



OPENGATE CAPITAL

A GLOBAL PRIVATE EQUITY FIRM



Portfolio Company Review – March 2019

April 24, 2019

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Summary of Portfolio Performance

Ms in Local Currency	Currency	Revenue								EBITDA							
		MTD				YTD				MTD				YTD			
		Act	Rfc	Bud	PY	Act	Rfc	Bud	PY	Act	Rfc	Bud	PY	Act	Rfc	Bud	PY
Fund I	RC																
North America																	
Power Partners, Inc.	\$	11.3	\$ 9.2	\$ 9.2	\$ 10.2	\$ 31.7	\$ 25.7	\$ 25.7	\$ 30.1	\$ 0.7	\$ 0.4	\$ 0.4	\$ 0.5	\$ 2.3	\$ 0.7	\$ 0.7	\$ 1.3
Energi Fenestration Solutions, Ltd.	\$	11.4	\$ 13.6	\$ 13.6	\$ 13.8	\$ 33.1	\$ 36.6	\$ 36.6	\$ 38.7	\$ 0.5	\$ 0.6	\$ 0.6	\$ 0.3	\$ 0.8	\$ 0.8	\$ 0.8	\$ 0.7
Hufcor Holdings, Inc.		NA	\$ 10.9	\$ 10.9	\$ 11.5	NA	\$ 32.7	\$ 32.7	\$ 31.2	NA	\$ 0.7	\$ 0.7	\$ 0.3	NA	\$ 1.1	\$ 1.1	\$ (0.9)
Mersive Holdings, Inc.	\$	3.1	\$ 2.6	\$ 2.6	\$ 2.2	\$ 7.7	\$ 7.5	\$ 7.5	\$ 5.4	\$ 0.3	\$ (0.3)	\$ (0.3)	\$ 0.5	\$ (0.1)	\$ (0.6)	\$ (0.6)	\$ 0.9
Europe																	
Bois & Materiaux	€	56.3	€ 56.3	€ 53.6	€ 54.0	€ 157.1	€ 157.1	€ 151.2	€ 150.8	€ 2.0	€ 2.0	€ 1.9	€ 2.3	€ 3.6	€ 3.6	€ 3.6	€ 3.5
Alfatherm S.p.A.	€	6.2	€ 7.2	€ 7.2	€ 6.4	€ 18.2	€ 19.2	€ 19.6	€ 18.5	€ 0.7	€ 0.9	€ 0.9	€ 1.4	€ 1.6	€ 1.8	€ 1.9	€ 2.7
EverZinc BV	€	49.3	€ 49.3	€ 50.4	€ 54.9	€ 137.7	€ 137.7	€ 144.1	€ 154.9	€ 2.5	€ 2.5	€ 3.0	€ 3.1	€ 6.8	€ 6.8	€ 8.0	€ 8.1
Jotul AS	kr	70.5	NA	kr 62.6	kr 72.8	kr 213.3	NA	kr 190.2	kr 204.6	kr 15.2	NA	kr 3.0	kr 1.8	kr 26.2	NA	kr 8.1	kr 9.2
Fichet Security Solutions	€	12.4	€ 12.4	€ 12.0	€ 11.7	€ 30.9	€ 30.9	€ 30.0	€ 29.9	€ 0.3	€ 0.3	€ 0.0	€ 0.3	€ (1.9)	€ (1.9)	€ (2.2)	€ (1.6)

Ms in Local Currency	RC	Net Debt (External)				Capex			
		MTD				YTD			
		Act	Rfc	Bud	PY	Act	Rfc	Bud	PY
Fund I									
North America									
Power Partners, Inc.	\$	15.5	\$ 18.2	\$ 18.2	\$ 15.6	\$ (0.5)	\$ (0.4)	\$ (0.4)	\$ (0.2)
Energi Fenestration Solutions, Ltd.	\$	32.1	\$ 31.4	\$ 31.4	\$ 28.7	\$ (1.6)	\$ (2.5)	\$ (2.5)	\$ (2.4)
Hufcor Holdings, Inc.		NA	\$ 36.2	\$ 36.2	\$ 36.7	NA	\$ -	\$ -	\$ (0.4)
Mersive Holdings, Inc.	\$	(1.1)	\$ (0.3)	\$ (0.3)	\$ 0.2	\$ (0.2)	\$ (0.3)	\$ (0.3)	\$ (0.0)
Europe									
Bois & Materiaux	€	20.2	€ 20.2	€ 28.3	€ 23.0	€ (1.7)	€ (1.7)	€ (2.8)	€ (0.6)
Alfatherm S.p.A.	€	23.4	€ 22.7	€ 22.6	€ 25.9	€ (0.2)	€ (0.3)	€ (0.7)	€ (1.0)
EverZinc BV	€	61.7	€ 61.7	€ 55.2	€ 68.4	€ (2.5)	€ (2.5)	€ (3.1)	€ (1.5)
Jotul AS	kr	187.4	NA	kr 204.5	kr 155.6	kr (6.5)	NA	kr (12.1)	kr (4.4)
Fichet Security Solutions	€	(17.0)	€ (17.0)	€ (26.8)	€ 16.2	€ (0.4)	€ (0.4)	€ (0.4)	€ (0.3)



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➔ Summary of Portfolio Performance

➔ Fund I – North America

Power Partners, Inc.

Energi Fenestration Solutions, Ltd.

Hufcor Holdings, Inc.

Mersive Holdings, Inc.

➔ Fund I – Europe

➔ Legacy



Strong close to Q1; Project Acapulco on-track and expected launch May 20th; Padmount sales expected to launch; SoCo strategic sourcing initiative underway



➔ Operational Overview:

- March EBITDA: +705K (6.2% of Rev) vs. AOP \$366K (4.0% of Rev), +\$206K better vs. March 2018
- Q1/YTD EBITDA: +1,551 (+220%) Favorable to AOP Plan (Actual: \$2,255 vs. AOP: \$704K)
 - Q12019 EBITDA +\$975K vs. Q12018 (Q12019: \$2,255 vs. Q12018: \$1,280)
- April sales at 79% of Plan while 66% through month
- Backlog \$20M+...Oil and Gas, LADWP Overhead \$2M, and PG&E Special Project Work Driving it above “normal” volumes in Q1
- ABB External Sales Separation: 2 PPI Outside Sales Team & 20+ Manufacturer rep agreements in place as of March 31, 2019 to cover all regions. Additionally, implemented internal order entry interface so now can enter our own orders.
- ABB Inside Sales Separation, EDI Set up behind schedule due to customer interaction delays
- ~\$5M availability thru April 2019, plan to be current on ABB Commissions and OGC monitoring fees by April 2019 (~\$3M pay down in total)
- Padmount product development moving forward per plan. Commercial Discussions with Anixter (1st PO expected in next 2-3 weeks) and SoCo in progress. Short circuit testing complete and passed, RUS Testing passed, awaiting final certificate of approval from government agency expected by end of April 2019
- Southern Company submitted active bid based on feedback/engagement from Bain Consulting...2018 SoCo Gross Margin (excluding Hurricane) ~\$1.8M...initial bid package submitted and received feedback. Next submission was due week of April 15.

➔ Key Initiatives

Key Initiative	Status	Expected Progress/Milestones Over Next 90 Days
Project Acapulco	●	Launch mid-May?
ABB Separation	●	ABB direct commissions cease by May 1
Padmount	●	Successful recent testing; RUS testing passed; first PO soon
PG&E	●	Back to business as usual; in fact, order volumes above normal
SoCo	●	Next submission was due week of April 15



March 2019 revenue and EBITDA significantly exceeding monthly and YTD budget

➔ Profit & Loss Statement

\$'000	MTD		Var		YTD		Var	
	Act	Bud	\$	%	Act	Bud	\$	%
Units Produced	9,037	7,515	1,522	20.3%	28,791	21,510	7,281	33.8%
Units Shipped	9,978	7,515	2,463	32.8%	26,832	21,510	5,322	24.7%
Bookings (\$'000)	\$ 10,879	\$ 9,188	\$ 1,691	18.4%	\$ 35,945	\$ 25,742	\$ 10,203	39.6%
Backlog (\$'000)	\$ 21,128	\$ —	\$ 21,128	N/A	\$ 21,128	\$ —	\$ 21,128	N/A
Gross Revenue	\$ 11,365	\$ 9,188	\$ 2,176	23.7%	\$ 31,673	\$ 25,742	\$ 5,932	23.0%
Discounts	(87)	(35)	(52)	145.6%	(145)	(99)	(46)	46.0%
Returns	—	(0)	0	(100.0%)	—	(0)	0	(100.0%)
Rebates	(3)	(9)	7	(71.2%)	(3)	(26)	23	(89.7%)
Other	53	42	11	25.1%	167	118	49	41.9%
Adj. to Gross Revenue	(37)	(3)	(34)	1317.4%	20	(7)	27	(369.5%)
Net Revenue	11,327	9,186	2,142	23.3%	31,693	25,734	5,959	23.2%
Material	7,025	5,597	1,428	25.5%	19,509	15,850	3,659	23.1%
Labor	2,017	1,742	275	15.8%	6,326	4,904	1,422	29.0%
Other COGS	923	941	(17)	(1.8%)	1,690	2,658	(968)	(36.4%)
Total COGS	9,965	8,280	1,685	20.4%	27,525	23,412	4,113	17.6%
Gross Margin	1,362	905	457	50.4%	4,169	2,322	1,846	79.5%
Gross Margin %	12.0%	9.9%			13.2%	9.0%		
R&D	16	—	16	N/A	57	—	57	N/A
Sales & Marketing	88	162	(74)	(45.9%)	249	486	(236)	(48.7%)
Administrative	404	377	26	6.9%	1,457	1,132	324	28.6%
Other Opex	150	—	150	N/A	150	—	150	N/A
Total Opex	657	539	118	21.8%	1,913	1,618	295	18.2%
EBITDA	705	366	339	92.6%	2,255	704	1,551	220.4%
EBITDA %	6.2%	4.0%			7.1%	2.7%		
Adj. EBITDA	705	366			2,255	704		
Adj. EBITDA %	6.2%	4.0%			7.1%	2.7%		
Net Income (Loss)	\$ 190	\$ (54)	\$ 244	(453.8%)	\$ 970	\$ (456)	\$ 1,426	(313.0%)
Capex	\$ (408)	\$ (148)	\$ (260)	175.8%	\$ (500)	\$ (444)	\$ (56)	12.7%
\$'000	MTD		Var		YTD		Var	
	Act	Bud	\$	%	Act	Bud	\$	%
Opex Overview:								
Payroll	\$ 164	\$ 213	\$ (49)	(22.9%)	\$ 474	\$ 639	\$ (165)	(25.7%)
Overtime	—	—	—	N/A	—	—	—	N/A
Bonus	130	75	55	73.3%	490	225	265	117.8%
Commissions	150	5	145	2900.0%	150	15	135	900.0%
Severance	—	—	—	N/A	—	—	—	N/A
Benefits	42	39	4	9.7%	111	116	(4)	(3.8%)
Travel and Entertainment	12	19	(7)	(36.1%)	(6)	56	(61)	(110.5%)
Rent and Facilities	—	2	(2)	(100.0%)	0	5	(5)	(96.6%)
Insurance	23	47	(24)	(50.6%)	88	142	(54)	(38.2%)
Professional Fees	27	82	(55)	(67.2%)	320	246	73	29.8%
Util., Repair, Maint., & Sec.	13	10	3	29.2%	39	30	9	28.1%
Safety and Training	44	3	41	1406.3%	51	9	42	479.3%
IT	26	31	(4)	(13.4%)	106	92	15	16.0%
Supplies	5	3	1	34.7%	14	10	4	39.2%
Other Expenses	20	11	9	75.9%	75	34	41	118.5%
Total Opex	\$ 657	\$ 539	\$ 118	21.8%	\$ 1,913	\$ 1,618	\$ 295	18.2%

→ Monthly balance sheet

	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	FY	FY	Var	
\$'000	Act	Act	Act	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Bud	\$	%
Current Assets																
Cash and cash equivalents	\$ 149	\$ 156	\$ 154	\$ 121	\$ 121	\$ 121	\$ 121	\$ 121	\$ 121	\$ 121	\$ 121	\$ 121	\$ 121	\$ 103	\$ 18	17.9%
Short term investments	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	N/A
Accounts receivable, gross	11,002	14,581	14,424	11,000	11,000	11,000	11,000	11,000	10,250	9,500	8,750	8,000	8,000	11,751	(3,751)	(31.9%)
Accounts receivable, reserves	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	N/A
Accounts receivable, net	11,002	14,581	14,424	11,000	11,000	11,000	11,000	11,000	10,250	9,500	8,750	8,000	8,000	11,751	(3,751)	(31.9%)
Inventory, gross	17,724	17,499	18,065	15,000	15,500	16,000	16,500	17,000	16,500	16,000	15,000	12,000	12,000	13,634	(1,634)	(12.0%)
Inventory, reserves	(454)	(474)	(494)	—	—	—	—	—	—	—	—	—	—	(434)	434	(100.0%)
Inventory, net	17,270	17,025	17,571	15,000	15,500	16,000	16,500	17,000	16,500	16,000	15,000	12,000	12,000	13,200	(1,200)	(9.1%)
Prepaid expenses and other current assets	1,016	994	915	1,069	1,355	1,269	1,323	1,011	789	855	1,002	1,024	1,024	561	464	82.7%
Current portion of deferred taxes	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	N/A
Revenue in excess of billings	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	N/A
Other current assets	13	11	11	8	8	8	8	8	8	8	8	8	8	12	(4)	(33.6%)
Total Current Assets	29,451	32,768	33,074	27,198	27,984	28,398	28,953	29,140	27,668	26,484	24,881	21,154	21,154	25,627	(4,473)	(17.5%)
Non-Current Assets																
Property, plant & equipment, gross	11,298	11,354	11,762	8,437	8,432	8,427	8,421	8,414	8,407	8,399	8,390	8,381	8,381	11,262	(2,881)	(25.6%)
Accumulated depreciation	(2,694)	(2,806)	(2,918)	—	—	—	—	—	—	—	—	—	—	(2,548)	2,548	(100.0%)
Property, plant & equipment, net	8,604	8,548	8,844	8,437	8,432	8,427	8,421	8,414	8,407	8,399	8,390	8,381	8,381	8,714	(333)	(3.8%)
Goodwill	6,314	6,239	6,163	6,125	6,044	5,962	5,880	5,798	5,716	5,634	5,552	5,470	5,470	6,390	(920)	(14.4%)
Identifiable intangible assets, gross	9,075	9,075	9,075	9,075	9,075	9,075	9,075	9,075	9,075	9,075	9,075	9,075	9,075	9,075	—	0.0%
Accumulated amortization	(2,760)	(2,836)	(2,911)	(2,949)	(3,031)	(3,113)	(3,195)	(3,277)	(3,359)	(3,441)	(3,523)	(3,605)	(3,605)	(2,685)	(920)	34.3%
Identifiable intangible assets, net	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	N/A
Deferred financing cost	148	142	135	129	123	116	110	104	98	91	85	79	79	—	79	N/A
Deferred tax asset	449	436	423	646	646	646	646	646	646	646	646	646	646	462	184	39.8%
Other non-current assets	14	—	—	13	13	13	13	13	13	13	13	24	24	144	(120)	(83.3%)
Total Non-Current Assets	15,529	15,364	15,566	15,351	15,258	15,164	15,070	14,975	14,879	14,783	14,686	14,599	14,599	15,709	(1,110)	(7.1%)
Total Assets	\$ 44,980	\$ 48,132	\$ 48,640	\$ 42,549	\$ 43,242	\$ 43,562	\$ 44,022	\$ 44,115	\$ 42,548	\$ 41,267	\$ 39,568	\$ 35,753	\$ 35,753	\$ 41,336	\$ (5,583)	(13.5%)
Current Liabilities																
Current portion of long-term debt	\$ 11,249	\$ 13,434	\$ 14,053	\$ 17,032	\$ 17,677	\$ 17,010	\$ 16,681	\$ 16,214	\$ 14,771	\$ 13,634	\$ 12,393	\$ 8,746	\$ 8,746	\$ 6,406	\$ 2,339	36.5%
Notes payable	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	N/A
Accounts payable	12,829	12,049	11,832	7,500	7,500	8,000	8,300	8,600	8,200	7,900	7,500	7,000	7,000	13,205	(6,205)	(47.0%)
Accrued liabilities	3,583	4,760	4,461	1,800	1,875	1,950	2,025	2,100	2,175	2,250	2,325	2,400	2,400	4,903	(2,503)	(51.1%)
Accrued compensation	235	237	320	313	155	292	437	227	306	340	185	276	276	53	223	422.7%
Income taxes payable	97	198	357	278	278	278	278	278	278	278	278	278	278	17	261	1562.8%
Short-term unearned revenue	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	N/A
Other current liabilities	282	284	300	248	257	259	80	74	86	100	104	576	576	279	297	106.3%
Total Current Liabilities	28,274	30,964	31,324	27,171	27,742	27,789	27,801	27,493	25,816	24,502	22,785	19,275	19,275	24,863	(5,588)	(22.5%)
Long-term liabilities																
Long-term debt less current maturities	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	N/A
Capital lease	1,742	1,696	1,650	1,570	1,525	1,481	1,436	1,391	1,347	1,302	1,257	1,212	1,212	1,788	(576)	(32.2%)
Debt owing to OpenGate	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	N/A
Deferred income taxes	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	N/A
Long-term unearned revenue	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	N/A
Deferred liabilities	—	—	—	625	625	625	625	625	625	625	625	623	623	—	623	N/A
Other non-current liabilities	1,943	1,947	1,952	4,550	4,550	4,550	4,550	4,550	4,550	4,550	4,550	4,550	4,550	1,940	2,610	134.5%
Total Long-Term Liabilities	3,686	3,643	3,601	6,745	6,700	6,656	6,611	6,566	6,522	6,477	6,432	6,385	6,385	3,728	2,657	71.3%
Total Liabilities	31,960	34,607	34,925	33,916	34,442	34,445	34,412	34,060	32,337	30,979	29,217	25,660	25,660	28,591	(2,931)	(10.3%)
Commitments and contingencies	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Shareholders' Equity																
Common stock	18,365	18,365	18,365	14,411	14,411	14,411	14,411	14,411	14,411	14,411	14,411	14,411	14,411	14,411	—	0.0%
Preferred stock	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	N/A
Capital in excess of stated value	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	N/A
Retained earnings	(5,344)	(4,839)	(4,649)	(5,504)	(5,337)	(5,019)	(4,527)	(4,082)	(3,927)	(3,848)	(3,786)	(4,044)	(4,044)	(1,665)	(2,379)	142.8%
Accumulated other comprehensive income	(1)	(1)	(1)	(274)	(274)	(274)	(274)	(274)	(274)	(274)	(274)	(274)	(274)	(1)	(273)	36983.2%
Other equity transactions	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	N/A
Total Shareholders' Equity	13,020	13,525	13,715	8,632	8,800	9,118	9,610	10,055	10,210	10,288	10,351	10,093	10,093	12,745	(2,652)	(20.8%)
Total Liabilities and Shareholders' Equity	\$ 44,980	\$ 48,132	\$ 48,640	\$ 42,549	\$ 43,242	\$ 43,562	\$ 44,022	\$ 44,115	\$ 42,548	\$ 41,267	\$ 39,568	\$ 35,753	\$ 35,753	\$ 41,336	\$ (5,583)	(13.5%)

