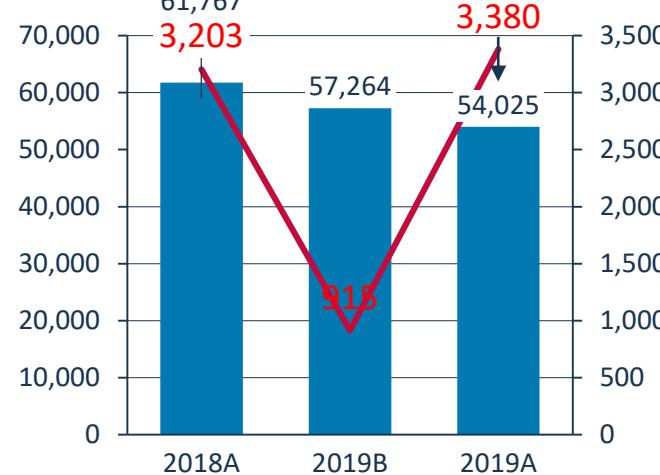
Project	Current Status & Next Steps	Annualized EBITDA Impact (\$MM)	
		Projected	Actual
A. Relocation of production from Norway & Denmark to Poland	<p>HR manager and site manager have started to work</p> <p>60 employees received resignation letters on Wednesday June 19<sup>th</sup> in Norway</p> <p>Construction of greenfield factory in Poland on track</p> <p>Comprehensive project review to be held on June 26</p>	0 in 2019 NOK 50M in 2020	0



## Monthly financial metrics

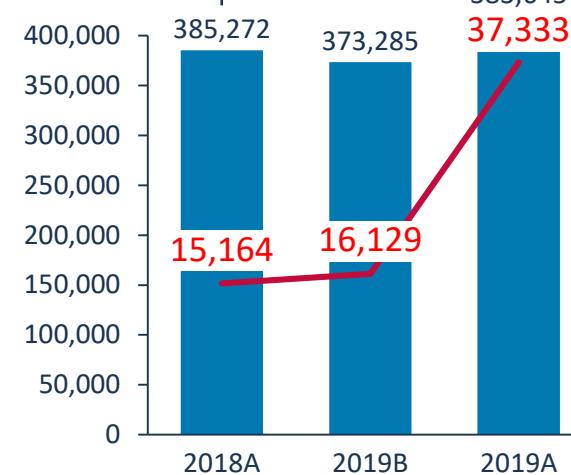
May MTD

Kr000s



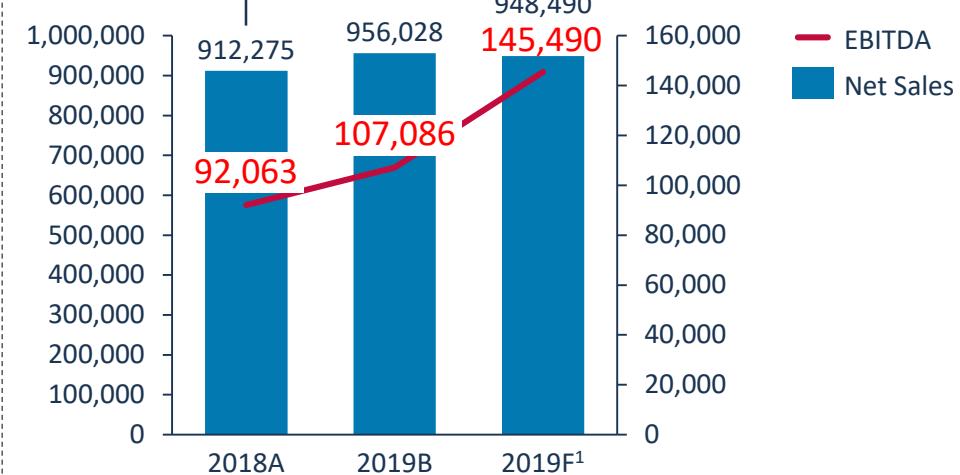
May YTD

Kr000s



Full Year

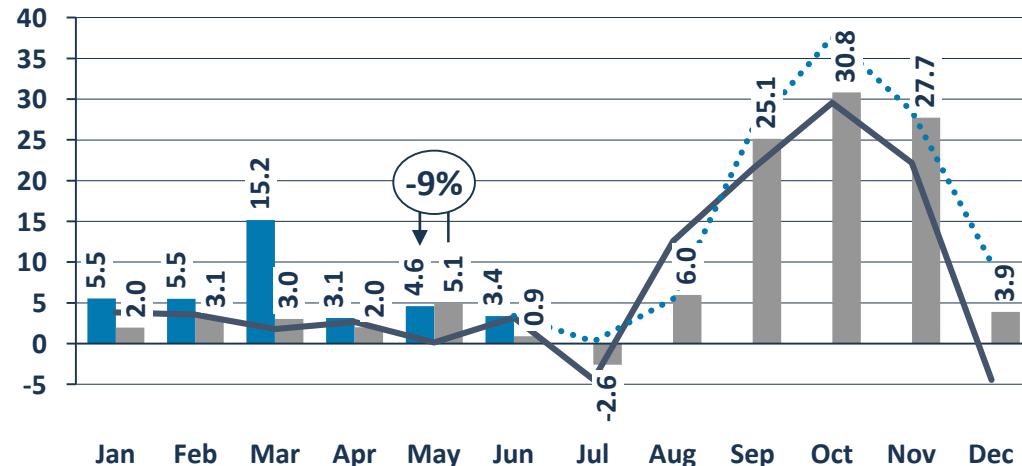
Kr000s



— EBITDA  
■ Net Sales

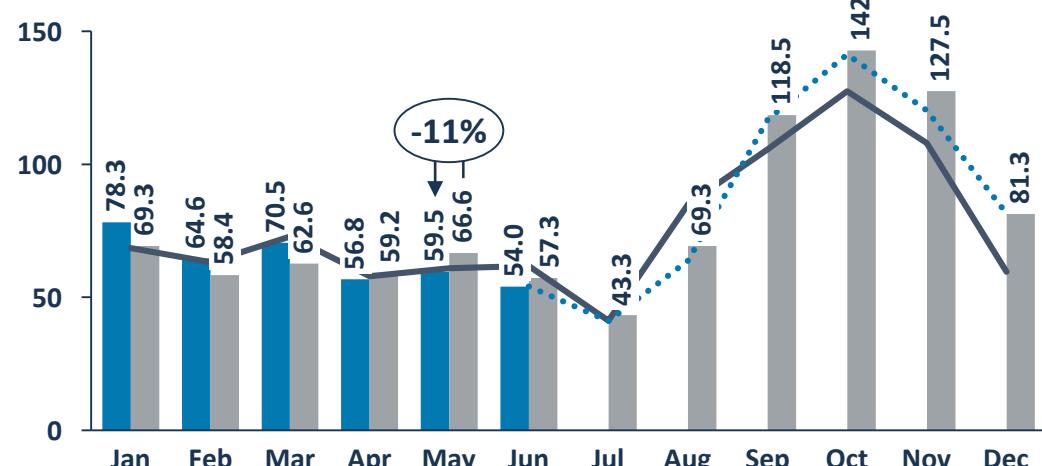
### Monthly EBITDA

Kr millions



### Monthly Net Revenue

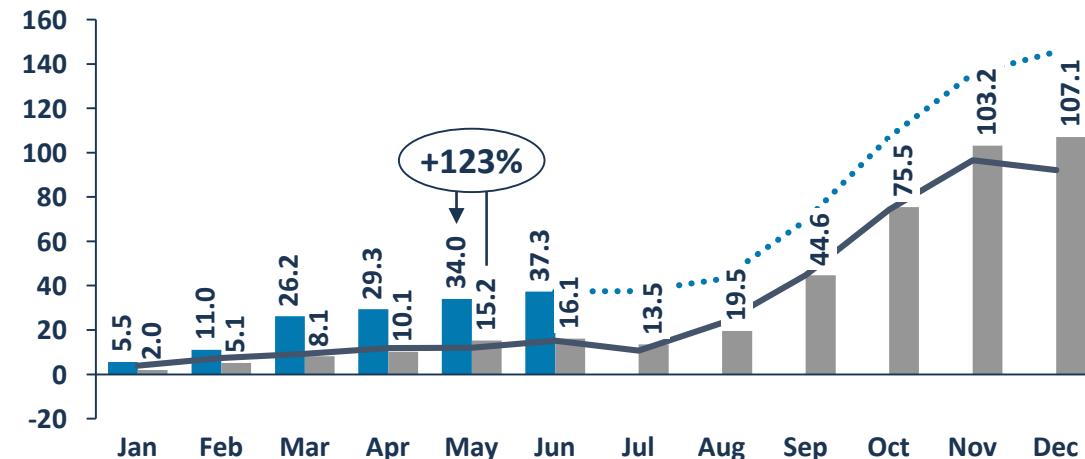
Kr millions



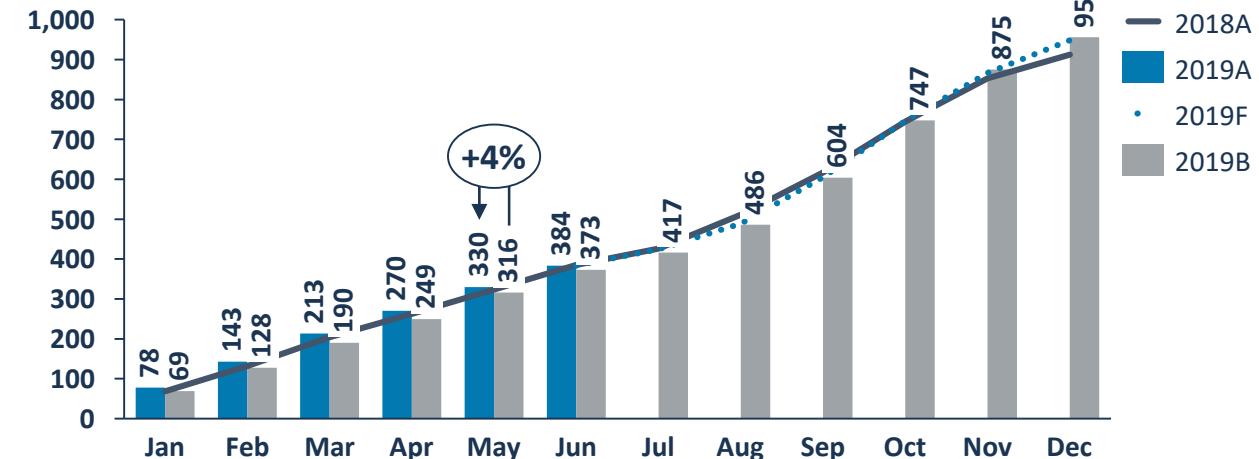
— 2018A  
■ 2019A  
• 2019F  
■ 2019B



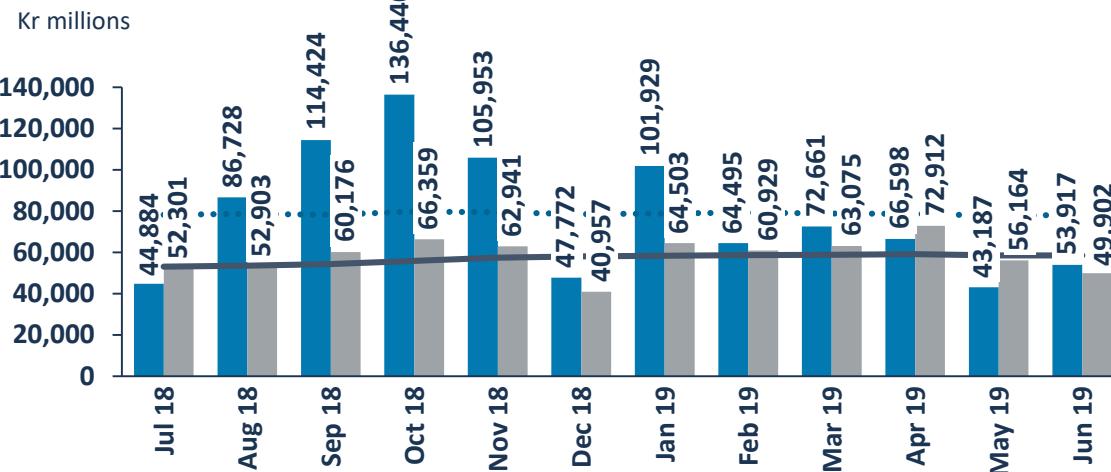
## Monthly financial metrics



**YTD Revenue**  
Kr millions



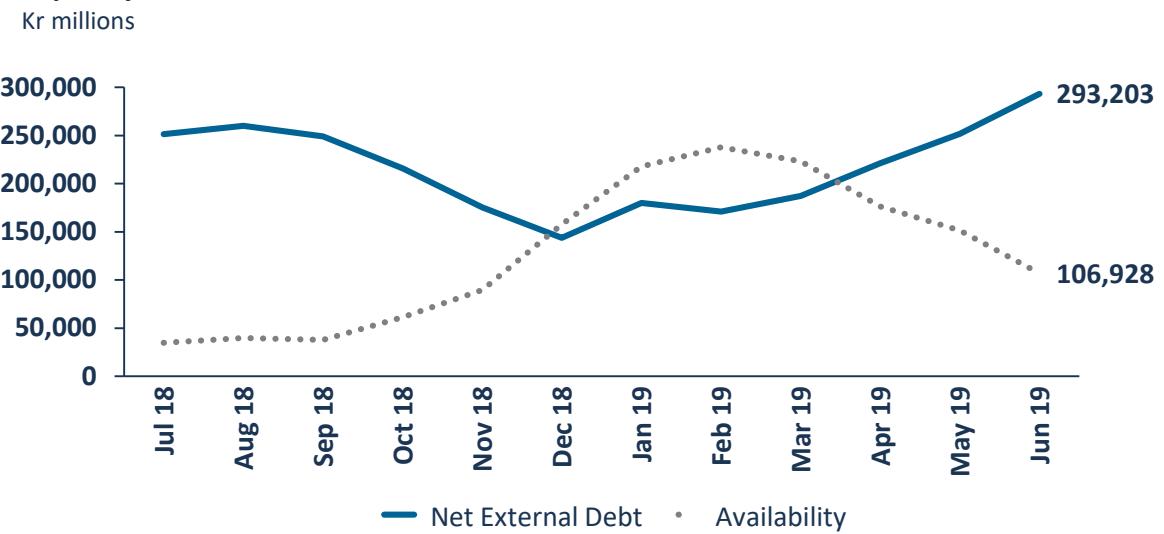
### Order Intake



- TTM Avg Bookings
- MTD Bookings
- TTM Avg Backlog
- MTD Backlog

1. YTD actuals + remaining year forecast

### Liquidity





P&amp;L

kr'000s	MTD		MTD		Var		MTD		Var		YTD		YTD		Var		YTD		Var		FY		FY		Var		FY		Var	
	Jotul AS	Act	Bud	kr	%	PY	kr	%	Act	Bud	kr	%	PY	kr	%	Fsct	Bud	kr	%	PY	kr	%	PY	kr	%	PY	kr	%		
Gross Revenue	97,189	101,991	(4,802)	(4.7%)	107,814	(10,625)	(9.9%)	695,860	675,519	20,341	3.0%	691,548	4,312	0.6%	1,713,222	1,723,078	€ (9,856)	(0.6%)	1,651,786	61,436	3.7%									
Adj. to Gross Reven	(43,164)	(44,727)	1,563	(3.5%)	(46,047)	2,883	(6.3%)	(312,215)	(302,234)	(9,981)	3.3%	(306,276)	(5,939)	1.9%	(764,731)	(767,050)	2,319	(0.3%)	(739,511)	(25,221)	3.4%									
Net Revenue	54,025	57,264	(3,239)	(5.7%)	61,767	(7,742)	(12.5%)	383,645	373,285	10,360	2.8%	385,272	(1,627)	(0.4%)	948,490	956,028	(7,537)	(0.8%)	912,275	36,215	4.0%									
Other COGS	13,133	11,492	1,641	14.3%	14,733	(1,600)	(10.9%)	82,524	82,378	146	0.2%	98,515	(15,991)	(16.2%)	211,007	220,631	(9,624)	(4.4%)	216,205	(5,198)	(2.4%)									
Total COGS	35,947	39,288	(3,341)	(8.5%)	41,951	(6,004)	(14.3%)	265,988	258,137	7,851	3.0%	276,382	(10,394)	(3.8%)	647,178	654,225	(7,047)	(1.1%)	634,762	12,416	2.0%									
Gross Margin	18,078	17,977	102	0.6%	19,816	(1,738)	(8.8%)	117,657	115,148	2,509	2.2%	108,890	8,767	8.1%	301,312	301,802	(490)	(0.2%)	277,513	23,799	8.6%									
Gross Margin %	33.5%	31.4%			32.1%			30.7%	30.8%			28.3%			31.8%	31.6%			30.4%											
Sales & Marketing	10,219	9,272	947	10.2%	8,472	1,747	20.6%	49,023	51,030	(2,007)	(3.9%)	45,296	3,727	8.2%	100,627	100,447	180	0.2%	88,728	11,899	13.4%									
Administrative	2,799	5,984	(3,185)	(53.2%)	5,979	(3,180)	(53.2%)	20,153	37,071	(16,918)	(45.6%)	36,800	(16,647)	(45.2%)	33,897	73,551	(39,654)	(53.9%)	76,971	(43,074)	(56.0%)									
Total Opex	14,698	17,062	(2,364)	(13.9%)	16,613	(1,915)	(11.5%)	80,324	99,019	(18,695)	(18.9%)	93,726	(13,402)	(14.3%)	155,823	194,716	(38,894)	(20.0%)	185,450	(29,627)	(16.0%)									
EBITDA	3,380	915	2,466	269.6%	3,203	177	5.5%	37,333	16,129	21,203	131.5%	15,164	22,169	146.2%	145,490	107,086	38,404	35.9%	92,063	53,426	58.0%									
EBITDA %	6.3%	1.6%			5.2%			9.7%	4.3%			3.9%			15.3%	11.2%			10.1%											
Net Income (Loss)	(9,918)	(5,168)	(4,749)	91.9%	(2,991)	(6,927)	231.6%	(46,993)	(30,613)	(16,380)	53.5%	(47,269)	276	(0.6%)	(27,777)	(7,641)	(20,136)	263.5%	(48,852)	21,075	(43.1%)									
Capex	(2,035)	(3,059)	1,024	(33.5%)	(1,778)	(257)	14.5%	(16,161)	(21,104)	4,943	(23.4%)	(14,540)	(1,621)	11.1%	(29,725)	(31,153)	1,428	(4.6%)	(33,392)	3,667	(11.0%)									



