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Executive Summary



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- Dedoes Industries, Inc. (collectively with its affiliates, “Dedoes” or the “Company”) is one of the world’s leading manufacturers of equipment solutions for the automotive refinish industry
 - The Company was founded in 1941 and began serving the auto refinish market in the early 1950s
- The Company provides innovative, high quality products and services to paint manufacturers and auto refinish shops around the world, including:
 - Equipment for mixing (stirring), shaking, proportioning, formulation, and curing (finishing/drying)
 - Stirring lids
 - Cabinets and tables
 - Other accessories

Corporate Snapshot	
▪ Headquarters:	Walled Lake, MI
▪ Pro Forma FY 2015 Financial Results	
› Revenue:	\$19.3 million
› EBITDA:	\$4.2 million
▪ Sales/Service Locations:	<ul style="list-style-type: none"> – Denver, Colorado – Sao Paulo, Brazil – Tokyo, Japan (contract)
▪ FTEs:	62
▪ Entity Type:	S-corporation

Select Products



Mixing Machine



Paint Shaker



Rapid Air Mover

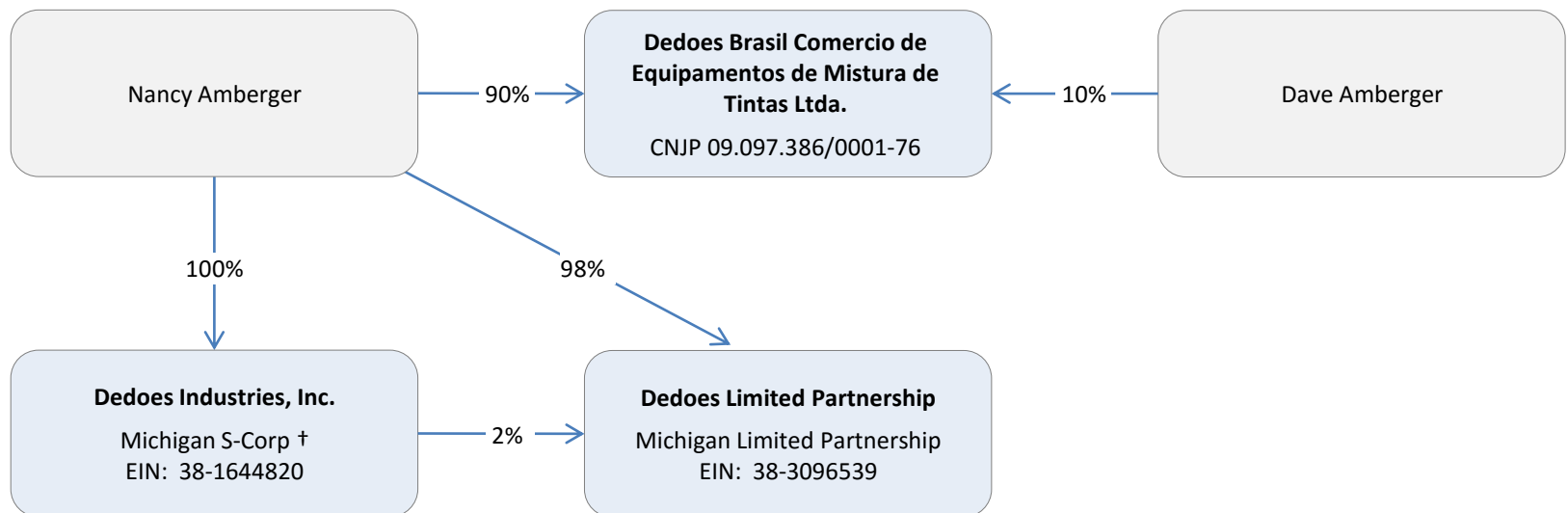


Rapid Repair Cabinet



- Products are sold to the major global paint OEMs, with which the Company has longstanding relationships—ranging from 20 to 60 years
 - The paint OEMs provide the Company’s products to the ultimate end-users—auto refinish shops—as part of their commercial relationship
- Dedoes is in the initial stages of introducing a new proprietary product that will drive significant growth for the Company commencing in late 2016
 - Semi-automatic proportioning and dispensing unit (known as “ACET”) that will provide materially enhanced precision in blending paints and generates significant cost savings and improved efficiency for auto refinish shops
 - Estimated refinish shop benefit of \$20,000-\$30,000 per year, per unit
- Nancy Amberger, the founder’s daughter and sole shareholder of the main operating entity, is seeking a sale of 100% of the Company
 - Ms. Amberger does not play an active management role in the business and is interested in transitioning ownership of the business to someone who has the experience and resources to not only nurture her family’s company, but to manage the expected growth and help it thrive
 - Existing management team is desirous of continuing with the Company

- Ms. Amberger is the sole shareholder of Dedoes Industries, Inc. and has a controlling interest in the Company's related entities, all of which will be included in a sale transaction
 - Dedoes Brasil Comercio de Equipamentos de Mistura de Tintas Ltda. (90%) – Brazilian operations
 - Minority interest held by Ms. Amberger's son
 - Dedoes Limited Partnership, a Michigan Limited partnership (98%) – property holding company that leases property to Dedoes Industries, Inc.

Corporate Structure



† Converted from C-corp to S-corp in 1996

 = Shareholder
 = Corporate Entity

Domestic and Global Market Leader	<ul style="list-style-type: none">▪ Preeminent provider of storage and mixing equipment for the automotive refinish market in North America with an estimated market share of 70%▪ Holds the #2 market share position globally
Proprietary Product Designs	<ul style="list-style-type: none">▪ Highly experienced engineering team developing industry leading products and equipment, including the foremost stirring lid design and new semi-automatic blending and dispensing system▪ Ownership of designs to all products and multiple registered and pending patents
Exceptional Customer Relationships	<ul style="list-style-type: none">▪ Established, long-term relationships of more than 30 years with each major customer▪ Multiple levels of communication with each customer▪ Direct interaction with customers to design custom solutions
Excellent Financial Performance	<ul style="list-style-type: none">▪ Consistent historical performance, even through soft macroeconomic conditions▪ 3-year average EBITDA of \$4.2 million and EBITDA margin of 21.5%▪ Minimal maintenance cap exp requirements; average of only \$200,000 per year from 2016F-2019F
Efficient Global Supply Chain	<ul style="list-style-type: none">▪ In-house fabrication and powder coating capabilities▪ Low-cost sourcing from overseas for 35-40% of product sales<ul style="list-style-type: none">– 50% of outsourced product is shipped direct to the customer
Attractive Growth Potential	<ul style="list-style-type: none">▪ New product (ACET) with large addressable market (\approx \$235 million) is in testing with major customer<ul style="list-style-type: none">– Potential for important growth without cannibalization of existing sales▪ Available manufacturing capacity for growth of existing and new product lines▪ Projected EBITDA of \$7.3 million in FY 2019

- The Company has generated extremely consistent annual revenues, gross margins and EBITDA margins
 - Automotive refinish work does not follow economic cycles
- Significant future growth will be driven by the introduction of the ACET (new semi-automatic mixing and dispensing product) and enhanced activities in foreign markets

Pro Forma Financial Results

(\$ in thousands)	Fiscal Year Ending December 31						
	FY 2013	FY 2014	FY 2015	FY 2016F	FY 2017F	FY 2018F	FY 2019F
Net Sales	\$ 19,999	\$ 19,340	\$ 19,317	\$ 20,000	\$ 21,856	\$ 23,736	\$ 27,188
Cost of Goods Sold	12,994	12,643	12,473	12,944	13,894	14,889	16,682
Gross Profit	7,006	6,696	6,844	7,056	7,962	8,846	10,506
	35.0%	34.6%	35.4%	35.3%	36.4%	37.3%	38.6%
SG&A Expenses	2,887	2,783	2,896	3,011	3,178	3,277	3,395
Operating Profit	4,119	3,914	3,947	4,045	4,783	5,569	7,111
Depreciation & Amortization	165	170	188	162	164	165	167
EBITDA	4,284	4,083	4,135	4,208	4,947	5,734	7,278
Contribution from Brazil Affiliate	(68)	101	66	33	33	33	33
Total Pro Forma EBITDA	\$ 4,216	\$ 4,184	\$ 4,201	\$ 4,241	\$ 4,980	\$ 5,767	\$ 7,311
	21.1%	21.6%	21.7%	21.2%	22.8%	24.3%	26.9%
Maintenance and Productivity Cap Ex	\$ 170	\$ 153	\$ 45	\$ 230	\$ 190	\$ 125	\$ 255
New Product Development	\$ 137	\$ 289	\$ 472	\$ 527	\$ 427	\$ 300	\$ 100

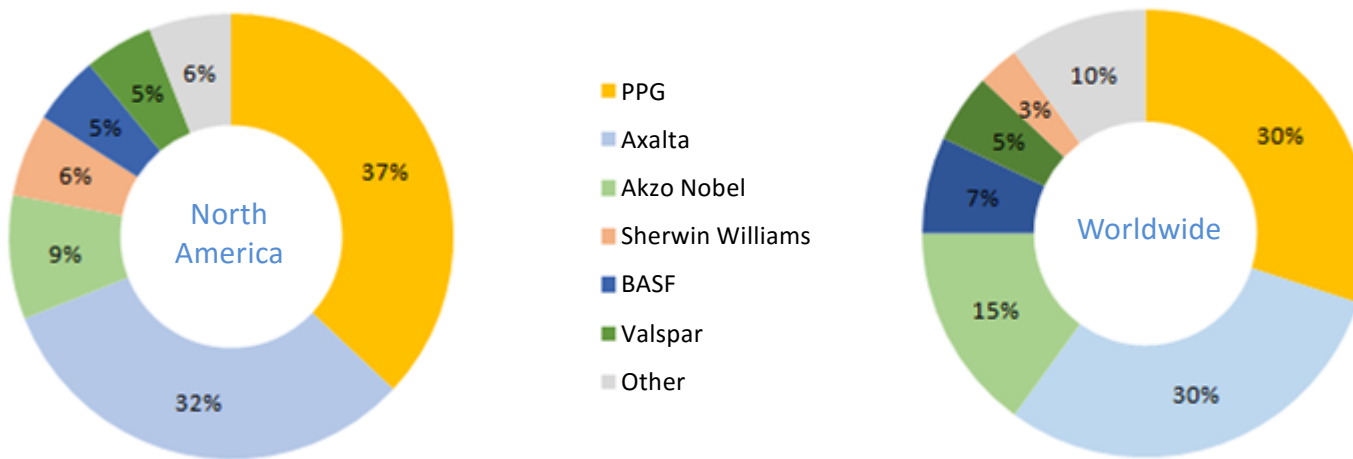
Auto Refinish Market Overview



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- Auto refinish shops align with their paint supplier of choice, typically entering into 5 year supply agreements
- As a means of enticing refinish shops to enter into these agreements, paint companies provide an array of perks, which vary depending on the size of the refinish shop, but could include:
 - Full complement of mixing, storage, spraying and ancillary equipment
 - Paint booths
 - Signing bonuses
- Paint OEMs have dedicated internal sales reps that focus on auto refinish market
- PPG and Axalta have the top positions in both the North American and global auto refinish markets