→ Monthly Cash flow

	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	FY	FY	Var		PY	Var	
\$'000	Act	Act	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Fcst	Bud	\$	%	Act	\$	%
Cash flow from operations																			
Net Income (Loss)	\$ 275	\$ 505	\$ (54)	\$ 28	\$ 167	\$ 318	\$ 492	\$ 445	\$ 155	\$ 78	\$ 62	\$ (258)	\$ 2,215	\$ 1,033	\$ 1,182	114.5%	\$ 1,066	\$ 1,149	107.9%
Depreciation, amortization and other	228	194	234	234	235	235	236	237	237	238	238	239	2,785	2,828	(43)	(1.5%)	2,736	49	1.8%
Capitalized fees & expenses	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	N/A	—	—	N/A
Gain (loss) on sale of fixed assets	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	N/A	—	—	N/A
Non-cash interest expense	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	N/A	—	—	N/A
Non-cash dividends	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	N/A	—	—	N/A
Deferred income tax	13	13	—	—	—	—	—	—	—	—	—	—	26	(26)	52	(200.0%)	156	(130)	(83.3%)
Change in operating assets and liabilities:																			
Accounts receivable	749	(3,579)	—	—	—	—	—	—	750	750	750	750	170	(249)	419	(168.5%)	1,661	(1,491)	(89.7%)
Inventory	(4,070)	276	500	—	(500)	(500)	(500)	(500)	500	500	1,000	3,000	(294)	(2,269)	1,975	(87.0%)	67	(361)	(539.8%)
Prepaid expenses and other current assets	(312)	87	(20)	(113)	(286)	86	(54)	313	221	(66)	(147)	(33)	(324)	(250)	(74)	29.5%	(224)	(101)	44.9%
Accounts payable	(376)	(780)	(750)	(500)	—	500	300	300	(400)	(300)	(400)	(500)	(2,905)	(6,205)	3,299	(53.2%)	404	(3,310)	(818.5%)
Accrued expenses	(1,320)	733	(715)	75	75	75	75	75	75	75	75	75	(628)	(2,866)	2,239	(78.1%)	3,175	(3,803)	(119.8%)
Accrued income taxes	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	N/A	—	—	N/A
Other changes in operating assets and liabilities	254	(2,410)	25	177	(149)	139	(34)	(216)	91	48	(151)	563	(1,663)	514	(2,176)	(423.8%)	107	(1,770)	(1649.9%)
Other cash flow from operations	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	N/A	—	—	N/A
Total Cash Flow from Operations	\$ (4,559)	\$ (4,960)	\$ (779)	\$ (99)	\$ (458)	\$ 854	\$ 515	\$ 653	\$ 1,630	\$ 1,323	\$ 1,427	\$ 3,836	\$ (618)	\$ (7,490)	\$ 6,873	(91.8%)	\$ 9,148	\$ (9,766)	(106.8%)
Cash flow from investing																			
Additions to property, plant and equipment	\$ (36)	\$ 499	\$ (148)	\$ (148)	\$ (148)	\$ (148)	\$ (148)	\$ (148)	\$ (148)	\$ (148)	\$ (148)	\$ (148)	\$ (1,017)	\$ (1,776)	\$ 759	(42.7%)	\$ (1,326)	\$ 308	(23.3%)
Acquisitions of companies, net of cash acquired	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	N/A	—	—	N/A
Investment in intangibles	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	N/A	—	—	N/A
Earnout payments	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	N/A	(44)	44	(100.0%)
Other cash flow from investing (goodwill)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	N/A	—	—	N/A
Total Cash Flow from Investing	\$ (36)	\$ 499	\$ (148)	\$ (148)	\$ (148)	\$ (148)	\$ (148)	\$ (148)	\$ (148)	\$ (148)	\$ (148)	\$ (148)	\$ (1,017)	\$ (1,776)	\$ 759	(42.7%)	\$ (1,370)	\$ 352	(25.7%)
Cash flow from financing																			
Proceeds from the issuance (repayment) of short-term debt	\$ 4,689	\$ 4,094	\$ 937	\$ 292	\$ 651	\$ (661)	\$ (323)	\$ (461)	\$ (1,437)	\$ (1,131)	\$ (1,235)	\$ (3,643)	\$ 1,772	\$ 9,861	\$ (8,089)	(82.0%)	\$ (7,755)	\$ 9,527	(122.9%)
Proceeds from the issuance of debt	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	N/A	—	—	N/A
Repayment of debt	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	N/A	—	—	N/A
Capital lease	(46)	(46)	(45)	(45)	(45)	(45)	(45)	(45)	(45)	(45)	(45)	(45)	(539)	(576)	37	(6.4%)	—	(539)	N/A
Common stock issued (repurchased)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	N/A	—	—	N/A
Common stock cash dividends paid	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	N/A	—	—	N/A
Preferred stock issued (repurchased)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	N/A	—	—	N/A
Other cash flow from financing costs	—	421	—	—	—	—	—	—	—	—	—	—	421	—	421	N/A	—	421	N/A
Total Cash Flow from Financing	\$ 4,642	\$ 4,469	\$ 892	\$ 247	\$ 606	\$ (706)	\$ (367)	\$ (505)	\$ (1,482)	\$ (1,175)	\$ (1,279)	\$ (3,688)	\$ 1,654	\$ 9,285	\$ (7,631)	(82.2%)	\$ (7,755)	\$ 9,409	(121.3%)
Effect of FX rates on cash and cash equivalents	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	N/A	\$ —	\$ —	N/A
Net change in cash	\$ 47	\$ 7	\$ (35)	\$ 0	\$ 0	\$ (0)	\$ 0	\$ (0)	\$ (0)	\$ 0	\$ (0)	\$ 0	\$ 18	\$ 18	\$ 0	0.0%	\$ 23	\$ (5)	(21.3%)
Beginning cash	103	149	156	121	121	121	121	121	121	121	121	121	103	103	—	—	79	\$ 23	29.5%
Change in cash	47	7	(35)	0	0	(0)	0	(0)	(0)	0	(0)	0	18	18	0	0.0%	23	\$ (5)	(21.3%)
Ending cash	\$ 149	\$ 156	\$ 121	\$ 121	\$ 121	\$ 121	\$ 121	\$ 121	\$ 121	\$ 121	\$ 121	\$ 121	\$ 121	\$ 121	\$ 0	0.0%	\$ 103	\$ 18	17.9%

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➔ Fund I – North America

Power Partners, Inc.

Energi Fenestration Solutions, Ltd.

Hufcor Holdings, Inc.

Mersive Holdings, Inc.

➔ Fund I – Europe

➔ Legacy



E N E R G I

FENESTRATION SOLUTIONS

Mar 2019 Revenue and EBITDA miss due to continued softness in North America, but 1Q 2019 EBITDA at Plan

➔ Operational Overview:

- Mar 2019 revenue of \$11.4M missed Plan by \$2.2M; EBITDA of \$472K missed Plan by \$126K
- Q1 2019 revenue of \$33.1M missed Plan by \$3.5M; EBITDA of \$768K exceeded Plan by \$3K
- At 4/19, Mar MTD sales were at \$8.7M (53% of Plan) on shipping day 15 (68% through the month)
- Cold temperatures YTD have caused softness in the North American market; overall April MTD bookings is behind prior year by 2.6%, with order momentum positive at Woodbridge and Everett but still slow at Laval and Delmont; all plants reviewing production labor plan for April and will scale back production accordingly based on latest orders in-house
- Q1 EBITDA in-line with Plan despite lower sales revenues and volumes, due to continued focus on lower material cost inputs, optimization of labor costs and lower overhead spending across the business
- ENERGI received verbal notice of two Ontario based customers that will transition their business away from ENERGI at the end of 2019 to Vision; represents ~\$2M in 2019 AOP Sales
- CDI Resin Index remained unchanged for March vs the February price, which increased by 2cpp. Industry consensus is that resin will remain flat for Q2 with a possibility of a 1cpp reduction

➔ Key Initiatives

Key Initiative	Status	Expected Progress/Milestones Over Next 90 Days
Sale process	●	William Blair engaged
Alternative compound	●	Discussions ongoing with suppliers regarding alternative material compound or regrind
Terrebonne profitability	●	Sales order volume is up; operational improvements in progress
Capex	●	Management liming Capex spend due to slow Q1 overall performance; Q1 capex of \$1.6M vs. Plan of \$2.5M

Mar 2019 Revenue and EBITDA miss due to continued softness in North America, but 1Q 2019 EBITDA at Plan

➔ Profit & Loss Statement

	MTD							YTD							FY									
\$'000s	MTD		Var		MTD		Var		YTD		Var		YTD		Var		FY		Var		FY		Var	
Energi Fenestration Solutions, Ltd.	Act	Bud	\$	%	PY	\$	%	Act	Bud	\$	%	PY	\$	%	Actual	Bud	\$	%	PY	\$	%			
Gross Revenue	\$11,985	\$14,375	\$(2,389)	(16.6%)	\$14,651	\$(2,665)	(18.2%)	\$34,773	\$38,445	\$(3,672)	(9.6%)	\$40,723	\$(5,950)	(14.6%)	\$184,365	\$188,036	\$(3,672)	(2.0%)	\$180,283	\$4,082	2.3%			
Adj. to Gross Revenue	(581)	(743)	162	(21.8%)	(855)	274	(32.0%)	(1,643)	(1,855)	212	(11.5%)	(2,057)	415	(20.2%)	(9,664)	(9,876)	212	(2.2%)	(9,708)	44	(0.5%)			
Net Revenue	11,404	13,631	(2,227)	(16.3%)	13,795	(2,391)	(17.3%)	33,131	36,590	(3,459)	(9.5%)	38,666	(5,535)	(14.3%)	174,701	178,160	(3,459)	(1.9%)	170,574	4,126	2.4%			
Material	5,464	6,823	(1,359)	(19.9%)	6,649	(1,185)	(17.8%)	15,969	18,133	(2,164)	(11.9%)	18,388	(2,419)	(13.2%)	86,191	88,355	(2,164)	(2.4%)	83,420	2,772	3.3%			
Labor	2,913	3,103	(190)	(6.1%)	3,449	(536)	(15.5%)	8,554	9,041	(486)	(5.4%)	10,194	(1,640)	(16.1%)	37,884	38,371	(486)	(1.3%)	38,503	(618)	(1.6%)			
Other COGS	1,117	1,506	(390)	(25.9%)	1,695	(579)	(34.1%)	3,441	3,840	(400)	(10.4%)	4,472	(1,031)	(23.1%)	19,861	20,261	(400)	(2.0%)	20,885	(1,024)	(4.9%)			
Total COGS	9,494	11,433	(1,939)	(17.0%)	11,793	(2,299)	(19.5%)	27,964	31,014	(3,050)	(9.8%)	33,055	(5,091)	(15.4%)	143,937	146,986	(3,050)	(2.1%)	142,807	1,129	0.8%			
Gross Margin	1,910	2,199	(289)	(13.1%)	2,002	(92)	(4.6%)	5,167	5,576	(409)	(7.3%)	5,611	(445)	(7.9%)	30,764	31,173	(409)	(1.3%)	27,767	2,997	10.8%			
Gross Margin %	16.7%	16.1%			14.5%			15.6%	15.2%			14.5%			17.6%	17.5%			16.3%					
R&D	—	—	—	n/a	—	—	n/a	—	—	—	n/a	—	—	n/a	—	—	—	n/a	—	—	n/a			
Sales & Marketing	474	570	(96)	(16.9%)	643	(170)	(26.4%)	1,631	1,751	(120)	(6.9%)	1,920	(289)	(15.1%)	7,127	7,247	(120)	(1.7%)	7,045	82	1.2%			
Administrative	879	1,050	(171)	(16.3%)	996	(117)	(11.7%)	2,884	3,113	(229)	(7.4%)	3,026	(142)	(4.7%)	12,543	12,772	(229)	(1.8%)	10,240	2,302	22.5%			
Other Opex	85	(19)	104	(559.6%)	35	50	141.7%	(117)	(53)	(63)	118.3%	6	(123)	#####	(291)	(228)	(63)	27.7%	302	(593)	(196.5%)			
Total Opex	1,438	1,601	(163)	(10.2%)	1,675	(237)	(14.1%)	4,399	4,811	(413)	(8.6%)	4,952	(554)	(11.2%)	19,378	19,791	(413)	(2.1%)	17,587	1,792	10.2%			
EBITDA	472	597	(126)	(21.0%)	327	145	44.2%	768	765	3	0.4%	659	109	16.6%	11,386	11,382	3	0.0%	10,180	1,205	11.8%			
EBITDA %	4.1%	4.4%			2.4%			2.3%	2.1%			1.7%			6.5%	6.4%			6.0%					
Net Income (Loss)	\$ (1,280)	\$ (659)	\$ (621)	94.1%	\$ (690)	\$ (590)	85.6%	\$ (2,437)	\$ (2,800)	\$ 363	(13.0%)	\$ (1,900)	\$ (537)	28.3%	\$ (2,937)	\$ (3,300)	\$ 363	(11.0%)	\$ (3,490)	\$ 553	(15.8%)			
Capex	\$ (560)	\$ (834)	\$ 274	(32.9%)	\$ (930)	\$ 370	(39.8%)	\$ (1,580)	\$ (2,502)	\$ 922	(36.9%)	\$ (2,434)	\$ 854	(35.1%)	\$ (7,078)	\$ (8,000)	\$ 922	(11.5%)	\$ (10,215)	\$ 3,137	(30.7%)			

Working capital and debt ahead of Plan due to inventory buys ahead of TiO2 price increase and lower AP due to lower Capex than Plan