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# Balance Sheet

<i>kr'000s</i>	Jotul AS	Jun-18	Mar-19	Apr-19	May-19	Jun-19	Variance LM
		Act	Act	Act	Act	€	%
<b><u>Current Assets</u></b>							
Cash and cash equivalents	65,910	181,181	138,071	109,387	66,534	42,853	64.4%
Accounts receivable, net	99,775	82,379	67,854	73,513	86,323	(12,810)	(14.8%)
Inventory, net	183,506	210,182	217,744	229,310	242,807	(13,497)	(5.6%)
Prepaid expenses and other current assets	—	—	—	—	—	—	0.0%
Other current assets	11,031	15,135	27,766	27,957	19,842	8,115	40.9%
<b>Total Current Assets</b>	<b>360,222</b>	<b>488,877</b>	<b>451,435</b>	<b>440,167</b>	<b>415,506</b>	<b>24,661</b>	<b>5.9%</b>
<b><u>Non-Current Assets</u></b>							
Property, plant & equipment, net	142,683	138,384	140,463	140,463	149,525	(9,061)	(6.1%)
Goodwill	—	—	—	—	—	—	0.0%
Identifiable intangible assets, net	126,011	13,080	12,595	13,222	12,169	1,053	8.7%
Deferred tax asset	1,222	1,248	1,250	1,256	1,249	7	0.6%
Other non-current assets	15,598	15,050	14,826	14,859	16,668	(1,809)	(10.9%)
<b>Total Non-Current Assets</b>	<b>285,514</b>	<b>607,946</b>	<b>605,744</b>	<b>603,243</b>	<b>511,677</b>	<b>91,567</b>	<b>17.9%</b>
<b>Total Assets</b>	<b>645,736</b>	<b>1,096,823</b>	<b>1,057,179</b>	<b>1,043,410</b>	<b>927,183</b>	<b>116,228</b>	<b>12.5%</b>
<b><u>Current Liabilities</u></b>							
Current portion of long-term debt	26,538	24,308	18,141	17,574	14,246	3,328	23.4%
Accounts payable	63,878	87,356	81,034	75,615	72,994	2,621	3.6%
Accrued liabilities	—	—	—	(567)	—	(567)	0.0%
Accrued compensation	—	—	—	—	—	—	0.0%
Income taxes payable	—	—	—	—	—	—	0.0%
Short-term unearned revenue	—	—	—	—	—	—	0.0%
Other current liabilities	64,291	74,902	71,198	69,195	69,982	(787)	(1.1%)
<b>Total Current Liabilities</b>	<b>154,707</b>	<b>186,566</b>	<b>170,373</b>	<b>161,817</b>	<b>157,222</b>	<b>4,595</b>	<b>2.9%</b>
<b><u>Long-term liabilities</u></b>							
Long-term debt less current maturities	259,906	336,886	332,350	334,806	337,184	(2,378)	(0.7%)
Capital lease	—	7,388	8,773	8,724	8,307	417	5.0%
Debt owing to OpenGate	177,748	141,344	142,067	178,461	178,498	(37)	(0.0%)
Deferred income taxes	759	12,769	12,648	2,821	1,614	1,207	74.8%
Deferred liabilities	—	—	—	—	—	—	0.0%
Other non-current liabilities	38,940	4,420	4,330	4,370	4,796	(426)	(8.9%)
<b>Total Long-Term Liabilities</b>	<b>477,353</b>	<b>944,900</b>	<b>934,836</b>	<b>965,069</b>	<b>864,379</b>	<b>100,690</b>	<b>11.6%</b>
<b>Total Liabilities</b>	<b>632,060</b>	<b>1,131,466</b>	<b>1,105,209</b>	<b>1,126,886</b>	<b>1,021,601</b>	<b>105,285</b>	<b>10.3%</b>
<b><u>Shareholders' Equity</u></b>							
Common stock	121	600	600	600	600	600	0.0%
Retained earnings	13,555	(35,242)	(48,630)	(84,643)	(95,018)	(95,018)	0.0%
Other equity transactions	—	—	—	—	—	—	0.0%
<b>Total Shareholders' Equity</b>	<b>13,676</b>	<b>(34,642)</b>	<b>(48,030)</b>	<b>(84,043)</b>	<b>(94,418)</b>	<b>10,375</b>	<b>(11.0%)</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>645,736</b>	<b>1,096,824</b>	<b>1,057,179</b>	<b>1,042,843</b>	<b>927,183</b>	<b>115,660</b>	<b>12.5%</b>
<i>Memo:</i>							
<b>Net Working Capital</b>	<b>166,143</b>	<b>145,438</b>	<b>161,132</b>	<b>186,537</b>	<b>205,996</b>	<b>(19,459)</b>	<b>(9.4%)</b>
<b>Total Net External Debt</b>	<b>220,534</b>	<b>187,401</b>	<b>221,193</b>	<b>251,717</b>	<b>293,203</b>	<b>(41,486)</b>	<b>(14.1%)</b>





# Cash Flow

	MTD December	MTD January	MTD February	MTD March	MTD April	MTD May	MTD June	MTD July	MTD August	MTD September	MTD October	MTD November	MTD December	YTD December
Actual 2019	2018	AC	AC	AC	AC	AC	AC	FC	FC	FC	FC	FC	FC	AC/FC
Inventories (gross value)	179 012	184 274	200 133	210 182	217 744	229 310	242 807	217 090	226 783	231 125	221 826	213 625	190 714	190 714
Trade account receivables	75 698	78 898	77 902	82 379	67 854	73 513	86 323	88 527	113 597	150 151	150 344	138 508	95 749	95 749
Other current assets	15 213	22 059	23 470	14 809	27 457	27 648	19 603	15 489	12 623	11 048	14 709	11 307	8 944	8 944
Trade account payables	-83 282	-72 165	-96 348	-87 356	-81 034	-75 615	-72 994	-46 309	-57 883	-70 073	-75 187	-70 274	-78 138	-78 138
Other current liabilities	-77 725	-66 365	-71 679	-67 865	-64 471	-62 366	-62 500	-45 568	-53 125	-56 349	-64 026	-65 051	-70 533	-70 533
<b>Operating Working Capital (OWC)</b>	<b>108 916</b>	<b>146 700</b>	<b>133 478</b>	<b>152 149</b>	<b>167 551</b>	<b>192 490</b>	<b>213 238</b>	<b>229 229</b>	<b>241 995</b>	<b>265 902</b>	<b>247 666</b>	<b>228 116</b>	<b>146 736</b>	<b>146 736</b>
EBITDA (before NRI)	-4 467	5 532	5 501	5 508	-233	1 476	576	-3 126	2 102	23 008	34 239	25 144	5 119	104 844
Change in WC	54 521	-37 784	13 222	-22 532	-15 402	-24 939	-20 748	-15 991	-12 766	-23 907	18 236	19 550	81 380	-41 681
Other operating cash flow	-277	-199	-389	798	240	7	130	-148	-383	-383	-158	-383	-480	-1 349
Capex- Re-location					-9 989	-507	-386	-1 850	-1 880	-20 054	-8 620	-1 772	-7 272	-52 330
Capex- other	-2 966	-1 645	-1 345	-3 507	-5 158	-2 471	-2 035	-3 005	-2 043	-1 705	-1 672	-1 369	-5 198	-31 153
<b>OPERATING CASH FLOW</b>	<b>46 810</b>	<b>-34 097</b>	<b>16 989</b>	<b>-19 733</b>	<b>-30 542</b>	<b>-26 434</b>	<b>-22 465</b>	<b>-24 121</b>	<b>-14 971</b>	<b>-23 040</b>	<b>42 025</b>	<b>41 170</b>	<b>73 549</b>	<b>-21 670</b>
Non-recurring items and management fee	-9 917	-2 280	-3 177	-1 988	-2 071	-3 435	-2 899	-3 616	-2 354	-3 517	-2 958	-2 325	-7 619	-38 239
Agio	-1 841	5 494	1 452	7 774	-2 578	3 033	-10 155	1 773	5 844	4 327	357	4 160	-9 696	11 785
Net payable interest and financial expenses	-1 826	-5 416	-3 830	-1 889	-3 287	-830	-1 919	-5 356	-388	-400	-5 395	-482	-652	-29 844
Corporate income tax	-1 462	-660	286	-647	149	-402	265	659	-1 171	-2 409	-3 444	-2 838	4 751	-5 461
<b>NON-OPERATING CASH FLOW</b>	<b>-15 046</b>	<b>-2 862</b>	<b>-5 269</b>	<b>3 250</b>	<b>-7 787</b>	<b>-1 633</b>	<b>-14 708</b>	<b>-6 539</b>	<b>1 932</b>	<b>-1 999</b>	<b>-11 441</b>	<b>-1 486</b>	<b>-13 216</b>	<b>-61 759</b>
Variation leasing debt	-45	-398	-36	-107	1 385	-50	-417	-93	-93	-93	-93	-94	1 504	1 415
Aico France Purchase						-	-1 936							-1 936
Change RCF	5 355	-	-	-	-	-	-	61 512	10 454	-5 547	-40 898	-24 122	8 565	9 964
Change in factoring debt	-8 823	8 473	11 561	-2 150	-6 167	-567	-3 328	5 089	6 386	11 133	421	-3 023	-17 756	10 071
Net proceeds from transaction (funding)	-	87 750	-	-				-	-	-	-	-	-	87 750
<b>FINANCING CASH FLOW</b>	<b>-3 513</b>	<b>95 825</b>	<b>11 525</b>	<b>-2 257</b>	<b>-4 782</b>	<b>-616</b>	<b>-5 681</b>	<b>66 508</b>	<b>16 747</b>	<b>5 493</b>	<b>-40 570</b>	<b>-27 239</b>	<b>-7 687</b>	<b>107 264</b>
<b>NET CASH FLOW</b>	<b>28 252</b>	<b>58 866</b>	<b>23 245</b>	<b>-18 740</b>	<b>-43 111</b>	<b>-28 684</b>	<b>-42 853</b>	<b>35 848</b>	<b>3 708</b>	<b>-19 546</b>	<b>-9 986</b>	<b>12 445</b>	<b>52 646</b>	<b>23 835</b>
<b>Opening cash balance</b>	<b>89 559</b>	<b>117 810</b>	<b>176 676</b>	<b>199 921</b>	<b>181 181</b>	<b>138 070</b>	<b>109 387</b>	<b>66 534</b>	<b>102 382</b>	<b>106 090</b>	<b>86 544</b>	<b>76 558</b>	<b>89 003</b>	<b>117 810</b>
<b>NET CASH FLOW</b>	<b>28 252</b>	<b>58 866</b>	<b>23 245</b>	<b>-18 740</b>	<b>-43 111</b>	<b>-28 684</b>	<b>-42 853</b>	<b>35 848</b>	<b>3 708</b>	<b>-19 546</b>	<b>-9 986</b>	<b>12 445</b>	<b>52 646</b>	<b>23 835</b>
<b>Closing cash balance</b>	<b>117 810</b>	<b>176 676</b>	<b>199 921</b>	<b>181 181</b>	<b>138 070</b>	<b>109 387</b>	<b>66 534</b>	<b>102 382</b>	<b>106 090</b>	<b>86 544</b>	<b>76 558</b>	<b>89 003</b>	<b>141 649</b>	<b>141 649</b>
Jotul Holdings SA	91 090	69 578	66 041	65 937	58 476	57 177	56 515							-
Jotul AS	26 721	107 098	133 880	115 244	79 595	52 210	10 019							-
Line of credit (available for drawdown)	41 000	41 000	41 000	41 000	41 000	33 000	33 000	33 000	33 000	41 000	41 000	41 000	41 000	41 000
Local cash requirements (subsidiaries)	-10 000	-10 000	-10 000	-10 000	-10 000	-10 000	-10 000	-10 000	-10 000	-10 000	-10 000	-10 000	-10 000	-15 000
Used credit line		-	-	-	-	-	-	-60 113	-70 567	-65 020	-24 122		-	-
<b>Available credit line</b>	<b>45 000</b>	<b>31 000</b>	<b>31 000</b>	<b>31 000</b>	<b>23 000</b>	<b>23 000</b>	<b>-37 113</b>	<b>-47 567</b>	<b>-34 020</b>	<b>6 878</b>	<b>31 000</b>	<b>31 000</b>	<b>45 000</b>	
Bank deposits	117 810	176 676	199 921	181 181	138 070	109 387	66 534	102 382	106 090	86 544	76 558	89 003	141 649	
Restricted cash (tax withhold)	-5 107	-3 966	-7 007	-2 896	-6 829	-2 971	-4 606	-160	-4 850	-3 111	-6 444	-3 710	-5 292	
<b>Total liquidity</b>	<b>157 703</b>	<b>203 710</b>	<b>223 914</b>	<b>209 285</b>	<b>162 241</b>	<b>129 416</b>	<b>84 928</b>	<b>65 109</b>	<b>53 673</b>	<b>49 413</b>	<b>76 992</b>	<b>116 293</b>	<b>167 357</b>	
<b>Opening External Net Debt</b>	<b>-175 474</b>	<b>-143 709</b>	<b>-179 802</b>	<b>-171 086</b>	<b>-187 401</b>	<b>-221 194</b>	<b>-251 718</b>	<b>-293 203</b>	-	-	-	-	-	
Variation leasing debt	45	398	36	107	-1 385	50	417							
I/C loan														
Transfer of debt	-5 355													
Compound interests on bond debt	867	-3 004	167	4 536	-2 456	-2 377								
Change in RCF	-	-87 750												
Change in factoring	8 823	-8 473	-11 561	2 150	6 167	567	3 328							
Net Cash Flow	28 252	58 866	23 245	-18 740	-43 111	-28 684	-42 853							
<b>Closing external Net Debt</b>	<b>-143 709</b>	<b>-179 802</b>	<b>-171 086</b>	<b>-187 401</b>	<b>-221 194</b>	<b>-251 718</b>	<b>-293 203</b>							
Intercompany loan	-139 211	-140 019	-140 816	-141 343	-142 067	-178 461	-178 498							-
<b>Total net debt</b>	<b>-282 920</b>	<b>-319 821</b>	<b>-311 902</b>	<b>-328 744</b>	<b>-363 261</b>	<b>-430 179</b>	<b>-471 701</b>							



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Ravelli

## Executive Summary: Week of 07-24

- HR: CEO is considering a change of the CFO in September to enable a better turnaround support and speed
- June net sales with € 1.8M were -41.4% below PY and -32.1% below budget; CEO is currently performing a full portfolio review to churn the low margin products; the portfolio plan will be discussed in one month from now in late August
- YTD Net sales at € 11.5M were -30.3% below PY and -2.5% below budget
- Gross margin at 25.4% above PY at 14.8% and below budget at 21.1%; while the margin rate improves it still remains below the critical level of 30%
- EBITDA in June with € -506k was -300M below PY and -199k below budget; upon the definition of the portfolio the new organization will be designed to a smaller scale to reach break even in 2020
- YTD EBITDA at € -3.1M was -€2.1M worse than PY;
- FY 2019 EBITDA outlook deteriorated to € -2.1M vs PY at €-6.4M with some downward risks; OGC expects EBITDA to land below around €3M in losses
- Liquidity remains at low levels but OGC still has €2M at holding level not considered by the business; bank meetings to be held on July 23 to improve credit lines
- First milestone meeting on the status review of turnaround actions, one month after the launch, will be held on July 23 and 24 in Italy with management and Jotul executives

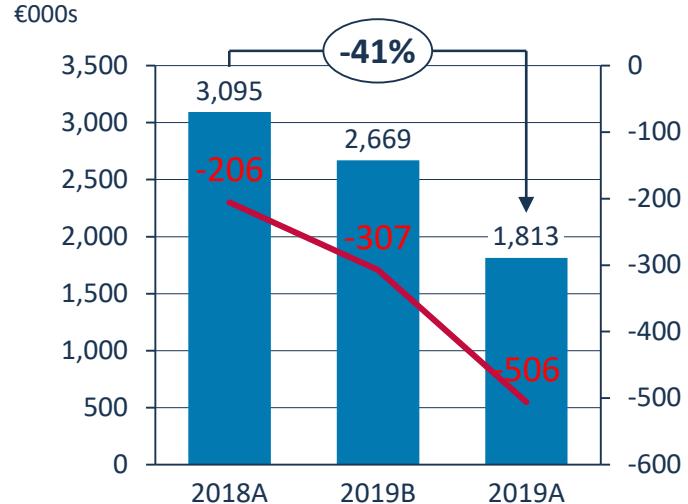
## Status Update: Project Details

Project	Current Status & Next Steps	Annualized EBITDA Impact (\$MM)	
		Projected	Actual
A. Prepare revised turnaround plan with new CEO	<ul style="list-style-type: none"> <li>• Review all current initiatives to turnaround the business and revise priorities</li> <li>• New CEO presented his revised turnaround plan versus previous management end June</li> <li>• First milestone meeting on the status review of turnaround actions, one month after the launch, will be held on July 23 and 24 in Italy with management and Jotul executives</li> </ul>	TBD	TBD
B. Prepare refinancing discussion with Italian banks	<ul style="list-style-type: none"> <li>• 2019 forecast shows an EBITDA loss of €-2.1M, 2020 break even and 2021 €1.5M positive; plan will be presented to banks on July 23</li> </ul>	TBD	TBD