Estimated Paint OEM Market Share



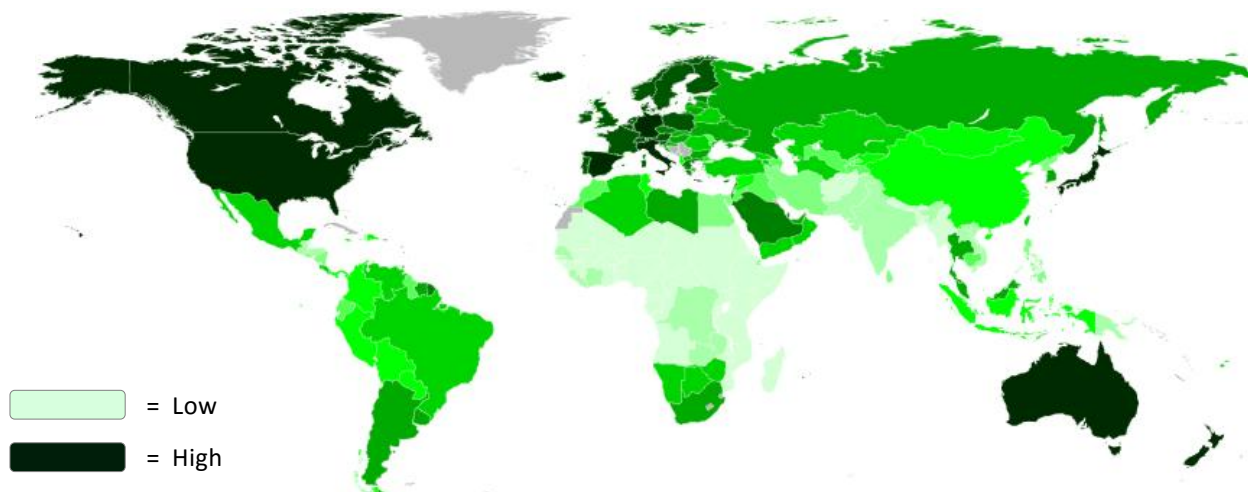
- Management estimates that there are 200,000 auto refinishing shops globally

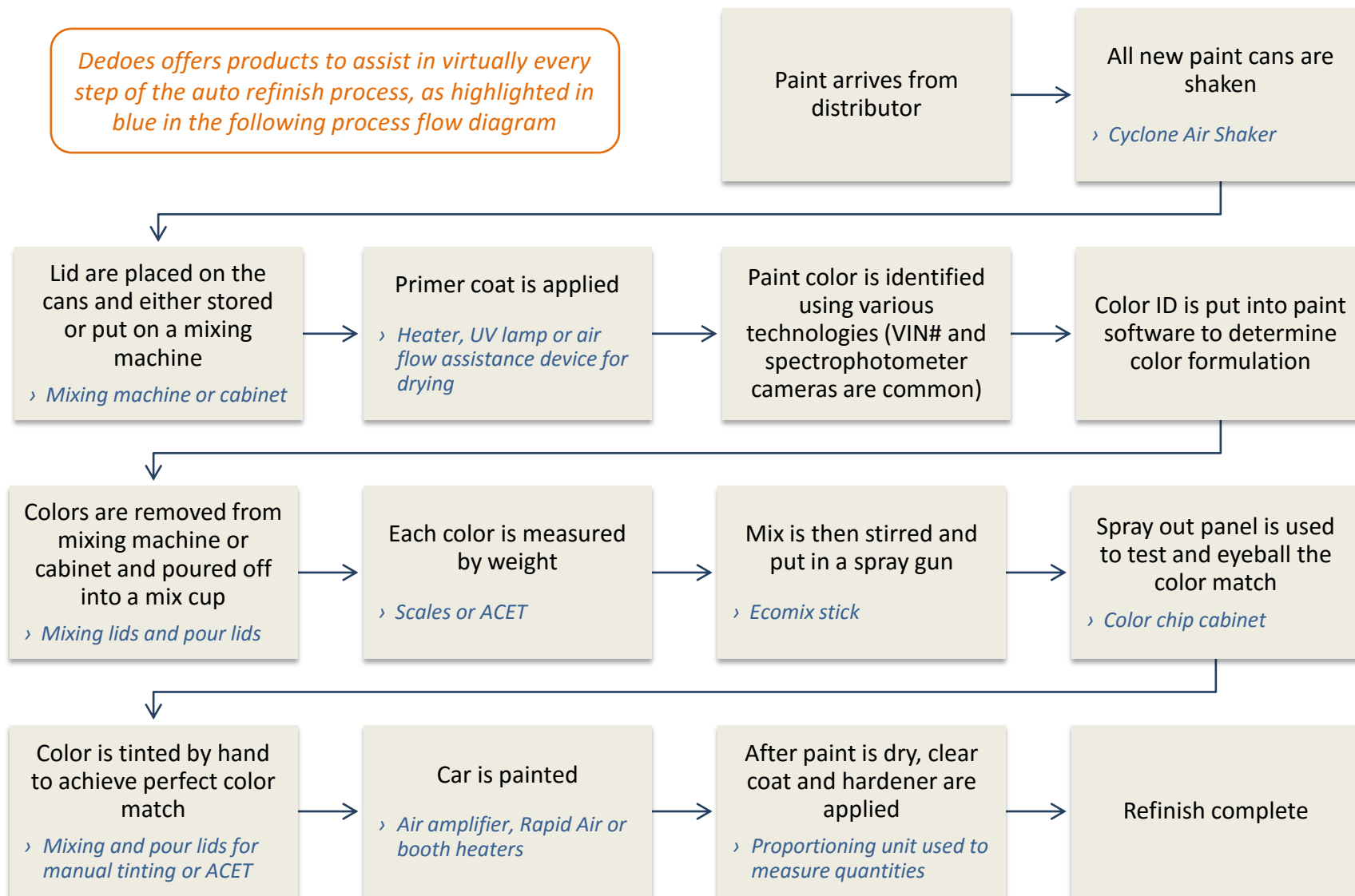
Estimated Number of Refinish Shops by Region

	Waterborne Paint		Total	Solvent-based Paint	Total	
	Non-Mix *	Mix *			Number	%
North America	13,123	14,085	27,208	28,792	56,000	28%
Europe	16,640	24,960	41,600	10,400	52,000	26%
Japan	1,680	6,720	8,400	5,600	14,000	7%
Australia	1,400	600	2,000	3,000	5,000	3%
All Other	6,083	12,167	18,250	54,750	73,000	37%
Total	38,926	58,532	97,458	102,542	200,000	100%

* Mix paint requires periodic stirring or agitation; non-mix paint does not.

Vehicle Density per Capita (2011)





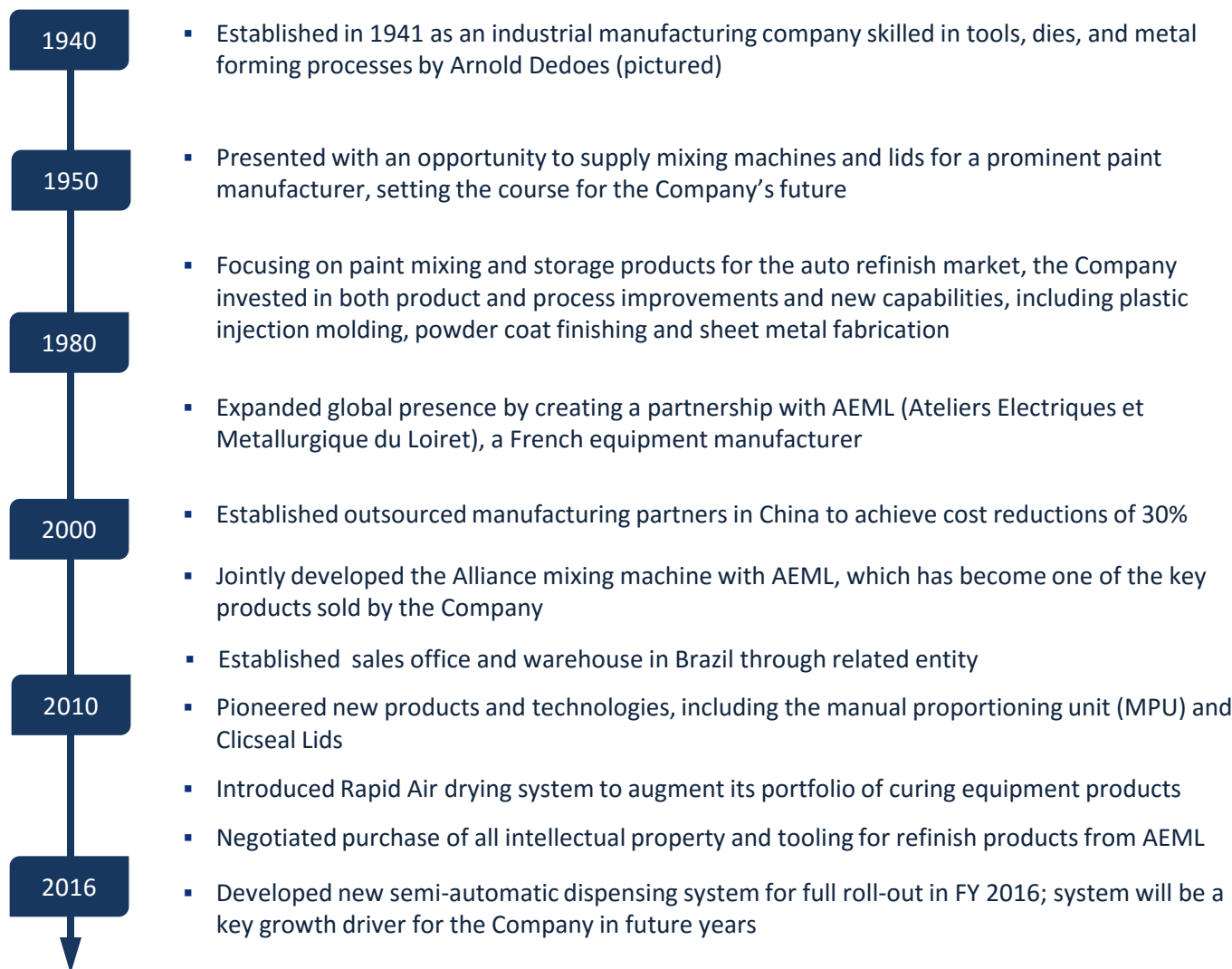
- Primary sales driver is the selection of a new paint supplier by the auto refinish shop
 - Refinish shops typically enter into 5-year supply agreements with the paint OEMs
 - Upon signing an agreement with a new supplier, existing equipment is either confiscated or scrapped by exiting supplier
 - Equipment is branded (both in terms of paint color and brand logos)—so switching suppliers almost always results in all new equipment; in addition, all new lids are required
 - In many cases, as a function of its substantial market share, existing equipment that was supplied by Dedoes is replaced with new equipment also supplied by Dedoes
- Depending on the paint company and the size of the end customer, a refinish shop could expect to receive the following products when switching suppliers:
 - Mixing machine and/or waterborne storage cabinet
 - Mixing lids, pour lids, and/or screw top lids
 - Blending table
 - Wall cabinet, computer cabinet, swatch cabinet and spray out panel cabinet
 - Shaker
 - Air movement items (air nozzles, amps, stands/wall mounts)
 - Ancillary products, including scale and other “kitted items”
- New equipment is also purchased to replace non-functioning machines
 - Expected product life is 4-10 years
 - Harsh environment and poor equipment maintenance by refinish shop operators

- Paint formulation or blending as currently conducted in the industry is largely an inefficient, manual process
 - The first step is to look up the specifications for the original paint color, if available, and create a base mix applying those specifications
 - Due to the effects of sunlight and weather, however, the true color can vary substantially from the factory specs
 - An expert then adjusts the base mix by manually adding small amounts of additional colors to obtain a match for the true color of the automobile
- Current manual blending techniques consume valuable employee time and contribute to increased paint costs
 - Requires significant time commitment from highly skilled personnel (painters)
 - Very experienced and senior person at auto refinish shops
 - Often the most highly compensated person at the auto refinish shop (in smaller shops, painters often earn more than owners)
 - Inaccuracies inherent in manual blending process often lead to wasted paint
 - Painter must compensate for any excess dispensed paint with additional portions of other component paints, which results in excess paint preparation and waste
 - Painters make mistakes requiring re-formulation on an estimated 20% of all formulations
 - Unproductive time used to correct mixing and formulation errors is costly for refinish shops
- Good painters are extremely valuable for auto refinish shops and are highly sought after