➔ Balance Sheet

\$'000s	Dec-17	Dec-18	Jan-19	Feb-19	Mar-19		Variance	
Energi Fenestration Solutions, Ltd.	Act	Act	Act	Act	Act	Bud	\$	%
Current Assets								
Cash and cash equivalents	\$ (0)	\$ 0	\$ 3	\$ 3	\$ 3	\$ 3	\$ 0	10.6%
Short term investments	—	—	—	—	—	—	—	0.0%
Accounts receivable, net	11,846	8,594	8,789	9,536	11,214	12,660	(1,446)	(11.4%)
Inventory, net	29,714	30,309	33,091	34,642	34,150	32,910	1,240	3.8%
Prepaid expenses and other current assets	3,306	2,942	3,145	3,030	3,051	3,286	(235)	(7.2%)
Current portion of deferred taxes	—	—	—	—	—	—	—	0.0%
Revenue in excess of billings	—	—	—	—	—	—	—	0.0%
Other current assets	992	901	761	864	804	837	(33)	(3.9%)
Total Current Assets	45,859	42,746	45,790	48,076	49,223	49,696	(474)	(1.0%)
Non-Current Assets								
Property, plant & equipment, net	46,814	47,338	47,932	47,761	46,955	49,921	(2,967)	(5.9%)
Goodwill	—	—	—	—	—	—	—	0.0%
Identifiable intangible assets, net	—	—	—	—	—	—	—	0.0%
Deferred financing cost	529	548	546	533	510	518	(8)	(1.6%)
Deferred tax asset	1,401	2,879	2,961	2,963	2,898	1,367	1,531	112.0%
Other non-current assets	2,795	2,616	2,688	2,690	2,644	3,041	(396)	(13.0%)
Total Non-Current Assets	51,539	53,382	54,127	53,947	53,007	54,847	(1,840)	(3.4%)
Total Assets	\$ 97,397	\$ 96,127	\$ 99,917	\$ 102,023	\$ 102,229	\$ 104,543	\$ (2,313)	(2.2%)
Current Liabilities								
Current portion of long-term debt	\$ 3,940	\$ 10,222	\$ 14,340	\$ 16,533	\$ 18,750	\$ 17,869	\$ 882	4.9%
Notes payable	1,360	1,628	1,678	1,665	1,639	1,800	(162)	(9.0%)
Accounts payable	13,088	12,709	11,725	12,319	12,200	14,234	(2,034)	(14.3%)
Accrued liabilities	4,029	3,343	4,045	3,378	3,727	3,817	(90)	(2.4%)
Accrued compensation	4,151	2,521	2,492	2,800	2,877	2,983	(106)	(3.5%)
Income taxes payable	(101)	(246)	(189)	(102)	(344)	957	(1,301)	(135.9%)
Short-term unearned revenue	1,301	1,301	1,301	1,301	1,301	—	1,301	0.0%
Other current liabilities	32	97	101	97	124	117	7	5.7%
Total Current Liabilities	27,800	31,576	35,493	37,990	40,273	41,777	(1,504)	(3.6%)
Long-term liabilities								
Long-term debt less current maturities	13,396	12,006	12,248	12,114	11,679	11,717	(38)	(0.3%)
Capital lease	—	—	—	—	—	—	—	0.0%
Debt owing to OpenGate	—	—	—	—	—	—	—	0.0%
Deferred income taxes	8,938	9,610	9,753	9,757	9,642	7,785	1,857	23.9%
Long-term unearned revenue	—	—	—	—	—	—	—	0.0%
Deferred liabilities	—	—	—	—	—	—	—	0.0%
Other non-current liabilities	1,389	1,468	1,525	1,530	1,491	1,421	70	4.9%
Total Long-Term Liabilities	23,723	23,084	23,526	23,400	22,812	20,923	1,889	9.0%
Total Liabilities	51,523	54,660	59,019	61,391	63,085	62,700	385	0.6%
Commitments and contingencies	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	0.0%
Total Shareholders' Equity	45,874	41,467	40,898	40,632	39,144	41,842	(2,699)	(6.4%)
Total Liabilities and Shareholders' Equity	\$ 97,397	\$ 96,127	\$ 99,917	\$ 102,023	\$ 102,229	\$ 104,543	\$ (2,313)	(2.2%)
<i>Memo:</i>								
Net Working Capital	\$ 23,359	\$ 23,020	\$ 26,311	\$ 28,279	\$ 29,335	\$ 27,585	\$ 1,750	6.3%
Total Net External Debt	\$ 18,697	\$ 23,857	\$ 28,263	\$ 30,308	\$ 32,065	\$ 31,383	\$ 682	2.2%

➔ Cash Flow Statement

\$'000s	MTD		Var		YTD		Var	
	Act	Bud	\$	%	Act	Bud	\$	%
Energy Fenestration Solutions, Ltd.								
Cash flow from operations								
Net Income (Loss)	\$ (1,280)	\$ (659)	\$ (621)	94.1%	\$ (2,437)	\$ (2,800)	\$ 363	(13.0%)
Depreciation, amortization and other	729	724	6	0.8%	2,158	2,146	12	0.6%
Capitalized fees & expenses	—	—	—	n/a	—	—	—	n/a
Gain (loss) on sale of fixed assets	—	—	—	n/a	—	—	—	n/a
Non-cash interest expense	—	—	—	n/a	—	—	—	n/a
Non-cash dividends	201	67	134	200.5%	32	1,092	(1,060)	(97.0%)
Deferred income tax	(115)	—	(115)	n/a	32	148	(116)	(78.3%)
Change in operating assets and liabilities:								
Accounts receivable	(1,678)	(1,223)	(456)	37.3%	(2,620)	(4,153)	1,534	(36.9%)
Inventory	492	283	210	74.2%	(3,841)	(2,601)	(1,240)	47.7%
Prepaid expenses & other current assets	39	(424)	462	(109.1%)	(13)	(281)	268	(95.4%)
Accounts payable	(119)	3,969	(4,088)	(103.0%)	(510)	1,525	(2,034)	(133.4%)
Accrued expenses	426	194	232	119.5%	739	1,187	(447)	(37.7%)
Accrued income taxes	(242)	172	(414)	(240.7%)	(97)	308	(405)	(131.6%)
Other changes in op. assets & liabilities	27	(11)	38	(338.9%)	27	(1,281)	1,308	(102.1%)
Other cash flow from operations	—	—	—	n/a	—	—	—	n/a
Total Cash Flow from Operations	\$ (1,520)	\$ 3,091	\$ (4,611)	(149.2%)	\$ (6,529)	\$ (4,711)	\$ (1,818)	38.6%
Cash flow from investing								
Additions to PP&E	\$ (560)	\$ (834)	274	(32.9%)	\$ (1,580)	\$ (2,502)	922	(36.9%)
Acq. of companies, net of cash acquired	—	—	—	n/a	—	—	—	n/a
Investment in intangibles	—	—	—	n/a	—	—	—	n/a
Earnout payments	—	—	—	n/a	—	—	—	n/a
Other cash flow from investing (goodwill)	—	—	—	n/a	—	—	—	n/a
Total Cash Flow from Investing	\$ (560)	\$ (834)	\$ 274	(32.9%)	\$ (1,580)	\$ (2,502)	\$ 922	(36.9%)
Cash flow from financing								
Proceeds from issuance (repmt) of ST debt	\$ 2,218	\$ (2,113)	\$ 4,331	(204.9%)	\$ 8,528	\$ 7,646	\$ 882	11.5%
Proceeds from the issuance of debt	(0)	—	(0)	n/a	(0)	—	(0)	n/a
Repayment of debt	(138)	(143)	5	(3.7%)	(416)	(430)	14	(3.3%)
Capital lease	—	—	—	n/a	—	—	—	n/a
Common stock issued (repurchased)	—	—	—	n/a	—	—	—	n/a
Common stock cash dividends paid	—	—	—	n/a	—	—	—	n/a
Preferred stock issued (repurchased)	—	—	—	n/a	—	—	—	n/a
Other cash flow from financing costs	—	—	—	n/a	—	—	—	n/a
Total Cash Flow from Financing	\$ 2,080	\$ (2,257)	\$ 4,337	(192.2%)	\$ 8,112	\$ 7,216	\$ 896	12.4%
Effect of FX rates on cash & cash equivalents	\$ —	\$ —	\$ —	n/a	\$ —	\$ —	\$ —	n/a
Net change in cash	\$ (0)	\$ 0	\$ (0)	n/a	\$ 3	\$ 3	\$ 0	10.6%
Beginning cash	3	3	0	12.2%	—	—	—	n/a
Change in cash	(0)	0	(0)	n/a	3	3	0	10.6%
Ending cash	\$ 3	\$ 3	\$ 0	10.6%	\$ 3	\$ 3	\$ 0	10.6%

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➔ Fund I – North America

Power Partners, Inc.

Energi Fenestration Solutions, Ltd.

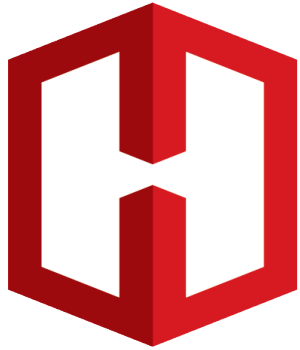
Hufcor Holdings, Inc.

Mersive Holdings, Inc.

➔ Fund I – Europe

➔ Legacy





HUF CORTM

shaping your experience

Continued focus on optimizing financial processes and scoping operational improvement efforts

➔ Operational Overview

- March EBITDA: +403K vs. AOP (+58%), +\$799K better vs. March 2018 (+273%)
- Q1/YTD EBITDA: +412K (38.6%) favorable to AOP Plan (Actual: \$1477 vs. AOP: \$1065K)
 - Q12019 EBITDA +\$2.3M vs. Q12018 (Q12019: \$1,477 vs. Q12018: (\$888))
- Janesville output has increased YoY; up 29% from 14.9K units in Q1 18 to 19.2K units in Q1 19
- Second shift started in February, productivity has increased by 150% in the last 60 days and is meeting current targets. Expected 20% efficiency gain by the end of Q2
- Design engineering has been relocated to the shop floor to drive summer readiness and improve overall efficiency; engineers have been assigned discrete projects to improve operational performance
- Sage / Procure being evaluated for field sales offices
- HX/700 Series launch: customer contact initiated to convert backlog orders from 600 to 700-series product

➔ Key Initiatives

Key Initiative	Status	Expected Progress/Milestones Over Next 90 Days
FP&A	●	Kicking off external support to augment Finance team
Germany ops/pricing	●	Kicking off external support to review Germany pricing and operations processes; Expected early May kick off
APAC optimization	●	Stabilizing Malaysia infrastructure (est. completion Jun 1 2019); China plant future is TBD
Partition Studio 5	●	Scheduled for May launch
Price increases	●	Price increases effective on new contracts effective Sep 2018

March 2019 revenue and EBITDA significantly exceeding monthly and YTD budget

→ Profit & Loss Statement

\$'000	MTD		Variance		PY MTD		Variance		YTD			PY YTD	
	Act	Bud	\$	%	Act	\$	%		Act	Bud	%	Act	%
Gross Revenue	\$ 11,865	\$ 10,898	\$ 967	8.9%	\$ 11,532	\$ 333	2.9%		\$ 33,014	\$ 32,694	1.0%	\$ 31,153	6.0%
Net Revenue	11,865	10,898	967	8.9%	11,532	333	2.9%		33,014	32,694	1.0%	31,153	6.0%
Material	3,724	3,674	50	1.4%	4,158	(432)	(10.4%)		11,075	12,022	(7.9%)	11,492	(3.6%)
Labor	3,733	3,322	411	12.4%	3,296	437	13.3%		10,528	9,966	5.6%	9,810	7.3%
Other COGS	1,118	955	163	17.1%	1,139	(20)	(1.8%)		3,355	2,866	17.1%	3,021	11.0%
Total COGS	8,576	7,951	625	7.9%	8,591	(15)	(0.2%)		24,958	24,854	0.4%	24,323	2.6%
Gross Margin	3,289	2,947	342	11.6%	2,941	348	11.8%		8,056	7,840	2.8%	6,830	17.9%
Gross Margin %	27.7%	27.0%			25.5%				24.4%	24.0%		21.0%	
R&D	—	—	—	N/A	—	—	N/A		—	—	N/A	—	N/A
Sales & Marketing	1,132	1,267	(134)	(10.6%)	1,304	(172)	(13.2%)		3,265	3,800	(13.5%)	3,810	(13.8%)
Administrative	1,136	995	141	14.2%	1,362	(225)	(16.5%)		3,388	2,985	13.5%	3,987	(15.0%)
Other Opex	(71)	(3)	(68)	1961.7%	(17)	(54)	311.5%		(94)	(10)	807.8%	(78)	19.7%
Total Opex	2,198	2,258	(61)	(2.7%)	2,649	(451)	(17.0%)		6,579	6,775	(2.9%)	7,718	(14.8%)
EBITDA	1,091	688	403	(58.5%)	292	799	273.7%		1,477	1,065	(38.6%)	(888)	(266.3%)
EBITDA %	9.2%	6.3%			2.5%				4.5%	3.3%		(2.9%)	
Net Income (Loss)	\$ 119	\$ (194)	\$ 313	161.5%	\$ (434)	\$ 553	127.5%		\$ (1,489)	\$ (1,336)	(11.4%)	\$ (3,407)	56.3%
Capex	\$ —	\$ —	\$ —		\$ 106	\$ (106)			\$ 1,522	\$ —		\$ 439	247.1%

\$'000	MTD		Variance		PY MTD		Variance		YTD			PY YTD	
	Act	Bud	\$	%	Act	\$	%		Act	Bud	%	Act	%
Opex Overview:													
Payroll	\$ 1,004	\$ 1,194	\$ (190)	(15.9%)	\$ 1,288	\$ (283)	(22.0%)		\$ 3,084	\$ 3,582	(13.9%)	\$ 3,708	(16.8%)
Benefits	232	250	(18)	(7.2%)	279	(47)	(16.8%)		681	751	(9.4%)	867	(21.5%)
Bonus	93	112	(19)	(16.8%)	140	(46)	(33.2%)		285	336	(14.9%)	433	(34.0%)
Marketing	19	28	(9)	(31.2%)	45	(26)	(57.8%)		58	84	(32.6%)	176	(68.0%)
Commissions	187	191	(4)	(2.1%)	140	47	33.5%		480	573	(16.3%)	424	13.2%
Travel and Entertainment	85	87	(2)	(1.8%)	136	(51)	(37.3%)		247	260	(4.8%)	337	(26.7%)
Rent and Facilities	67	65	2	3.6%	65	2	2.9%		204	195	5.0%	195	4.9%
Insurance	35	32	4	11.8%	29	7	22.9%		113	95	19.3%	92	23.1%
Professional Fees	110	69	41	59.1%	159	(49)	(30.7%)		264	207	27.3%	321	(17.8%)
Util., Repair, Maint., & Sec.	38	34	3	9.4%	37	1	3.1%		104	103	0.7%	110	(5.5%)
Office Expenses	5	6	(1)	(10.3%)	7	(2)	(28.0%)		14	18	(20.5%)	17	(17.8%)
IT	58	48	11	22.2%	47	11	23.6%		171	143	20.0%	166	3.1%
Bad Debts	98	12	86	723.9%	48	50	103.8%		290	36	710.3%	110	162.7%
Supplies	17	18	(0)	(1.0%)	19	(1)	(7.0%)		52	53	(0.2%)	79	(33.3%)
FX	—	—	—	N/A	12	(12)	(100.0%)		—	—	N/A	16	(100.0%)
Other Expenses	147	114	34	29.8%	199	(52)	(26.0%)		533	341	56.4%	667	(20.1%)
Total Opex	\$ 2,198	\$ 2,258	\$ (61)	(2.7%)	\$ 2,649	\$ (451)	(17.0%)		\$ 6,579	\$ 6,775	(2.9%)	\$ 7,718	(14.8%)

Balance sheet and statement of cash flows

March B/S and SCF are pending May 2 BoD

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➔ Summary of Portfolio Performance

➔ Fund I – North America

Power Partners, Inc.

Energi Fenestration Solutions, Ltd.

Hufcor Holdings, Inc.

Mersive Holdings, Inc.