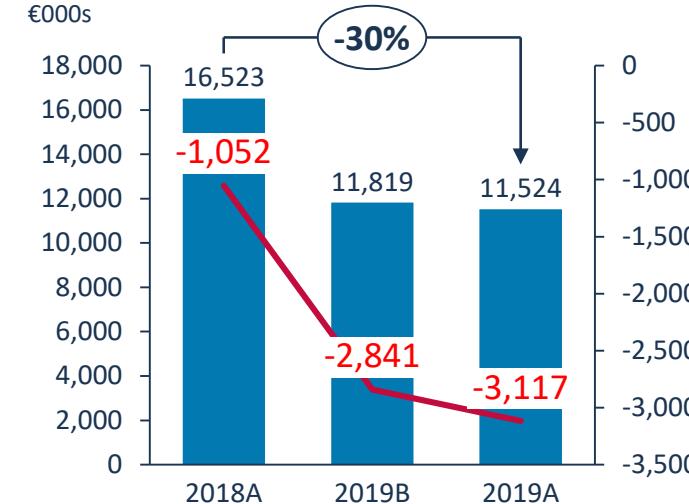


# Monthly financial metrics

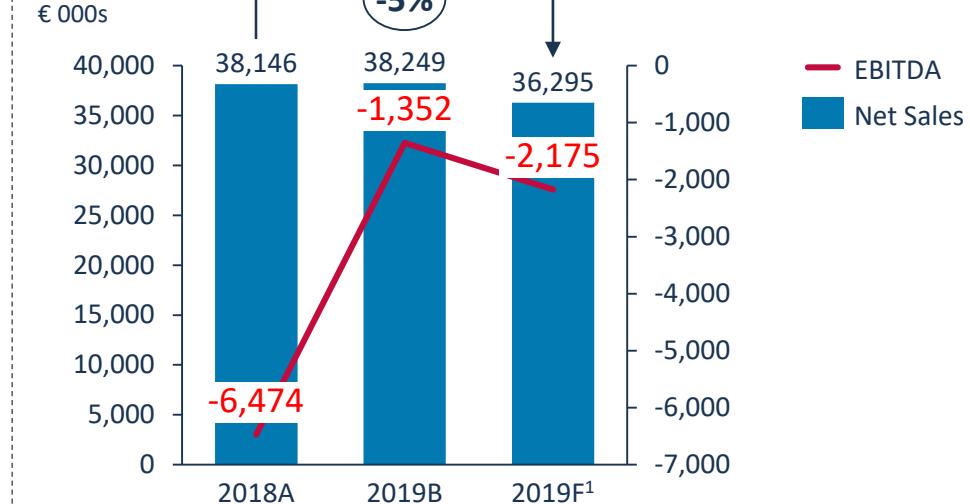
May MTD



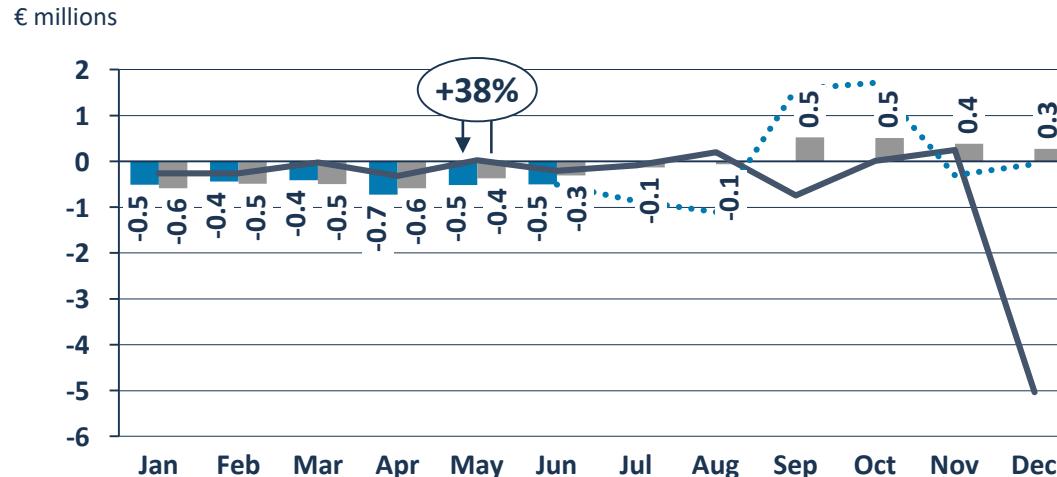
May YTD



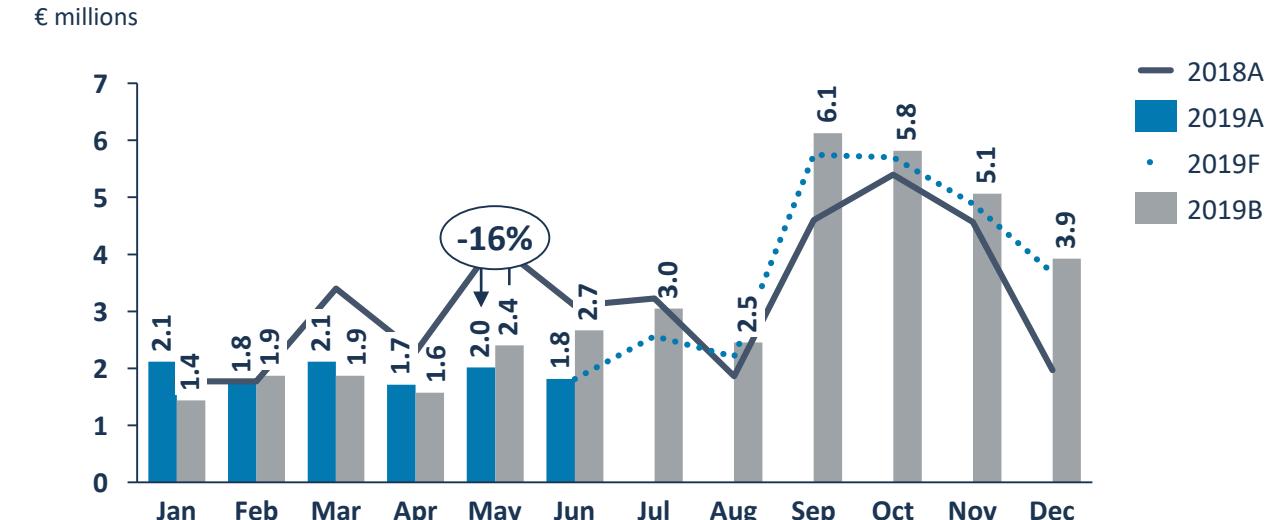
Full Year



Monthly EBITDA



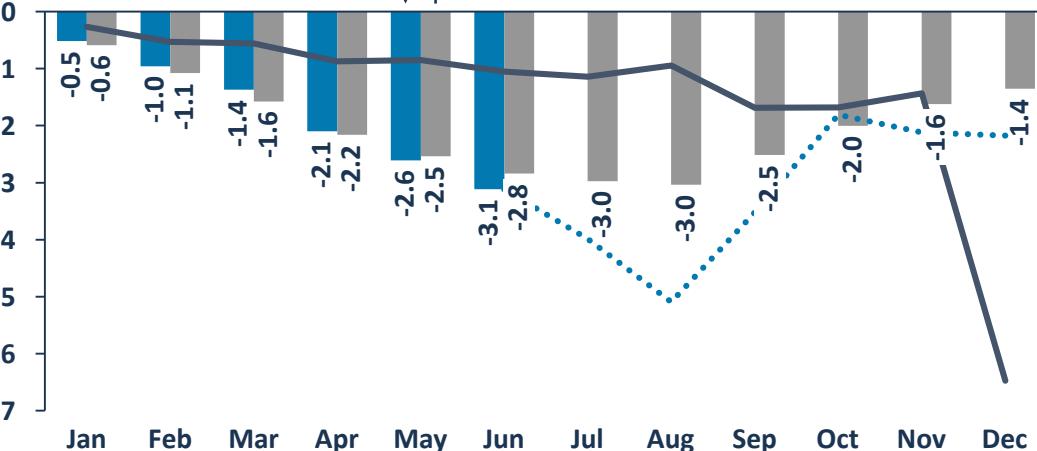
Monthly Net Revenue



## Monthly financial metrics

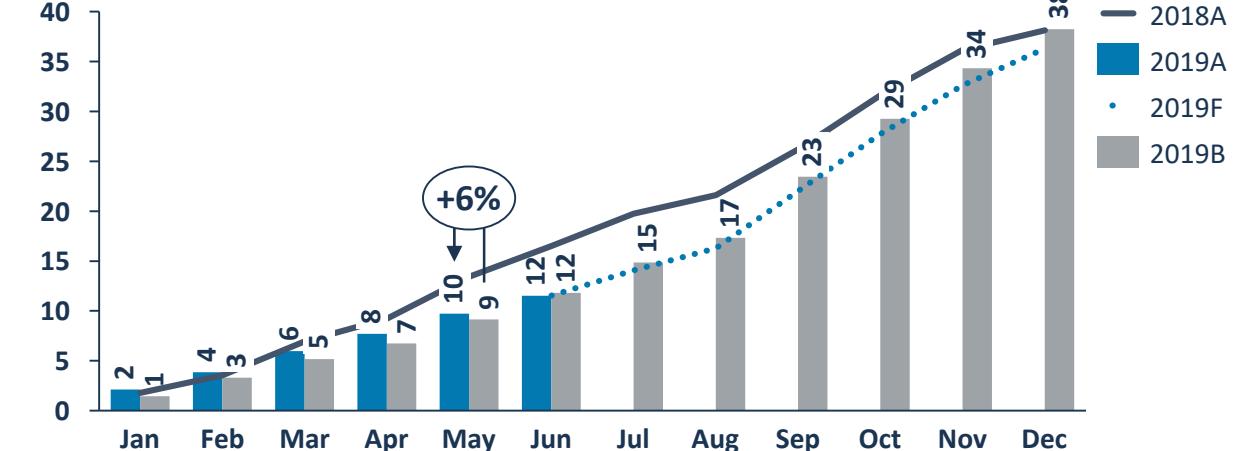
**YTD EBITDA**

€ millions



**YTD Revenue**

€ millions



**Order Intake**

€ millions

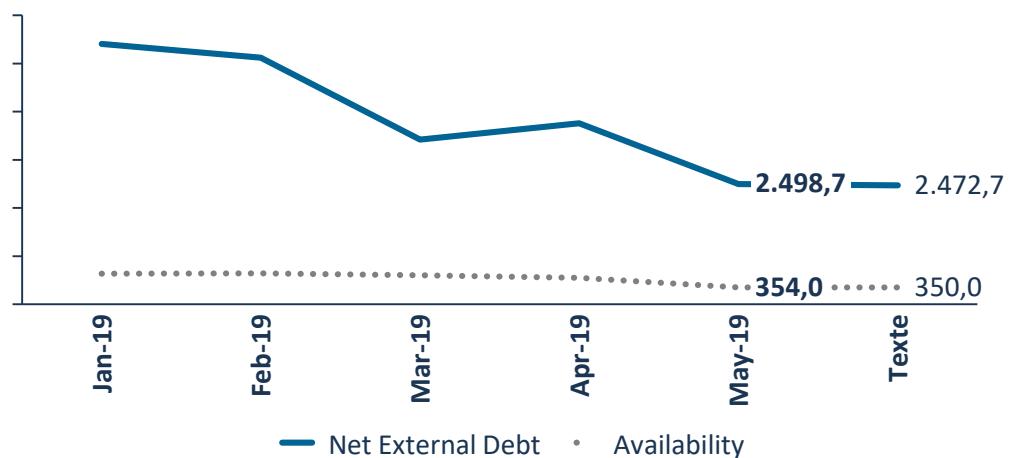


- TTM Avg Bookings
- MTD Bookings
- TTM Avg Backlog
- MTD Backlog

1. YTD actuals + remaining year forecast

**Liquidity**

€ millions



€'000s	Q1						Q2						Q3						Q4										
	MTD		MTD		Var		MTD		Var		YTD		YTD		Var		YTD		Var		FY		FY		Var		FY		Var
AICO	Act	Bud	€	%	PY	€	%	Act	Bud	€	%	PY	€	%	Act	Bud	€	%	Fsct	Bud	€	%	PY	€	%				
Gross Revenue	€ 1,886	\$ 2,732	€ (846)	(31.0%)	€ 3,268	€ (1,382)	(42.3%)	€ 11,857	€ 12,039	€ (182)	(1.5%)	€ 16,605	€ (4,749)	(28.6%)	€ 37,100	€ 39,092	€ (1,992)	(5.1%)	€ 38,705	€ (1,605)	(4.1%)	€ (805)	€ (843)	€ 38	(4.5%)	€ (559)	€ (246)	44.0%	
Adj. to Gross Revenue	(72)	(63)	(9)	14.6%	(173)	101	(58.2%)	(333)	(220)	(113)	51.5%	(83)	(250)	301.9%															
Net Revenue	1,813	2,669	(856)	(32.1%)	3,095	(1,281)	(41.4%)	11,524	11,819	(295)	(2.5%)	16,523	(4,999)	(30.3%)	36,295	38,249	(1,954)	(5.1%)	38,146	(1,851)	(4.9%)	3,172	3,388	(216)	(6.4%)	3,037	135	4.4%	
Other COGS	170	242	(72)	(29.7%)	267	(96)	(36.2%)	1,007	1,029	(22)	(2.2%)	1,354	(348)	(25.7%)															
Total COGS	1,353	2,107	(754)	(35.8%)	2,638	(1,285)	(48.7%)	9,655	9,696	(41)	(0.4%)	14,790	(5,135)	(34.7%)	28,851	29,866	(1,015)	(3.4%)	35,200	(6,349)	(18.0%)								
Gross Margin	461	562	(101)	(18.0%)	457	4	0.8%	1,869	2,123	(254)	(12.0%)	1,733	136	7.9%	7,444	8,383	(939)	(11.2%)	2,946	4,498	152.7%								
Gross Margin %	25.4%	21.1%			14.8%			16.2%	18.0%			10.5%			20.5%	21.9%			7.7%										
Sales & Marketing	—	—	—	n/a	—	—	n/a	—	—	—	n/a	—	—	n/a	—	—	—	n/a	—	—	—	n/a	—	—	—	n/a	—		
Administrative	913	815	98	12.0%	651	262	40.2%	4,665	4,644	21	0.5%	2,714	1,952	71.9%	8,979	9,091	(112)	(1.2%)	7,043	1,936	27.5%								
Total Opex	967	869	98	11.3%	663	304	45.9%	4,985	4,964	21	0.4%	2,785	2,200	79.0%	9,619	9,735	(116)	(1.2%)	9,420	199	2.1%								
EBITDA	(506)	(307)	(199)	64.9%	(206)	(300)	146.1%	(3,117)	(2,841)	(276)	9.7%	(1,052)	(2,064)	196.2%	(2,175)	(1,352)	(823)	60.9%	(6,474)	4,299	(66.4%)								
EBITDA %	(27.9%)	(11.5%)			(6.6%)			(27.0%)	(24.0%)			(6.4%)			(6.0%)	(3.5%)			(17.0%)										
Net Income (Loss)	€ (743)	\$ (404)	€ (339)	84.0%	€ (334)	€ (409)	122.5%	€ (4,200)	€ (3,386)	€ (814)	24.1%	€ (2,725)	€ (1,475)	54.1%	€ (4,382)	€ (2,454)	€ (1,928)	78.6%	€ (17,050)	€ 12,668	(74.3%)								
Capex	€ (54)	\$ (140)	€ 86	(61.7%)	€ -	€ (54)	n/a	€ (210)	€ (245)	€ 35	(14.3%)	€ -	€ (210)	n/a	€ (582)	€ (386)	€ (196)	50.9%	€ -	€ (582)	n/a								



# Balance Sheet

AICO	€'000s		Apr-19	May-19	Jun-19	Variance LM	
	Act	Act	Act	Act	€	€	%
<b><u>Current Assets</u></b>							
Cash and cash equivalents	€ (1,655)	€ (1,274)	€ (1,266)	€ (9)	0.7%		
Accounts receivable, net	9,008	10,713	10,150	563	5.5%		
Inventory, net	12,944	12,893	13,728	(835)	(6.1%)		
Current portion of deferred taxes	795	795	—	795	0.0%		
Other current assets	46	(1,359)	278	(1,636)	(589.7%)		
<b>Total Current Assets</b>	<b>21,141</b>	<b>21,771</b>	<b>22,893</b>	<b>(1,122)</b>	<b>(4.9%)</b>		
<b><u>Non-Current Assets</u></b>							
Property, plant & equipment, net	798	790	795	(5)	(0.6%)		
Identifiable intangible assets, net	989	995	887	108	12.2%		
Other non-current assets	84	84	84	—	0.0%		
<b>Total Non-Current Assets</b>	<b>1,872</b>	<b>1,869</b>	<b>1,766</b>	<b>103</b>	<b>5.8%</b>		
<b>Total Assets</b>	<b>€ 23,013</b>	<b>€ 23,640</b>	<b>€ 24,659</b>	<b>€ (1,019)</b>	<b>(4.1%)</b>		
<b><u>Current Liabilities</u></b>							
Accounts payable	7,536	6,692	8,051	(1,360)	(16.9%)		
Accrued liabilities	288	390	951	(561)	(59.0%)		
<b>Total Current Liabilities</b>	<b>9,925</b>	<b>8,306</b>	<b>10,209</b>	<b>(1,903)</b>	<b>(18.6%)</b>		
<b><u>Long-term liabilities</u></b>							
Debt owing to OpenGate	—	3,000	3,000	—	0.0%		
<b>Total Long-Term Liabilities</b>	<b>1,392</b>	<b>4,417</b>	<b>4,277</b>	<b>140</b>	<b>3.3%</b>		
<b>Total Liabilities</b>	<b>11,317</b>	<b>12,723</b>	<b>14,486</b>	<b>(1,763)</b>	<b>(12.2%)</b>		
<b>Total Shareholders' Equity</b>	<b>11,696</b>	<b>10,917</b>	<b>10,173</b>	<b>743</b>	<b>7.3%</b>		
<b>Total Liabilities and Shareholders' Equity</b>	<b>€ 23,013</b>	<b>€ 23,640</b>	<b>€ 24,659</b>	<b>€ (1,019)</b>	<b>(4.1%)</b>		
<i>Memo:</i>							
<b>Net Working Capital</b>	<b>€ 14,972</b>	<b>€ 15,964</b>	<b>€ 15,157</b>	<b>€ 807</b>	<b>5.3%</b>		
<b>Total Net Debt</b>	<b>€ 3,756</b>	<b>€ 2,499</b>	<b>€ 2,473</b>	<b>€ 26</b>	<b>1.1%</b>		



