

## ThruThink Deal Score<sup>SM</sup>

**B**

Deal Name: Case Study 1

Effective Date: May 01, 2017

Time Horizon of Deal: 10 Years

Project Calculation #: 3c8ce91c-OK

The ThruThink Evaluation<sup>SM</sup> and ThruThink Deal Score<sup>SM</sup> are expressed as opinion only and do not provide any representation, warranties or guarantees about the outcome of the Users business.

*Additional Information Inputs are missing-See Information Browser for Deal Score Additional Inputs  
Historical Worksheet data is incomplete and more data may change the Deal Score*

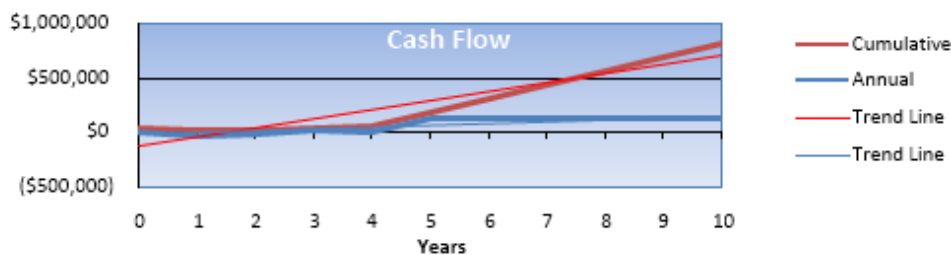
## ThruThink Evaluation<sup>SM</sup> Comments:

(Surplus) Funds are generated from initial Transaction \$ (3,350)  
Will be refunded to equity owners in initial Transaction process

### Cash Flow

Component Score  
**C**

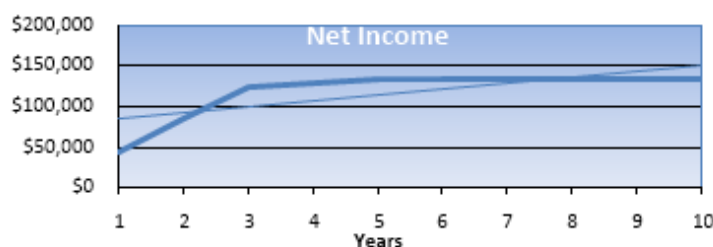
Annual Cash Flow goes negative  
Cumulative Cash Flow is not a detracting factor  
Annual Cash Flow trends well from one year to another  
Cumulative Cash drops below Beginning Cash



### Net Income

Component Score  
**A**

Net Income growth projection is Moderate  
Net Income percent of EBITDA is OK  
Net Income percent of Total Assets is excellent  
Net Income trend does not relate well on a year to year comparison  
Projection trend is positive the overall trend being excellent



## Adjusted EBITDA\*

EBITDA Historical Growth Trend is not a detracting factor

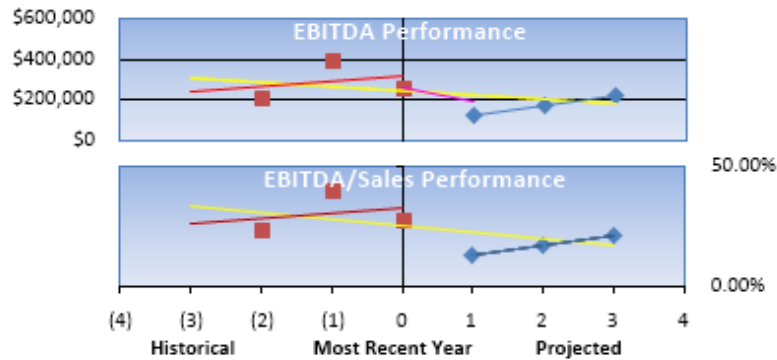
Future EBITDA Growth Trend is not a detracting factor

Historical & Future EBITDA Performance is not well correlated

Future EBITDA is steady, but the trend with Historical EBITDA is somewhat inconsistent

EBITDA to Sales projections are aggressive when compared to historical performance

\*Adjusted EBITDA includes User Inputs for uncompensated Owner expense (See Summary of Salient Results)



Component Score  
A

Component Score  
B

## Adjusted EBIT\* to Total Assets

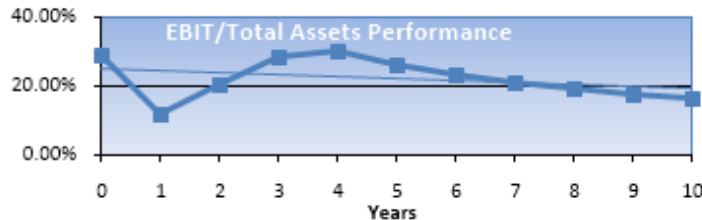
Overall Average EBIT/Total Assets over Horizon Period is Excellent