Fund I – Europe

➔ Legacy











mersive
technologies inc

➔ Operational Overview:

- Mar 2019 revenue of \$3.1M exceeded Plan by \$0.5M; EBITDA of \$294K exceeded Plan by \$553K
- Q1 2019 revenue of \$7.7M exceeded Plan by \$0.3M; EBITDA of (\$111K) exceeded Plan by \$465K
- At 4/19, Apr MTD invoiced sales were at \$1.7M (53% of Plan) and bookings were at \$1.9M (61% of Plan) on shipping day 15 (68% through the month)
- New Chief People Officer, Michelle Anastasi, started on Apr 22; will focus on strategic human capital issues (recruiting, onboarding, retention)
- New Sales Ops Director, Craig Kreuziger, start date of Apr 30; will focus on enabling success across the sales organization

➔ Key Initiatives

Key Initiative	Status	Expected Progress/Milestones Over Next 90 Days
Expand and Mature Product Organization		Gen 3 hardware and Solstice 4.0 has launched
Develop VTC Strategy		Launch scheduled for June 2019
Expand Sales Coverage		Recent hires in EMEA and APAC; interviews ongoing in all regions
Launch SaaS - Kepler		Maintenance renewal enforcement underway
Improve and Expand Reporting		Contract management module being rolled out in Q1 2019
Expand Multi-Channel Marketing Campaign		Execute to Q1 content calendar

Q1 2019 revenue and EBITDA exceeded Plan by \$254K and \$465K, respectively

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→ Profit & Loss Statement

	MTD							YTD							FY						
\$'000s	MTD		Var		MTD	Var		YTD		Var		YTD	Var		FY		Var		FY	Var	
Mersive Holdings, Inc.	Act	Bud	\$	%	PY	\$	%	Act	Bud	\$	%	PY	\$	%	Actual	Bud	\$	%	PY	\$	%
Gross Revenue	\$ 3,140	\$ 2,615	\$ 525	20.1%	\$ 2,161	\$ 979	45.3%	\$ 7,770	\$ 7,490	\$ 280	3.7%	\$ 5,372	\$ 2,398	44.6%	\$ 42,733	\$ 42,453	\$ 280	0.7%	\$ 26,818	\$ 15,915	59.3%
Adj. to Gross Revenue	(16)	—	(16)	n/a	(7)	(8)	115.3%	(26)	—	(26)	n/a	(19)	(7)	35.8%	(26)	—	(26)	n/a	(113)	86	(76.7%)
Net Revenue	3,124	2,615	510	19.5%	2,154	971	45.1%	7,744	7,490	254	3.4%	5,353	2,391	44.7%	42,707	42,453	254	0.6%	26,706	16,002	59.9%
Material	848	467	381	81.5%	465	383	82.3%	1,693	1,338	355	26.5%	1,107	586	53.0%	10,535	10,180	355	3.5%	5,663	4,873	86.0%
Labor	50	56	(6)	(11.5%)	34	15	44.5%	147	154	(6)	(4.0%)	110	38	34.4%	733	739	(6)	(0.8%)	498	235	47.2%
Other COGS	—	—	—	n/a	—	—	n/a	—	—	—	n/a	—	—	n/a	—	—	—	n/a	—	—	n/a
Total COGS	898	523	374	71.6%	499	398	79.7%	1,841	1,492	349	23.4%	1,217	624	51.3%	11,268	10,920	349	3.2%	6,161	5,108	82.9%
Gross Margin	2,227	2,091	135	6.5%	1,654	572	34.6%	5,903	5,998	(95)	(1.6%)	4,136	1,767	42.7%	31,439	31,533	(95)	(0.3%)	20,545	10,894	53.0%
Gross Margin %	71.3%	80.0%			76.8%			76.2%	80.1%			77.3%			73.6%	74.3%			76.9%		
R&D	537	522	15	2.9%	284	253	88.9%	1,441	1,505	(64)	(4.3%)	882	559	63.3%	6,994	7,058	(64)	(0.9%)	4,488	2,506	55.8%
Sales & Marketing	949	1,172	(223)	(19.0%)	595	354	59.5%	3,007	3,163	(156)	(4.9%)	1,618	1,389	85.8%	15,061	15,217	(156)	(1.0%)	7,788	7,273	93.4%
Administrative	446	642	(196)	(30.5%)	232	214	92.2%	1,567	1,893	(326)	(17.2%)	691	876	126.8%	7,060	7,386	(326)	(4.4%)	5,423	1,638	30.2%
Other Opex	—	14	(14)	(100.0%)	—	—	n/a	—	14	(14)	(100.0%)	—	—	n/a	—	140	(140)	(100.0%)	—	—	n/a
Total Opex	1,933	2,350	(418)	(17.8%)	1,112	821	73.9%	6,015	6,574	(560)	(8.5%)	3,191	2,824	88.5%	29,116	29,802	(686)	(2.3%)	17,699	11,417	64.5%
EBITDA	294	(259)	553	(213.4%)	542	(249)	(45.8%)	(111)	(576)	465	(80.7%)	946	(1,057)	(111.8%)	2,323	1,732	591	34.1%	2,846	(524)	(18.4%)
EBITDA %	9.4%	(9.9%)			25.2%			(1.4%)	(7.7%)			17.7%			5.4%	4.1%			10.7%		
Net Income (Loss)	\$ (109)	\$ (651)	\$ 542	(83.3%)	\$ 201	\$ (309)	(154.2%)	\$ (1,303)	\$ (1,798)	\$ 495	(27.5%)	\$ (84)	\$ (1,219)	1449.3%	\$ (2,891)	\$ (3,572)	\$ 681	(19.1%)	\$ (1,771)	\$ (1,120)	63.2%
Capex	\$ (62)	\$ (205)	\$ 143	(70.0%)	\$ (15)	\$ (46)	306.9%	\$ (198)	\$ (257)	\$ 59	(23.0%)	\$ (32)	\$ (166)	525.7%	\$ (487)	\$ (484)	\$ (3)	0.6%	\$ (561)	\$ 74	(13.1%)

AR above Plan due to invoiced sales ahead of Plan

➔ Balance Sheet

\$'000s	Dec-17	Dec-18	Jan-19	Feb-19	Mar-19		Variance	
Mersive Holdings, Inc.	Act	Act	Act	Act	Act	Bud	\$	%
Current Assets								
Cash and cash equivalents	\$ 2,550	\$ 5,777	\$ 6,447	\$ 5,686	\$ 4,558	\$ 3,804	\$ 754	19.8%
Short term investments	—	—	—	—	—	—	—	0.0%
Accounts receivable, net	3,114	5,031	4,431	3,874	5,370	4,714	656	13.9%
Inventory, net	906	1,444	1,637	2,298	2,746	2,565	181	7.1%
Prepaid expenses and other current assets	439	1,788	2,378	2,126	2,114	1,409	705	50.0%
Current portion of deferred taxes	—	—	—	—	—	—	—	0.0%
Revenue in excess of billings	—	—	—	—	—	—	—	0.0%
Other current assets	—	—	—	—	—	—	—	0.0%
Total Current Assets	7,009	14,041	14,893	13,984	14,788	12,492	2,296	18.4%
Non-Current Assets								
Property, plant & equipment, net	240	692	839	832	830	1,117	(287)	(25.7%)
Goodwill	20,836	20,675	20,675	20,675	20,675	20,675	(0)	(0.0%)
Identifiable intangible assets, net	9,767	6,711	6,440	6,176	5,911	5,751	160	2.8%
Deferred financing cost	—	—	—	—	—	—	—	0.0%
Deferred tax asset	5,100	6,488	6,488	6,488	6,488	6,647	(159)	(2.4%)
Other non-current assets	14	14	14	80	80	75	5	7.2%
Total Non-Current Assets	35,958	34,580	34,456	34,251	33,984	34,265	(281)	(0.8%)
Total Assets	\$ 42,967	\$ 48,620	\$ 49,349	\$ 48,235	\$ 48,772	\$ 46,757	\$ 2,015	4.3%
Current Liabilities								
Current portion of long-term debt	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	0.0%
Notes payable	3,500	3,500	3,500	3,500	3,500	3,500	—	0.0%
Accounts payable	335	900	1,457	1,732	1,665	462	1,202	260.0%
Accrued liabilities	—	77	412	337	259	209	49	23.6%
Accrued compensation	—	1,907	1,821	1,075	1,284	2,293	(1,009)	(44.0%)
Income taxes payable	—	694	694	694	694	—	694	0.0%
Short-term unearned revenue	—	—	—	—	—	—	—	0.0%
Other current liabilities	704	232	269	333	324	251	73	29.2%
Total Current Liabilities	4,540	7,310	8,152	7,670	7,726	6,716	1,010	15.0%
Long-term liabilities								
Long-term debt less current maturities	—	—	—	—	—	—	—	0.0%
Capital lease	—	—	—	—	—	—	—	0.0%
Debt owing to OpenGate	—	—	—	—	—	—	—	0.0%
Deferred income taxes	—	—	—	—	—	—	—	0.0%
Long-term unearned revenue	1,694	5,998	6,183	6,447	7,037	7,604	(567)	(7.5%)
Deferred liabilities	24	154	154	154	154	137	18	12.8%
Other non-current liabilities	—	—	—	—	—	—	—	0.0%
Total Long-Term Liabilities	1,717	6,152	6,337	6,601	7,191	7,740	(549)	(7.1%)
Total Liabilities	6,257	13,462	14,489	14,271	14,917	14,456	460	3.2%
Commitments and contingencies	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	0.0%
Total Shareholders' Equity	36,710	35,159	34,859	33,964	33,855	32,301	1,555	4.8%
Total Liabilities and Shareholders' Equity	\$ 42,967	\$ 48,620	\$ 49,349	\$ 48,235	\$ 48,772	\$ 46,757	\$ 2,015	4.3%
<i>Memo:</i>								
Net Working Capital	\$ 3,419	\$ 4,453	\$ 3,794	\$ 4,129	\$ 6,004	\$ 5,472	532	9.7%
Total Net External Debt	\$ 950	\$ (2,277)	\$ (2,947)	\$ (2,186)	\$ (1,058)	\$ (304)	\$ (754)	247.9%

Cash position ahead of Plan due primarily to significant increase in payables related to timing of inventory receipts

➔ Cash Flow Statement

\$'000s	MTD				YTD			
	Mersive Holdings, Inc.		Var		Var			
	Act	Bud	\$	%	Act	Bud	\$	%
Cash flow from operations								
Net Income (Loss)	\$ (109)	\$ (651)	\$ 542	(83.3%)	\$ (1,303)	\$ (1,798)	\$ 495	(27.5%)
Depreciation, amortization and other	301	288	13	4.4%	902	849	53	6.2%
Capitalized fees & expenses	—	—	—	n/a	—	—	—	n/a
Gain (loss) on sale of fixed assets	—	—	—	n/a	—	—	—	n/a
Non-cash interest expense	—	—	—	n/a	—	—	—	n/a
Non-cash dividends	—	—	—	n/a	—	—	—	n/a
Deferred income tax	—	—	—	n/a	—	(159)	159	(100.0%)
Change in operating assets and liabilities:								
Accounts receivable	(1,496)	(1)	(1,495)	149457.3%	(339)	265	(603)	(227.8%)
Inventory	(448)	(392)	(56)	14.2%	(1,302)	(1,175)	(126)	10.8%
Prepaid expenses & other current assets	12	101	(89)	(87.8%)	(326)	431	(758)	(175.7%)
Accounts payable	(67)	(14)	(53)	379.1%	765	(192)	957	(498.3%)
Accrued expenses	132	194	(62)	(32.2%)	(440)	514	(955)	(185.6%)
Accrued income taxes	0	—	0	n/a	(0)	(694)	694	(99.9%)
Other changes in op. assets & liabilities	590	300	290	96.9%	1,039	693	346	50.0%
Other cash flow from operations	30	(5)	35	(673.3%)	9	(410)	419	(102.2%)
Total Cash Flow from Operations	\$ (1,056)	\$ (181)	\$ (875)	483.2%	\$ (996)	\$ (1,676)	\$ 680	(40.6%)
Cash flow from investing								
Additions to PP&E	\$ (62)	\$ (205)	143	(70.0%)	\$ (198)	\$ (257)	59	(23.0%)
Acq. of companies, net of cash acquired	—	—	—	n/a	—	—	—	n/a
Investment in intangibles	(11)	(82)	71	(86.9%)	(26)	(40)	14	(35.7%)
Earnout payments	—	—	—	n/a	—	—	—	n/a
Other cash flow from investing (goodwill)	—	—	—	n/a	—	—	—	n/a
Total Cash Flow from Investing	\$ (72)	\$ (287)	\$ 215	(74.8%)	\$ (224)	\$ (297)	\$ 74	(24.7%)
Cash flow from financing								
Proceeds from issuance (repmt) of ST debt	\$ —	\$ —	\$ —	n/a	\$ —	\$ —	\$ —	n/a
Proceeds from the issuance of debt	—	—	—	n/a	—	—	—	n/a
Repayment of debt	—	—	—	n/a	—	—	—	n/a
Capital lease	—	—	—	n/a	—	—	—	n/a
Common stock issued (repurchased)	—	—	—	n/a	—	—	—	n/a
Common stock cash dividends paid	—	—	—	n/a	—	—	—	n/a
Preferred stock issued (repurchased)	—	—	—	n/a	—	—	—	n/a
Other cash flow from financing costs	—	—	—	n/a	—	—	—	n/a
Total Cash Flow from Financing	\$ —	\$ —	\$ —	n/a	\$ —	\$ —	\$ —	n/a
Effect of FX rates on cash & cash equivalents	\$ —	\$ —	\$ —	n/a	\$ —	\$ —	\$ —	n/a
Net change in cash	\$ (1,128)	\$ (468)	\$ (660)	n/a	\$ (1,220)	\$ (1,973)	\$ 754	(38.2%)
Beginning cash	5,686	4,272	1,414	33.1%	5,777	5,777	—	0.0%
Change in cash	(1,128)	(468)	(660)	n/a	(1,220)	(1,973)	754	(38.2%)
Ending cash	\$ 4,558	\$ 3,804	\$ 754	19.8%	\$ 4,557	\$ 3,804	\$ 754	19.8%

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➔ Summary of Portfolio Performance

➔ Fund I – North America

➔ Fund I – Europe

Alfatherm

Bois & Matériaux

EverZinc

Jøtul

Fichet Security Solutions

➔ Legacy





ALFATHERM

March and Q1 sales are below Budget and PY; but EBITDA start to improve vs. January and February

➔ Operational Overview:

- March Sales reached €6.8M which is below both Budget (-14%) and PY (-4%), driven by the furniture segment downturn (€ -1.1M or -31.2% vs. Budget)
- Overall Q1 sales amounted to € 19.9M also below both Budget (-7%) and PY (-2%) because of the furniture market slow down
- March EBITDA reached €692k which is €-251k or -27% below budget due to the reduced sales but improving vs January and February. Operational improvement start to benefit financial results
- Q1 EBITDA is €1.6M which is below Budget (-18%) and PY (-42%), due to less Furniture sales and lower margin driven by high non-quality cost.
- Bank negotiations: Bank Expert has finalized his investigations. Banks' board meeting will be hold at the end of April and 1st week of May to allow a formal written agreement.
- Out of €6m cash injection made in January, €5.5M have now been fully utilized. The situation is extremely stretched with a February unfavorable cashflow from operations of €-1,984k
- Alfatherm has been formally notified early April about an Health & Safety warning. Issues are beings addressed (road work, material storage, visual signages)
- New CFO, PierLuigi Colombi, joined 16th April
- Negotiation with former COO, G Cerizza, laid off on 1st February, is progressing well and should be concluded end of April with circa 24 months package (€381k) in exchange of the release/cancellation of his management equity incentive

➔ Key Initiatives

Key Initiative	Status	Expected Progress/Milestones Over Next 90 Days
Sales Director recruitment	●	Mandate given to Korn Ferry – 6 candidates to be interviewed
CFO replacement	●	New CFO joined 16 th April
Production efficiency	●	<ul style="list-style-type: none">• New Gorla 2 plant manager started 1 March 2019• Product development manager started 1 April 2019• Scrap improvement are being recorded with a tighter inventory control
Bank debt refinancing	●	Waiting for Banks Board meeting to get signed agreement, expected last week of April or early May at the latest

March and Q1 sales are below Budget and PY; but EBITDA start to improve vs. January and February