	December	January	February	March	April	May	June	July	August	September	October	November	December	TOTAL
	2018	AC	AC	AC	AC	AC	AC	FC	FC	FC	FC	FC	FC	AC/FCST
Inventories (gross value)	12,223	12,206	12,993	13,129	12,944	12,893	13,728	13,600	13,100	12,800	12,300	10,500	9,000	9,000
Trade account receivables	17,812	15,098	13,052	12,158	9,811	9,992	10,331	9,900	10,150	12,150	13,400	14,550	14,700	14,700
Other current assets	94	117	278	78	42	160	99	100	100	100	100	100	100	100
Trade account payables	-13,759	-11,816	-11,378	-9,650	-7,536	-6,692	-8,051	-8,685	-8,820	-8,737	-9,068	-9,553	-9,454	-9,454
Other current liabilities	-124	63	-93	-184	-288	-390	-951	-1,062	-1,092	-1,342	-1,250	-968	-850	-850
<b>Operating Working Capital (OWC)</b>	<b>16,246</b>	<b>15,669</b>	<b>14,851</b>	<b>15,532</b>	<b>14,972</b>	<b>15,964</b>	<b>15,157</b>	<b>13,853</b>	<b>13,438</b>	<b>14,971</b>	<b>15,482</b>	<b>14,629</b>	<b>13,496</b>	<b>13,496</b>
EBITDA		-513	-443	-412	-728	-514	-506	-873	-1,106	1,573	1,711	-303	-59	-2,175
Change in WC		577	818	-681	560	-992	807	1,304	415	-1,533	-511	853	1,133	2,750
Change in Provisions		34	-13	-24	43	26	-140	-27	20	20	30	20	10	-2
Capex		11	-57	-36	-28	-47	-54	-	-	-30	-100	-139	-203	-682
<b>OPERATING CASH FLOW</b>	<b>110</b>	<b>304</b>	<b>-1,152</b>	<b>-154</b>	<b>-1,528</b>	<b>107</b>	<b>404</b>	<b>-671</b>	<b>30</b>	<b>1,130</b>	<b>430</b>	<b>881</b>	<b>-109</b>	
Non-recurring items and management fee		-4	-17	-118	-169	-218	-75	-219	-18	-519	-19	-19	-20	-1,416
Net payable interest and financial expenses		-2	-4	-54	-15	3	-6	139	-11	-11	-11	-11	-11	6
Corporate income tax		-	-	-	-	-	-	-	-	-	-	-	-	-
<b>NON-OPERATING CASH FLOW</b>	<b>-5</b>	<b>-22</b>	<b>-172</b>	<b>-185</b>	<b>-215</b>	<b>-81</b>	<b>-80</b>	<b>-29</b>	<b>-530</b>	<b>-30</b>	<b>-30</b>	<b>-32</b>	<b>-1,410</b>	
Change RCF		104	-6	-890	-667	-852	-17	893	200	500	400	600	200	464
Change in factoring debt		-80	-147	-199	-129	-25	-	-	-	-	-	-	-	-580
OpenGate Loan		-	-	3,028	-5,728	3,000	-	-	500	-	-1,500	-1,000	-1,000	-2,700
Paid in Capital		-	-	-	5,728	-	-	-	-	-	-	-	-	5,728
<b>FINANCING CASH FLOW</b>	<b>24</b>	<b>-153</b>	<b>1,939</b>	<b>-796</b>	<b>2,123</b>	<b>-17</b>	<b>893</b>	<b>700</b>	<b>500</b>	<b>-1,100</b>	<b>-400</b>	<b>-800</b>	<b>2,912</b>	
<b>NET CASH FLOW</b>	<b>128</b>	<b>130</b>	<b>615</b>	<b>-1,135</b>	<b>381</b>	<b>9</b>	<b>1,217</b>	<b>-</b>	<b>-0</b>	<b>0</b>	<b>-0</b>	<b>49</b>	<b>1,393</b>	
<b>Opening cash balance</b>		<b>-1,393</b>	<b>-1,265</b>	<b>-1,135</b>	<b>-521</b>	<b>-1,655</b>	<b>-1,274</b>	<b>-1,266</b>	<b>-49</b>	<b>-49</b>	<b>-49</b>	<b>-49</b>	<b>-49</b>	<b>-1,393</b>
<b>NET CASH FLOW</b>		<b>128</b>	<b>130</b>	<b>615</b>	<b>-1,135</b>	<b>381</b>	<b>9</b>	<b>1,217</b>	<b>-</b>	<b>-0</b>	<b>0</b>	<b>-0</b>	<b>49</b>	<b>1,393</b>
<b>Closing cash balance</b>		<b>-1,265</b>	<b>-1,135</b>	<b>-521</b>	<b>-1,655</b>	<b>-1,274</b>	<b>-1,266</b>	<b>-49</b>	<b>-49</b>	<b>-49</b>	<b>-49</b>	<b>-49</b>	<b>0</b>	<b>0</b>
Line of credit (available for drawdown)		8,550	8,550	8,550	5,000	4,000	5,000	6,000	6,000	5,000	5,000	4,000	4,000	4,000
Used credit line		5,730	5,009	4,947	3,673	2,473	4,107	4,200	4,500	4,000	3,500	3,200	3,000	3,000
Available credit line		2,820	3,541	3,603	1,327	1,527	893	1,800	1,500	1,000	1,500	800	1,000	1,000
Bank deposits		-1,265	-1,135	-521	-1,655	-1,274	-1,266	-49	-49	-49	-49	-49	0	0
<b>Total liquidity</b>		<b>4,085</b>	<b>4,676</b>	<b>4,123</b>	<b>2,982</b>	<b>2,801</b>	<b>2,159</b>	<b>1,849</b>	<b>1,549</b>	<b>1,049</b>	<b>1,549</b>	<b>849</b>	<b>1,000</b>	<b>1,000</b>



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Fichet



## Executive Summary: Week of 07-24

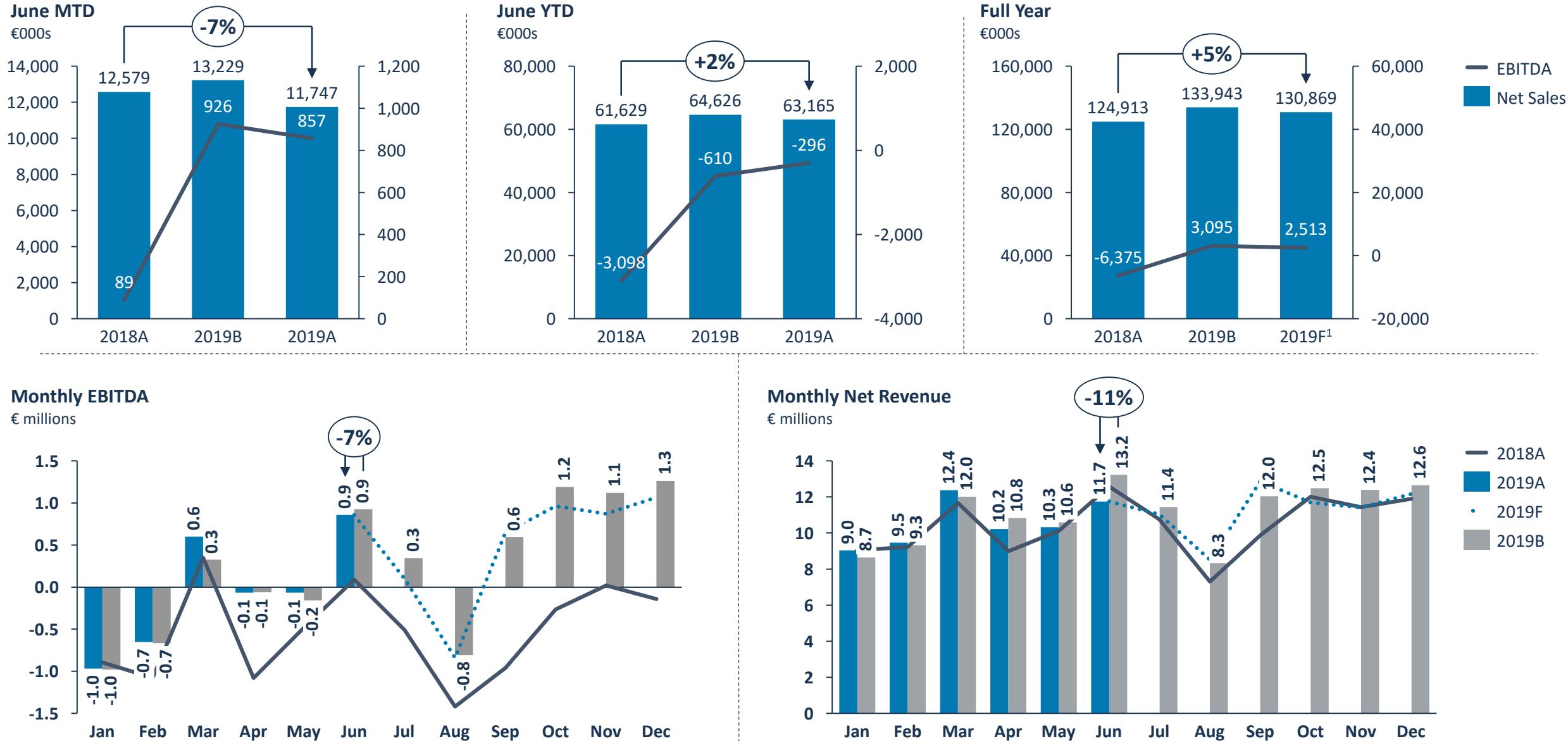
- Sales reached 11,7M€ in June, above YTD average, but lower than Budget (-11%) and PY(7%). Low performance on Entrance Control, Safe & vaults and Electronic Security
- June EBITDA is €857k , below budget (-7%) but improved vs PY (PY restated with IFRS 16 is €381k). Cost saving, overdue collection and operation improvement currently rolled out
- YTD EBITDA with -€0,3M is +€0,1M or +7% better than budget and +€0.8M better than PY
- FY EBITDA is forecasted at €2,5M vs. budget at €3,1M and PY at -€6.4M (PY restated with IFRS 16 is €-2,9M)
- Group reorganisation/redundancy plan:
  - Agreement reached with FSSF employee representatives (76 jobs at stake). Green light from French administration expected end of July-beginning of August
  - On-going negotiation with Fichet-Bauche employee representatives (17 jobs at stake). Agreement similar to FSSF expected before the end of July
  - Stronger reaction from Unions in Fichet-Bauche. Impact on sales:-€0.4M
  - Overall 92 roles at stake representing a net saving of 5.6M€ and for a redundancy plan costs of maximum 8.2M€

## Status Update: Project Details

Project	Current Status & Next Steps	Annualized EBITDA Impact (\$MM)	
		Projected	Actual
A. Backlog cleansing	<span style="color: orange;">●</span> 3.4M€ identified to be reviewed (7% of the backlog) including 1.8M€ prior to 2018		
B. Group Sales Director and Benelux Sales manager recruitment	<span style="color: orange;">●</span> Korn Ferry appointed for both positions <span style="color: orange;">●</span> Current FSSF sales director and Belgium MD being phased out		
C. Cost reduction and cash program	<span style="color: green;">●</span> Mainly cash impact with overdue reduction target (from €6M down to €4M)	0.3	
D. New commercial strategy implementation	<span style="color: green;">●</span> Roland Berger final steerco 3 <sup>rd</sup> July. Workshops launched to implement recommendations (Export, Safe building and Channel partners). Proposal formalised end of August		
E. Restructuring Plan	<span style="color: red;">●</span> Agreement reached for FSSF <span style="color: red;">●</span> Target end date: end of October	0.7	
F. S&G-Fichet distribution synergy	<span style="color: green;">●</span> Listing of all EMEA distributors: 24 <sup>th</sup> July <span style="color: green;">●</span> Selection of target countries for distribution: 30 <sup>th</sup> August	tbd	