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- Dedoes' core products are designed specifically for the automotive refinish industry
 - Systems to accurately mix, proportion and dispense paint and other coatings for light vehicle exterior surfaces
 - Ancillary equipment that encompasses important additional needs of the refinish painter
- Industry leading designs offer significant cost and quality benefits
 - Mixing products have few moving parts
 - Some are direct drive that use a gear box mounted to the motor
 - Designed to operate quietly and efficiently
 - Designed to fit in a very compact package, providing cost of transportation and storage advantages
 - Products assemble quickly and without any tools required
 - Three-year warranty is standard
 - Mixing machines and other major equipment products typically last between 4 and 10 years
- Products and components are manufactured in both the U.S. and in China
 - Enables competitive pricing
- Products are finished to the customer's (paint manufacturer) specifications using the Company's in-house powder coating system and shipped either to the customer's warehouse, a distributor appointed by the customer or directly to the end-user (auto refinish shops)
- Replacement parts sales are an ongoing component of total revenue, comprising 1.5% of FY 2015 sales

- The Company offers an extensive portfolio of paint mixing and storage solutions, plus associated parts and accessories, all specifically designed for the automotive refinish market



Mixing Machines



Cabinets & Tables



Lid Solutions



Paint Shakers



Curing Equipment



Proportioning Unit



Ancillary Products & Accessories



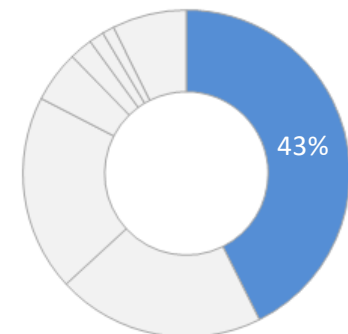
Semi-Automatic Dispenser

- To maintain consistent color and viscosity—which is critical for auto refinish projects—most paints must be periodically mixed once they are opened
 - Mixing machines not only store paint in a convenient shelving unit, but have motor-driven mechanical stirrers that preserve the necessary properties of the paint
 - Primarily for solvent-based products
 - Approximately 35%-45% of waterborne products do not require agitation (non-mix paints)
- Mixing machines were the Company’s primary product category in FY 2015 with sales of \$8.4M
 - Includes kit sales, which contain mixing machines and other additional products
- The Company offers multiple units to satisfy various price points and end-user capacity demands
 - Most products are capable of mixing 0.5 liter, quart/liter, 2.5 liter and gallon/3.5 liter containers
 - Industrial units are capable of mixing 55/85 gallon containers
- Units sold in North and South America are primarily produced in the U.S., while those sold in other regions are primarily produced in China

Products



2015 Sales (% of total)

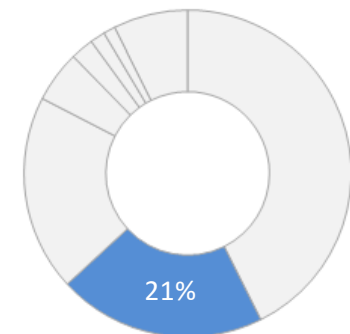


- Wide range of cabinets for different purposes
 - Computer cabinets (mini and regular)
 - Spray-out storage cabinet
 - Wall cabinet
 - Universal waterborne cabinet
 - Rapid repair cabinet
 - Color chip cabinet (used for color matching)
- In addition to storing and displaying paint, additional functionality is built into certain models
 - Heated units
- Certain cabinets arrive pre-assembled
 - Computer cabinets, chip cabinets, waterborne cabinets, and wall cabinets
- Tables are used for blending and weighing paints
 - Built to prevent any movement—even with heavy loads—so there is no distortion of measurement during formulation
 - Two sizes are offered, with options such as an adjustable viewer shelf to assist in the blending process and a stainless steel top
- Dedoes manufactures most of this product line in the U.S.
 - Inefficient freight costs from China due to bulk of the products

Products



2015 Sales (% of total)

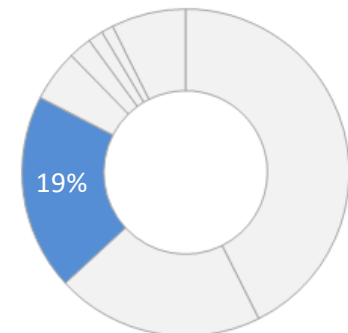


- Specialized lids with imbedded paddles for stirring are necessary for use in conjunction with mixing machines
 - Proper seal is critical to prevent solvent evaporation and product leakage
 - Designed to allow for agitation of the product via mixing machines
 - Stainless steel lids for waterborne paints that require mixing
- The Company's Clicseal design is the industry's preferred mixing lid
 - Allows refinish shop personnel to attach a lid to a can of paint very quickly
 - Unique sealing system minimizes leaking
 - Patented design (expires in 10 years)
- Lids are a consumable product for auto refinish shops
 - Cannot use same lid for multiple colors – each lid is dedicated to a single specific paint color
 - With repeated use in a relatively harsh environment, plastic lids become contaminated and need to be replaced
 - Average life is approximately 1-2 years
- Dedoes also offers lids designed for applications other than mixing
 - Dosing lids for pouring
- All lids are manufactured in China at three different facilities
 - Minimizes total cost for customers

Products



2015 Sales (% of total)

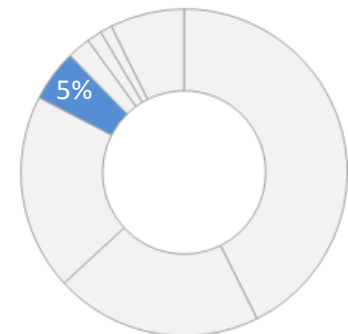


- The Company is the exclusive provider of the Cyclone Paint Shaker
 - Product was developed in the 1980s to provide a safer, spark-free product for auto refinish shops
 - Created by Broncorp Manufacturing Company (Denver, CO)
 - Patents were purchased by E.I. du Pont in that late 1980s and then by Dedoes in 1997
 - Product is manufactured by Broncorp Manufacturing for Dedoes
- Cyclone is a premium pneumatic (air driven) shaker
 - One of the most reliable pneumatic shakers on the market; it comes with an unsurpassed three-year warranty
 - Powerful and efficient
 - Can be mounted directly to a table or work bench
 - Accommodates half liter through gallon, aerosol and rectangular cans
 - Used to shake new cans of paint—which likely have settled—before they are placed in the mixing machine

Product



2015 Sales (% of total)

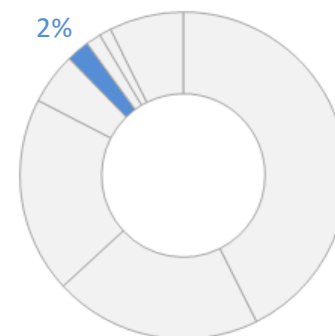


- Dedoes offers a full line of curing equipment used by refinish shops to improve drying and set times for waterborne and solvent paint coats
- Offers range of products that utilize key curing technologies
 - Ultra-violet (UV) products
 - Air products, which move and/or heat air surrounding the automobile or component being painted
- Most products are portable and offer the ability to direct the light or air to specific areas of focus
- Rapid Air product sold through independent sales reps
- The majority of curing equipment is produced in the U.S.

Products



2015 Sales (% of total)



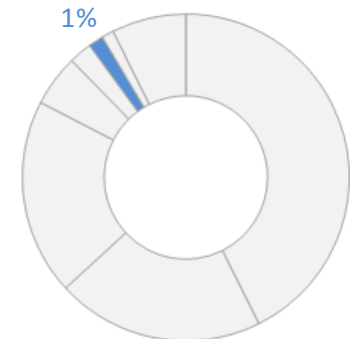
Manual Proportioning Unit (MPU)

- Manually operated unit that facilitates the proportioning and dispensing of clear coat and hardener in the proper ratios
 - Provides accurate multiple ratio measurements, eliminating material waste
 - Allows for dispensing in three different volume ratios by changing the piston mounting locations on the pump handle
- Originally designed in conjunction with AkzoNobel as an exclusive product
 - As of 2015 MPU is available to all other customers
 - Dedoes has developed new SKUs tailored to other paint OEMs and is actively promoting the product
 - 2016 sales estimated to be \$300,000
- All MPUs are produced in the U.S.

Products



2015 Sales (% of total)



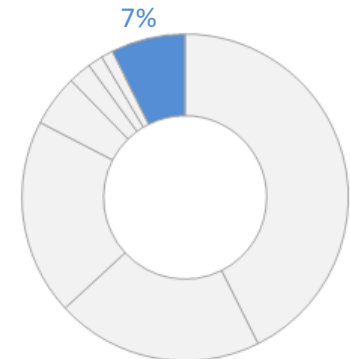
Ancillary Products & Accessories

- The Company provides a host of ancillary products to further support the needs of its customers
- Products in this category include such items as:
 - *Eco Sticks*: used to scrape paint from inside containers to minimize waste
 - *Lid Crank Handles*: used with mixing lids to mix paint manually
 - *Paint Shapes*: used to display paint colors
 - *Pearl Holders*: used to hold pearl bottles
 - *Platforms*: allows customers to place a quart can on a gallon shelf
 - *Scales*: accurately weighs mixes up to 7kg
 - *Seville Storage Racks*: fully adjustable shelving unit
 - *Explosion Proof Heaters*: used to maintain a specific temperature in the mix room (as opposed to curing products, which are focused on specific target)
- Products are both produced in the U.S. and sourced internationally

Products



2015 Sales (% of total)



Semi-Automatic Blending/Dispensing Unit

- Proprietary semi-automatic paint blending and dispensing unit (ACET) has been developed for introduction in Q4 2016
 - Provides tremendous consistency and precision in blending paints
 - Branded as ACET, which stands for “accurate color every time”
 - Without it, painters using scales and other manual means of measurement make mistakes on an estimated 20% of all formulations
 - Component paint containers are inserted into the unit, which then automatically proportions and dispenses ingredients applying computer-based specifications to create the desired color
 - Does not require operator or manual intervention during formulation process
 - Has received one patent already and has another one pending
- Developed in conjunction with PPG for its non-mix waterborne paints
 - Initial model engineered to work with PPG’s containers
 - Developed over the course of four years
 - Invested nearly \$2M in R&D (internal and external engineering) and certification
- Additional versions to be developed in the next few years that will address other sizeable segments of the market
 - Non-mix waterborne unit for use with other customers’ containers in 2017
 - Mix (both waterborne and solvent-based) technology unit in 2018
- Expected to drive significant growth for Dedoes in the coming years

Product



Current Status

- › 5 units sold to PPG for extensive testing at key auto refinish customers
- › Certification process commencing May 2016
- › Full roll-out expected in Q4 FY 2016

Benefits of ACET for Auto Refinish Shops

- Reduced labor and material costs
 - Currently blending/dispensing is done manually by highly compensated expert painter; ACET allows blending/dispensing to be performed by non-skilled employee and does not require constant supervision
 - Eliminates the need to devote additional time to correcting formulation errors, which is estimated to be 75 hours per year for a medium-sized refinish shop
 - Automatic system dispenses paints in exact specifications, eliminating need for the use of additional base coat (which costs anywhere from \$65 - \$300 per liter) to correct errors
 - Total annual labor and material cost savings estimated to be between \$4,500 and \$13,000 for a medium-sized refinish shop
- Potential for increased throughput with existing personnel
 - Total time saved of 575 hours per year (including 75 hours of error correction, as noted above)
 - Potential extra sales that could be realized with those labor hours (opportunity cost) is estimated at \$16,000 per year for a medium-sized refinish shop
- Based on a total benefit estimate of \$20,000-\$30,000 per year for a medium-sized refinish shop, an ACET machine pays for itself in 6-9 months

- The Company is in a very unique market position
 - Customer base predominantly consists of the six major global paint manufacturers
 - AkzoNobel, Axalta Coatings Systems (formerly DuPont), BASF, PPG, Sherwin Williams, and Valspar
 - Dedoes is the only North American-based supplier of mixing machines and accessories for the automotive refinish industry