➔ Profit & Loss Statement

	MTD		MTD		Var		MTD		Var		YTD		YTD		Var		YTD		Var		FY	FY	Var		FY	Var		
Alfatherm S.p.A.	Act	Bud	€	%	PY	€	%	Act	Bud	€	%	PY	€	%	Act	Bud	€	%	PY	€	%	Fsc	Bud	€	%	PY	€	%
Gross Revenue	€ 6,796	\$ 7,905	€ (1,109)	(14.0%)	€ 7,072	€ (277)	(3.9%)	€ 19,896	€ 21,460	€ (1,564)	(7.3%)	€ 20,232	€ (336)	(1.7%)	€ 82,329	€ 86,893	€ (4,564)	(5.3%)	€ 78,983	€ 3,346	4.2%							
Adj. to Gross Revenue	(581)	(683)	102	(14.9%)	(665)	84	(12.6%)	(1,671)	(1,833)	162	(8.8%)	(1,707)	35	(2.1%)	(7,048)	(7,461)	413	(5.5%)	(6,909)	(140)	2.0%							
Net Revenue	6,215	7,222	(1,007)	(13.9%)	6,408	(193)	(3.0%)	18,225	19,627	(1,402)	(7.1%)	18,525	(301)	(1.6%)	75,281	79,432	(4,151)	(5.2%)	72,075	3,206	4.4%							
Other COGS	776	1,290	(514)	(39.9%)	635	141	22.3%	10,972	3,769	7,204	191.1%	1,950	9,022	462.7%	17,456	14,200	3,256	22.9%	7,872	9,584	121.8%							
Total COGS	5,067	5,777	(711)	(12.3%)	4,504	563	12.5%	15,263	16,296	(1,033)	(6.3%)	14,337	926	6.5%	61,423	63,950	(2,528)	(4.0%)	60,270	1,153	1.9%							
Gross Margin	1,148	1,445	(297)	(20.5%)	1,903	(755)	(39.7%)	2,962	3,331	(369)	(11.1%)	4,188	(1,227)	(29.3%)	13,858	15,482	(1,623)	(10.5%)	11,805	2,053	17.4%							
Gross Margin %	18.5%	20.0%			29.7%			16.3%	17.0%			22.6%			18.4%	19.5%			16.4%									
Sales & Marketing	189	184	5	2.7%	200	(10)	(5.1%)	529	541	(12)	(2.3%)	565	(36)	(6.4%)	2,099	2,111	(12)	(0.6%)	2,200	(102)	(4.6%)							
Administrative	266	291	(25)	(8.6%)	274	(8)	(3.0%)	826	783	43	5.5%	808	18	2.3%	3,310	3,045	265	8.7%	2,866	444	15.5%							
Total Opex	456	502	(46)	(9.3%)	501	(45)	(9.0%)	1,388	1,402	(13)	(1.0%)	1,473	(85)	(5.8%)	5,442	5,455	(13)	(0.2%)	5,419	23	0.4%							
EBITDA	692	943	(250)	(26.6%)	1,403	(710)	(50.6%)	1,573	1,929	(356)	(18.4%)	2,715	(1,142)	(42.1%)	8,416	10,026	(1,610)	(16.1%)	6,386	2,030	31.8%							
EBITDA %	11.1%	13.1%			21.9%			8.6%	9.8%			14.7%			11.2%	12.6%			8.9%									
Net Income (Loss)	€ (599)	\$ (75)	€ (524)	695.6%	€ (42)	€ (558)	1338.0%	€ (1,907)	€ (1,028)	€ (879)	85.5%	€ (459)	€ (1,449)	316.0%	€ (2,202)	€ 84	€ (2,286)	#####	€ (11,351)	€ 9,149	(80.6%)							
Capex	€ (88)	\$ (172)	€ 84	(48.7%)	€ (541)	€ 453	(83.7%)	€ (180)	€ (735)	€ 555	(75.5%)	€ (995)	€ 815	(81.9%)	€ (2,920)	€ (2,920)	€ 0	(0.0%)	€ (2,446)	€ (474)	19.4%							

€6m cash injection mostly used, Inventory level to be reduced quickly



ALFATHERM

→ Balance Sheet

€'000s	Mar-18	Dec-18	Jan-19	Feb-19	Mar-19	Variance LM	
Alfatherm S.p.A.	Act	Act	Act	Act	Act	€	%
Current Assets							
Cash and cash equivalents	€ 564	€ 217	€ 4,139	€ 640	€ 1,063	€ (422)	(39.7%)
Accounts receivable, net	11,602	9,369	11,135	10,385	11,327	(942)	(8.3%)
Inventory, net	14,119	11,156	12,021	12,555	12,669	(113)	(0.9%)
Prepaid expenses and other current assets	–	–	–	–	–	–	0.0%
Other current assets	2,561	1,523	1,809	1,959	2,281	(322)	(14.1%)
Total Current Assets	28,846	22,265	29,105	25,541	27,340	(1,799)	(6.6%)
Non-Current Assets							
Property, plant & equipment, net	35,801	34,103	33,809	33,525	33,278	247	0.7%
Goodwill	23,195	21,636	21,636	21,636	21,636	–	0.0%
Identifiable intangible assets, net	2,534	2,638	2,613	2,588	2,588	–	0.0%
Deferred tax asset	–	–	–	–	–	–	0.0%
Other non-current assets	196	191	192	192	192	–	0.0%
Total Non-Current Assets	61,727	58,568	58,249	57,940	57,693	247	0.4%
Total Assets	€ 90,572	€ 80,832	€ 87,354	€ 83,480	€ 85,033	€ (1,553)	(1.8%)
Current Liabilities							
Current portion of long-term debt	€ 9,395	€ 9,880	€ 8,866	€ 8,100	€ 9,064	€ (964)	(10.6%)
Accounts payable	23,651	22,880	24,565	22,305	22,969	(664)	(2.9%)
Accrued liabilities	1,388	2,597	3,109	2,523	2,601	(78)	(3.0%)
Accrued compensation	3,649	2,794	2,876	3,138	3,232	(95)	(2.9%)
Income taxes payable	133	(34)	4	65	81	(16)	(19.4%)
Short-term unearned revenue	–	–	–	–	–	–	0.0%
Other current liabilities	980	768	820	747	979	(232)	(23.7%)
Total Current Liabilities	39,196	38,885	40,240	36,878	38,927	(2,049)	(5.3%)
Long-term liabilities							
Long-term debt less current maturities	16,863	15,257	15,297	15,337	15,377	(40)	(0.3%)
Capital lease	175	18	5	5	5	–	0.0%
Debt owing to OpenGate	–	5,000	5,000	5,000	5,000	–	0.0%
Deferred income taxes	1,447	994	994	972	994	(23)	(2.3%)
Deferred liabilities	3,138	2,543	2,542	2,547	2,552	(5)	(0.2%)
Other non-current liabilities	4,957	4,104	4,050	4,019	4,054	(35)	(0.9%)
Total Long-Term Liabilities	26,579	27,916	27,888	27,879	27,982	(103)	(0.4%)
Total Liabilities	65,775	66,800	68,128	64,757	66,909	(2,152)	(3.2%)
Shareholders' Equity							
Common stock	12	13	13	13	13	–	0.0%
Retained earnings	(52,497)	(63,388)	(64,194)	(64,696)	(65,296)	(2,599)	4.1%
Other equity transactions	77,282	77,408	83,407	83,407	83,407	785	1.0%
Total Shareholders' Equity	24,798	14,032	19,226	18,723	18,124	599	3.3%
Total Liabilities and Shareholders' Equity	€ 90,572	€ 80,832	€ 87,354	€ 83,480	€ 85,033	€ (1,553)	(1.8%)
<i>Memo:</i>							
Net Working Capital	€ 28,282	€ 22,048	€ 24,966	€ 24,900	€ 26,277	€ (1,377)	(5.2%)
Total Net External Debt	€ 25,868	€ 24,938	€ 20,029	€ 22,802	€ 23,383	€ (581)	(2.5%)



OPENGATE CAPITAL

CONFIDENTIAL

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➔ Summary of Portfolio Performance

➔ Fund I – North America

➔ Fund I – Europe

Alfatherm

Bois & Materiaux

EverZinc

Jøtul

Fichet Security Solutions

➔ Legacy






BOIS & MATÉRIAUX



➔ Operational Overview:

- Strong level of sales from January and February continues in March with €56.3M, +4.3% vs PY and +5.0% versus budget. Throughout Q1, the strong top line performance was obtained on the back of a lower gross margin rate, which however is in line with the trading of peers.
- Overall market of residential construction in France continues to decline (12 months rolling: order book of builders -9.4%, new housing permits -9.0%, new housing starts -5.0%).
- Operating expenses some -€500k worse than PY and budget mainly due to phasing of cost
- March EBITDA with +€2.0M was -€317k below PY and +€25k above budget; strong sales levels were generated on a low margin rate and with higher operating expenses (phasing)
- Q1 EBITDA with +€3.6M was +€85k above PY and +€33k above budget
- FY EBITDA outlook remains at €18.1M with some upside potential due to the strong trading
- Operating Cash flow was positive in March with +€8.4M, due to Working Capital decrease and strong EBITDA
- Current trading: Sales in April after 14 days out of 21 stands at €38.8M, +5% above PY and +2.7% above budget; margin rate is at 19.0% versus 19.3% in PY and 19.2% in budget
- Exit process: IM to be finalized last week of April, KPMG started to contact the buyer long list prior to Easter.

➔ Key Initiatives

Key Initiative	Status	Expected Progress/Milestones Over Next 90 Days
Exit process		<ul style="list-style-type: none">• Exit process: kick off on Feb 18 with PWC (VDD) and KPMG (IB) went well, the next 8 weeks are dedicated to VDD and IM preparation• IM to be finalized last week of April, KPMG started to contact the buyer long list prior to Easter.

Strong sales performance in March with +4.9% versus PY, but on the back of a low margin rate; EBITDA in line with budget at €2M

➔ Profit & Loss Statement

€'000s	MTD		MTD		Var		MTD		Var		YTD		YTD		Var		YTD		Var		FY		FY		Var		FY		Var			
Bois & Matériaux	Act	Bud	\$	%	PY	€	%	Act	Bud	\$	%	PY	€	%	Act	Bud	\$	%	PY	€	%	Fsct	Bud	\$	%	PY	€	%	Fsct	Bud	\$	%
Gross Revenue	€ 57,273	\$ 54,390	\$ 2,883	5.3%	€ 54,969	€ 2,304	4.2%	€ 158,997	€ 152,967	€ 6,030	3.9%	€ 152,175	€ 6,822	4.5%	€ 632,030	€ 623,964	€ 8,066	1.3%	€ 624,831	€ 7,198	1.2%	€ 632,030	€ 623,964	€ 8,066	1.3%	€ 624,831	€ 7,198	1.2%	€ 632,030	€ 623,964	€ 8,066	1.3%
Adj. to Gross Revenue	(956)	(773)	(183)	23.7%	(974)	18	(1.9%)	(1,872)	(1,799)	(73)	4.1%	(1,336)	(536)	40.1%	(5,100)	(5,032)	(68)	1.4%	(5,149)	49	(0.9%)	(5,100)	(5,032)	(68)	1.4%	(5,149)	49	(0.9%)	(5,100)	(5,032)	(68)	1.4%
Net Revenue	56,317	53,618	2,700	5.0%	53,995	2,322	4.3%	157,125	151,168	5,957	3.9%	150,839	6,286	4.2%	626,929	618,932	7,998	1.3%	619,682	7,247	1.2%	626,929	618,932	7,998	1.3%	619,682	7,247	1.2%	626,929	618,932	7,998	1.3%
Other COGS	40,152	37,958	2,194	5.8%	37,991	2,161	5.7%	111,767	106,571	5,196	4.9%	105,995	5,772	5.4%	443,828	437,030	6,797	1.6%	439,836	3,992	0.9%	443,828	437,030	6,797	1.6%	439,836	3,992	0.9%	443,828	437,030	6,797	1.6%
Total COGS	40,152	37,958	2,194	5.8%	37,991	2,161	5.7%	111,767	106,571	5,196	4.9%	105,995	5,772	5.4%	443,828	437,030	6,797	1.6%	439,836	3,992	0.9%	443,828	437,030	6,797	1.6%	439,836	3,992	0.9%	443,828	437,030	6,797	1.6%
Gross Margin	16,165	15,660	505	3.2%	16,004	161	1.0%	45,358	44,597	760	1.7%	44,844	513	1.1%	183,102	181,901	1,200	0.7%	179,847	3,255	1.8%	183,102	181,901	1,200	0.7%	179,847	3,255	1.8%	183,102	181,901	1,200	0.7%
Gross Margin %	28.7%	29.2%			29.6%			28.9%	29.5%			29.7%			29.2%	29.4%			29.0%			29.2%	29.4%			29.0%			29.2%	29.4%		
Sales & Marketing	11,838	11,702	136	1.2%	12,172	(334)	(2.7%)	35,072	34,366	706	2.1%	35,297	(225)	(0.6%)	137,327	136,129	1,197	0.9%	138,794	(1,467)	(1.1%)	137,327	136,129	1,197	0.9%	138,794	(1,467)	(1.1%)	137,327	136,129	1,197	0.9%
Administrative	2,368	2,024	345	17.0%	1,557	812	52.1%	6,681	6,659	21	0.3%	6,027	654	10.8%	27,721	27,718	3	0.0%	25,400	2,321	9.1%	27,721	27,718	3	0.0%	25,400	2,321	9.1%	27,721	27,718	3	0.0%
Total Opex	14,206	13,726	480	3.5%	13,729	477	3.5%	41,753	41,026	727	1.8%	41,324	429	1.0%	165,048	163,847	1,200	0.7%	164,193	854	0.5%	165,048	163,847	1,200	0.7%	164,193	854	0.5%	165,048	163,847	1,200	0.7%
EBITDA	1,959	1,934	25	1.3%	2,275	(317)	(13.9%)	3,605	3,572	33	0.9%	3,520	85	2.4%	18,054	18,054	0	0.0%	15,653	2,401	15.3%	18,054	18,054	0	0.0%	15,653	2,401	15.3%	18,054	18,054	0	0.0%
EBITDA %	3.5%	3.6%			4.2%			2.3%	2.4%			2.3%			2.9%	2.9%			2.5%			2.9%	2.9%			2.5%			2.9%	2.9%		
Net Income (Loss)	€ 686	\$ 750	\$ (64)	(8.6%)	€ 1,225	€ (539)	(44.0%)	€ 120	€ 85	€ 35	40.7%	€ 465	€ (345)	(74.2%)	€ 1,352	€ 2,741	€ (1,389)	(50.7%)	€ 1,744	€ (392)	(22.5%)	€ 1,352	€ 2,741	€ (1,389)	(50.7%)	€ 1,744	€ (392)	(22.5%)	€ 1,352	€ 2,741	€ (1,389)	(50.7%)
Capex	€ (848)	\$ (1,420)	\$ 572	(40.3%)	€ (394)	€ (454)	115.4%	€ (1,721)	€ (2,829)	€ 1,108	(39.2%)	€ (558)	€ (1,164)	208.6%	€ (16,641)	€ (16,641)	€ 0	(0.0%)	€ (14,329)	€ (2,312)	16.1%	€ (16,641)	€ (16,641)	€ 0	(0.0%)	€ (14,329)	€ (2,312)	16.1%	€ (16,641)	€ (16,641)	€ 0	(0.0%)

Positive Operating cash flow in March due to reduction in Working Capital and EBITDA performance

➔ Balance Sheet

€'000s	Mar-18	Dec-18	Jan-19	Feb-19	Mar-19	Variance LM	
Bois & Matériaux	Act	Act	Act	Act	Act	€	%
<u>Current Assets</u>							
Cash and cash equivalents	€ 17,665	€ 19,355	€ 20,893	€ 20,782	€ 17,913	€ 2,869	16.0%
Accounts receivable, net	103,926	98,492	101,775	109,089	104,585	4,504	4.3%
Inventory, net	92,372	89,777	90,389	91,689	92,217	(528)	(0.6%)
Prepaid expenses and other current assets	4,114	4,865	3,303	3,137	3,590	(454)	(12.6%)
Other current assets	4,178	3,014	2,985	2,994	2,994	—	0.0%
Total Current Assets	222,256	215,502	219,344	227,690	221,299	6,392	2.9%
<u>Non-Current Assets</u>							
Property, plant & equipment, net	31,034	36,115	35,564	35,152	35,050	102	0.3%
Identifiable intangible assets, net	4,297	6,346	6,527	6,734	6,934	(200)	(2.9%)
Deferred tax asset	8,339	8,454	8,454	8,454	8,454	—	0.0%
Other non-current assets	—	—	—	—	—	—	0.0%
Total Non-Current Assets	43,670	50,915	50,545	50,341	50,439	(98)	(0.2%)
Total Assets	€ 265,926	€ 266,417	€ 269,890	€ 278,031	€ 271,737	€ 6,294	2.3%
<u>Current Liabilities</u>							
Current portion of long-term debt	€ 7,807	€ —	€ 15,254	€ 12,937	€ 2,401	€ 10,536	438.8%
Accounts payable	93,565	96,563	85,405	97,001	101,052	(4,051)	(4.0%)
Accrued liabilities	—	—	—	—	—	—	0.0%
Income taxes payable	—	—	—	—	—	—	0.0%
Other current liabilities	27,465	28,176	28,026	27,618	27,521	97	0.4%
Total Current Liabilities	128,837	124,739	128,685	137,556	130,974	6,582	5.0%
<u>Long-term liabilities</u>							
Vendor loan & Capital lease	14,831	18,100	17,885	17,538	17,216	322	1.9%
Debt owing to OpenGate	12,213	12,483	12,513	12,540	12,571	(30)	(0.2%)
Total Long-Term Liabilities	62,854	65,531	65,338	64,894	64,497	398	0.6%
Total Liabilities	191,691	190,270	194,022	202,450	195,470	6,980	3.6%
Total Shareholders' Equity	74,234	76,147	75,867	75,581	76,267	(686)	(0.9%)
Total Liabilities and Shareholders' Equity	€ 265,926	€ 266,417	€ 269,890	€ 278,031	€ 271,737	€ 6,294	2.3%
<i>Memo:</i>							
Net Working Capital	€ 204,591	€ 196,148	€ 198,451	€ 206,908	€ 203,386	€ 3,522	1.7%
Total Net Debt	€ 35,215	€ 29,636	€ 43,210	€ 40,727	€ 32,810	€ 7,916	24.1%