# Monthly financial metrics

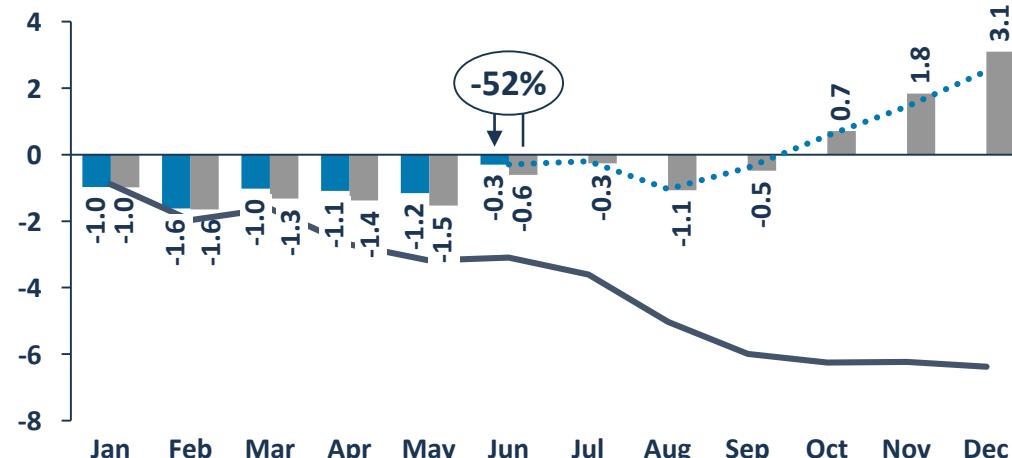




## Monthly financial metrics

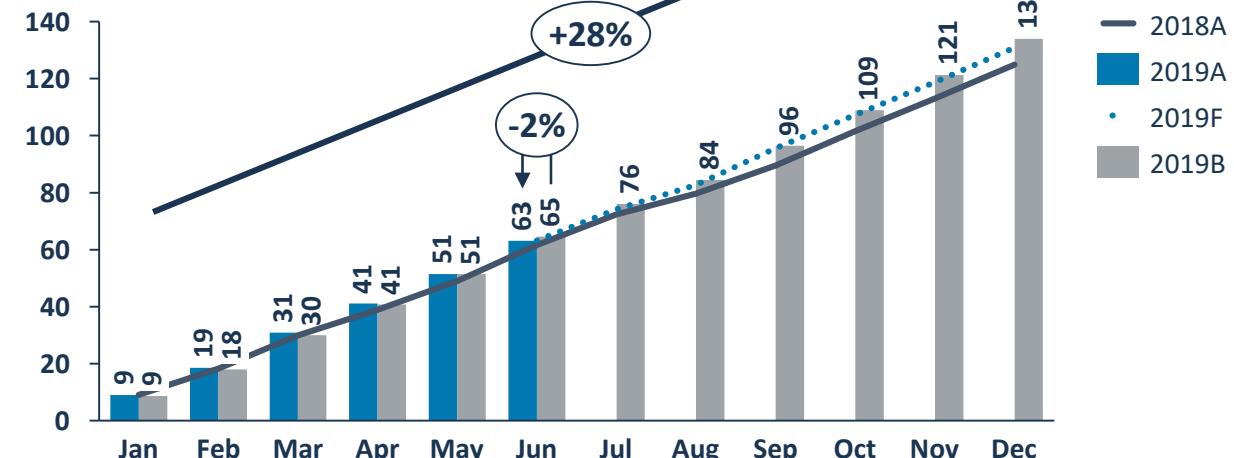
YTD EBITDA

€ millions



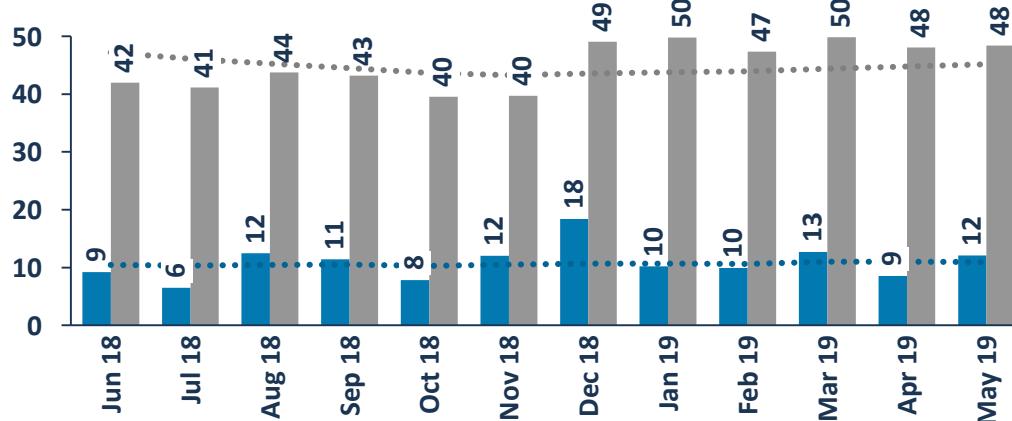
YTD Revenue

€ millions



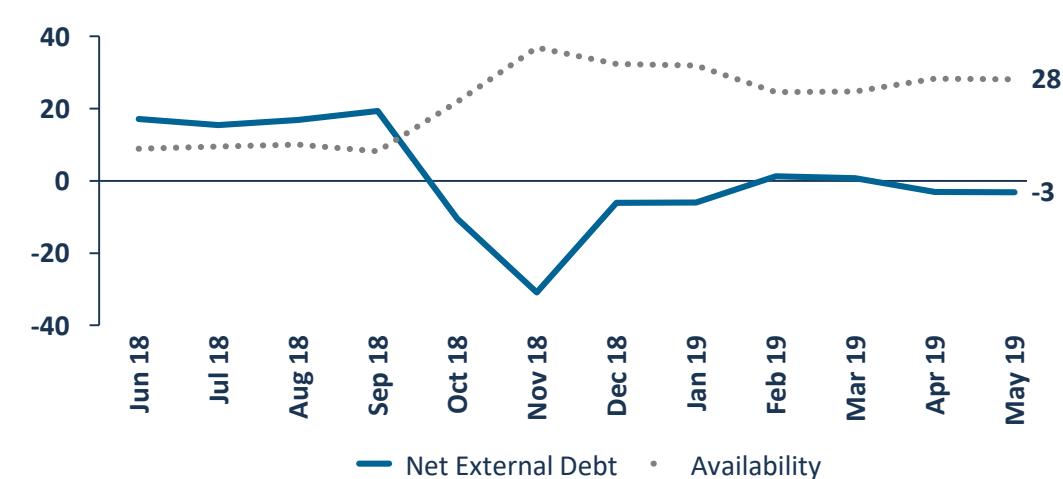
Order Intake

€ millions



Liquidity

€ millions



• TTM Avg Bookings

■ MTD Bookings



■ MTD Backlog

• TTM Avg Backlog

■ MTD Backlog

1. YTD actuals + remaining year forecast

€'000s	Currency	Month						YTD						FY						Var		
		MTD		MTD		Var		MTD		YTD		Var		YTD		Var		FY		Var		
		Act	Bud	\$	%	PY	€	%	Act	Bud	\$	%	PY	€	%	Fsct	Bud	\$	%	PY	€	%
Fichet Security Solutio	EUR																					
Gross Revenue		€ 11 747	€ 13 229	€ (1 482)	(11,2%)	€ 12 579	€ (832)	(6,6%)	€ 63 165	€ 64 626	€ (1 461)	(2,3%)	€ 61 629	€ 1 536	2,5%	€ 130 869	€ 133 943	€ (3 074)	(2,3%)	€ 124 913	€ 5 956	4,8%
Adj. to Gross Revenue		-	-	n/a		-	-	n/a	-	-	-	-	-	-	n/a	-	-	-	n/a	-	-	n/a
Net Revenue		11 747	13 229	(1 482)	(11,2%)	12 579	(832)	(6,6%)	63 165	64 626	(1 461)	(2,3%)	61 629	1 536	2,5%	130 869	133 943	(3 074)	(2,3%)	124 913	5 956	4,8%
Other COGS		2 868	2 852	16	0,6%	2 715	153	5,6%	14 452	14 278	174	1,2%	14 442	10	0,1%	28 856	29 350	(494)	(1,7%)	30 118	(1 262)	(4,2%)
Total COGS		8 959	9 666	(707)	(7,3%)	9 637	(678)	(7,0%)	48 682	49 364	(682)	(1,4%)	49 055	(373)	(0,8%)	98 954	100 675	(1 720)	(1,7%)	99 659	(705)	(0,7%)
Gross Margin		2 788	3 563	(775)	(21,8%)	2 943	(155)	(5,3%)	14 483	15 262	(779)	(5,1%)	12 574	1 909	15,2%	31 914	33 268	(1 354)	(4,1%)	25 253	6 661	26,4%
Gross Margin %		23,7%	26,9%			23,4%			22,9%	23,6%			20,4%			24,4%	24,8%			20,2%		
R&D		190	316	(126)	(39,8%)	244	(54)	(22,0%)	1 269	1 885	(616)	(32,7%)	1 459	(190)	(13,0%)	2 898	3 661	(763)	(20,9%)	2 488	410	16,5%
Sales & Marketing		1 319	1 410	(91)	(6,5%)	1 371	(52)	(3,8%)	8 355	8 520	(165)	(1,9%)	7 755	600	7,7%	16 015	16 168	(153)	(0,9%)	16 024	(9)	(0,1%)
Administrative		714	1 204	(490)	(40,7%)	1 239	(525)	(42,4%)	6 907	7 219	(312)	(4,3%)	6 458	449	7,0%	13 994	13 849	145	1,0%	13 116	878	6,7%
Total Opex		1 931	2 637	(707)	(26,8%)	2 854	(923)	(32,3%)	14 779	15 872	(1 093)	(6,9%)	15 672	(894)	(5,7%)	29 402	30 173	(772)	(2,6%)	31 628	(2 227)	(7,0%)
EBITDA		857	926	(69)	(7,4%)	89	768	863,3%	(296)	(610)	314	(51,5%)	(3 098)	2 803	(90,5%)	2 513	3 095	(582)	(18,8%)	(6 375)	8 887	(139,4%)
EBITDA %		7,3%	7,0%			0,7%			(0,5%)	(0,9%)			(5,0%)			1,9%	2,3%			(5,1%)		
Net Income (Loss)		€ 10	€ 181	€ (171)	(94,4%)	€ 1 178	€ (1 168)	(99,1%)	€ (14 175)	€ (4 563)	€ (9 612)	210,6%	€ (4 881)	€ (9 294)	190,4%	€ (15 393)	€ (13 863)	€ (1 530)	11,0%	€ 4 525	€ (19 918)	(440,1%)
Capex		€ (195)	€ (374)	€ 179	(47,9%)	€ (139)	€ (56)	40,0%	€ (957)	€ (1 300)	€ 343	(26,4%)	€ (651)	€ (306)	47,1%	€ (2 216)	€ (2 838)	€ 622	(21,9%)	€ (1 903)	€ (313)	16,4%



# Balance Sheet

€'000s	Fichert Security Solutions	Currency EUR	Mar-19	Apr-19	May-19	Jun-19		Variance LM	
			Act	Act	Act	Act	Act	€	%
<b>Current Assets</b>									
Cash and cash equivalents		€	24 586	€	24 736	€	28 248	€	28 124
Accounts receivable, net			30 900		30 635		28 470		31 177
Inventory, net			17 826		17 793		18 559		(2 706)
Other current assets			6 457		6 344		6 499		212
<b>Total Current Assets</b>			<b>80 666</b>		<b>80 646</b>		<b>82 718</b>		<b>(3 823)</b>
<b>Non-Current Assets</b>									
Property, plant & equipment, net			23 560		23 245		22 906		22 619
Goodwill			—		—		—		288
Other non-current assets			(1 343)		(927)		(1 343)		(1 338)
<b>Total Non-Current Assets</b>			<b>24 412</b>		<b>24 476</b>		<b>23 877</b>		<b>264</b>
<b>Total Assets</b>			<b>€ 105 078</b>		<b>€ 105 122</b>		<b>€ 106 595</b>		<b>€ 110 154</b>
<b>Current Liabilities</b>									
Accounts payable			15 958		15 816		17 153		17 907
Accrued liabilities			—		—		—		(754)
Other current liabilities			27 393		36 397		38 363		42 012
<b>Total Current Liabilities</b>			<b>49 604</b>		<b>58 806</b>		<b>61 802</b>		<b>(3 649)</b>
<b>Long-term liabilities</b>									
Deferred income taxes			—		—		—		—
Deferred liabilities			—		—		—		0.0%
Other non-current liabilities			—		—		—		0.0%
<b>Total Long-Term Liabilities</b>			<b>24 209</b>		<b>23 885</b>		<b>23 593</b>		<b>23 355</b>
<b>Total Liabilities</b>			<b>73 813</b>		<b>82 691</b>		<b>85 395</b>		<b>89 045</b>
<b>Total Shareholders' Equity</b>			<b>31 265</b>		<b>22 432</b>		<b>21 200</b>		<b>21 110</b>
<b>Total Liabilities and Shareholders' Equity</b>			<b>€ 111 029</b>		<b>€ 111 384</b>		<b>€ 112 849</b>		<b>€ 116 310</b>
<b>Memo:</b>									
<b>Net Working Capital</b>			<b>€ 56 080</b>		<b>€ 55 910</b>		<b>€ 54 470</b>		<b>€ 58 418</b>
<b>Total Net External Debt</b>			<b>€ 1 225</b>		<b>€ 752</b>		<b>€ (3 051)</b>		<b>€ (3 159)</b>





Consolidated Cash Flow	Actual	Actual	Actual	Actual	Actual	Actual	Actual	FCT	FCT	FCT	FCT	FCT	YTD	FCT	Budget	Budget	
	Dec N-1	Jan	Feb	Mar	Apr	May	June	Juil	Aug	Sep	Oct	Nov	Dec	Variation	Variation	Dec	Annual var
Inventories	17 821	17 257	17 942	17 826	17 793	18 559	18 348	17 225	16 975	16 725	16 625	16 375	15 325	527	-2 496	17 103	-1 532
Account Receivables	32 018	29 278	29 767	32 214	32 095	29 939	32 646	28 845	27 131	28 534	28 306	30 154	30 713	627	-1 305	33 567	-308
Other Receivables	5 248	5 052	5 383	5 440	5 422	5 372	6 825	5 806	5 449	5 344	5 481	5 286	5 485	1 576	237	7 841	-1 493
Customers advances	-1 967	-2 305	-2 421	-2 365	-2 310	-2 371	-2 390	-2 325	-2 015	-2 335	-2 439	-2 413	-2 533	-423	-566	-1 918	-818
Accounts Payables	-16 228	-14 524	-15 855	-15 958	-15 816	-17 153	-17 907	-16 109	-15 234	-17 031	-17 604	-18 792	-18 462	-1 680	-2 234	-18 731	447
Factor	-10 167	-8 021	-8 782	-3 249	-4 506	-6 585	-11 836	-9 000	-9 000	-9 000	-9 000	-9 000	-1 669	1 167	-9 000	1 200	
Other current Liabilities	-26 828	-24 776	-25 204	-26 431	-34 572	-34 088	-31 947	-32 973	-33 370	-33 940	-29 509	-28 409	-26 014	-5 119	815	-24 855	4 360
<b>Total Working Capital</b>	<b>-102</b>	<b>1 960</b>	<b>829</b>	<b>7 478</b>	<b>-1 893</b>	<b>-6 327</b>	<b>-6 262</b>	<b>-8 530</b>	<b>-10 064</b>	<b>-11 703</b>	<b>-8 139</b>	<b>-6 798</b>	<b>-4 486</b>	<b>-6 160</b>	<b>-4 383</b>	<b>4 007</b>	<b>1 856</b>
EBITDA	1 465	-1 261	-945	308	-358	-357	565	-193	-1 131	355	671	580	774	-2 048	-992	970	-410
Change in Working Capital	-1 558	-2 062	1 131	-6 649	9 371	4 434	-65	2 268	1 534	1 638	-3 563	-1 341	-2 313	6 160	4 383	-1 662	-1 856
Capex		-127	-81	-157	-111	-286	-195	-222	-94	-284	-219	-186	-254	-957	-2 216	-123	-2 838
Other Operating Cash Flow		-1 377	20	-581	-136	407	-53	-367	31	-30	166	227	210	-1 720	-1 483	-128	-760
<b>OPERATING CASH FLOW</b>	<b>-4 827</b>	<b>124</b>	<b>-7 078</b>	<b>8 766</b>	<b>4 197</b>	<b>252</b>	<b>1 486</b>	<b>339</b>	<b>1 679</b>	<b>-2 945</b>	<b>-720</b>	<b>-1 583</b>	<b>1 435</b>	<b>-308</b>	<b>-943</b>	<b>-5 864</b>	
Management Fees		-63	-63	-63	-63	-63	-63	-63	-63	-63	-63	-63	-63	-375	-750	-62	-750
Non recurring costs		-499	-390	-109	-672	-256	25	-66	-67	-48	1	2	3	-1 902	-2 077	-10	-763
Restructuring costs			-58	-59	-7 824	-332	-310	-51	-40	-31	-30	-31	-33	-8 583	-8 799	-1 002	-6 327
Financial result	3 695	-43	-37	-42	-44	-37	-35	-40	-42	-41	-42	-41	-42	-238	-486	-1	-20
Corporate Income Tax		-3	1	-1	-13	0	0	-68	17	114	-89	-47	-83	-16	-172	-2	-121
Other Cash Flow	-3 794	950	-23	21		3	6	-4	2	1		2	2	2	960	-1	-16
<b>OTHER CASH FLOW</b>	<b>342</b>	<b>-570</b>	<b>-252</b>	<b>-8 616</b>	<b>-685</b>	<b>-377</b>	<b>-292</b>	<b>-193</b>	<b>-68</b>	<b>-223</b>	<b>-178</b>	<b>-216</b>	<b>-11 113</b>	<b>-11 325</b>	<b>-1 078</b>	<b>-7 997</b>	
<b>TOTAL CASH FLOW</b>	<b>-4 485</b>	<b>-446</b>	<b>-7 330</b>	<b>150</b>	<b>3 512</b>	<b>-124</b>	<b>1 195</b>	<b>147</b>	<b>1 612</b>	<b>-3 167</b>	<b>-897</b>	<b>-1 798</b>	<b>-9 678</b>	<b>-11 633</b>	<b>-2 021</b>	<b>-13 861</b>	
Opening cash balance		36 847	32 361	31 916	24 586	24 736	28 248	28 124	29 318	29 465	31 077	27 910	27 012	36 847	36 847	23 891	35 731
Closing cash balance		36 847	32 361	31 916	24 586	24 736	28 248	28 124	29 318	29 465	31 077	27 910	27 012	25 214	28 124	21 870	21 870



2.g

SMAC

## Executive Summary: Week of 07-24

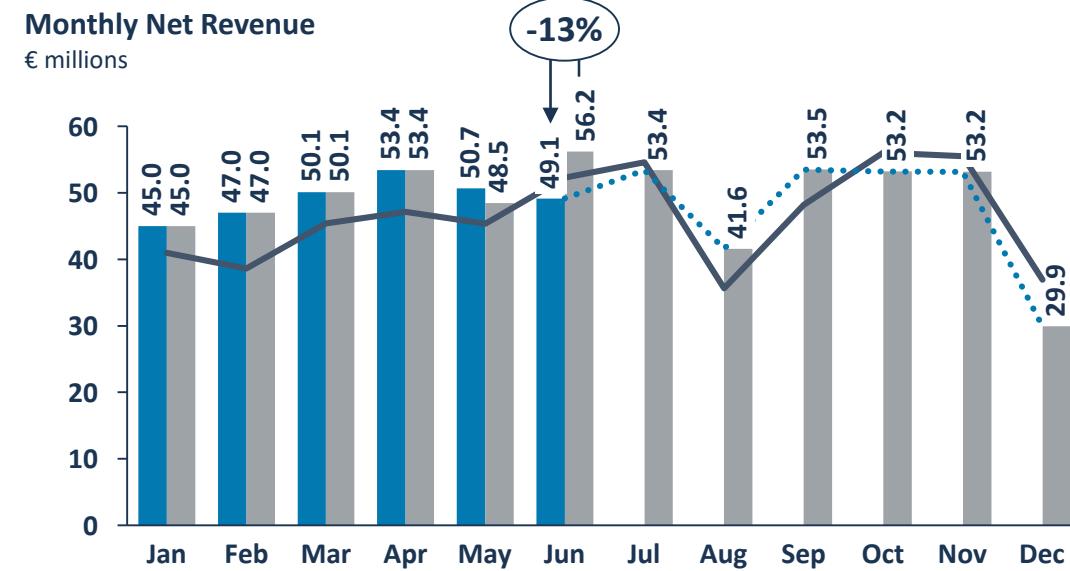
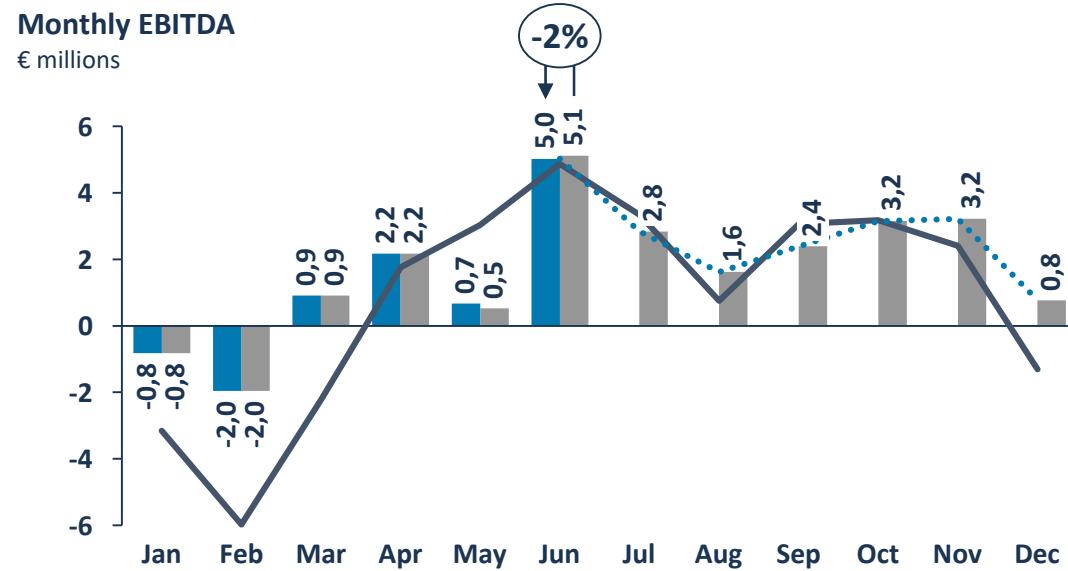
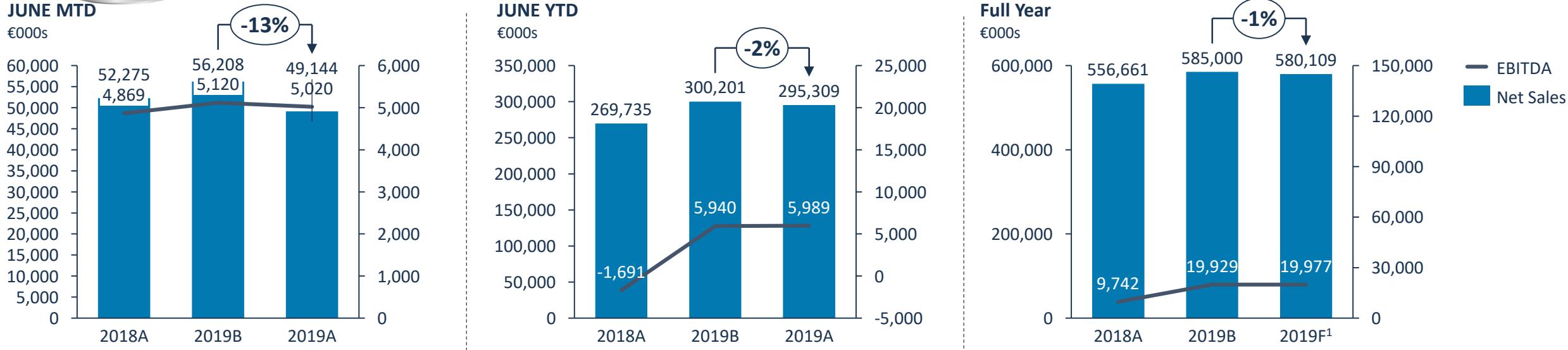
- JUNE FIGURES MONTH and YTD ACTUAL and BUDGET 2019 include now IFRS 16 effects. 7.2 m€ effect on yearly basis and 3.35m€ in June YTD figures.
- Note : 19 business days in June 2019 vs. 21 in 2018.
- Sales reached 49.1 m€ in June 2019, -6% vs PY and -12.6% vs Budget.** Vs PY, sales are at -4.6% on Works activity (**BUT +5.4% at iso # of business days**) and -10% vs. on Industrial activity as a double effect of less working days and unexpected 4-day stop in production due to shortage of bitumen supply at Axter plant.
- YTD sales reached 295.3 m€ in June 2019. It is + 9.5% vs. PY and -1.6% vs. budget.** Vs PY, sales are at +8.7% on Works activity +12% vs. on Industrial activity as a double effect of +6% volume increase and +6% price increase. Please note that 2018 Q1 was negatively impacted by adverse weather conditions whereas 2019 Q1 was particularly favourable on weather conditions.
- EBITDA reached 5m€ in June 2019, 1.7 m€ excluding IFRS 16 effects of which 0.3 m€ non recurring items.** 4.9 m€ 2018 outstanding EBITDA (excluding IFRS 16 effects) was impacted by 4.2 m€ non recurring items, hence and a + 0.7m€ organic growth driven by improved profitability on both works and industry businesses.
- YTD EBITDA reached 6 m€ in June 2019, 2.6m€ excluding IFRS 16 effects (of which -0.3 m€ on works activity and +2.9 m€ on industry activity), +4.3m€ vs. 2018 and + 2% (+0.1m€) vs. budget 2019.** Proforma variation vs. 2018 excluding one-offs amounts to + 14 m€ driven by the 10% growth in business and higher margin of works performed in the works division.
- Budget of 19,9 m€ EBITDA (including IFRS 16 effects)** still confirmed at this stage by the management but key focus on bitumen supply, labor costs, risks of delays of some works for the next months.