- The ties to each customer organization are extremely strong and stable
 - Commercial relationships with each major customer span between 20 and 60 years, with very little volatility in annual sales
 - Over this 20-60 year period, the Company has built a reputation of excellence with respect to service, quality, timeliness and product design


Top 6 Customers


(\$ in thousands)		FY2013		FY2014		FY2015	
Customer	Length of Relationship	\$	%	\$	%	\$	%
A	50+ years	\$ 6,796	33.3%	\$ 6,419	32.6%	\$ 6,820	34.8%
B	20+ years	3,235	15.9%	3,708	18.8%	3,186	16.3%
C	30+ years	2,110	10.3%	2,116	10.7%	2,078	10.6%
D	50+ years	1,855	9.1%	1,868	9.5%	1,874	9.6%
E	50+ years	1,185	5.8%	1,218	6.2%	1,505	7.7%
F	50+ years	1,407	6.9%	1,107	5.6%	950	4.8%
Sub-Total		\$ 16,587	81.3%	\$ 16,437	83.4%	\$ 16,414	83.8%
Other		3,813	18.7%	3,264	16.6%	3,184	16.2%
Total Gross Sales		\$ 20,400	100.0%	\$ 19,701	100.0%	\$ 19,598	100.0%

- The Company's key customers are the six major global paint OEMs, which together comprise an estimated 94% of the North American market and 90% of the global market


	› Headquarters:	Amsterdam (Netherlands)
	› 2015 Sales (mm):	\$16,082
	› Employees:	45,800
	› <i>Est. Market Share:</i>	
	N.A. -	9%
	Global -	15%

	› Headquarters:	Pittsburgh, PA
	› 2015 Sales (mm):	\$15,341
	› Employees:	44,400
	› <i>Est. Market Share:</i>	
	N.A. -	37%
	Global -	30%

	› Headquarters:	Philadelphia, PA
	› 2015 Sales (mm):	\$4,191
	› Employees:	12,800
	› <i>Est. Market Share:</i>	
	N.A. -	32%
	Global -	30%

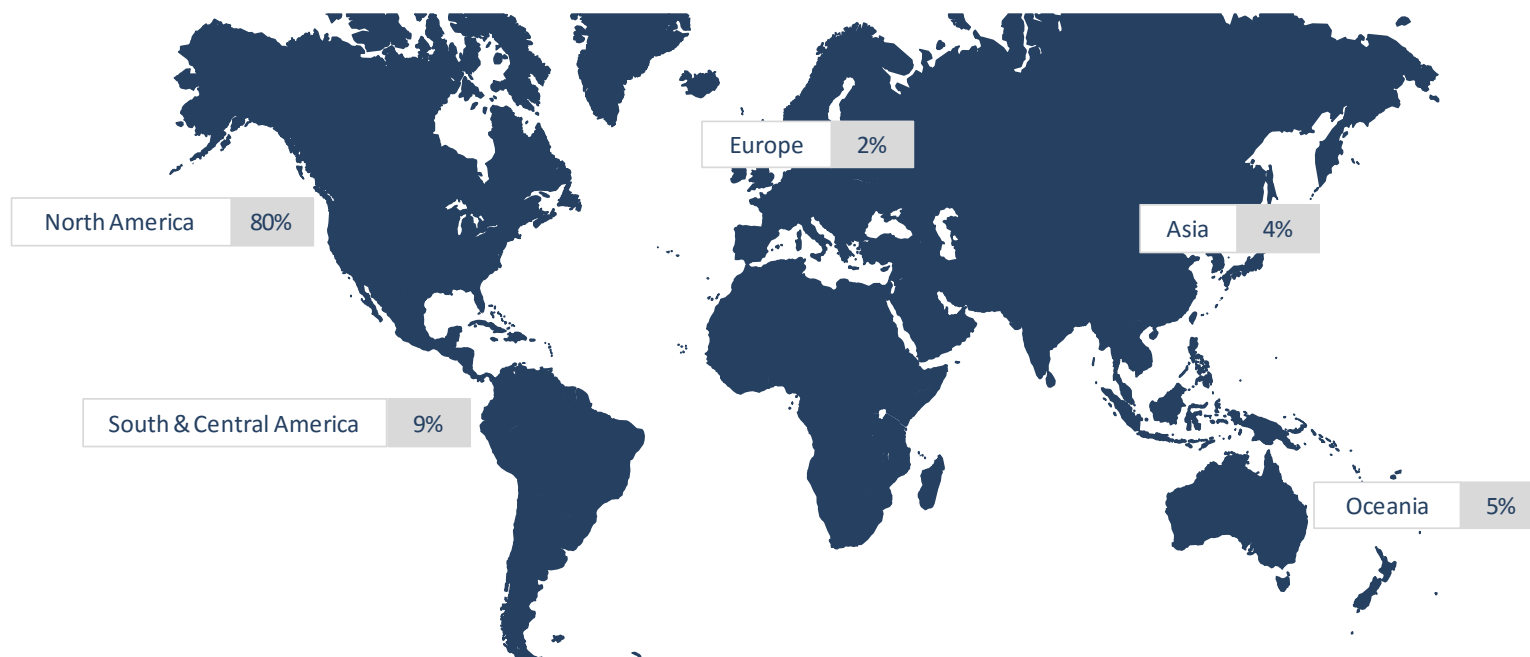
	› Headquarters:	Cleveland, OH
	› 2015 Sales (mm):	\$11,304
	› Employees:	39,674
	› <i>Est. Market Share:</i>	
	N.A. -	6%
	Global -	3%

	› Headquarters:	Rhineland-Palatinate (Germany)
	› 2015 Sales (mm):	\$80,986
	› Employees:	112,981
	› <i>Est. Market Share:</i>	
	N.A. -	5%
	Global -	7%

	› Headquarters:	Minneapolis, MN
	› 2015 Sales (mm):	\$4,393
	› Employees:	11,130
	› <i>Est. Market Share:</i>	
	N.A. -	5%
	Global -	5%

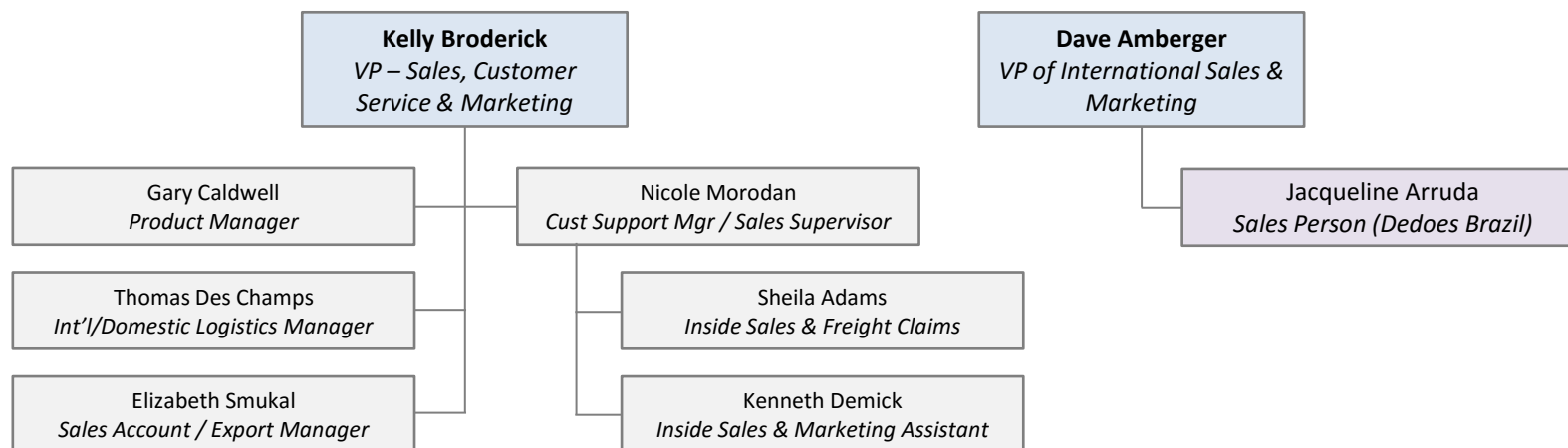
- Historically, the Company's primary focus has been on the North American market
 - By dedicating their efforts to North America, the Dedoes team has been able to be a dominant force, capturing the #1 market position with an estimated 70% share
- International sales, which represented 20% of sales in FY2015, is a key growth opportunity for the Company
 - The Company has distribution and service offices in Brazil, China and Japan
 - Management believes this is an area that will generate significant growth in the future due to expanding demand in emerging markets and the devotion of additional time and resources to these regions

FY 2015 Sales by Geographic Region



- The majority of the Company's customer-focused resources (sales, marketing and customer service) are dedicated to customer service, after-sales support, and new product requests/introductions
- Customer relationships managed primarily by two individuals in the U.S. and one in Brazil
 - Efforts are supported by Logistics Manager and Special Projects Manager

Sales & Customer Service Organization



- Customer meetings are focused on product innovation and product introductions
 - Regularly meet with product management, marketing and purchasing people
 - Also attend customers' annual and bi-annual national sales meetings
 - Opportunity to show new products to the customers' sales reps dedicated to the auto refinish market

- International sales activities
 - Sales and distribution operation in Brazil with full-time sales person focused on local market
 - Dave Amberger oversees Brazil operations and is responsible for sales in South America and Mexico
 - Sebastien Gouverneur (General Manager) manages the relationship with the key customer in Japan currently, but it is transitioning to Dave Amberger in FY 2016, upon receipt of TIS certification for the mixing machine motor
 - Kelly Broderick manages relationships in Southeast Asia and Australia
 - Activities in these regions are somewhat limited due to resource constraints
- The Company also utilizes outside sales representatives in the U.S., primarily to sell the Company's Rapid Air product (an auxiliary air movement booth system), which is sold directly to jobbers (distributors) rather than the large paint companies
 - The standard agreement provides non-exclusive coverage of a specified territory and commission rates between 8%-12%
 - Sales from outside rep agencies are relatively modest, although growing quickly
 - \$146k in FY2013, \$211k in FY2014 and \$363k in FY2015
- In addition to personnel in U.S. and Brazil, Dedoes has contracted with Office Chez Toi, an independent company, to handle select after-sales support and warranty services in Japan on behalf of Dedoes, including:
 - Answer customer service questions at all distribution levels within the refinish markets in Japan
 - Promote Dedoes' products, including spare parts
 - Provide after-sales service and support
 - Pack and ship parts ordered by Dedoes' customers

- Since 1999 the Company has maintained a partnership with Ateliers Electriques et Métallurgiques du Loiret (AEML), a French fabrication company located 90 miles southwest of Paris in Meung-sur-Loire
 - Automotive refinish is only 1/3 of total business
 - Core business is the production of components for the elevator and lawn & garden industries
- Co-developed the Alliance mixing machine and associated lids
 - AEML received the rights to sell the products in Europe, Africa and the Middle East
 - Dedoes received rights to sell the products in all other geographies
 - Jointly paid for the tooling used to produce common products in China
 - Formal arrangement (the “Alliance Contract”) has governed relationship
- AEML utilizes its internal metal fabrication capabilities to produce mixing machines
 - Does not outsource sheet metal fabrication to China
 - Is dependent on Chinese suppliers for certain components, including lids, gears and miscellaneous parts
- Supplies territorial needs of several leading customers, including AkzoNobel, Valspar, Renault and PPG
- In certain circumstances, AEML purchases lids and other select products from Dedoes
 - Dedoes sources the products from its Chinese suppliers
 - The product is shipped to Dedoes and then shipped to AEML
 - All costs are passed through to AEML with a 10% margin attached for Dedoes
 - Average sales to AEML of \$214,110 over the last two years