Liquidity remains comfortable at B&M throughout 2019

➔ Balance Sheet

	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	93 404	92 465	92 925	92 255	90 790	91 822	91 224	90 343	88 861	92 217	88 861	88 984
AR	98 492	101 775	109 089	104 585	109 945	101 807	105 018	119 839	77 748	92 598	118 777	108 092	99 006	104 585	99 006	93 986
Other current assets & CICE	7 878	6 288	6 130	6 584	6 983	6 633	6 383	6 183	5 983	3 939	3 819	3 819	3 819	6 584	3 819	3 930
AP	(96 563)	(85 405)	(97 001)	(101 052)	(104 355)	(102 504)	(101 831)	(107 967)	(84 764)	(83 455)	(105 698)	(104 206)	(96 157)	(101 052)	(96 157)	(86 432)
Other Current Liabilities & Provision	(28 176)	(28 026)	(27 618)	(27 521)	(26 618)	(26 053)	(25 187)	(26 205)	(24 068)	(26 551)	(28 179)	(27 768)	(28 809)	(27 521)	(28 809)	(29 896)
Total Working Capital	71 408	85 020	82 290	74 813	79 358	72 347	77 308	84 105	65 689	78 352	79 942	70 281	66 720	74 813	66 720	70 572
EBITDA	15 653	925	721	1 959	2 641	2 305	2 005	4 694	(4 512)	2 388	4 719	1 662	(1 453)	3 605	18 054	18 054
Change in WC	7 944	(13 612)	2 731	7 476	(4 544)	7 010	(4 961)	(6 797)	18 416	(12 663)	(1 590)	9 662	3 561	(3 405)	4 689	5 389
Other Operating Cash Flow	(1 562)	(51)	(166)	(148)	(62)	18	18	18	15	18	18	18	18	(365)	(286)	(2 760)
Capex	(14 329)	(396)	(478)	(848)	(1 677)	(2 059)	(2 190)	(2 189)	(749)	(1 993)	(1 486)	(1 315)	(1 261)	(1 721)	(16 641)	(16 641)
OPERATING CASH FLOW	7 706	(13 133)	2 808	8 439	(3 643)	7 274	(5 129)	(4 273)	13 170	(12 250)	1 661	10 027	866	(1 886)	5 816	4 041
Restructuring and exceptional	(1 956)	(96)	(16)	(207)	(420)	(45)	(180)	(395)	-	(44)	(351)	(91)	(430)	(319)	(2 274)	(581)
Management Fees	(1 286)	(100)	(100)	(102)	(105)	(105)	(105)	(105)	(105)	(105)	(105)	(105)	(105)	(302)	(1 247)	(1 260)
Financial Incomes & Charges	(2 236)	(216)	(210)	(214)	(201)	(201)	(201)	(201)	(201)	(201)	(201)	(201)	(201)	(640)	(2 449)	(2 412)
Corporate Income Tax	-	(29)	-	-	-	-	-	-	-	-	-	-	-	(29)	(29)	-
Other Cash Flow	980	-	1	1	-	-	-	-	-	-	-	-	-	2	2	-
NON OPERATING CASH FLOW	(4 498)	(440)	(325)	(522)	(726)	(351)	(486)	(701)	(306)	(350)	(657)	(397)	(736)	(1 287)	(5 997)	(4 252)
Variation Leasing Debt	2 171	(215)	(347)	(322)	1 483	1 968	982	1 135	(405)	(291)	(135)	(205)	(302)	(884)	3 344	3 383
Vendor Loan	508	42	42	42	42	42	42	42	42	42	42	42	42	127	505	504
Compound interests on I/C loan	322	30	27	30	27	27	27	27	27	27	27	27	27	88	331	324
FINANCING CASH FLOW	3 002	(142)	(277)	(249)	1 552	2 037	1 051	1 204	(336)	(222)	(66)	(136)	(233)	(669)	4 181	4 211
NET CASH FLOW	6 210	(13 716)	2 206	7 667	(2 817)	8 960	(4 564)	(3 770)	12 528	(12 821)	938	9 494	(103)	(3 843)	4 000	4 000
Opening cash balance	17 498	19 355	20 893	20 782	17 913	19 610	21 655	19 610	19 610	25 848	19 610	19 610	23 458	19 355	19 355	19 610
Variation in Net Cash Flow	6 210	(13 716)	2 206	7 667	(2 817)	8 960	(4 564)	(3 770)	12 528	(12 821)	938	9 494	(103)	(3 843)	4 000	4 000
Var. in Factor Debt	(4 354)	15 254	(2 317)	(10 536)	4 514	(6 915)	2 520	3 770	(6 290)	6 584	(938)	(5 646)	-	2 401	-	(1 406)
Closing cash balance	19 355	20 893	20 782	17 913	19 610	21 655	19 610	19 610	25 848	19 610	19 610	23 458	23 355	17 913	23 355	22 204
Line of credit (available for drawdown)	57 493	57 268	60 769	65 063	66 344	64 976	64 555	71 343	47 242	54 933	69 615	66 505	58 276	65 063	58 276	55 327
Less factor debt	-	(15 254)	(12 937)	(2 401)	(6 915)	-	(2 520)	(6 290)	-	(6 584)	(5 646)	-	-	(2 401)	-	-
Total liquidity	76 848	62 907	68 614	80 575	79 039	86 631	81 645	84 663	73 090	67 959	83 579	89 962	81 631	80 575	81 631	77 531
Opening Financial Debt	(32 841)	(29 632)	(43 205)	(40 722)	(32 806)	(37 174)	(30 251)	(35 866)	(40 840)	(27 976)	(40 576)	(39 572)	(29 943)	(29 632)	(29 632)	(30 512)
Variation Leasing Debt	(2 171)	215	347	322	(1 483)	(1 968)	(982)	(1 135)	405	291	135	205	302	884	(3 344)	(2 215)
Vendor Loan	(508)	(42)	(42)	(42)	(42)	(42)	(42)	(42)	(42)	(42)	(42)	(42)	(42)	(127)	(505)	-
I/C loan with B&M Holdings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Compound interests on I/C loan	(322)	(30)	(27)	(30)	(27)	(27)	(27)	(27)	(27)	(27)	(27)	(27)	(27)	(88)	(331)	(324)
Net Cash Flow	6 210	(13 716)	2 206	7 667	(2 817)	8 960	(4 564)	(3 770)	12 528	(12 821)	938	9 494	(103)	(3 843)	4 000	4 000
Closing Financial Debt	(29 632)	(43 205)	(40 722)	(32 806)	(37 174)	(30 251)	(35 866)	(40 840)	(27 976)	(40 576)	(39 572)	(29 943)	(29 813)	(32 806)	(29 813)	(29 051)

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➔ Fund I – Europe

Alfatherm

Bois & Matériaux

EverZinc

Jøtul

Fichet Security Solutions

➔ Legacy





Despite lower volumes, margins are in line with budget; However the higher OPEX jeopardizes EBITDA generation vs. BP (€-1.2m YTD March)

➔ Operational Overview:

- Volumes as of March remain below budget (-9% in the month and -8% YTD), however, the better product mix offsets the volume impact and enables margins to be largely in line with budget (variances of €-59k for the month and €-106k YTD). However, the higher OPEX further deteriorates the EBITDA performance (€2.5m vs. €2.9m for the month and €6.8m vs. €8m YTD)
- The total OPEX variance (€-1.1m YTD) is mainly driven by interim services not in budget (strengthening of Finance function), expenses from 2018 wrongly not accrued (consultants and insurance), higher spending in the USA (under analysis) and the Zano license fee (higher volumes)
- FY EBITDA Forecast was revised to €37.4m (vs. €38.4m in BP) and includes €1.1m of corrective initiatives (additional initiatives were identified by management and could amount up to €4.1m and a further €0.5m EBITDA adjustment related to the IFRS 16 implementation was not included in the forecast)
- Liquidity at the end of the month totalled €41.9m, which is €5.6m higher than last month and €2.9m better than budget, driven by the higher utilization of the reverse factoring line, the management of payables and the refund of metal brokers' margin calls
- GHC integration progressing as expected
 - 2019 budget finalized
 - Financial reporting integration finalized
 - Closing accounts finalized and under review by OGC auditors
 - Relocation of USA sales and administrative back-office in progress, with completion expected by the end of April
 - Industrial development of Zano in progress and looking promising (phases 1 and 2 completed, while phases 3 and 4 are expected to be completed by the end of April)
 - Replacement of Canada Finance Manager in progress (2 candidates seen, but not selected)

➔ Key Initiatives

Key Initiative	Status	Expected Progress/Milestones Over Next 90 Days
GHC Integration	●	• Live update
Finance Function	●	• Group CFO and Canada Finance Manager recruitments in progress. New Treasury Manager started
Inventory Reduction Plan	●	• To be reviewed with management during April/May
Refinancing	●	• Meeting with ING scheduled for June

Despite lower volumes, margins are in line with budget; However the higher OPEX jeopardizes EBITDA generation vs. BP (€-1.2m YTD March)

➔ Profit & Loss

€'000s	MTD	MTD	Var		MTD	Var		YTD	YTD	Var		YTD	Var		FY	FY	Var		FY	Var	
EverZinc BV	Act	Bud	\$	%	PY	€	%	Act	Bud	\$	%	PY	€	%	Fcst	Bud	\$	%	PY	€	%
Units Produced	16,243	17,173	(930)	(5.4%)	15,931	312	2.0%	45,659	50,676	(5,016)	(9.9%)	44,893	767	1.7%	204,477	209,866	(5,390)	(2.6%)	171,158	33,318	19.5%
Units Shipped	16,365	17,931	(1,566)	(8.7%)	16,366	(2)	(0.0%)	46,928	51,257	(4,329)	(8.4%)	46,211	717	1.6%	209,607	215,986	(6,379)	(3.0%)	177,930	31,677	17.8%
Gross Revenue	€ 49,349	€ 50,512	€ (1,163)	(2.3%)	€ 54,952	€ (5,603)	(10.2%)	€ 137,769	€ 144,320	€ (6,551)	(4.5%)	€ 155,093	€ (17,324)	(11.2%)	€ 638,051	€ 611,717	€ 26,335	4.3%	€ 566,043	€ 72,009	12.7%
Adj. to Gross Revenue	(4)	(68)	64	(94.0%)	(97)	93	(95.8%)	(84)	(202)	118	(58.4%)	(167)	83	(49.7%)	(698)	(813)	115	(14.2%)	(888)	190	(21.4%)
Net Revenue	49,345	50,444	(1,099)	(2.2%)	54,854	(5,510)	(10.0%)	137,685	144,118	(6,433)	(4.5%)	154,926	(17,241)	(11.1%)	637,354	610,904	26,450	4.3%	565,155	72,199	12.8%
Material	37,783	38,796	(1,013)	(2.6%)	43,609	(5,826)	(13.4%)	105,223	111,031	(5,807)	(5.2%)	124,586	(19,363)	(15.5%)	495,696	470,361	25,335	5.4%	445,439	50,258	11.3%
Labor	1,944	2,002	(58)	(2.9%)	1,869	75	4.0%	5,850	5,964	(114)	(1.9%)	5,449	401	7.4%	24,401	24,352	49	0.2%	22,307	2,094	9.4%
Other COGS	4,276	4,245	31	0.7%	3,848	428	11.1%	12,169	12,575	(406)	(3.2%)	10,868	1,302	12.0%	51,611	51,226	385	0.8%	43,554	8,057	18.5%
Total COGS	44,004	45,044	(1,040)	(2.3%)	49,326	(5,322)	(10.8%)	123,243	129,569	(6,327)	(4.9%)	140,903	(17,661)	(12.5%)	571,709	545,939	25,770	4.7%	511,300	60,409	11.8%
Gross Margin	5,341	5,400	(59)	(1.1%)	5,529	(188)	(3.4%)	14,442	14,548	(106)	(0.7%)	14,023	420	3.0%	65,645	64,964	680	1.0%	53,855	11,790	21.9%
Gross Margin %	10.8%	10.7%			10.1%			10.5%	10.1%			9.1%			10.3%	10.6%			9.5%		
Sales & Marketing	315	315	–	0.0%	246	69	28.3%	897	897	–	0.0%	786	111	14.2%	3,925	3,925	–	0.0%	3,786	139	3.7%
Administrative	1,413	1,413	–	0.0%	1,396	17	1.2%	3,645	3,645	–	0.0%	3,408	236	6.9%	13,712	13,712	–	0.0%	16,293	(2,581)	(15.8%)
Other Opex	1,120	636	484	76.1%	814	306	37.5%	3,069	1,847	1,222	66.2%	1,763	1,306	74.1%	10,618	8,946	1,673	18.7%	4,466	6,153	137.8%
Total Opex	2,849	2,447	402	16.4%	2,456	392	16.0%	7,610	6,551	1,060	16.2%	5,957	1,654	27.8%	28,255	26,583	1,673	6.3%	24,545	3,710	15.1%
EBITDA	2,492	2,953	(461)	(15.6%)	3,072	(580)	(18.9%)	6,832	7,998	(1,166)	(14.6%)	8,066	(1,234)	(15.3%)	37,389	38,381	(992)	(2.6%)	29,310	8,080	27.6%
EBITDA %	5.1%	5.9%			5.6%			5.0%	5.5%			5.2%			5.9%	6.3%			5.2%		
Net Income (Loss)	€ 4,176	€ 1,078	€ 3,098	287.4%	€ 1,132	€ 3,044	268.9%	€ 5,380	€ 3,428	€ 1,952	56.9%	€ 995	€ 4,386	441.0%	€ 15,850	€ 16,089	€ (240)	(1.5%)	€ 3,454	€ 12,395	358.8%
Capex	€ (473)	€ (610)	€ 138	(22.5%)	€ (384)	€ (89)	23.2%	€ (2,548)	€ (3,127)	€ 579	(18.5%)	€ (1,547)	€ (1,001)	64.7%	€ (8,754)	€ (7,783)	€ (971)	12.5%	€ (8,232)	€ (522)	6.3%

Cash position continues to improve, but inventory development needs to be reverted (management action plan under preparation)

➔ Balance Sheet

€'000s	Dec-18	Jan-19	Feb-19	Mar-19	Variance LM		Variance LY	
EverZinc BV	Act	Act	Act	Act	€	%	€	%
<u>Current Assets</u>								
Cash and cash equivalents	€ 42,245	€ 35,736	€ 36,299	€ 41,864	€ 5,566	13.3%	€ (380)	(0.9%)
Accounts receivable, net	62,884	64,596	65,567	65,447	(120)	(0.2%)	2,563	4.1%
Inventory, net	57,405	75,049	81,371	82,604	1,233	1.5%	25,200	43.9%
Other current assets	9,363	7,102	10,708	11,847	1,139	9.6%	2,484	26.5%
Total Current Assets	171,896	182,482	193,945	201,762	7,818	3.9%	29,866	17.4%
<u>Non-Current Assets</u>								
Property, plant & equipment, net	48,613	48,033	48,353	48,316	(37)	(0.1%)	(296)	(0.6%)
Goodwill	12,455	10,096	10,096	22,057	11,961	54.2%	9,602	77.1%
Deferred financing cost	11,152	31,801	27,669	14,408	(13,261)	(92.0%)	3,256	29.2%
Other non-current assets	2,749	2,525	2,948	2,864	(84)	(2.9%)	115	4.2%
Total Non-Current Assets	74,969	92,454	89,067	87,646	(1,421)	(1.6%)	12,677	16.9%
Total Assets	€ 246,865	€ 274,937	€ 283,011	€ 289,408	€ 6,397	2.2%	€ 42,543	17.2%
<u>Current Liabilities</u>								
Accounts payable	73,940	70,149	82,233	86,161	3,928	4.6%	12,221	16.5%
Accrued liabilities	2,201	10,766	10,790	8,855	(1,935)	(21.9%)	6,654	302.3%
Other current liabilities	10,858	12,222	9,667	11,073	1,407	12.7%	216	2.0%
Total Current Liabilities	86,998	93,805	104,025	106,089	2,064	1.9%	19,091	21.9%
<u>Long-term liabilities</u>								
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	2,375	2,391	2,365	(26)	(1.1%)	30	1.3%
Other non-current liabilities	26,303	25,591	24,923	22,270	(2,654)	(11.9%)	(4,033)	(15.3%)
Total Long-Term Liabilities	120,888	131,517	130,864	128,184	(2,680)	(2.1%)	7,297	6.0%
Total Liabilities	207,886	225,321	234,890	234,274	(616)	(0.3%)	26,388	12.7%
<u>Shareholders' Equity</u>								
Capital in excess of stated value	43,851	62,369	62,541	53,551	(8,990)	0.0%	9,700	22.1%
Retained earnings	(4,872)	(12,754)	(14,420)	1,583	16,003	0.0%	6,455	(132.5%)
Total Shareholders' Equity	38,979	49,615	48,121	55,134	7,013	12.7%	16,155	41.4%
Total Liabilities and Shareholders' Equity	€ 246,865	€ 274,937	€ 283,011	€ 289,408	€ 6,397	2.2%	€ 42,543	17.2%