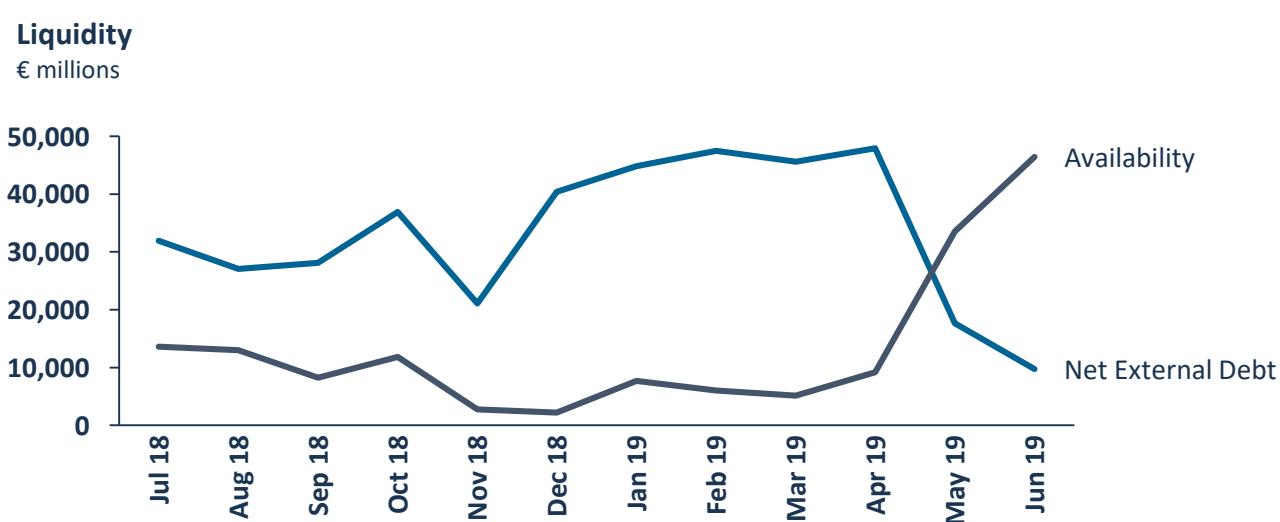
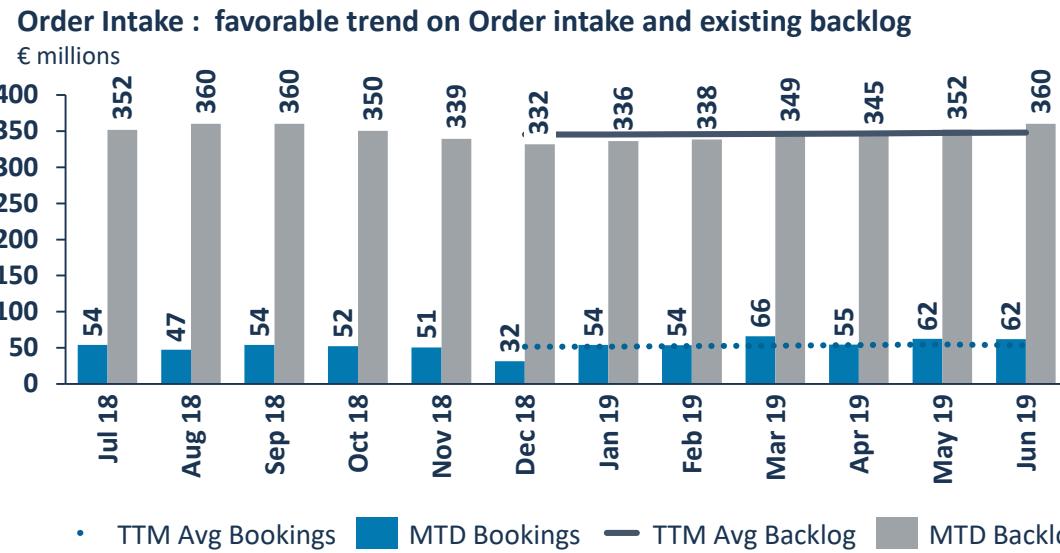
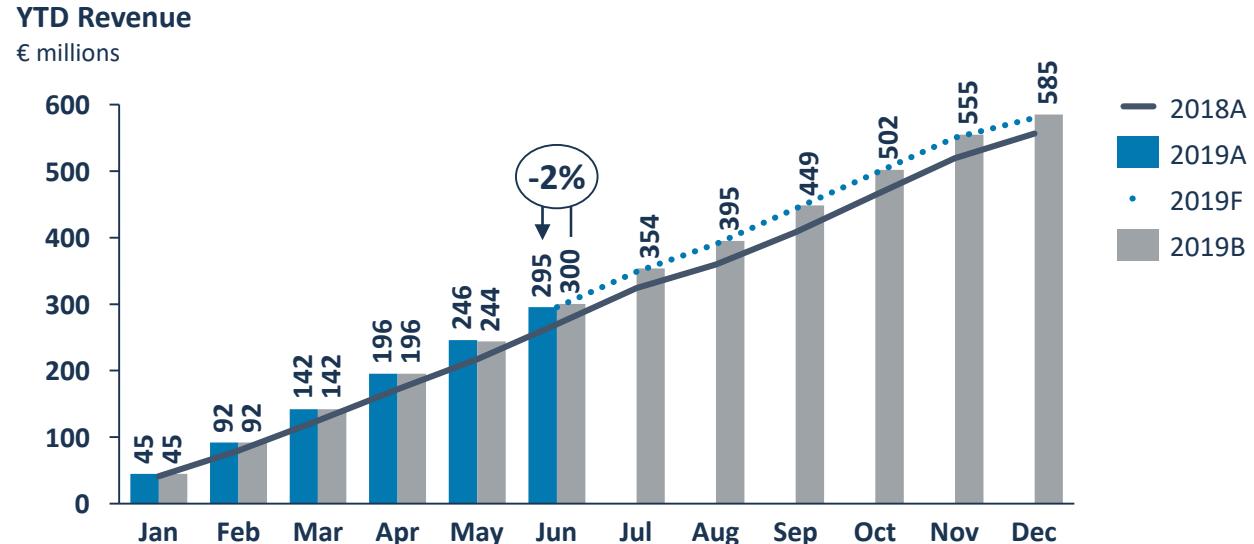
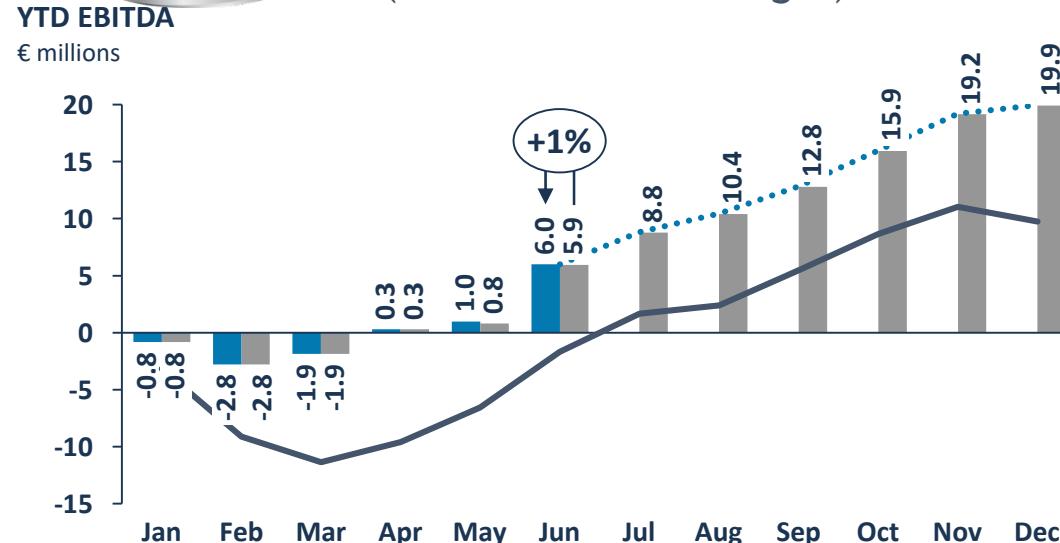
## Status Update: Project Details

Project	Current Status & Next Steps	Annualized EBITDA Impact (\$MM)	
		Projected	Actual
A. Bitumen supply on Industry Business (Axter)	<p></p> <ul style="list-style-type: none"> <li>4 days stop in June and new stops in July due to shortage of bitumen deliveries to produce bituminous membranes.</li> <li>Lack of mid term put or pay contracts with main suppliers (Shell / Total / Esso) Alternative supply from Rotterdam under analysis + talks initiated to secure supply.</li> </ul>	NA	NA
B. Transformation Roadmap	<p></p> <ul style="list-style-type: none"> <li>Job done by EY Parthenon completed with update of SMAC roadmap and BP</li> <li>New internal corporate program called "AMBITION 2022" aiming at advocating revised strategic roadmap of the company</li> </ul>	NA	NA
C. Operational excellence implementation	<p></p> <ul style="list-style-type: none"> <li>EY Parthenon selected as advisor to the Board. Main purpose is to develop and quantified operational standards especially in Works division.</li> </ul>	+ [x] m€-TBD	NA
D. IT Carve-Out and definition of new ERP	<p></p> <ul style="list-style-type: none"> <li>Project launched with the support of NetSystem. Reminder TSA until end of July 2021.</li> <li>Reminder BP included a &gt; 6m€ capex envelope on ERP project excluding other IT initiatives. No red flag as of today.</li> </ul>	TBD	NA
E. Disposal of Industry Division	<p></p> <ul style="list-style-type: none"> <li>Discussion with Soprema ongoing. DD done. Mark-up SPA exchanged. Anti-Trust issues under review Internal BP done. IC to come soon.</li> </ul>	NA	NA



# Monthly financial metrics







P&L : 6m€ YTD EBITDA in line with the budget, vs. a full year target of 20m€ EBITDA. July-October are key months for the business on works activity

€'000s SMAC SAS	Currency EUR	Month						YTD						FY								
		MTD		MTD		Var		MTD		Var		YTD		YTD		Var		YTD		Var		
		Act	Bud	\$	%	PY	€	%	Act	Bud	\$	%	PY	€	%	Fsct	Bud	\$	%	PY	€	%
Gross Revenue		€ 49 144	€ 56 208	€ (7 064)	(12,6%)	€ 52 275	€ (3 131)	(6,0%)	€ 295 309	€ 300 201	€ (4 892)	(1,6%)	€ 269 735	€ 25 574	9,5%	€ 580 108	€ 585 000	€ (4 892)	(0,8%)	€ 556 661	€ 23 447	4,2%
Adj. to Gross Revenue		–	–	n/a		–	–	n/a	–	–	–	n/a	–	–	n/a	–	–	n/a	–	–	n/a	
Net Revenue		49 144	56 208	(7 064)	(12,6%)	52 275	(3 131)	(6,0%)	295 309	300 201	(4 892)	(1,6%)	269 735	25 574	9,5%	580 108	585 000	(4 892)	(0,8%)	556 661	23 447	4,2%
Other COGS		980	2 340	(1 361)	(58,1%)	3 110	(2 130)	(68,5%)	7 531	12 668	(5 137)	(40,6%)	11 931	(4 400)	(36,9%)	19 067	24 204	(5 137)	(21,2%)	21 608	(2 541)	(11,8%)
Total COGS		38 452	44 609	(6 157)	(13,8%)	42 290	(3 838)	(9,1%)	245 929	251 163	(5 234)	(2,1%)	235 677	10 252	4,4%	474 441	479 675	(5 234)	(1,1%)	473 647	794	0,2%
Gross Margin		10 692	11 599	(907)	(7,8%)	9 985	707	7,1%	49 380	49 038	342	0,7%	34 058	15 322	45,0%	105 667	105 325	342	0,3%	83 014	22 653	27,3%
Gross Margin %		21,8%	20,6%			19,1%			16,7%	16,3%			12,6%			18,2%	18,0%			14,9%		
Sales & Marketing		–	–	–	n/a	–	–	n/a	–	–	n/a	–	–	n/a	–	–	n/a	–	–	n/a	–	n/a
Administrative		5 769	6 344	(575)	(9,1%)	7 771	(2 002)	(25,8%)	44 865	44 550	315	0,7%	48 793	(3 928)	(8,0%)	86 590	86 275	315	0,4%	91 845	(5 255)	(5,7%)
Total Opex		5 673	6 479	(806)	(12,4%)	5 116	557	10,9%	43 392	43 099	293	0,7%	35 749	7 642	21,4%	85 690	85 397	293	0,3%	73 272	12 418	16,9%
EBITDA		5 019	5 120	(101)	(2,0%)	4 869	150	3,1%	5 988	5 939	49	0,8%	(1 691)	7 679	(454,1%)	19 977	19 928	49	0,2%	9 742	10 235	105,1%
EBITDA %		10,2%	9,1%			9,3%			2,0%	2,0%			(0,6%)			3,4%	3,4%			1,8%		
Net Income (Loss)		€ 708	€ 685	€ 23	3,4%	€ 4 028	€ (3 320)	(82,4%)	€ (3 112)	€ (1 290)	€ (1 822)	141,2%	€ (6 758)	€ 3 646	(54,0%)	€ (183)	€ 1 639	€ (1 822)	(111,2%)	€ (1 391)	€ 1 208	(86,8%)
IFRS 16 effects		3 350	3 350	–	0,0%	–	3 350	n/a	3 350	3 350	–	0,0%	–	3 350	n/a	7 200	7 200	–	0,0%	–	7 200	n/a
EBITDA excl IFRS 16		1 669	1 770	(101)	(5,7%)	4 869	(3 200)	(65,7%)	2 638	2 589	49	1,9%	(1 691)	4 329	(256,0%)	12 777	12 728	49	0,4%	9 742	3 035	31,2%

## P&L Disclaimer

2019 and budget 2019 include IFRS 16 impact but not 2018 figures

- Impact in June 2019
  - +3350 K€ in Actual and Budget
- Impact in YTD 2019
  - + 3350 K€ in Actual and Budget 2019
- Impact in Forecast and Budget 2019 Full year
  - + 7200 K€ in Forecast and Budget





# Balance Sheet

€'000s	Currency	Mar-19	Apr-19	May-19	Jun-19		Variance LM	
		Act	Act	Act	Act		€	%
SMAC SAS	EUR							
<b><u>Current Assets</u></b>								
Cash and cash equivalents	€	5 760	€	7 241	€	31 921	€	26 736
		171 788		172 868		166 904		175 763
Accounts receivable, net							(8 859)	(5,0%)
Inventory, net		41 840		41 801		43 035		42 538
Other current assets		—		—		—	497	1,2%
<b>Total Current Assets</b>		<b>272 331</b>		<b>274 629</b>		<b>285 732</b>		<b>278 679</b>
							<b>7 054</b>	<b>2,5%</b>
<b><u>Non-Current Assets</u></b>								
Property, plant & equipment, net		33 152		32 865		32 491		32 168
Goodwill		4 616		4 616		4 616		4 616
Other non-current assets		11 440		11 440		11 440		11 428
<b>Total Non-Current Assets</b>		<b>57 738</b>		<b>57 451</b>		<b>57 077</b>		<b>56 735</b>
							<b>342</b>	<b>0,6%</b>
<b>Total Assets</b>		<b>€ 330 069</b>		<b>€ 332 080</b>		<b>€ 342 810</b>		<b>€ 335 414</b>
							<b>€ 7 396</b>	<b>2,2%</b>
<b><u>Current Liabilities</u></b>								
Accounts payable		112 482		104 977		108 413		125 649
Accrued liabilities		108 584		112 962		126 251		114 089
Other current liabilities		48 874		52 631		47 227		34 119
<b>Total Current Liabilities</b>		<b>270 805</b>		<b>271 435</b>		<b>282 755</b>		<b>274 916</b>
							<b>7 839</b>	<b>2,9%</b>
<b><u>Long-term liabilities</u></b>								
Deferred income taxes		—		—		—		—
Deferred liabilities		19		19		19		19
Other non-current liabilities		55 460		55 354		55 247		55 021
<b>Total Long-Term Liabilities</b>		<b>57 332</b>		<b>57 226</b>		<b>56 953</b>		<b>56 728</b>
							<b>225</b>	<b>0,4%</b>
<b>Total Liabilities</b>		<b>328 137</b>		<b>328 661</b>		<b>339 708</b>		<b>331 645</b>
							<b>8 064</b>	<b>2,4%</b>
<b>Total Shareholders' Equity</b>		<b>1 933</b>		<b>3 419</b>		<b>3 102</b>		<b>3 769</b>
							<b>(667)</b>	<b>(17,7%)</b>
<b>Total Liabilities and Shareholders' Equity</b>		<b>€ 330 070</b>		<b>€ 332 080</b>		<b>€ 342 810</b>		<b>€ 335 414</b>
							<b>€ 7 396</b>	<b>2,2%</b>