- AEML entered into receivership in January 2015 and exited in January 2016
- As part of its exit plan, Dedoes entered into an agreement to purchase from AEML all intellectual property and tooling related to the auto refinish products
 - Agreement was signed in March
 - In association with rights purchase, Dedoes and AEML terminated the Alliance Contract and entered into a non-exclusive licensing agreement
 - AEML will continue to sell the product in select countries, including most of Europe, the Middle East and Africa, but will pay Dedoes a royalty for each lid sold according to the following schedule:

Schedule of Proposed AEML Royalty Rate (per Lid)

Year 1	Years 2 - 4	Years 5 - 7	Years 8 - 10	Years 11 - 15
\$0.00	\$0.05	\$0.10	\$0.15	\$0.20

- On average, AEML purchases approximately 400,000 lids per year
- The new agreement grants Dedoes the important right to extend additional licenses in any of the regions in which AEML is licensed to sell or to service those regions directly, either from the U.S. or from any future operations established in those regions

- The Dedoes campus sits on 14 wooded acres in Walled Lake, Michigan (approximately 1 hour NW of Detroit)
 - In close proximity to I-96

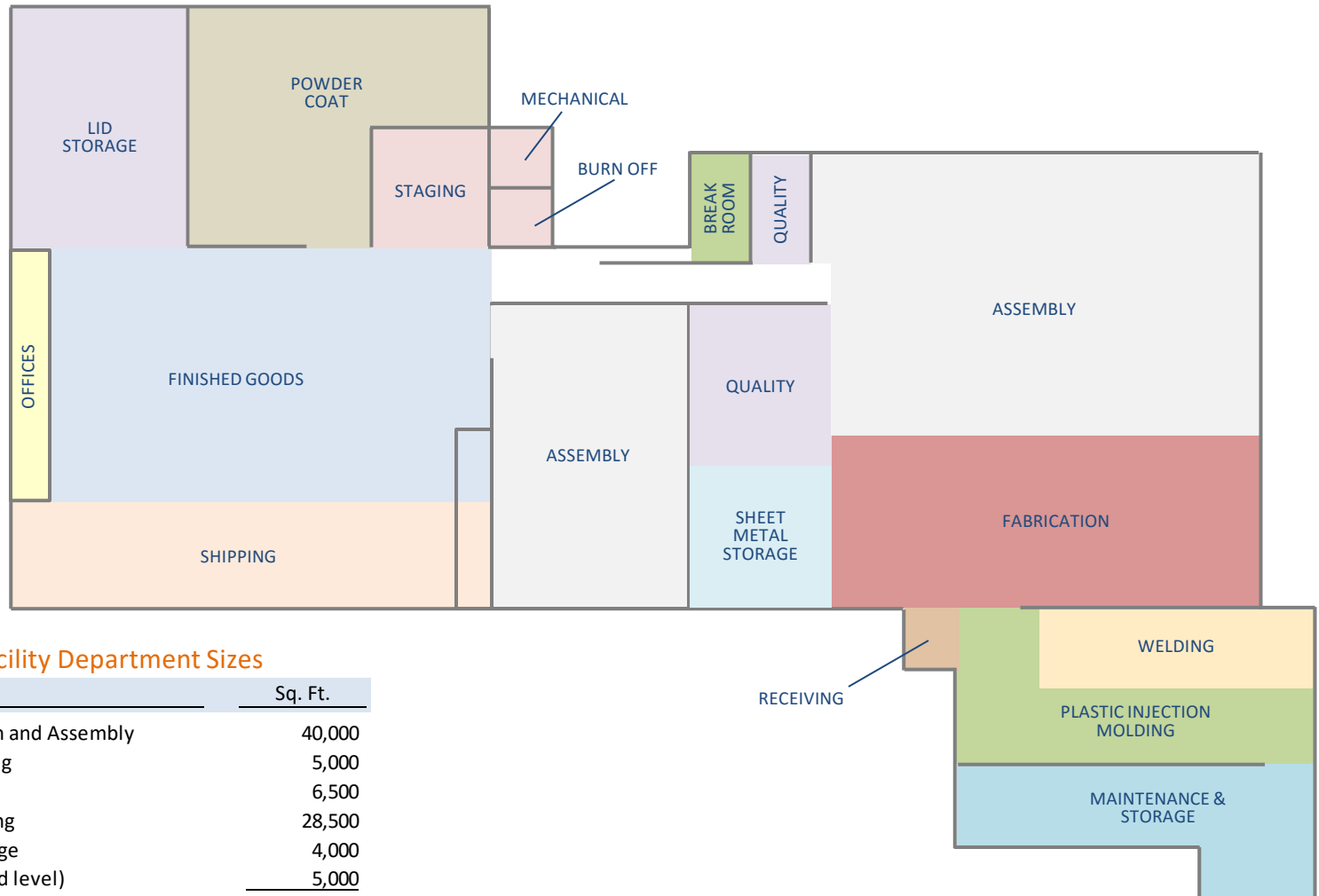


Administrative Offices and R&D Center



Manufacturing Facility and Warehouse

- Dedoes offers complete design-to-finished product manufacturing capabilities, all housed within a single 89,000 sq. ft. manufacturing facility



Manufacturing Facility Department Sizes

Department	Sq. Ft.
Sheet Metal Fabrication and Assembly	40,000
Plastic Injection Molding	5,000
Powder Coating	6,500
Warehouse and Shipping	28,500
Maintenance and Storage	4,000
Office (including second level)	5,000
	<u>89,000</u>

Sheet Metal Fabrication

- Fabrication/assembly department
 - Hydraulic press brakes, up to 250 tons
 - Automated Trumpf punch press
 - CNC punch presses
 - Robotic metal inert gas (MIG) welder
- Capable of fabricating steel sheets up to 4 ft x 8 ft x 0.25 in.
- Can work with multiple materials including cold rolled steel, galvanized steel and stainless steel



Plastic Injection Molding

- Equipped with four (4) versatile Cincinnati Milacron machines
 - Clamp pressures up to 220 tons
- Peripherals include conveyors, chillers, thermolators, plastic dryers and sprue-picking robots



Powder Coating

- Fully equipped automated paint line allows complete cycle time from wash to cure in approximately one hour and consists of:
 - Over 685 ft. of conveyor systems
 - 5-stage chemical pre-treatment
 - Dry-off oven
 - Powder coat booth
 - Cure oven
 - Burn off oven

- Our powder coating booth can accommodate part dimensions up to:
 - 92 in. L x 40 in. W x 18 in. D
 - 234 cm L x 102 cm W x 46 cm D

- When excess capacity is available, the Company will contract paint automotive components for a Tier 2 supplier located adjacent to Dedoes
 - Generates approximately \$50,000 - \$100,000 revenue per year



- Strong, versatile asset base for production of premium products
 - Well documented and robust preventative maintenance program
 - Dedicated facilities manager
- Available capacity estimated at 20% with existing operations
 - Based on all departments running only one shift (4 days/week, 10 hrs/day) and no overtime
 - Currently plastic injection molding is only running at 15%-20% capacity utilization
- Significant growth available without investment in supplemental equipment
 - Incremental \$5 million in sales of current product mix would only require an incremental 4-6 people—either on first shift or on a new swing shift
 - With the establishment of a full second shift, the Company could accommodate sales of more than double current levels
 - The Company could accommodate annual ACET sales of \$6 million with only the addition of a junior sales and marketing support person, as most of the components are sourced externally rather than produced internally

Equipment and Capacity *(continued)*

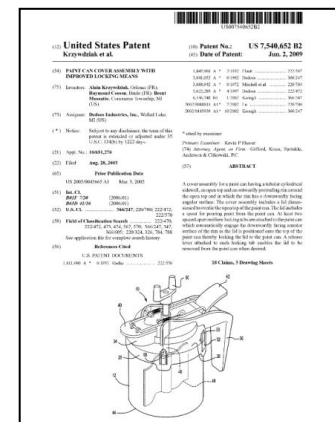
Major Equipment Used in Production

Equipment	Utilization (hrs/week)	Notes on Capacity
<i>Molding</i>		
Cincinnati Milacron VT 220-10 VSK Control	10	24/7 unmanned capable
Cincinnati Milacron VT 220-17 VSK Control	30	24/7 unmanned capable
Roboshot 165R-252G All Electric Molding Machine	0	24/7 unmanned capable
Roboshot 165R-300G All Electric Molding Machine	30	24/7 unmanned capable
<i>Fabrication</i>		
Trumpf Automated Trupunch 5000	45	24/7 unmanned capable
Trupunch 2020R	20	Personnel dependant
Amada Press Brake 8025 NT (2)	40	Personnel dependant
Amada Press Brake 1253 NT	40	Personnel dependant
Accupress 250 Ton Brake	15	Personnel dependant
Stationary Spot Welder	15	Personnel dependant
Trubend 5085 SX 6 Axis	20	Personnel dependant (add-on automation available)
<i>Powder Coat</i>		
Powder Coat Paint Line with Robotic Paint Booth	35	Personnel dependant

- Engineering staff consists of seven full-time personnel
 - 3 degreed engineers plus one currently working toward his degree
 - One non-degreed engineer retiring in May 2016
 - Will not be replaced with external hire
 - Replacement was hired in August of 2013 and has been trained to step into the position when needed
- Engineers devote up to 70% of their time to research and development activities
- During product design, Dedoes' engineers collaborate with suppliers in material costing, tooling development and overall component design for manufacturability
 - Ability to engineer products in the U.S. for production in China is a critical factor in the Company's success
- CAD database capabilities enable the retrieval of multiple CAD file types, including IGES, DWG, and DXF, which can be converted for use with the Company's CNC manufacturing equipment

Intellectual Property

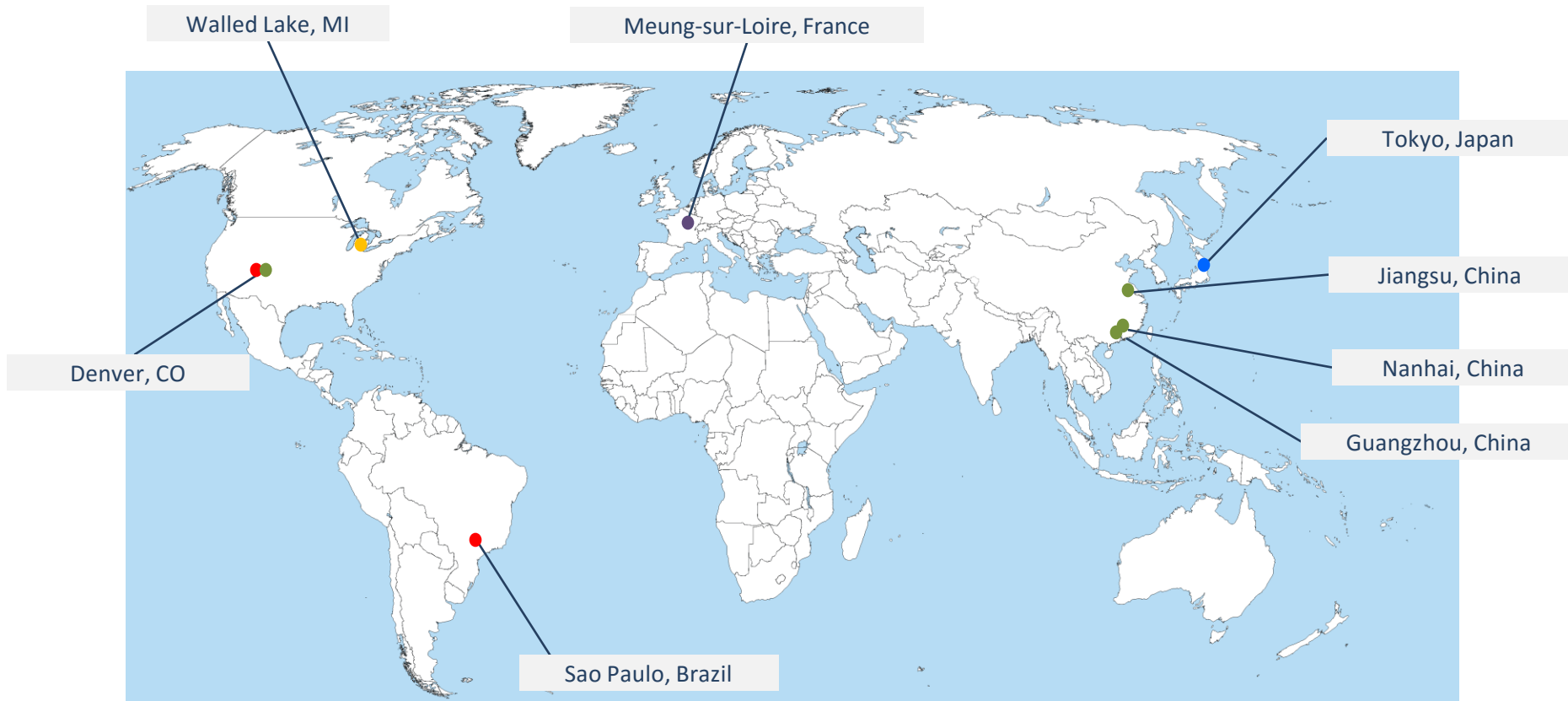
- Dedoes holds 11 patents that have been issued and has 5 more pending
 - Patents are held both in the U.S. and select overseas markets
- AEML intellectual property rights will be acquired as part of pending rights acquisition agreement