Total CF is €3m better than budget driven by the better working capital performance (AP) and the recovery of margin calls

→ Cash Flow

In kEur	YTD 03/2019	YTD Budget 03/2019
CASH FLOW		
EBITDA	6.832	8.160
Delta WC (trades)	-4.865	-7.721
Delta Others (non cash)	0	-219
Capex	-2.548	-2.556
Operating Cash Flow	-581	-2.336
Financial results	-1.906	-1.800
Restructuring	0	
Non recurring (reclass DB adjustments)	-500	-500
OGC Fees	-300	-300
Other	1.400	
CIT	-779	-720
Other cash flow	-2.085	-3.320
Investment	-21.000	-21.000
Equity	9.700	9.700
Net debt	11.300	11.300
Investment Cash Flow	0	
Total Cash Flow	-2.666	-5.656

Forecast 2019	Budget 2019
37.389	38.381
5.482	5.264
	-43
-8.754	-8.485
34.117	35.117
-8.479	-8.014
-375	
-500	-500
-2.200	-1.200
1.208	-1.632
-4.354	-4.354
-14.700	-15.699
-21.000	-21000
9.700	9700
11.300	11300
19.417	19.417

0

FINANCIAL POSITION DEVELOPMENT		
Opening fin. position		
Cash and cash equivalent	44.530	44.530
Fin. debt	-92.250	-92.250
Total	-47.720	-47.720
Closing fin. position		
Cash and cash equivalent	41.864	38.875
Fin. debt	-103.550	-103.550
Total	-61.686	-64.675
Variance cash & cash equivalents	-2.666	-5.656

44.530	44.530
-92.250	-92.250
-47.720	-47.720
63.947	63.947
-103.550	-103.550
-39.603	-39.603
19.417	19.417

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Jøtul

Fichet Security Solutions

➔ Legacy



Like-for-like EBITDA in March with +NOK 5.5M in line with January and February; Accounting adjustment (IFRS 16) of +NOK 10M increased EBITDA to NOK15M



➔ Operational Overview:

- March net sales with NOK 70.5M were -2% below PY but +13% above budget; strong sales performance in Norway and France as observed in January continued in February, while the US is slower than PY which is expected to continue in Q2
- YTD Net sales at NOK 213.3M were +5% above PY and +12% above budget
- Gross margin at 33.0% above PY at 25.8% and in line with budget due to positive sales mix and some overhead cost capitalization due to stock build for relocation project
- Opex were in line with PYU and budget on a like for like basis, IFRS accounting impact diluted the reported figure by almost NOK 10M
- Like-for-like EBITDA in March with +NOK 5.5M in line with January and February; Accounting adjustment (IFRS 16) of +NOK 10M increased EBITDA to NOK15.2M
- Like-for-like YTD EBITDA at NOK16.5M better than PY at 9.1M and budget at 8.1M; accounting impact boosted reported EBITDA to 26.2M
- Like for like FY 2019 EBITDA outlook remains at NOK 107.1M
- Operating Cash Flow negative -NOK 19.7M due to stock build for the relocation project and seasonal supplier payments
- Current trading: normal activities in April with sales after 10 days out of 19 at NOK 29.5M, +2% versus PY and in line with budget
- Relocation project on track

➔ Key Initiatives

Key Initiative	Status	Expected Progress/Milestones Over Next 90 Days
Manufacturing efficiency measures	●	<ul style="list-style-type: none"> • 10 year Lease Agreement Factory of facility in Poland will be signed this week • Painting and enamling lines have been ordered (two main new machines) • IT project has been kicked off • HR manager and Site manager have been contracted and will start on April 1st and May 15th respectively • Updated project on plan for both timing and budget (global budget of NOK 110M) without any roadblock at this point



Operational EBITDA in March with +NOK 5.5M in line with January and February; Accounting adjustment (IFRS 16) of +NOK 10M increased EBITDA to NOK15M



➔ Profit & Loss Statement

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	%	Act	Bud	kr	%	Fsct	Bud	kr	%	PY	kr	%	Act	Bud	kr	%
Gross Revenue	127,760	114,678	13,082	11.4%	133,191	-5,431	(4.1%)	382,364	348,060	34,304	9.9%	369,333	13,031	3.5%	1,723,078	1,723,078	€	0	0.0%	1,651,786	71,292	4.3%							
Adj. to Gross Revenue	(57,245)	(52,050)	(5,195)	10.0%	(60,396)	3,152	(5.2%)	(169,036)	(157,815)	(11,220)	7.1%	(164,771)	(4,265)	2.6%	(767,050)	(767,050)		0	(0.0%)	(739,511)	(27,539)	3.7%							
Net Revenue	70,515	62,628	7,887	12.6%	72,795	(2,280)	(3.1%)	213,328	190,245	23,083	12.1%	204,563	8,766	4.3%	956,028	956,028		0	0.0%	912,275	43,753	4.8%							
Other COGS	12,935	13,788	(853)	(6.2%)	19,760	(6,825)	(34.5%)	40,592	41,701	(1,109)	(2.7%)	55,052	(14,460)	(26.3%)	220,631	220,631		(0)	(0.0%)	216,205	4,426	2.0%							
Total COGS	47,260	41,711	5,549	13.3%	54,017	(6,757)	(12.5%)	146,578	132,068	14,510	11.0%	148,053	(1,475)	(1.0%)	654,225	654,225		(0)	(0.0%)	634,762	19,464	3.1%							
Gross Margin	23,255	20,917	2,338	11.2%	18,778	4,478	23.8%	66,750	58,177	8,573	14.7%	56,510	10,241	18.1%	301,803	301,802		0	0.0%	277,513	24,289	8.8%							
Gross Margin %	33.0%	33.4%			25.8%			31.3%	30.6%			27.6%			31.6%	31.6%					30.4%								
Sales & Marketing	8,574	9,893	(1,319)	(13.3%)	8,826	(252)	(2.9%)	23,154	25,711	(2,557)	(9.9%)	22,882	272	1.2%	100,447	100,447		(0)	(0.0%)	88,728	11,719	13.2%							
Administrative	(2,339)	6,221	(8,560)	(137.6%)	6,473	(8,812)	(136.1%)	11,525	18,905	(7,380)	(39.0%)	19,088	(7,563)	(39.6%)	63,897	73,551		(9,654)	(13.1%)	76,971	(13,074)	(17.0%)							
Total Opex	8,094	17,892	(9,798)	(54.8%)	17,007	(8,913)	(52.4%)	40,556	50,050	(9,494)	(19.0%)	47,320	(6,764)	(14.3%)	185,064	194,716		(9,654)	(5.0%)	185,450	(387)	(0.2%)							
EBITDA	15,161	3,025	12,137	401.3%	1,771	13,391	756.2%	26,194	8,127	18,067	222.3%	9,190	17,005	185.0%	116,739	107,086		9,653	9.0%	92,063	24,676	26.8%							
EBITDA %	21.5%	4.8%			2.4%			12.3%	4.3%			4.5%			12.2%	11.2%				10.1%									
Net Income (Loss)	-4,850	-3,516	-1,334	37.9%	-32,547	27,697	(85.1%)	-17,826	-15,713	-2,112	13.4%	-28,218	10,392	(36.8%)	-8,572	-7,641		-931	12.2%	-48,852	40,281	(82.5%)							
Capex	-3,507	-3,199	-308	9.6%	-2,009	-1,498	74.6%	-6,497	-12,078	5,581	(46.2%)	-4,420	-2,077	47.0%	-32,516	-31,153		-1,363	4.4%	-33,392	876	(2.6%)							



Negative operating cash flow due to stock build for the relocation and seasonal reduction of supplier payables



→ Balance Sheet

<i>kr'000s</i>	Mar-18	Dec-18	Jan-19	Feb-19	Mar-19	Variance LM	
Jotul AS	Act	Act	Act	Act	Act	€	%
Current Assets							
Cash and cash equivalents	98,266	117,811	176,666	199,921	181,181	18,740	10.3%
Accounts receivable, net	85,019	85,031	78,898	77,902	82,379	(4,477)	(5.4%)
Inventory, net	157,028	179,012	184,274	200,133	210,182	(10,049)	(4.8%)
Prepaid expenses and other current assets	—	—	—	—	—	—	0.0%
Other current assets	9,738	11,712	22,059	23,771	15,135	8,636	57.1%
Total Current Assets	350,052	393,566	461,897	501,727	488,877	12,850	2.6%
Non-Current Assets							
Property, plant & equipment, net	144,167	139,589	136,464	137,935	138,384	(449)	(0.3%)
Goodwill	1,160	—	—	—	—	—	0.0%
Identifiable intangible assets, net	126,602	129,471	16,865	14,057	13,080	977	7.5%
Deferred tax asset	1,261	1,300	1,266	1,253	1,248	5	0.4%
Other non-current assets	15,831	15,348	15,033	15,060	15,050	10	0.1%
Total Non-Current Assets	289,021	285,708	169,628	168,305	607,946	(439,641)	(72.3%)
Total Assets	639,073	679,274	631,525	670,032	1,096,823	-426,791	(38.9%)
Current Liabilities							
Current portion of long-term debt	0	6,424	14,898	26,458	24,308	2,150	8.8%
Accounts payable	68,758	83,282	72,165	96,348	87,356	8,992	10.3%
Accrued liabilities	—	—	—	—	—	—	0.0%
Accrued compensation	—	—	—	—	—	—	0.0%
Income taxes payable	—	—	—	—	—	—	0.0%
Short-term unearned revenue	—	—	—	—	—	—	0.0%
Other current liabilities	65,335	82,693	74,563	76,890	74,902	1,988	2.7%
Total Current Liabilities	134,093	172,399	161,626	199,696	186,566	13,130	7.0%
Long-term liabilities							
Long-term debt less current maturities	253,894	255,094	334,050	337,053	336,886	167	0.0%
Capital lease	—	—	7,531	7,495	7,388	107	1.4%
Debt owing to OpenGate	177,321	139,211	140,019	140,816	141,344	(528)	(0.4%)
Deferred income taxes	632	13,802	12,602	12,259	12,769	(510)	(4.0%)
Deferred liabilities	—	—	—	—	—	—	0.0%
Other non-current liabilities	40,132	38,216	(594)	227	4,420	(4,193)	(94.9%)
Total Long-Term Liabilities	471,980	446,323	493,608	497,850	944,900	(447,050)	(47.3%)
Total Liabilities	606,073	618,722	655,233	697,546	1,131,466	(433,920)	(38.4%)
Shareholders' Equity							
Common stock	121	600	600	600	600	600	0.0%
Retained earnings	32,879	59,952	(24,307)	(28,114)	(35,242)	(35,242)	0.0%
Other equity transactions	—	—	—	—	—	—	0.0%
Total Shareholders' Equity	33,000	60,552	(23,707)	(27,514)	(34,642)	7,128	(20.6%)
Total Liabilities and Shareholders' Equity	639,073	679,274	631,526	670,032	1,096,824	-426,792	(38.9%)
<i>Memo:</i>							
Net Working Capital	117,692	109,780	138,503	128,568	145,438	-16,870	(11.6%)
Total Net External Debt	155,628	143,707	179,813	171,085	187,401	-16,316	(8.7%)



Liquidity forecast does not foresee any liquidity issue in 2019



	MTD	MTD	MTD	MTD	MTD	MTD	MTD	MTD	MTD	MTD	MTD	MTD	MTD	YTD
	December	January	February	March	April	May	June	July	August	September	October	November	December	December
Actual 2019	2018	AC	AC	AC	FC	FC	FC	FC	FC	FC	FC	FC	FC	AC/FC
Inventories (gross value)	179 012	184 274	200 133	210 182	202 949	207 892	222 227	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	75 246	82 152	95 560	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	14 269	11 754	10 002	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	-58 120	-52 055	-61 206	-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	-66 666	-59 396	-60 778	-45 568	-53 125	-56 349	-64 026	-65 051	-70 533	-70 533
Operating Working Capital (OWC)	108 916	146 700	133 478	156 010	167 678	190 348	205 805	229 229	241 995	265 902	247 666	228 116	146 736	146 736
EBITDA (before NRI)	-4 467	5 532	5 501	5 508	2 009	5 079	915	-2 598	5 983	25 115	30 832	27 730	-4 519	107 886
Change in WC	54 521	-37 784	13 222	-22 532	-11 668	-22 670	-15 457	-23 424	-12 766	-23 907	18 236	19 550	81 380	-37 820
Other operating cash flow	-277	-199	-389	798	-158	-383	-393	-148	-383	-383	-158	-383	-480	-2 660
Capex Re-location						-4 154	-11 562	-849	-900	-2 246	-300	-14 796	-1 910	-36 717
Capex- other	-2 966	-1 645	-1 345	-3 507	-2 366	-3 150	-3 464	-3 005	-2 043	-1 705	-1 672	-1 369	-5 883	-31 153
OPERATING CASH FLOW	46 810	-34 097	16 989	-19 733	-12 182	-25 279	-29 961	-30 025	-10 110	-3 126	46 938	30 732	68 589	-1 264
Non-recurring items and management fee	-9 917	-2 280	-3 177	-1 988	-1 464	-1 278	-2 014	-3 282	-2 020	-3 184	-2 625	-1 992	-11 388	-36 692
Agio	-1 841	5 494	1 452	7 774	-1 306	881	-1 050	912	1 630	1 886	3 430	1 242	1 679	24 024
Net payable interest and financial expenses	-1 826	-5 416	-3 830	-1 889	-5 442	-406	-352	-5 356	-388	-400	-5 395	-482	-652	-30 009
Corporate income tax	-1 462	-660	286	-647	-271	-316	125	659	-1 171	-2 409	-3 444	-2 838	4 751	-5 935
NON-OPERATING CASH FLOW	-15 046	-2 862	-5 269	3 250	-8 482	-1 119	-3 291	-7 067	-1 949	-4 107	-8 034	-4 071	-5 610	-48 611
Variation leasing debt	-45	-398	-36	-107	-93	-93	-93	-93	-93	-93	-93	-94	1 504	218
Change RCF	5 355	-	-	-	-	1 236	31 761	27 116	10 454	-5 547	-40 898	-24 122	-	0
Change in factoring debt	-8 823	8 473	11 561	-2 150	-2 737	8	4 746	-741	6 386	11 133	421	-3 023	-17 756	16 321
Net proceeds from transaction (funding)	-	87 750	-	-	-	-	-	-	-	-	-	-	-	87 750
FINANCING CASH FLOW	-3 513	95 825	11 525	-2 257	-2 829	1 151	36 415	26 282	16 747	5 493	-40 570	-27 239	-16 252	104 289
NET CASH FLOW	28 252	58 866	23 245	-18 740	-23 494	-25 247	3 163	-10 810	4 688	-1 739	-1 667	-578	46 726	54 414
Opening cash balance	89 559	117 810	176 676	199 921	181 181	157 687	132 440	135 604	124 794	129 482	127 743	126 077	125 498	117 810
NET CASH FLOW	28 252	58 866	23 245	-18 740	-23 494	-25 247	3 163	-10 810	4 688	-1 739	-1 667	-578	46 726	54 414
Closing cash balance	117 810	176 676	199 921	181 181	157 687	132 440	135 604	124 794	129 482	127 743	126 077	125 498	172 225	172 224
Jotul Holdings SA	91 090	69 578	66 041	65 937										
Jotul AS	26 721	107 098	133 880	115 244										-
Line of credit (available for drawdown)	60 000	60 000	60 000	60 000	60 000	60 000	60 000	60 000	60 000	60 000	60 000	60 000	60 000	60 000
Local cash requirements (subsidiaries)	-15 000	-15 000	-15 000	-15 000	-15 000	-15 000	-15 000	-15 000	-15 000	-15 000	-15 000	-15 000	-15 000	-15 000
Used credit line		-	-	-	-	-1 236	-32 997	-60 113	-70 567	-65 020	-24 122	-	-	-
Available credit line	45 000	45 000	45 000	45 000	45 000	43 764	12 003	-15 113	-25 567	-20 020	20 878	45 000	45 000	45 000
Bank deposits	117 810	176 676	199 921	181 181	157 687	132 440	135 604	124 794	129 482	127 743	126 077	125 498	172 225	
Restricted cash (tax withhold)	-5 107	-3 966	-7 007	-2 896	-6 958	-2 806	-5 969	-160	-4 850	-3 111	-6 444	-3 710	-5 292	
Total liquidity	157 703	217 710	237 914	223 285	195 729	173 399	141 637	109 520	99 065	104 612	140 510	166 788	211 933	
Opening External Net Debt	-175 474	-143 709	-179 802	-171 086	-187 401	-	-	-	-	-	-	-	-	
Variation leasing debt	45	398	36	107										
Transfer of debt	-5 355													
Compound interests on bond debt		867	-3 004	167										
Change in RCF	-	-87 750												
Change in factoring	8 823	-8 473	-11 561	2 150										
Net Cash Flow	28 252	58 866	23 245	-18 740										
Closing external Net Debt	-143 709	-179 802	-171 086	-187 401										
Intercompany loan	-139 211	-140 019	-140 816	-141 343										-
Total net debt	-282 920	-319 821	-311 902	-328 745										