All numbers shown are in K€																	
CONSO	Actual	Actual	Actual	Actual	Actual	Actual	FCT	Actual	FCT								
	December N-1	January	February	March	April	May	June	July	August	September	October	November	December	YTD	Full Year		
Inventories	41 621	43 354	42 086	41 840	41 801	43 035	42 538	42 340	42 040	42 440	42 478	42 478	42 621	42 538	42 621		
AR	164 961	157 193	162 892	171 788	172 868	166 904	175 762	171 610	169 610	169 610	167 610	165 610	164 961	175 762	164 961		
Other current assets	50 879	57 692	51 158	52 943	52 718	43 872	33 641	27 879	27 879	27 879	27 879	27 879	27 879	33 641	27 879		
AP	104 907	92 873	98 203	112 482	104 977	108 413	125 649	106 570	106 570	106 570	106 570	106 570	106 570	125 649	106 570		
Other Current Liabilities	107 510	116 339	108 797	108 785	113 163	126 451	114 485	122 209	116 234	118 854	115 175	110 043	109 775	114 485	109 775		
<b>Total Working Capital</b>	<b>45 044</b>	<b>49 027</b>	<b>49 136</b>	<b>45 305</b>	<b>49 247</b>	<b>18 947</b>	<b>11 807</b>	<b>13 050</b>	<b>16 725</b>	<b>14 505</b>	<b>16 222</b>	<b>19 354</b>	<b>19 116</b>	<b>11 807</b>	<b>19 116</b>		
EBITDA		(818)	(1 962)	908	2 170	671	1 669	2 196	979	1 749	2 509	2 578	128	2 638	12 777		
Change in WC		(3 983)	(109)	3 831	(3 942)	30 300	7 140	(1 243)	(3 675)	2 220	(1 717)	(3 132)	238	33 237	25 928		
Other Operating Cash Flow		2 261	(44)	(2 477)	(552)	(21)	(274)	(3 797)	507	(628)	(509)	1 414	(539)	(1 107)	(4 659)		
Capex		(869)	(325)	(205)	195	(188)	(237)	(300)	(150)	(250)	(600)	(600)	(380)	(1 629)	(3 909)		
<b>OPERATING CASH FLOW</b>	-	(3 409)	(2 440)	2 057	(2 129)	30 762	8 298	(3 144)	(2 339)	3 091	(317)	260	(553)	33 139	30 137		
<b>Opening cash balance</b>	-	(569)	4 928	3 285	2 373	6 408	30 785	23 841	5 927	4 317	4 542	7 657	2 792	(569)	(569)		
<b>Operating Cash Flow</b>		(569)	(3 409)	(2 440)	2 057	(2 129)	30 762	8 298	(3 144)	(2 339)	3 091	(317)	260	(553)	33 139	30 137	
Financial Interests		(72)	(79)	(60)	(45)	(270)	(224)	(121)	(121)	(121)	(122)	(132)	(131)	(750)	(1 498)		
Corporate Income Tax		(100)	(100)	(153)	(102)	(117)	(26)							(598)	(598)		
Restructuring		-	-	-	-	-	-							-	-		
Shareholders Current Account		9 923	1 142	(2 756)	6 311	(51 798)	-							(37 178)	(37 178)		
Financing Cash Flow			(166)				(166)	-	(2 350)	-	-	-	-	(332)	(2 682)		
OGC Fees							(125)	(125)	(125)	(125)	(125)	(125)	(125)	(250)	(1 000)		
Other Cash Flow		(845)					46 091	(14 867)	(12 174)	975	(2 620)	3 679	(4 868)	268	30 379	15 639	
<b>Closing cash balance</b>		(569)	4 928	3 285	2 373	6 408	30 785	23 841	5 927	4 317	4 542	7 657	2 792	2 251	23 841	2 251	
Line of credit (available for drawdown)	2 755	2 755	2 755	2 755	2 755	2 755	22 581	42 755	42 755	27 755	42 755	37 755	42 755	22 581	42 755		
<b>Total liquidity</b>	<b>2 186</b>	<b>7 683</b>	<b>6 040</b>	<b>5 128</b>	<b>9 163</b>	<b>33 540</b>	<b>46 422</b>	<b>48 682</b>	<b>47 072</b>	<b>32 297</b>	<b>50 412</b>	<b>40 547</b>	<b>45 006</b>	<b>46 422</b>	<b>45 006</b>		
Total Factor Debt	-	-	-	-	-	(46 091)	(31 224)	(19 050)	(20 025)	(17 405)	(21 084)	(16 216)	(16 484)	(31 224)	(16 484)		
Other Financial Debt	(2 682)	(2 682)	(2 516)	(2 516)	(2 516)	(2 350)	(2 350)	-	-	-	-	-	-	(2 350)	-		
<b>Total Financial Debt</b>	<b>(2 682)</b>	<b>(2 682)</b>	<b>(2 516)</b>	<b>(2 516)</b>	<b>(2 516)</b>	<b>(48 441)</b>	<b>(33 574)</b>	<b>(19 050)</b>	<b>(20 025)</b>	<b>(17 405)</b>	<b>(21 084)</b>	<b>(16 216)</b>	<b>(16 484)</b>	<b>(33 574)</b>	<b>(16 484)</b>		

- June : 8.3 m€ operating cash flow favorable impact in June of AP (timing effect of + 7M€ that will be reversed July 1st)
- June => Dec Budget/forecast
- May impacted by closing flow of 23.6 m€ of tax credits reimbursed by Bouygues at closing
- Impact of factoring reflected but factoring as short time debt (booked as - of cash)
- Ending cash of - 7.4 m€ includes -31M€ of short term debt towards EUROFACTOR. Cash at bank > 23m€ => Optimisation of FACTORING to come



**Executive Summary: Week of 07-24**

- very important decision taken to resume production of crude SIC in Venezuela in July, each week costing 100 k€ to Fiven as extra production costs. All authorizations in place and power back despite lack of 100% assurance on it for the future.
- Net sales reached 9,8 m€ in June 2019, -4% vs PY and -16% vs Budget and – 6% vs. reforecast.** Vs PY, sales are impacted by decrease in DPF activity (-0,9m€ of which I Biden and NGK clients) but as well on REF activity with Imerys (-0,5m€)
- YTD net sales reached 64,4 m€ in June 2019. It is +3,1% vs. PY and -3,7% vs. budget.** Vs PY, sales are impacted by decrease in DPF activity (-6,9m€ of which I Biden and NGK clients) compensated by an increase of 4m€ on MET activities with clients MFG, Lemetco and Tupy). Other markets are relatively stable in terms of sales variations in €. As a whole, favourable price of effect vs. 2018 of +5% does not compensate decrease in volumes
- EBITDA reached 1,5m€ in June 2019, -29% vs. PY and -16,5% vs. budget.** Vs. PY direct impact of decrease in sales + direct impact of higher operating costs in Belgium due to higher costs following stop in production in Venezuela. Activities in Belgium and Norway are down vs PY vs. activity in Brazil is increasing especially due to increased production and sales
- YTD EBITDA reached 9,2 m€ in June 2019, -13% vs. PY and -13% vs. budget and -5% vs. reforecast.** Vs. PY, direct impact of adverse sales volume effect (DPF (-3,3Ktons), Ref in Europe (-3Ktons) compensated by higher MET sales (+1,5Ktons)) compensated for a part by a + 5% sales price effect BUT increased costs of raw materials including crude costs for Belgium as a consequence of production problems in Venezuela vs. 2018 and negative forex effects
- Forecast at 19,3 m€ EBITDA for full year 2019 still confirmed by the management at this stage**

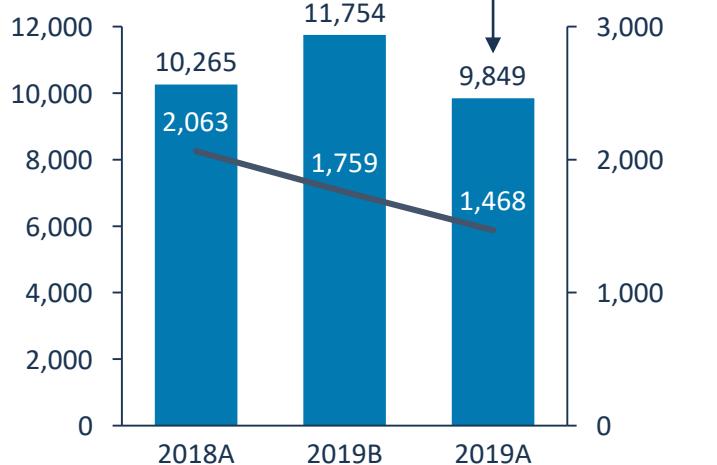
**Status Update: Project Details**

Project	Current Status & Next Steps	Annualized EBITDA Impact (\$MM)	
		Projected	Actual
A. Closing Accounts	<ul style="list-style-type: none"> <li>Closing accounts received from SG. PWC on it with the support of local teams + OGC</li> <li>Answer to be sent by July 25 to SG</li> </ul>	TBD	NA
B. Management and HQ	<ul style="list-style-type: none"> <li><b>CFO</b> : Preferred candidate selected. Norwegian CFO with international experience in Alcatel Lucent, Rolls Royce Marine and Nammo. LOI sent and accepted. Contract to be prepared.</li> <li><b>COO</b> : process ongoing with Korn Ferry Paris. Face to face meetings with 3 candidates so far. Further meetings end of July, decision expected early August for stage 2 (short list)</li> </ul>	NA	NA
C. Factoring	<ul style="list-style-type: none"> <li>Successful implementation for Norway with Facto-France. Done for Belgium as well.</li> <li>Brazil to come by September.</li> </ul>	NA	NA
D. IT Carve-Out	<ul style="list-style-type: none"> <li>Project launched with Net System. Reminder : TSA in place with Saint Gobain until may 2020 the latest. No red flag so far on the project.</li> </ul>	TBD	NA
E. Strategic Roadmap	<ul style="list-style-type: none"> <li>Selection of external consultant under completion : 4 companies consulted : Decision to go with Nexant that led the commercial and operational Due Diligence for OGC</li> <li>Kick-off of project expected in September.</li> </ul>	+[x] M€	NA
F. Venezuela	<ul style="list-style-type: none"> <li>Decision taken with the management of Fiven to resume production of crude as all licenses in place to use petcoke and power back on track. (with no 100% guarantee on it anyway).</li> </ul>	+[x] M€	-1.m€

## Monthly financial metrics

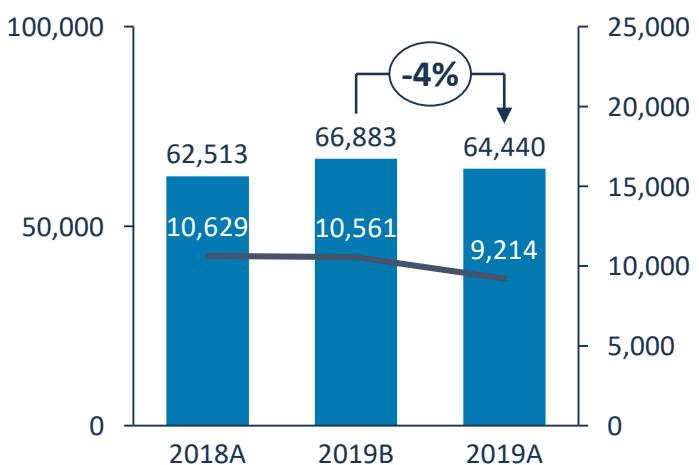
June MTD

€000s



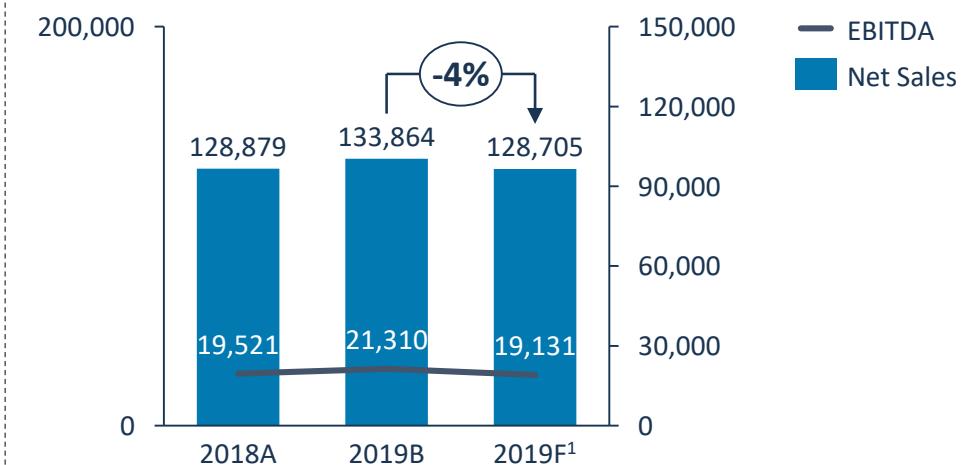
June YTD

€000s



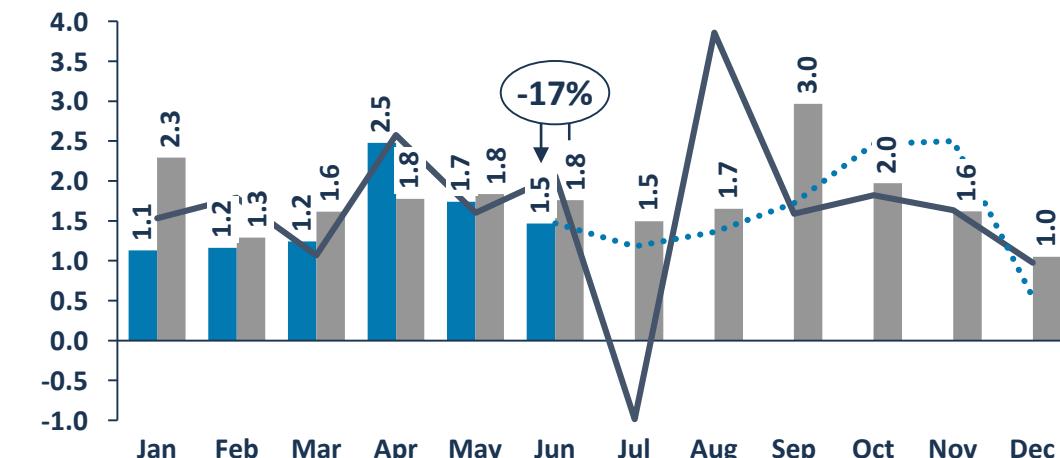
Full Year

€000s



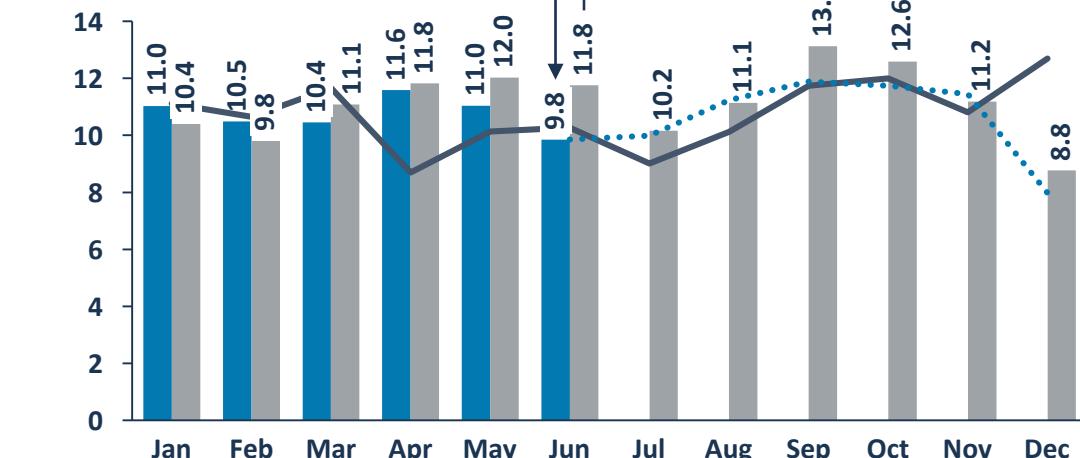
Monthly EBITDA

€ millions



Monthly Net Revenue

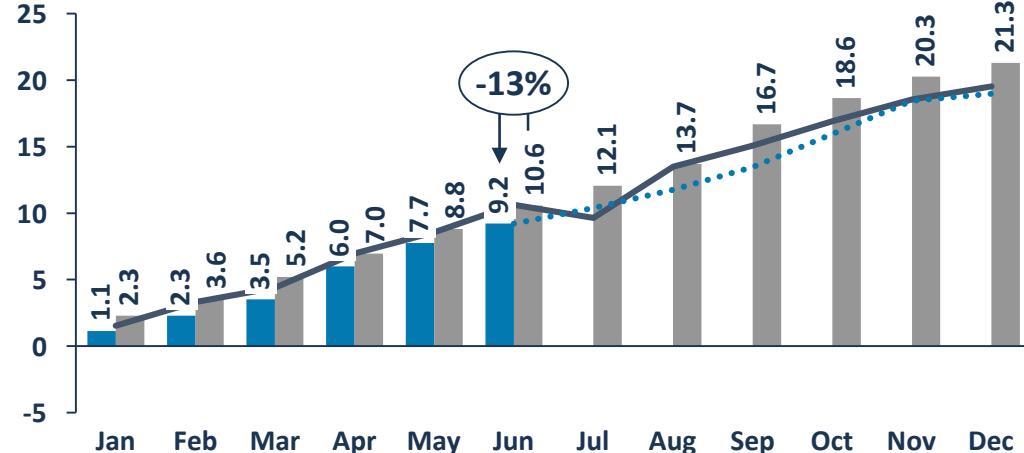
€ millions



# Monthly financial metrics

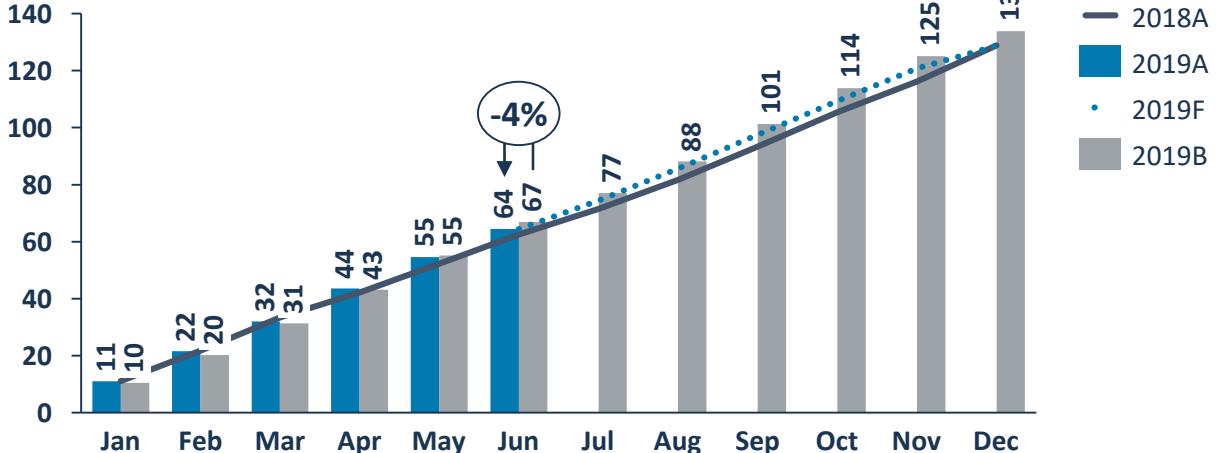
YTD EBITDA

€ millions



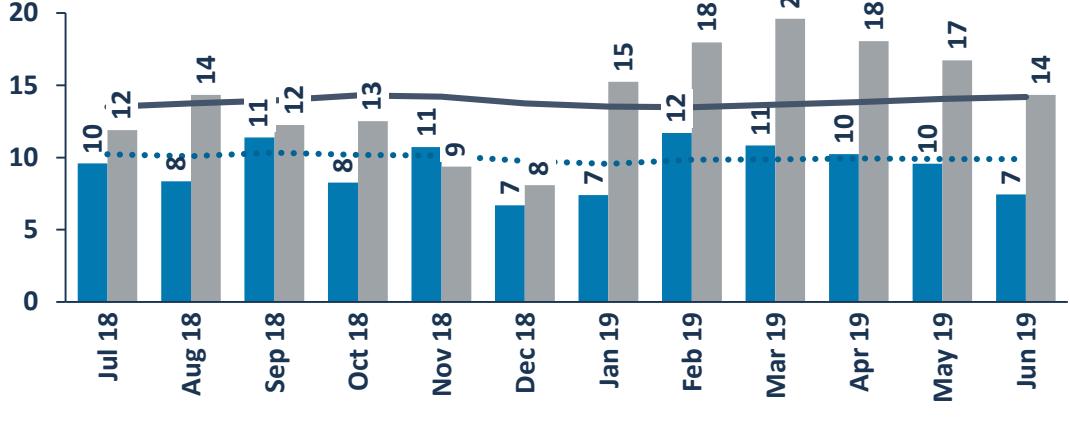
YTD Revenue

€ millions



Order Intake

€ millions



• TTM Avg Bookings

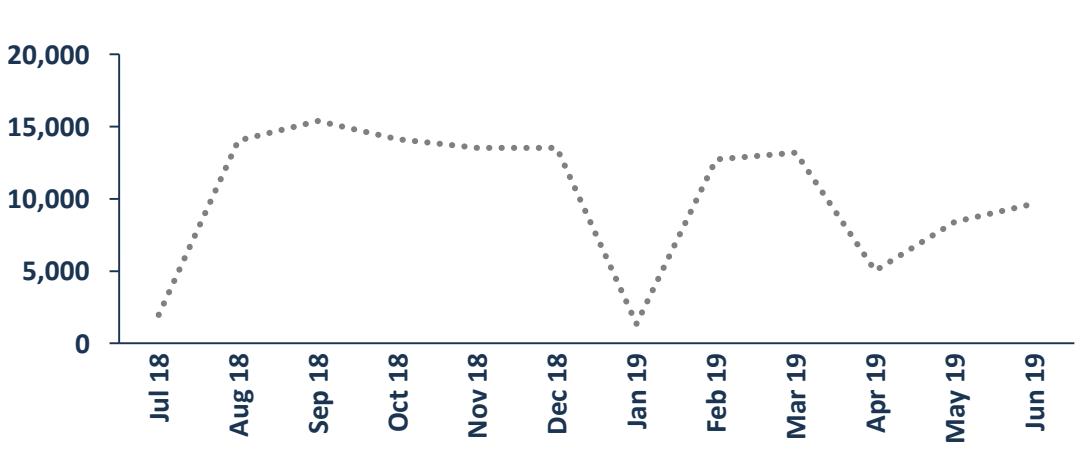
■ MTD Bookings

— TTM Avg Backlog

■ MTD Backlog

Liquidity

€ millions



Liquidity = cash at bank at this stage. (undrawn lines of factoring not taken into account)  
Next external Debt not included yet at Acquisition debt of 56.5 m€ not taken into account