Intellectual Property Portfolio

No.	Patent #	Country	Description	Date Issued
1	5,904,420	United States	Frame for Automatic Paint Mixing Equipment	5/18/1999
2	5,988,868	United States	Drive Member for Automatic Paint Stirring Equipment	11/23/1999
3	ZL200410087960.2	China	Paint Can Cover Assembly with Improved Locking Means	12/28/2007
4	7,431,183	United States	Cover Assembly for a Paint Can Having an Improved Seal	10/7/2008
5	7,540,652	United States	Paint Can Cover Assembly with Improved Locking Means	6/2/2009
6	4323403	Japan	Paint Can Cover Assembly with Improved Locking Means	6/12/2009
7	7,607,820	United States	Stirring Device for a Paint Pot, with Modifiable Functions, in a Plastic Material	10/27/2009
8	2004205305	Australia	Paint Can Cover Assembly with Improved Locking Means	2/18/2010
9	8,434,649	United States	Paint Can Dispenser	5/7/2013
10	8,567,648	United States	Spout Adapter System	10/29/2013
11	8,813,793	United States	Paint Formulation and Dispensing Apparatus	8/26/2014
12	Pending	Canada	Paint Mixing Apparatus	Pending
13	Pending	Europe	Paint Mixing Apparatus	Pending
14	Pending	United States	System for Stirring or Storing Paints	Pending
15	Pending	United States	Paint Mixing Apparatus	Pending
16	Pending	Patent Cooperation Treaty	Paint Dispensing Apparatus	Pending

Global Manufacturing, Sales, Distribution and Service Operations



Key:

● Headquarters and domestic production

● Strategic partner / Licensee

● Contract after-sales support

● Sales and customer service office

● Outsourced manufacturing

- The Company's manufacturing facility in Walled Lake, MI is centrally located for optimum logistics efficiency in North America and in close proximity to the paint manufacturer customers
 - Products are drop-shipped to customers' warehouses, customers' distributors or directly to the end-users
 - Most orders are shipped same day and truckload orders are shipped within 48 hours
- The Company has also developed trusted global sourcing relationships that allow it to procure materials and components at price points that are often accessible only to much larger companies
 - Access to expertise in cold forming, metal stamping, metal coating, plastic injection molding, powdered metal, casting and metal finishing
 - Provides significant cost and logistics advantages
 - 35%-40% of all products sold by Dedoes are sourced from China
 - Prices for metal products are adjusted for changes in public commodity indices and for currency exchange rates
 - Prices for plastic products are maintained through competitive pressures derived from using multiple suppliers
 - All transactions are conducted in U.S. dollars
- Dedoes has two full time contract employees dedicated to overseeing production, quality and shipments from its Chinese vendors
 - Individuals are located within key suppliers' facilities
 - Maintain direct and immediate communication link between Dedoes and the suppliers
 - Dedoes employees visit at least twice per year
- For some larger customers with national warehouse distribution, products are shipped directly from the vendors in China to customers' warehouses
 - Results in shorter lead times and reduced costs for the Company's customers

Broncorp Manufacturing Company

- Domestically, the Company utilizes Broncorp Manufacturing Company (“Broncorp”), for production of the Cyclone Pneumatic Shaker, shaker pedestals and viscosity cups
 - Located in Denver, Colorado
 - Original creator of the Cyclone Pneumatic Shaker
 - Viscosity cups are anodized aluminum ladle-style products used to measure the viscosity of paint
- Shipment logistics
 - Cyclone products and pedestals ship directly from Broncorp to the Company’s customers
 - Most replacement parts also ship directly to Dedoes’ customers
- Commercial relationship
 - Broncorp is owned by Gary Cardwell, who is an employee of Dedoes
 - Dedoes reimburses Broncorp for all raw material costs and pays a fixed fee for the assembly of a unit
 - Dedoes owns 100% of the inventory
 - Broncorp has the ability to purchase units at a discount for sale outside of the auto refinish market
 - Three-year supply agreement in place (expires in 2017)

- Dedoes has long standing relationships with its key suppliers and utilizes multiple vendors for most critical raw materials to ensure competitive pricing

Top 10 Suppliers

(\$ in thousands)

Rank	Description	Location	Length of Relationship	FY2013		FY2014		FY2015	
				\$	%	\$	%	\$	%
1	Mixing machines and steel parts	China	16	\$ 1,993	14.0%	\$ 1,700	12.7%	\$ 1,429	11.0%
2	Mixing and dosing lids	China	16	1,955	13.7%	1,886	14.0%	1,426	11.0%
3	Explosion proof motors and timers	US	25	1,361	9.5%	1,300	9.7%	1,280	9.9%
4	Steel	US	20	1,219	8.6%	1,137	8.5%	1,182	9.1%
5	Explosion proof and standard scales	US	5	548	3.8%	424	3.2%	459	3.5%
6	Screw top dosing lids	China	12	312	2.2%	350	2.6%	381	2.9%
7	Manufacturing of ACET parts	US	4	120	0.8%	265	2.0%	359	2.8%
8	Cyclone shakers	US	18	232	1.6%	404	3.0%	340	2.6%
9	International freight	US	25	265	1.9%	300	2.2%	251	1.9%
10	Gear boxes	China	15	238	1.7%	242	1.8%	249	1.9%
Sub-total Top 10				8,242	57.8%	8,008	59.6%	7,356	56.7%
Other				6,015	42.2%	5,432	40.4%	5,610	43.3%
Total				\$ 14,258	100.0%	\$ 13,440	100.0%	\$ 12,966	100.0%

Note: Rank based on FY 2015 purchases.

Quality

- The Company has an exceedingly good quality record
 - Customer defect rate of less than one part per million (PPM) over the past three years
 - Zero defects reported in either 2013 or 2014
 - 99.9% Shipment Accuracy & On Time Shipments in 2015
- The Company has achieved an 8-year average unplanned scrap rate of only 0.57% of purchases
 - Management considers rates of 1% and below exceptional for production of this equipment
 - Dedoes sells scrap to a local processor for additional revenue
- The Company's manufacturing facilities are ISO 9001:2008 certified (since 1997)

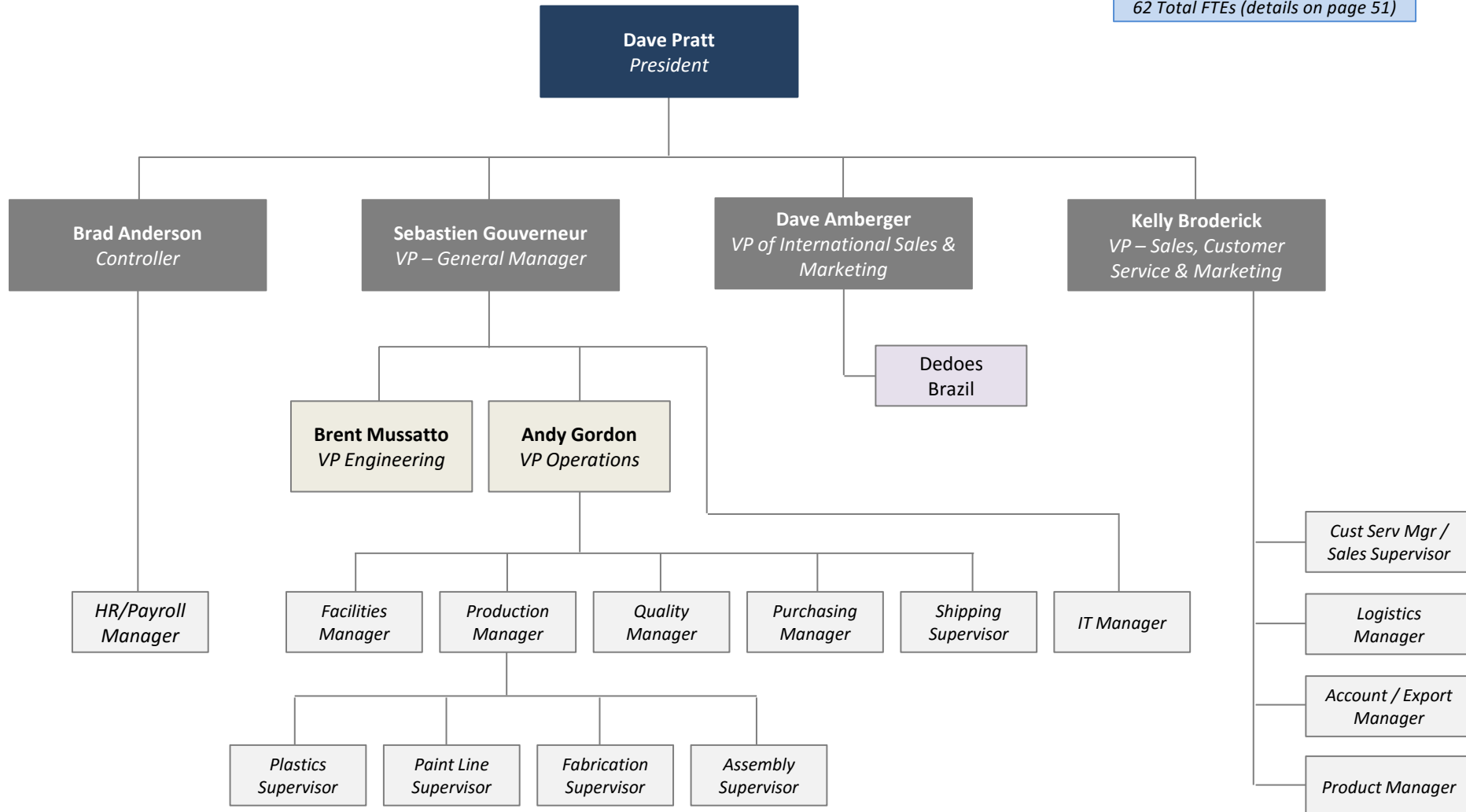
Safety

- Safety is a primary focus for the Company, which has resulted in two or fewer work-related injuries and lost time recordable events in each of the last three years
- Worker's comp claims have been minimal
 - FY2013 = \$41k; FY2014 = \$1k; FY2015 = \$53k
- The Company's most recent MOD Rating was 1.00