Disappointing first quarter due to slow sales and margin deterioration; 2019 budget plan to be prepared by May 9th

➔ Operational Overview:

- March net sales at € 2.1m, -38% below PY and YTD with € 6.1M -14% versus PY; mainly as a result from some quality concerns and the low acceptance of products introduced in Q2 of 2018
- Gross Margin level in March at 18% versus 19% in PY, YTD at 15% versus 17% in prior year; main cause of deterioration is the sales composition with lower margins for new products
- EBITDA in March at -€ 0.4M versus 0 in PY; YTD at -€ 1.4M versus -€ 0.6M
- 2019 Budget proposal at - € 1.5M rejected by OGC; management is preparing a revised 2019 plan for May 9th
- Liquidity: Liquidity at € 1.1m, will go down to 0; cash actions continue (collection, supplier payable postponement, reduction of stock, acceleration of synergies)
- Forensic analysis: ongoing, will take at minimum some more time
- Synergies: merger of Jotul France and Aico France planned for May

➔ Key Initiatives

Key Initiative	Status	Expected Progress/Milestones Over Next 90 Days
AICO performance and funding		<ul style="list-style-type: none">• 2017-2018 bridge delivered• Cash acceleration actions in progress• Synergy acceleration actions in progress• 2019 budget to be finalized by May 9th

Disappointing first quarter due to slow sales and margin deterioration; 2019 budget plan to be prepared by May 9th

➔ Profit & Loss Statement

€'000s	MTD		MTD		Var		YTD		YTD		Var			
AICO	Act		PY		€	%	Act		PY		€	%		
Gross Revenue	€	2,281	€	3,323	€	(1,043)	(31.4%)	€	6,147	€	6,804	€	(657)	(9.7%)
Adj. to Gross Revenue		(163)		75		(238)	(316.1%)		(164)		135		(299)	(221.9%)
Net Revenue		2,118		3,399		(1,281)	(37.7%)		5,983		6,939		(956)	(13.8%)
Other COGS		152		246		(94)	(38.1%)		499		533		(33)	(6.2%)
Total COGS		1,741		2,755		(1,013)	(36.8%)		5,084		5,746		(662)	(11.5%)
Gross Margin		377		644		(267)	(41.5%)		899		1,192		(293)	(24.6%)
Gross Margin %		17.8%		18.9%					15.0%		17.2%			
Sales & Marketing		—		—		—	n/a		—		—		—	n/a
Administrative		788		671		117	17.5%		2,267		1,748		519	29.7%
Total Opex		788		671		117	17.5%		2,267		1,748		519	29.7%
EBITDA		(412)		(27)		(385)	1424.3%		(1,368)		(556)		(812)	146.1%
EBITDA %		(19.4%)		(0.8%)					(22.9%)		(8.0%)			

Negative operating cash flow due to supplier payments leading to WC increases

➔ Balance Sheet

€'000s	Jan-19		Feb-19		Mar-19		Variance LM	
AICO	Act		Act		Act		€	%
Current Assets								
Cash and cash equivalents	€	2,017	€	1,159	€	1,681	€	(522) (31.0%)
Accounts receivable, net		12,014		10,955		10,159		797 7.8%
Inventory, net		12,206		12,993		13,129		(135) (1.0%)
Prepaid expenses and other current assets		—		—		—		— 0.0%
Other current assets		885		1,045		846		199 23.5%
Total Current Assets		27,925		26,956		26,613		343 1.3%
Non-Current Assets								
Property, plant & equipment, net		816		811		816		(5) (0.6%)
Identifiable intangible assets, net		982		978		993		(15) (1.6%)
Deferred tax asset		—		—		—		— 0.0%
Other non-current assets		84		84		84		— 0.0%
Total Non-Current Assets		1,882		1,872		1,893		(21) (1.1%)
Total Assets	€	29,807	€	28,828	€	28,506	€	322 1.1%
Current Liabilities								
Current portion of long-term debt	€	-	€	-	€	-	€	- 0.0%
Accounts payable		15,989		15,399		12,581		2,818 22.4%
Accrued liabilities		(63)		93		184		(90) (49.1%)
Income taxes payable		—		—		—		— 0.0%
Other current liabilities		1,354		1,353		1,327		25 1.9%
Total Current Liabilities		17,281		16,845		14,092		2,753 19.5%
Long-term liabilities								
Vendor loan & Capital lease		—		—		—		— 0.0%
Debt owing to OpenGate		2,700		2,700		5,728		(3,028) (52.9%)
Total Long-Term Liabilities		3,731		3,720		6,750		(3,030) (44.9%)
Total Liabilities		21,012		20,565		20,841		(276) (1.3%)
Total Shareholders' Equity		8,795		8,263		7,664		599 7.8%
Total Liabilities and Shareholders' Equity	€	29,807	€	28,828	€	28,506	€	322 1.1%
<i>Memo:</i>								
Net Working Capital	€	8,627	€	8,952	€	10,840	€	(1,889) (17.4%)
Total Net Debt	€	683	€	1,541	€	4,047	€	(2,506) (61.9%)

Liquidity remains critical in the coming weeks but is manageable with remediation actions taken by management

Forecast 2019												
Week	16	17	18	19	20	21	22	23	24	25	26	27
First day of week	15/04/19	22/04/19	29/04/19	06/05/19	13/05/19	20/05/19	27/05/19	03/06/19	10/06/19	17/06/19	24/06/19	01/07/19
Receipt from Clients Not Given to Factor	299	446	772	342	712	169	382	593	105	237	159	133
Receipt from Clients paying on Factor account	--	--	--	--	--	--	--	--	--	--	--	--
Receipt from RIBA	72	167	167	1,117	206	206	480	2,273	203	203	473	637
Insolvency from RIBA	(0)	--	(93)	(4)	(4)	--	--	(45)	(2)	--	--	(15)
Suppliers due before end of February	(20)	(19)	--	--	--	--	--	--	--	--	--	--
Suppliers due end of February	(36)	--	--	--	--	(100)	--	(600)	--	--	--	--
Suppliers due this week	(340)	(168)	(408)	(1,176)	(421)	(184)	(621)	(299)	(347)	(179)	(0)	(345)
Employees / Social charges	(235)	--	--	--	(468)	--	--	--	(260)	(180)	--	--
Restructuring costs	--	--	--	--	--	--	--	--	--	--	--	--
VAT	--	--	--	--	--	--	--	--	--	--	--	--
Tax	--	--	--	--	--	--	--	--	--	--	--	--
Other	(228)	(116)	(548)	(368)	(259)	(121)	(489)	(429)	(145)	(100)	(72)	(284)
Free Cash Flow	(488)	311	(110)	(90)	(234)	(30)	(248)	1,493	(447)	(20)	559	125
Management Fees	--	--	--	--	--	--	--	--	--	--	--	--
Financial charges and revenues	--	--	--	--	--	--	--	--	--	--	--	--
Past fiscal debt payments	--	--	--	--	--	--	--	--	--	--	--	--
Operating Cash Flow before financing operations	(488)	311	(110)	(90)	(234)	(30)	(248)	1,493	(447)	(20)	559	125
Cash obtained (drawn) from Factor + advanced invoices	76	76	58	58	135	135	--	60	60	141	141	67
Cash paid to Factor / advanced invoices	(45)	0	(408)	(180)	(26)	(12)	(733)	(11)	(94)	7	(343)	(72)
Factor/advanced invoices debt Δ	31	76	(350)	(122)	109	123	(733)	49	(33)	148	(202)	(5)
Other Financial Debt (Long term reimbursement included)	--	--	--	--	--	--	--	--	--	--	--	--
Equity Contribution	--	--	--	--	--	--	--	--	--	--	--	--
Total Variation	(458)	387	(460)	(213)	(125)	93	(981)	1,542	(480)	128	357	121
Liquidity available BoP	1,154											
Liquidity available EoP	696	1,083	623	410	286	378	(602)	940	459	587	945	1,065

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➔ Summary of Portfolio Performance

➔ Fund I – North America

➔ Fund I – Europe

Alfatherm

Bois & Materiaux

EverZinc

Jøtul

Fichet Security Solutions

➔ Legacy





Q1 sales +3% above Budget and PY, Q1 EBITDA above Budget (14%) Backlog weakness on Entrance Control and Electronic Security

➔ Operational Overview:

- Strong sales in March reaching €12.4M, above budget (+3%) and PY (+6%) driven by the Security Doors & Partitions segment despite a downturn on Entrance Control and Electronic Security
- Q1 sales at €30.9M also outperform both Budget (+3%) and PY (+3%) although Backlog at €48.1M is significantly lower than Budget (-3%) and PY(-7%) due to lower Order Intake in Entrance Control and Electronic Security
- March EBITDA is €0.3M or +814% vs Budget and -12% vs PY. Q1 EBITDA at €-1.9M improve vs Budget by 14%, thanks to R&D activation not budgeted, but is below PY by 17% due to higher SG&A costs related to recruitment costs and new Group board organisation
- Recruitment update:
 - Permanent CFO joined on 15 April
 - COO: Start date on COO 13 May
- Closing accounts: on-going negotiation with Gunnebo with a current deadline before expertise of 19 April. Expected upside between €1.5M and €2M
- Group reorganisation/redundancy plan:
 - Planned kick-off with employees representatives on 25 April leading to an overall net saving of €6.1M with 92 roles identified
 - Communication lead by Brunswick starts 23 April with French ministry and employment administration
 - New organisation to be announced before the end of the month of April

➔ Key Initiatives

Key Initiative	Status	Expected Progress/Milestones Over Next 90 Days
Closing Accounts	●	• On-going negotiation with Gunnebo
CFO Recruitment	●	• new CFO joined on 15 April
COO Recruitment	●	• Start date of the new COO 13 May
IT Carve-Out	●	• On-going. Completion expected for April
New commercial strategy implementation	●	• RFQ to RB, EY-P and Ducker to support Fichet in developing new market segment (Safe building and Channel partners)
Restructuring Plan	●	• Detailed plan formalized by management. Information/consultation with employees representatives forecasted for 25 April

Q1 sales +3% above Budget and PY, Q1 EBITDA above Budget (14%) Backlog weakness on Entrance Control and Electronic Security

➔ Profit & Loss

		Month								YTD								FY													
€'000s	Currency	MTD		MTD		Var		MTD		Var		YTD		YTD		Var		YTD		Var		FY		FY		Var		FY		Var	
Fichet Security Solutions	EUR	Act	Bud	\$	%	PY	€	%	Act	Bud	\$	%	PY	€	%	Fscst	Bud	\$	%	PY	€	%									
Gross Revenue	€	12,373	€ 12,016	€ 357	3.0%	€ 11,664	€ 709	6.1%	€ 30,879	€ 29,986	€ 893	3.0%	€ 29,940	€ 939	3.1%	€ 134,893	€ 133,943	€ 950	0.7%	€ 128,315	€ 6,578	5.1%									
Adj. to Gross Revenue					n/a			n/a				n/a			n/a				n/a			n/a									
Net Revenue		12,373	12,016	357	3.0%	11,664	709	6.1%	30,879	29,986	893	3.0%	29,940	939	3.1%	134,893	133,943	950	0.7%	128,315	6,578	5.1%									
Other COGS		2,655	2,593	62	2.4%	2,406	249	10.3%	6,881	6,610	271	4.1%	6,962	(81)	(1.2%)	30,300	29,350	950	3.2%	29,447	853	2.9%									
Total COGS		9,247	8,999	248	2.8%	8,778	469	5.3%	24,115	23,330	785	3.4%	23,704	410	1.7%	101,625	100,675	950	0.9%	102,330	(705)	(0.7%)									
Gross Margin		3,126	3,017	108	3.6%	2,885	240	8.3%	6,764	6,656	108	1.6%	6,236	529	8.5%	33,268	33,268	-	0.0%	25,984	7,284	28.0%									
Gross Margin %		25.3%	25.1%			24.7%			21.9%	22.2%			20.8%			24.7%	24.8%			20.3%											
Sales & Marketing		1,368	1,445	(77)	(5.3%)	1,328	40	3.0%	4,213	4,283	(70)	(1.6%)	3,989	224	5.6%	16,168	16,168	-	0.0%	16,168	0	0.0%									
Administrative		1,174	1,201	(27)	(2.2%)	978	196	20.0%	3,681	3,618	63	1.7%	3,159	521	16.5%	13,849	13,849	-	0.0%	17,611	(3,762)	(21.4%)									
Total Opex		2,817	2,983	(166)	(5.6%)	2,536	281	11.1%	8,662	8,851	(189)	(2.1%)	7,858	804	10.2%	33,678	33,678	-	0.0%	36,267	(2,589)	(7.1%)									
EBITDA		308	34	275	814.3%	349	(41)	(11.7%)	(1,898)	(2,195)	297	(13.5%)	(1,623)	(275)	17.0%	(410)	(410)	-	0.0%	(10,283)	9,873	(96.0%)									
EBITDA %		2.5%	0.3%			3.0%			(6.1%)	(7.3%)			(5.4%)			(0.3%)	(0.3%)			(8.0%)											
Net Income (Loss)	€	(179)	€ (348)	€ 169	(48.5%)	€ (1,064)	€ 885	(83.2%)	€ (3,822)	€ (3,338)	€ (484)	14.5%	€ (3,575)	€ (247)	6.9%	€ (13,863)	€ (13,863)	€ -	0.0%	€ 4,417	€ (18,280)	(413.8%)									
Capex	€	(157)	€ (196)	€ 39	(19.9%)	€ (88)	€ (69)	78.3%	€ (365)	€ (397)	€ 32	(8.0%)	€ (302)	€ (64)	21.1%	€ (2,838)	€ (2,838)	€ -	0.0%	€ (1,903)	€ (935)	49.1%									

Balance Sheet impacted in March by the factoring activated after cut off

➔ Balance Sheet

€'000s	Currency	Dec-18	Jan-19	Feb-19	Mar-19	Variance LM	
Fichet Security Solutions	EUR	Act	Act	Act	Act	€	%
<u>Current Assets</u>							
Cash and cash equivalents	€	37,109	€ 32,361	€ 31,916	€ 24,586	€ 7,330	29.8%
Accounts receivable, net		31,111	27,966	28,446	30,900	(2,454)	(7.9%)
Inventory, net		16,604	17,257	17,942	17,826	116	0.7%
Other current assets		3,559	7,200	7,149	6,457	692	10.7%
Total Current Assets		88,863	85,718	86,520	80,666	5,854	7.3%
<u>Non-Current Assets</u>							
Property, plant & equipment, net		5,811	5,412	5,396	5,359	37	0.7%
Goodwill		—	—	—	—	—	0.0%
Deferred financing cost		—	—	—	—	—	0.0%
Other non-current assets		258	175	167	(1,343)	1,510	(112.4%)
Total Non-Current Assets		8,019	7,840	7,779	6,211	1,568	25.2%
Total Assets	€	96,883	€ 93,558	€ 94,299	€ 86,877	€ 7,422	8.5%
<u>Current Liabilities</u>							
Accounts payable		16,051	14,524	15,855	15,958	(102)	(0.6%)
Accrued liabilities		—	—	—	—	—	0.0%
Other current liabilities		34,210	31,862	32,620	27,393	5,227	19.1%
Total Current Liabilities		55,111	52,524	54,751	49,604	5,147	10.4%
<u>Long-term liabilities</u>							
Long-term debt less current maturities		3,630	5,842	5,852	6,008	(156)	(2.6%)
Long-term unearned revenue		—	—	—	—	—	0.0%
Deferred liabilities		—	—	—	—	—	0.0%
Other non-current liabilities		655	—	—	—	—	0.0%
Total Long-Term Liabilities		4,285	5,842	5,852	6,008	(156)	(2.6%)
Total Liabilities		59,395	58,366	60,603	55,612	4,991	9.0%
<u>Shareholders' Equity</u>							
Capital in excess of stated value		—	—	—	—	—	0.0%
Retained earnings		(12,714)	(9,038)	(10,538)	(12,227)	(12,227)	0.0%
Total Shareholders' Equity		37,487	35,192	33,695	31,264	2,431	7.8%
Total Liabilities and Shareholders' Equity	€	109,544	€ 100,247	€ 100,992	€ 92,828	€ 8,164	8.8%
<i>Memo:</i>							
Net Working Capital	€	51,755	€ 53,357	€ 54,604	€ 56,080	€ (1,476)	(2.6%)
Total Net External Debt	€	(33,479)	€ (24,915)	€ (24,483)	€ (16,976)	€ (7,507)	44.2%



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