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€'000s	Currency	Month						YTD						FY								
		MTD		MTD		Var		MTD		Var		YTD		YTD		Var		YTD		Var		
		Act	Bud	\$	%	PY	€	(%)	Act	Bud	\$	%	PY	€	(%)	Fsct	Bud	\$	%	PY	€	(%)
FIVEN AS	EUR																					
Gross Revenue		€ 10 316	€ 12 441	€ (2 125)	(17,1%)	€ 10 960	€ (643)	(5,9%)	€ 69 269	€ 70 781	€ (1 512)	(2,1%)	€ 66 497	€ 2 773	4,2%	€ 137 807	€ 141 588	€ (3 781)	(2,7%)	€ 136 940	€ 867	0,6%
Adj. to Gross Revenue		(467)	(687)	220	(32,0%)	(695)	228	(32,8%)	(4 829)	(3 899)	(931)	23,9%	(3 983)	(846)	21,2%	(9 101)	(7 724)	(1 378)	17,8%	(8 061)	(1 040)	12,9%
Net Revenue		9 849	11 754	(1 905)	(16,2%)	10 265	(415)	(4,0%)	64 440	66 883	(2 443)	(3,7%)	62 513	1 927	3,1%	128 705	133 864	(5 159)	(3,9%)	128 879	(174)	(0,1%)
Other COGS		4	(44)	49	(110,0%)	(884)	889	(100,5%)	80	(266)	346	(129,9%)	(710)	790	(111,2%)	80	(532)	611	(115,0%)	(892)	971	(108,9%)
Total COGS		6 724	8 431	(1 708)	(20,3%)	6 908	(184)	(2,7%)	48 247	46 976	1 271	2,7%	45 417	2 831	6,2%	98 704	94 066	4 638	4,9%	96 424	2 280	2,4%
Gross Margin		3 126	3 323	(197)	(5,9%)	3 357	(231)	(6,9%)	16 193	19 907	(3 714)	(18,7%)	17 096	(904)	(5,3%)	30 001	39 798	(9 797)	(24,6%)	32 455	(2 454)	(7,6%)
Gross Margin %		31,7%	28,3%			32,7%			25,1%	29,8%			27,3%			23,3%	29,7%			25,2%		
Sales & Marketing		254	332	(78)	(23,5%)	321	(67)	(20,7%)	2 241	1 991	250	12,6%	1 979	262	13,3%	3 505	3 907	(402)	(10,3%)	4 193	(688)	(16,4%)
Administrative		649	481	168	34,9%	501	148	29,6%	2 703	2 827	(124)	(4,4%)	2 821	(118)	(4,2%)	6 039	5 672	367	6,5%	4 991	1 048	21,0%
Total Opex		1 658	1 564	94	6,0%	1 294	364	28,2%	6 978	9 346	(2 368)	(25,3%)	6 467	511	7,9%	11 019	18 488	(7 469)	(40,4%)	12 934	(1 916)	(14,8%)
EBITDA		1 468	1 759	(291)	(16,5%)	2 063	(595)	(28,8%)	9 214	10 561	(1 346)	(12,7%)	10 629	(1 415)	(13,3%)	18 982	21 310	(2 328)	(10,9%)	19 521	(538)	(2,8%)
EBITDA %		14,9%	15,0%			20,1%			14,3%	15,8%			17,0%			14,7%	15,9%			15,1%		
Net Income (Loss)		€ 389	€ 1 066	€ (677)	(63,5%)	€ 1 625	€ (1 236)	(76,1%)	€ 8 507	€ 6 605	€ 1 902	28,8%	€ 6 832	€ 1 675	24,5%	€ 10 627	€ 13 830	€ (3 203)	(23,2%)	€ 6 003	€ 4 624	77,0%

## P&L important disclaimer

- Consolidation perimeter as of June 30 th : OPCO Brazil + OPCO Belgium + OPCO Norway + Interests on the bond are taken into account
- Activity in Venezuela not consolidated due to hyperinflation, low value of local VES converted into € and local difficulty to have reportings in due time
- FIVEN AS Holding not consolidated yet except interests on the Bond
- Full consolidation perimeter should be achieved by end of August 2019.



€'000s	Currency	Mar-19	Apr-19	May-19	Jun-19	Variance LM	
FIVEN AS	EUR	Act	Act	Act	Act	€	%
<b>Current Assets</b>							
Cash and cash equivalents	€	13 196	€	5 028	€	8 411	(1 257) (13,0%)
Accounts receivable, net		30 699		32 718		33 468	2 345 7,5%
Inventory, net		38 910		37 826		36 231	(746) (2,0%)
Other current assets		1 670		1 277		924	(174) (15,9%)
<b>Total Current Assets</b>		<b>86 552</b>		<b>77 744</b>		<b>78 801</b>	<b>78 983</b> (183) (0,2%)
<b>Non-Current Assets</b>							
Property, plant & equipment, net		30 511		30 260		27 108	32 237 (5 129) (15,9%)
Goodwill		—		—		—	— 0,0%
Other non-current assets		2 867		1 812		38	37 1 3,9%
<b>Total Non-Current Assets</b>		<b>38 242</b>		<b>36 908</b>		<b>31 692</b>	<b>36 901</b> (5 209) (14,1%)
<b>Total Assets</b>		<b>€ 124 794</b>		<b>€ 114 652</b>		<b>€ 110 493</b>	<b>€ 115 884</b> (5 392) (4,7%)
<b>Current Liabilities</b>							
Accounts payable		29 433		28 795		31 302	29 477 1 826 6,2%
Accrued liabilities		—		—		—	— 0,0%
Other current liabilities		2 040		1 394		869	1 828 (959) (52,5%)
<b>Total Current Liabilities</b>		<b>78 303</b>		<b>65 355</b>		<b>32 019</b>	<b>32 244</b> (225) (0,7%)
<b>Long-term liabilities</b>							
Deferred income taxes		1 009		1 021		1 057	1 171 (114) (9,7%)
Deferred liabilities		—		—		—	— 0,0%
Other non-current liabilities		117		121		680	689 (9) (1,3%)
<b>Total Long-Term Liabilities</b>		<b>3 043</b>		<b>3 010</b>		<b>12 360</b>	<b>16 132</b> (3 772) (23,4%)
<b>Total Liabilities</b>		<b>81 346</b>		<b>68 365</b>		<b>44 378</b>	<b>48 375</b> (3 997) (8,3%)
<b>Total Shareholders' Equity</b>		<b>43 448</b>		<b>46 287</b>		<b>66 114</b>	<b>67 509</b> (1 394) (2,1%)
<b>Total Liabilities and Shareholders' Equity</b>		<b>€ 124 794</b>		<b>€ 114 652</b>		<b>€ 110 493</b>	<b>€ 115 884</b> (5 391) (4,7%)
<i>Memo:</i>							
Net Working Capital		€ 39 975		€ 40 531		€ 37 986	€ 36 910 1 076 2,9%
<b>Total Net External Debt</b>		<b>€ 33 643</b>		<b>€ 30 011</b>		<b>€ 1 826</b>	<b>€ 4 442</b> € (2 616) (58,9%)

## Balance Sheet important disclaimer

Does not take into account yet the impact of FIVEN AS Holding company which holds 56m€ financial debt towards the bond holders of the deal  
 Accounting of HQ is work in progress  
 Will be shared for the the purpose of July or August 2019 accounts





# Cash Flow

	31/01/2019	28/02/2019	31/03/2019	Quarter Ending 31/03/2019	30/04/2019	31/05/2019	30/06/2019	Quarter Ending 30/06/2019	31/07/2019	31/08/2019	30/09/2019	Quarter Ending 30/09/2019	31/10/2019	30/11/2019	31/12/2019	Quarter Ending 31/12/2019	FY 2019
	1M	1M	1M	1Q	1M	1M	1M	1Q	1M	1M	1M	1Q	1M	1M	1M	1Q	
<b>Cash flow from operations</b>																	
Net income (Loss)	\$ 888	\$ 260	\$ 2 885	\$ 4 034	\$ 3 187	\$ 897	\$ 389	\$ 4 473	\$ 20	\$ 2	\$ 250	\$ 272	\$ 1 099	\$ 1 108	\$ (358)	\$ 1 848	\$ 10 627
Depreciation, amortization and other	\$ -	\$ 486	\$ 240	\$ 727	\$ 240	\$ 241	\$ 248	\$ 728	\$ 276	\$ 279	\$ 279	\$ 833	\$ 279	\$ 277	\$ 274	\$ 830	\$ 3 118
Capitalized fees & expenses																\$ -	\$ -
Gain (Loss) on sale of fixed assets																\$ -	\$ -
Non-cash interest expense																\$ -	\$ -
Non-cash dividends																\$ -	\$ -
Deferred income tax	\$ (179)	\$ 73	\$ 154	\$ 48	\$ 32	\$ 91	\$ (45)	\$ 78	\$ -	\$ -	\$ (185)	\$ (185)	\$ -	\$ -	\$ (167)	\$ (167)	\$ (226)
Change in operating assets and liabilities:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable	\$ 4 786	\$ (6 497)	\$ 3 191	\$ 1 480	\$ (1 954)	\$ (546)	\$ 1 497	\$ (1 003)	\$ 127	\$ (933)	\$ (875)	\$ (1 681)	\$ 647	\$ 255	\$ 2 441	\$ 3 343	\$ 2 139
Inventory	\$ (4 123)	\$ 2 290	\$ (5 181)	\$ (7 014)	\$ 1 132	\$ 1 798	\$ (1 687)	\$ 1 243	\$ 2 171	\$ 77	\$ 2 676	\$ 4 924	\$ 311	\$ 457	\$ 450	\$ 1 218	\$ 371
Prepaid expenses and other current assets	\$ (121)	\$ (15)	\$ (456)	\$ (591)	\$ 1 173	\$ 1 120	\$ (368)	\$ 1 925	\$ -	\$ 9	\$ -	\$ 9	\$ 9	\$ (3)	\$ (6)	\$ -	\$ 1 342
Accounts payable	\$ (834)	\$ 1 781	\$ (4 797)	\$ (3 850)	\$ (676)	\$ 2 303	\$ (1 001)	\$ 627	\$ (1 037)	\$ 1 235	\$ 936	\$ 1 134	\$ 67	\$ (469)	\$ (2 473)	\$ (2 875)	\$ (4 964)
Accrued expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued income taxes	\$ (492)	\$ 330	\$ (84)	\$ (245)	\$ 85	\$ (1 752)	\$ 897	\$ (770)	\$ (402)	\$ (4)	\$ 96	\$ (310)	\$ (457)	\$ 157	\$ 506	\$ 206	\$ (1 119)
Other changes in operating assets and liabilities	\$ 268	\$ (751)	\$ 6 135	\$ 5 652	\$ 802	\$ 2 141	\$ (461)	\$ 2 482	\$ (114)	\$ (156)	\$ (157)	\$ (427)	\$ (160)	\$ (224)	\$ (544)	\$ 7 163	
Other cash flow from operations																\$ -	\$ -
<b>Total Cash Flow from Operations</b>	<b>\$ 194</b>	<b>\$ (2 041)</b>	<b>\$ 2 088</b>	<b>\$ 241</b>	<b>\$ 4 020</b>	<b>\$ 6 293</b>	<b>\$ (531)</b>	<b>\$ 9 782</b>	<b>\$ 1 040</b>	<b>\$ 510</b>	<b>\$ 3 020</b>	<b>\$ 4 570</b>	<b>\$ 1 795</b>	<b>\$ 1 622</b>	<b>\$ 442</b>	<b>\$ 3 859</b>	<b>\$ 18 453</b>
<b>Cash flow from investing</b>																	
Additions to property, plant and equipment	\$ (1 352)	\$ (36)	\$ (2 379)	\$ (3 767)	\$ 69	\$ 3 305	\$ (1 387)	\$ 1 986	\$ (457)	\$ (465)	\$ (742)	\$ (1 663)	\$ (720)	\$ (481)	\$ (412)	\$ (1 613)	\$ (5 057)
Acquisitions of companies, net of cash acquired																\$ -	\$ -
Investment in intangibles																\$ -	\$ -
Earnout payments																\$ -	\$ -
Other cash flow from investing																\$ -	\$ -
<b>Total Cash Flow from Investing</b>	<b>\$ (1 352)</b>	<b>\$ (36)</b>	<b>\$ (2 379)</b>	<b>\$ (3 767)</b>	<b>\$ 69</b>	<b>\$ 3 305</b>	<b>\$ (1 387)</b>	<b>\$ 1 986</b>	<b>\$ (457)</b>	<b>\$ (465)</b>	<b>\$ (742)</b>	<b>\$ (1 663)</b>	<b>\$ (720)</b>	<b>\$ (481)</b>	<b>\$ (412)</b>	<b>\$ (1 613)</b>	<b>\$ (5 057)</b>
<b>Cash flow from financing</b>																	
Proceeds from the issuance (repayment) of short-term debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Proceeds from the issuance of debt	\$ -	\$ 13 465	\$ -	\$ 13 465	\$ -	\$ 13 465	\$ -	\$ 954	\$ 954	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	14 419
Repayment of debt	\$ (5 628)	\$ -	\$ (491)	\$ (6 119)	\$ (11 708)	\$ (23 503)	\$ (35 211)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	(41 330)
Capital lease	\$ -	\$ -	\$ 1 896	\$ 1 896	\$ (50)	\$ (1 183)	\$ 10	\$ (1 223)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	673
Common stock issued (repurchased)																\$ -	\$ -
Common stock cash dividends paid	\$ (5 983)	\$ -	\$ -	\$ (5 983)	\$ -	\$ -	\$ (17)	\$ (17)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	(6 000)
Preferred stock issued (repurchased)																\$ -	\$ -
Other cash flow from financing																\$ -	20 906
<b>Total Cash Flow from Financing</b>	<b>\$ (11 611)</b>	<b>\$ 13 465</b>	<b>\$ 1 406</b>	<b>\$ 3 260</b>	<b>\$ (11 759)</b>	<b>\$ (6 182)</b>	<b>\$ 3 349</b>	<b>\$ (14 592)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (11 332)</b>
<b>Effect of FX rates on cash and cash equivalents</b>	<b>\$ 551</b>	<b>\$ (24)</b>	<b>\$ (716)</b>	<b>\$ (189)</b>	<b>\$ (393)</b>	<b>\$ 4</b>	<b>\$ (174)</b>	<b>\$ (563)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (752)</b>
<b>Net change in cash</b>	<b>\$ (12 218)</b>	<b>\$ 11 365</b>	<b>\$ 399</b>	<b>\$ (454)</b>	<b>\$ (8 063)</b>	<b>\$ 3 420</b>	<b>\$ 1 257</b>	<b>\$ (3 386)</b>	<b>\$ 584</b>	<b>\$ 45</b>	<b>\$ 2 278</b>	<b>\$ 2 907</b>	<b>\$ 1 075</b>	<b>\$ 1 141</b>	<b>\$ 30</b>	<b>\$ 2 246</b>	<b>\$ 1 312</b>
Beginning cash	\$ 13 571	\$ 1 365	\$ 12 797	\$ 27 733	\$ 13 090	\$ 4 992	\$ 8 441	\$ 26 523	\$ 8 572	\$ 9 156	\$ 9 202	\$ 26 930	\$ 11 480	\$ 12 555	\$ 13 696	\$ 37 731	\$ 118 917
Change in cash	\$ (12 218)	\$ 11 365	\$ 399	\$ (454)	\$ (8 063)	\$ 3 420	\$ 1 257	\$ (3 386)	\$ 584	\$ 45	\$ 2 278	\$ 2 907	\$ 1 075	\$ 1 141	\$ 30	\$ 2 246	\$ 1 312
<b>Ending cash</b>	<b>\$ 1 353</b>	<b>\$ 12 730</b>	<b>\$ 13 196</b>	<b>\$ 27 279</b>	<b>\$ 5 028</b>	<b>\$ 8 411</b>	<b>\$ 9 698</b>	<b>\$ 23 137</b>	<b>\$ 9 156</b>	<b>\$ 9 201</b>	<b>\$ 11 480</b>	<b>\$ 29 836</b>	<b>\$ 12 555</b>	<b>\$ 13 696</b>	<b>\$ 13 726</b>	<b>\$ 39 977</b>	<b>\$ 120 229</b>