1st year growth projection from Current is Very Conservative

Overall average growth projection is Very Conservative

EBIT/Total Asset Projections are not correlated with each other

\*Adjusted EBIT includes User Inputs for uncompensated Owner expense (See Summary of Salient Results)

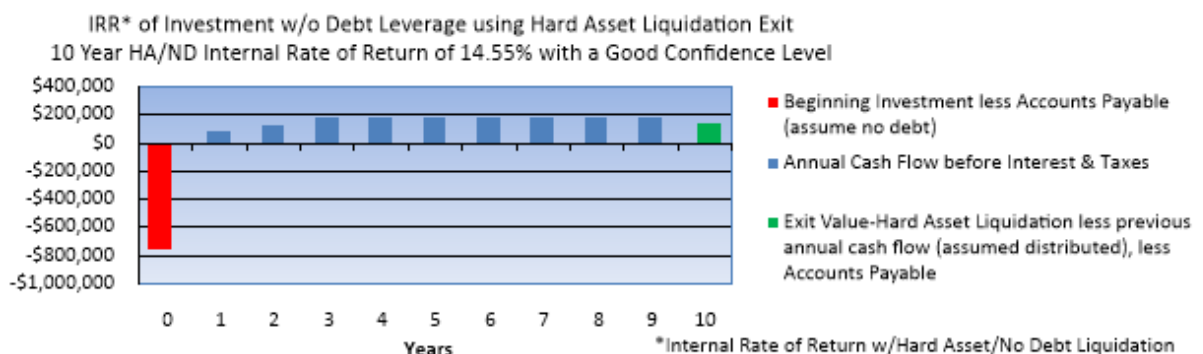


Component Score  
B

Component Score  
B

## Rate of Return compared to a Safe Investment

15% Internal Rate of Return for business operations using annual Cash Flow before interest and taxes with Hard Asset Liquidation (book value w/o Amortized Assets) at Horizon Year exit. There is a Good Confidence Level for Historic Performance vs Projected Performance, and results in a Less than Sufficient Risk Return

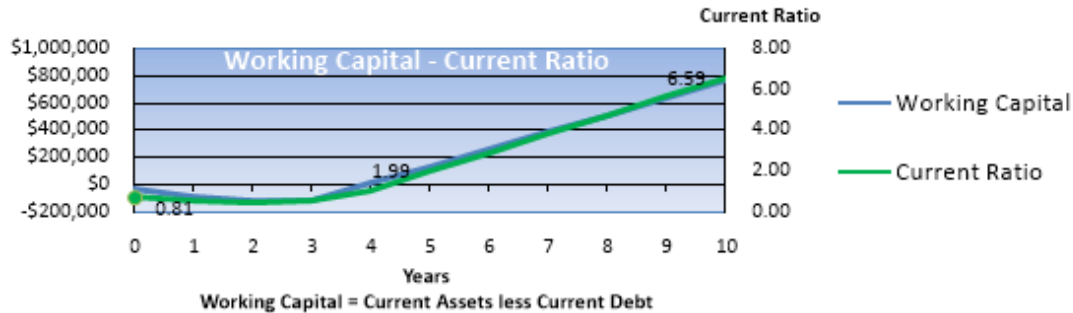


## Working Capital

## Component Score

D

- Beginning short term debt level is high, however total debt related to EBITDA is OK
- Beginning Current Assets to Current Liabilities is negative
- Average Ratio of Current Assets to Current Liabilities over the Horizon Years is excellent
- The Trend for the ratio of Current Assets to Current Liabilities for Year 1 is negative
- The Trend for Working Capital over the Horizon Years is excellent

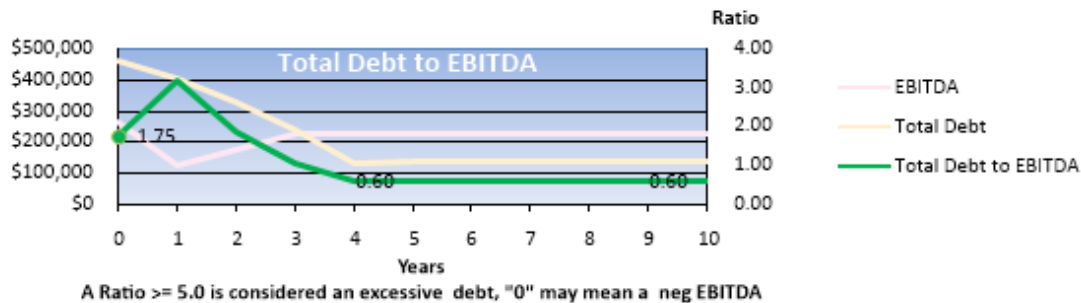


## Total Debt

## Component Score

A

- Beginning Total Debt to EBITDA is excellent
- Projected Average Total Debt to EBITDA through year 10 is excellent



## Other Factors - See Step 7:

## Component Score

A

A

A

- Management Quality/Independence from Owner
- Amount of UnCompensated Owner Contribution
- Time to Liquidate Company