- The Company uses several information technology systems/solutions as a part of its day-to-day operations, including:
 - ERP – Exact MAX with Crystal Reports
 - Financial Software – Microsoft Dynamics (integrated with Exact MAX)
 - HR - ADP
 - Email – Microsoft Exchange Cloud Server
 - Software hosting – on-site Microsoft Windows servers (hosts all software except for email management)
 - Phones – Mitel is used as on-site PBX system integrated with SIP service from Birch Communications
 - Microsoft Office 2016 is used throughout the office
 - Backup - Symantec software is used for server and data backup
 - Offsite backup is on external USB drives
- The Company does not rely on outside consulting services for its IT support/maintenance
 - Two employees in IT
- Management has multiple reports on which it relies for monitoring and managing the Company, including:
 - Operations – report of efficiencies and downtime (daily)
 - Safety – accidents (bi-monthly)
 - Sales – production and shipment (3x per day)

Organizational Chart

62 Total FTEs (details on page 51)



Information as of 3/1/2016

Highly Experienced Management Team

Executive	Experience	Tenure
Dave Pratt <i>President</i>	<ul style="list-style-type: none"> › Leader of Strategic Team and responsible for daily operations › President since 2006; prior roles included General Manager, Plant Manager and Controller › Former Senior Vice President for Old Kent Bank › B.B.A. (Finance) – Eastern Michigan University 	25
Sebastien Gouverneur <i>VP – General Manager</i>	<ul style="list-style-type: none"> › Responsible for daily operations and interaction with French strategic partner; fluent in French › B.S. (Civil Engineering) – Pennsylvania State University › M.S. (Management Information Systems) – Lawrence Technological University 	15
Dave Amberger <i>VP – International Sales</i>	<ul style="list-style-type: none"> › Responsible for sales efforts in South America and Mexico › Led the establishment of Dedoes' operations in Brazil and continues to manage these operations › B.A. (Anthropology) – University of Colorado 	19
Kelly Broderick <i>VP – Sales, Customer Service & Marketing</i>	<ul style="list-style-type: none"> › Oversees all sales, customer service and marketing functions › Responsible for sales in the US, Canada, Southeast Asia and Australia › B.B.A. (Marketing) – Walsh College › M.B.A. – Walsh College 	22
Andy Gordon <i>VP – Operations</i>	<ul style="list-style-type: none"> › Responsible for all aspects of manufacturing operations, including quality, manufacturing, shipping, purchasing and facility management › B.S. (Engineering Technology) – Central Michigan University 	24
Brent Mussatto <i>VP – Engineering</i>	<ul style="list-style-type: none"> › Lead designer with overall design integrity responsibility for internally and externally produced products, including outsourced manufacturing in China › B.S. (Engineering Technology) – Central Michigan University › M.B.A. (Finance) – Wayne State University 	18
Brad Anderson <i>Controller</i>	<ul style="list-style-type: none"> › Responsible for accounting functions and interacting with outside consultants and professionals › Involved in logistics and pricing with Chinese suppliers, and serves as back-up for purchasing › Formerly with Flagstar Bank and Dow Corning Corporation › B.S. (Business Administration) – Central Michigan University 	8

- Workforce consists of 62 employees as of 3/1/2016
 - 37 salaried and 25 hourly
 - Includes 5 employees outside the U.S.
 - One customer service, one sales and one admin in Brazil
 - Two individuals in China who oversee the Chinese supplier base (one operations and one quality)
- Average rate for U.S. hourly workers is \$17.92
 - Fully-loaded rate is approximately \$25/hr
- Positive relationship between management and employees has nurtured a high energy culture of continuous improvement
 - Low historical turnover of employees with average tenure of 16 years
 - Has led to a cohesive, efficient workforce
- No union or collective bargaining agreement
 - All employees are “at will”
 - Michigan is a right to work state

Employee Breakdown by Department

Department	Salaried	Hourly	Total
<i>Operations</i>			
Engineering	6	1	7
Maintenance	2	1	3
Operations	2	17	19
Purchasing	1	0	1
Quality	3	1	4
Warehouse/Shipping	1	5	6
	15	25	40
<i>Corporate</i>			
Senior Management	2	0	2
Sales, Cust. Service & Logistics	8	0	8
Accounting/IT	7	0	7
	17	0	17
Dedoes Brazil	3	0	3
Dedoes China †	2	0	2
Total Headcount	37	25	62

† Full-time personnel dedicated to Dedoes activities, but technically employed by an outside agency.

All information as of 3/1/2016.

- The Company offers comprehensive insurance and savings benefits to its employees
 - Medical, dental, vision, and life insurance
 - Long-term and short-term disability plans
 - Workers compensation
 - Payroll deduction option for flexible spending account
 - 401(k) plan for eligible employees
 - Employees can contribute up to 100% of their income
 - The Company matches 100% of the first 3% and 50% of the next 2%
- Discretionary bonus plan
 - All employees receive a discretionary bonus twice per year (in December and March)
 - Historically has ranged between 5% and 20% of base compensation for most employees
- Paid time off
 - Six (6) paid holidays each year
 - Between two (2) and five (5) personal days per year, based on position and tenure
 - Days not used are forfeited each year
 - Unused days are not paid out at the time of an employee's separation from the Company
 - Between one (1) and five (5) weeks of vacation per year, based on position and tenure
 - Hourly workers are paid at the end of the year for unused days
 - Salaried workers may carry over any unused days for a period of 90 days following the end of the year; however, unused days will be forfeited at the end of the 90-day period
 - Salaried workers are not compensated for unused days
 - Unused days are paid out at the time of an employee's separation from the Company

Legal

- The Company settled a mutual patent infringement claim in 2015
 - Related to primitive dispensing system developed by color and IT company that does business with Axalta Coating Systems
- Currently there are no pending or threatened lawsuits

Environmental

- The Company has not conducted any recent Phase I environmental assessments, but is not aware of any environmental issues at any of the company's facilities
- The Company currently has no compliance violations with any government or regulatory agency

Growth Drivers



ACET Product Introduction	55
Expansion of Axalta Customer Relationship	59
International Expansion	60
Acquisition Opportunities	63

Large Addressable Market

- Global market estimated to be nearly \$235 million
 - Nearly 10% of all refinish shops are large enough to warrant the use of an ACET machine
- Target market for initial ACET model developed is estimated to be \$40 million
 - Consists of PPG non-mix waterborne shops around the world
 - PPG has an estimated 70% of the non-mix waterborne market
 - Accounts for nearly 20% of the total market for the ACET product

Estimated Addressable Market for ACET Product

(\$ in thousands)	Waterborne Paint			Solvent-based Paint	Total	
	Non-Mix *	Mix *	Total		Number	%
Automotive Refinish Shop Candidates for ACET						
North America	1,312	1,409	2,721	2,879	5,600	40%
Europe	1,664	2,496	4,160	1,040	5,200	37%
Japan	168	672	840	560	1,400	10%
Australia	140	60	200	300	500	4%
All Other	122	243	365	1,095	1,460	10%
Total	3,406	4,880	8,286	5,874	14,160	100%
Estimated Addressable Market	\$ 51,089	\$ 73,198	\$ 124,287	\$ 96,924	\$ 233,640	

* Mix paints require periodic agitation, whereas "non-mix" paints do not

Development Status

- PPG has purchased five (5) second-generation prototype units and is testing them in high-volume refinish shops around the world
- Following successful extended trials, Dedoes will pursue C1D1 (explosion proof) certification, which is necessary prior to launching the product in North America
 - Certification to be provided by Intertek (similar to UL), a leader in the certification industry with over 38,000 people in 1,000 locations in over 100 countries
 - Dedoes has hired an Intertek employee as a consultant even prior to beginning certification process to facilitate a smooth and timely process
 - Certification is expected to take 4-6 months
- Expect production units to be available in Q4 2016
 - Management anticipates a strong ramp-up of this product once introduced to the market
- European and Australian sales will require separate explosion proof certification (IECEX)
 - Expected by the end of FY 2017
- Development of future models already planned
 - Model to handle AkzoNobel non-mix waterborne containers is expected to be completed by the end of FY 2017
 - Prototype lid already developed; final product is expected to require \$200,000 of outside engineering expenses
 - Mix technology product is anticipated by the end of FY 2018
 - Final product is expected to require \$300,000 of outside engineering expenses



Competitive Positioning

- There is no product that offers similar capabilities in the U.S.; only potential competitor is an automatic unit developed by Fillon Technologies SAS, a key competitor headquartered in France
- Significant impediments to adoption in the market for Fillon product
 - Cost for the Fillon product (≈\$35,000) significantly reduces the potential market for the unit
 - Large investment for small and medium shops
 - Cannot generate a reasonable payback period
 - Significantly greater than the anticipated price for the ACET (\$15,000-\$18,000)
 - Fillon's product requires an operator to pour entire portfolio of base OEM paints into special containers (known as "pour-off" in the industry) prior to utilization of the machine
 - Pour-off must occur on-site, since environmental regulations do not allow the transport of paints in Fillon canisters
- No Fillon units currently in use in the U.S.
 - Has not received C1D1 explosion proof certification
 - Has only been successful in German market where refinish shops are more technologically progressive

Anticipated Adoption

- Dedoes introduced the ACET to PPG's North American sales force and to their Platinum-level jobbers (top end distribution network) in February at PPG's annual sales and Platinum shows
 - Management experienced a high level of interest from PPG and their best customers, which will be used as the springboard for the official launch of the system (expected in Q4 of 2016)

Forecast of ACET Sales by Region

(\$ in thousands)	FY 2016F	FY 2017F	FY 2018F	FY 2019F
North America	\$ 210	\$ 1,650	\$ 2,701	\$ 4,950
Europe	-	-	550	1,100
Australia	-	-	50	550
Total	\$ 210	\$ 1,650	\$ 3,300	\$ 6,600
Units	14	110	220	440

*Note: Forecast is for sales of PPG non-mix waterborne model only; subsequent models would yield sales incremental to these figures.
Assumes Intertek Certification Q3 2016, and IECEx Certification by end of 2017.*

- Majority of components are sourced from outside providers
 - Strong volume will not eat into manufacturing capacity for core products
- Revenues from new ACET product will be incremental to existing Dedoes sales

- Major growth opportunity exists with Axalta in the U.S.
 - Estimated to have 32% of the U.S. market
 - Potential incremental revenue in excess of \$5 million per year for the Company
- Axalta puts worldwide contracts out to bid every three years
 - Last bid process separated opportunity into three regions: the Americas, Europe and Asia
 - Formerly decision was made in Europe and influenced by DuPont—then Axalta’s parent, with headquarters in Germany
 - Fillon Technologies was selected to supply the Americas
 - Some geographies make independent purchasing decisions
 - Dedoes continues to supply Axalta in Latin America and Mexico and certain non-mixing machine products in the U.S.
- Dedoes is well positioned to capture the Americas region in the next bid process
 - Dedoes products have a lower landed cost to U.S. locations
 - Supplier selection will be handled by purchasing group at Axalta headquarters in Philadelphia
- Transition to Dedoes would be seamless
 - Dedoes remains in Axalta’s ERP system

Europe

- Significant opportunity exists in Europe (2nd largest market in the world) due to the situation with AEML
- Dedoes provides a much better customer service experience than AEML has been able to provide in the past
 - Customers have expressed a desire for Dedoes to service their accounts in Europe, including AkzoNobel, which represents nearly half of AEML's business in Europe
 - Also serves Valspar, PPG and Renault
 - Due to resource limitations and restrictions in the now cancelled Alliance Contract, Dedoes has not pursued this opportunity
- By establishing a distribution center and hiring marketing/sales resources focused on this market, Dedoes could establish itself as a major player in the European market
 - Would take 12-18 months to lay foundation for European market entry
 - Product would be sourced both from China and the U.S.
- Management estimates revenues of \$2-4 million in the first year of operations in Europe, with the potential for additional growth in the near term
- European operations would be a key strategic step in the rapid growth of the business
 - Positions Dedoes to bid on worldwide contracts with major paint OEMs going forward
 - Would facilitate the worldwide adoption of the ACET equipment

Japan

- Market is estimated to be one-fourth the size of North America
- As a limiting factor, only one motor manufacturer sells an explosion proof model that is certified in Japan
 - Has an exclusive relationship with a Dedoes competitor
- Dedoes is currently pursuing Japanese certification (TIIS) of a motor from another supplier
 - Project has been underway for several years
 - Received UL certification in FY 2014
 - Expect to receive TIIS certification in FY 2016
- Dedoes is forecasting sales will increase from \$300,000 in FY 2017 to \$1.2 million in FY 2019

Australia

- Dedoes generated \$700,000 in sales in Australia in FY 2015 and is forecasting \$1,060 in FY 2016
- PPG is the largest paint OEM in the market, representing approximately 50%
 - Currently purchases refinish storage and mixing equipment from Chinese supplier
 - Dedoes is currently supplying screw-top lids
- Dedoes is seeking to capture 100% of PPG's heated storage cabinet and mixing business
 - Was put up for bid in February 2016; results of bid will not be known for several months
 - Current supplier's products are not explosion proof certified (IECEX); Dedoes product is certified
 - Would generate an additional \$720,000 (180 systems at \$4k per system)
 - Made changes to equipment to satisfy request of PPG
 - Has been working with PPG on this project for three years
 - Using ACET as differentiator

- The strategic acquisitions identified below (not included in the Company's growth forecast) present an opportunity to accelerate growth, bolster customer relationships, and gain better access to new markets

Targeted Add-on Acquisitions

(\$ in millions)				
Target	Website	Estimated Revenues	Estimated Revenues	Comments
Fillon Technologies SAS (Faverolles, France)	www.fillontech.com	\$30 - \$40	France	Global industry leader with 3 production facilities and sales offices around the world; Original family owners sold to CEO and PE investor in 2011
Tecmec (Albairate, Italy)	www.tecmec.com	\$5 - \$10	Italy	Key leaders of business have passed away in recent years; Uncertain future for the business; Has 50% of PPG business in Europe

- Acquisition of Fillon would create a true global competitor with a leading market share in almost every market in the world
 - Would generate key synergies in production, sales and administrative functions

Financial Review



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- The Company receives a review of its financial results each year from the accounting firm Pfeffer Hanniford & Palka, P.C.. In addition, a quality of earnings report was prepared by Grossman Yanak & Ford LLP. Both the annual reviewed financial statements and the quality of earnings report will be made available to prospective purchasers later in the process.
- The financial projections in this Memorandum have been prepared by the Company's management team and reflect its assessment of the Company's prospects from FY2016 through FY2019. By nature, projections reflect estimates and assumptions that are subject to economic and competitive uncertainties beyond the Company's control. While management believes the projections are based on reasonable assumptions, there can be no assurance the projected results will be achieved.
- The Company's forecast contemplates only marginal annual increases/decreases of $\pm 3\%$ for sales of core products to major customers in North America and does not include any potential significant increase in Axalta business related to securing the North American contract. International sales of core products are forecasted to grow at a rate of 11% per year through 2019.
- Results from the Company's affiliate in Brazil were converted into U.S. dollars before inclusion. Balance sheet items were converted using the currency exchange rate as of the applicable date. Income statement items were converted using the average of the exchange rates on the last day of each of the four quarters of the relevant fiscal year.
- Additional notes regarding the Company's accounting policies and procedures can be found on page 71.

Pro Forma Income Statements

(\$ in thousands)	Fiscal Year Ending December 31						
	FY 2013	FY 2014	FY 2015	FY 2016F	FY 2017F	FY 2018F	FY 2019F
Sales							
Core Products	\$ 20,400	\$ 19,701	\$ 19,598	\$ 20,078	\$ 20,652	\$ 21,037	\$ 21,496
ACET	-	-	-	210	1,500	3,000	6,000
Gross Sales	20,400	19,701	19,598	20,288	22,152	24,037	27,496
Freight Income	(401)	(361)	(281)	(288)	(296)	(301)	(308)
Total Net Sales	19,999	19,340	19,317	20,000	21,856	23,736	27,188
Total Cost of Sales	12,994	12,643	12,473	12,944	13,894	14,889	16,682
Gross Profit	7,006	6,696	6,844	7,056	7,962	8,846	10,506
Gross Margin	35.0%	34.6%	35.4%	35.3%	36.4%	37.3%	38.6%
Operating Expenses	2,887	2,783	2,896	3,011	3,178	3,277	3,395
Operating Profit	4,119	3,914	3,947	4,045	4,783	5,569	7,111
Depreciation & Amortization	165	170	188	162	164	165	167
EBITDA	4,284	4,083	4,135	4,208	4,947	5,734	7,278
Contribution from Brazil Affiliate	(68)	101	66	33	33	33	33
Pro Forma EBITDA	\$ 4,216	\$ 4,184	\$ 4,201	\$ 4,241	\$ 4,980	\$ 5,767	\$ 7,311
	21.1%	21.6%	21.7%	21.2%	22.8%	24.3%	26.9%

Pro Forma Operating Expenses

(\$ in thousands)	Fiscal Year Ending December 31						
	FY 2013	FY 2014	FY 2015	FY 2016F	FY 2017F	FY 2018F	FY 2019F
Compensation	\$ 1,538	\$ 1,588	\$ 1,700	\$ 1,708	\$ 1,800	\$ 1,845	\$ 1,891
International Operations	151	125	102	130	150	161	176
Building Maintenance	64	51	49	50	52	53	54
Depreciation & Amortization	151	150	172	146	146	146	146
IT	179	98	121	125	125	125	125
Travel Meals & Entertainment	151	112	97	122	134	145	166
Marketing & Advertising	34	42	31	37	40	43	50
Payroll and Real Estate Taxes	178	175	186	187	201	206	212
Insurance	110	150	154	169	186	205	225
401(k) and Profit Sharing	98	111	120	120	127	130	133
Employee Training & Relations	56	45	50	60	60	60	60
Research & Development	95	40	34	60	60	60	60
Other Operating Expenses	81	95	81	97	97	97	97
Total Operating Expenses	\$ 2,887	\$ 2,783	\$ 2,896	\$ 3,011	\$ 3,178	\$ 3,277	\$ 3,395

Adjustment Description	FY 2013	FY 2014	FY 2015
1 Owner-related	\$ 221	\$ 217	\$ 216
2 Executive Compensation	435	432	281
3 Non-essential Personnel	-	-	-
4 New Product Development	137	340	465
5 Building Rent	259	259	259
6 Capital Items Expensed	472	409	94
7 Non-recurring Professional Fees	-	15	247
8 Rebate and Sales Memo Cut-offs	2	(50)	54
9 Inventory Adjustment	(37)	(64)	-
Total Adjustments	\$ 1,489	\$ 1,558	\$ 1,616

1. Compensation, travel and personal expenses for Nancy Amberger.
2. Compensation above market rate for Dave Pratt (total compensation normalized to \$300,000 per year).
3. Compensation for engineer retiring at the end of May; replacement was hired in August of 2013 and has been groomed to take over position.
4. Revenues and external engineering and certification costs associated with the development, testing and certification of the new ACET product, all of which were expensed as incurred. Internal engineering and R&D expenses are not included in this figure. The product will not be fully launched until Q4 of FY 2016.
5. Rent paid by Dedoes Industries to its affiliated property holding company. The land and buildings are included in the proposed transaction.
6. Tooling and molds that were expensed but should have been capitalized.
7. Legal and investment banking fees related to one-time events, including the patent infringement settlement, the AEML rights purchase and the proposed transaction.
8. Payments and credits related to rebates and sales memos that were not recorded in the appropriate period.
9. Section 263A inventory adjustments

(\$ in thousands)	Fiscal Year Ended December 31		
	2013	2014	2015
Assets			
Accounts Receivable	\$ 4,257	\$ 4,300	\$ 4,912
Prepaid Expenses	-	-	2
Inventory	2,999	3,014	3,021
Inventory - Brazil	22	161	162
Net Fixed Assets	2,058	1,951	1,640
Total Notes Receivable	698	882	743
Non-compete Agreement	1,046	907	767
Other Assets - Brazil	240	130	151
Total Assets	\$ 11,321	\$ 11,346	\$ 11,398
Liabilities			
Accounts Payable	\$ 95	\$ 12	\$ 93
Accounts Payable - Brazil	242	189	187
Accrued Payroll	82	95	106
Accrued Bonuses	170	160	140
Other Liabilities - Brazil	7	18	10
Total Liabilities	588	456	526
Total Equity	10,732	10,890	10,872
Total Liabilities & Equity	\$ 11,321	\$ 11,346	\$ 11,398

Notes:

- › Balance sheets are presented on a cash-free, debt-free basis
- › Assets from the affiliated real estate holdings entity were included at net asset value
- › Equity accounts were adjusted to reflect the cash-free, debt-free presentation of the balance sheets

Historical and Projected Capital Expenditures

(\$ in thousands)	Fiscal Year Ended Dec. 31						
	2013	2014	2015	2016F	2017F	2018F	2019F
<i>Growth</i>							
R&D Expenses - ACET	\$ 137	\$ 289	\$ 353	\$ 300	\$ 200	\$ 200	\$ 100
Certification Expenses - ACET	-	-	119	100	100	100	-
IECEX Certification - ACET	-	-	-	-	127	-	-
C1D1 Certification - ACET	-	-	-	67	-	-	-
Prototype - ACET	-	-	-	60	-	-	-
<i>Total Growth Cap Ex</i>	<i>137</i>	<i>289</i>	<i>472</i>	<i>527</i>	<i>427</i>	<i>300</i>	<i>100</i>
<i>Maintenance & Productivity</i>							
IT Hardware & Software	-	-	-	75	50	50	50
Roof Repairs	-	-	-	30	-	-	-
Productivity/ Lean Improvements	-	-	9	10	10	10	10
Lighting Upgrade	15	-	-	-	-	-	-
Compressed Air Upgrades	-	-	-	13	30	-	-
Paint Line Upgrades	-	15	9	19	10	5	5
Parking Lot Repairs	-	-	-	10	-	-	100
Forklift	-	-	-	-	30	-	30
Oven Upgrades	58	-	-	-	-	-	-
Dock Leveler	-	-	-	13	-	-	-
Tooling/Dies	97	138	27	60	60	60	60
<i>Total Maintenance Cap Ex</i>	<i>170</i>	<i>153</i>	<i>45</i>	<i>230</i>	<i>190</i>	<i>125</i>	<i>255</i>
Total Capital Expenditures	\$ 307	\$ 442	\$ 517	\$ 757	\$ 617	\$ 425	\$ 355

Notes:

- › Historical capital expenditure figures may not be representative of total capital expenditures actually made, as the Company has historically expensed almost all such investments. Not all expensed items have been analyzed and captured in this table.
- › Historically, the Company has not capitalized expenditures related to the development of the ACET. Accordingly, no depreciation has been recognized in the historical periods for these expenditures. For consistency, these expenditures were treated in the same manner in the forecast periods.

▪ Inventory

- The Company does not capitalize labor and OH into finished goods inventory
 - Potential impact of recognition is largely muted due to:
 - Stability in inventory levels
 - Stability in direct labor costs
 - Rapid turn of active products manufactured (approximately 2 weeks)
- All inventory is revalued weekly based on most recent invoiced PO for raw materials
- The Company performs rigorous cycle counts weekly on WIP and finished goods
- Dedoes does have inventory on consignment at customer locations totaling approximately \$450,000
 - Monthly reconciliation reports
- Dedoes owns 100% of Broncorp's inventory (raw, WIP and finished goods)

▪ Capitalization of expenditures

- The Company does not have a formal capitalization policy and expenses virtually all expenditures related to capital items

▪ Amortization

- Relates to non-compete agreement with a former shareholder that expired in 2013 (7-year term)
- Balance sheet account will be fully amortized in 2020

▪ Tax reporting

- Management has weighed the risks and benefits associated with reporting in all potential jurisdictions that may require it, but has decided to report only in Michigan and Colorado, recognizing there may be nexus issues in other jurisdictions
- State tax audit in 2015 covering prior four years resulted in findings of only approximately \$8,000