

ThruThink Deal ScoreSM

F

Deal Name: Case Study 2

Effective Date: May 01, 2017

Time Horizon of Deal: 10 Years

Project Calculation #: 43247d8a-OK

The ThruThink EvaluationSM and ThruThink Deal ScoreSM are expressed as opinion only and do not provide any representation, warranties or guarantees about the outcome of the Users business.

ThruThink EvaluationSM Comments:

Equity Cash Contributed \$ 8,000,000

Cash Flow

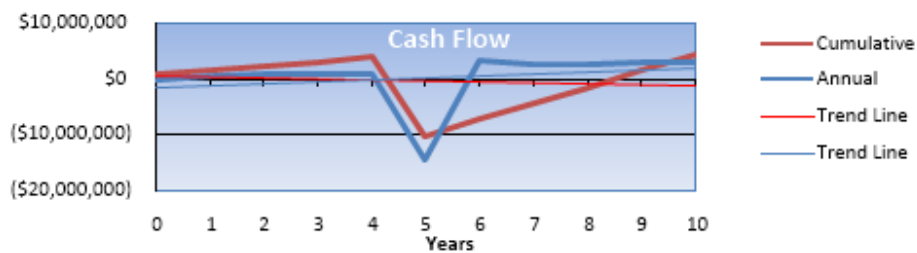
Component Score
F

Annual Cash Flow goes negative

Cumulative Cash Flow Performance has a negative trend

Annual Cash Flow trend does not relate well on a year to year comparison

Cumulative Cash goes negative-runs out of cash



Net Income

Component Score
F

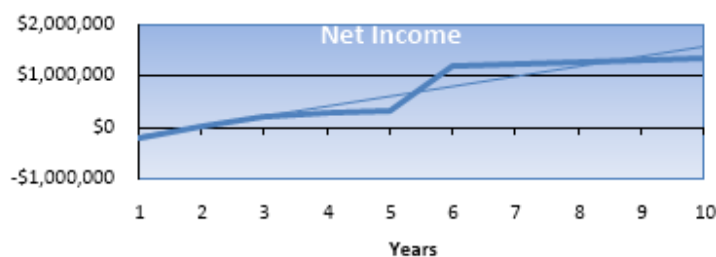
Net Income growth projection is Aggressive

Net Income percent of EBITDA is very low

Net Income percent of Total Assets is low

Net Income trends well from one year to another

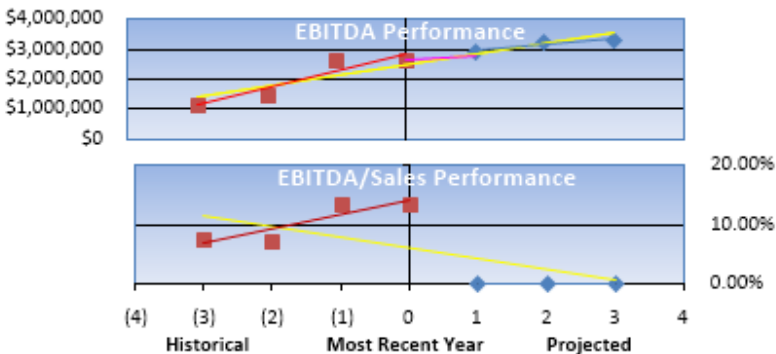
Projection trend is positive from a negative start but contains annual losses with



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 well correlated
- Future EBITDA is consistent and represents Historical EBITDA
- 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)



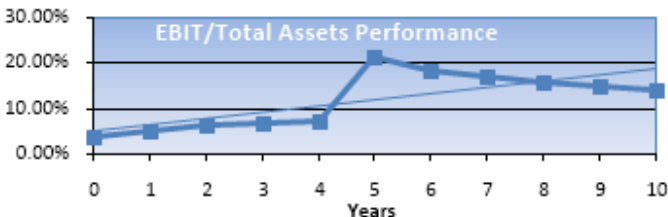
Component Score
A

Component Score
B

Adjusted EBIT* to Total Assets

- Overall Average EBIT/Total Assets over Horizon Period is Good
- 1st year growth projection from Current is Very Conservative
- Overall average growth projection is Very Conservative
- EBIT/Total Asset Projections are not well correlated with each other

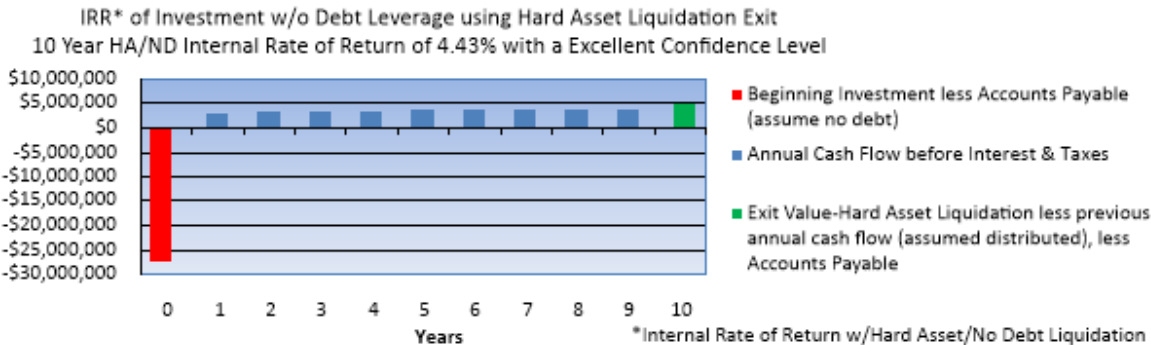
*Adjusted EBIT includes User Inputs for uncompensated Owner expense (See Summary of Salient Results)



Component Score
F

Rate of Return compared to a Safe Investment

4% 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 Excellent Confidence Level for Historic Performance vs Projected Performance, and results in an Insufficient Risk Return

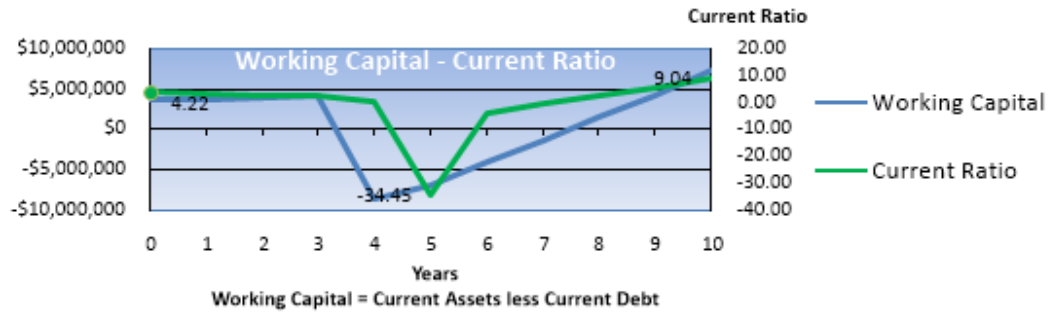


Working Capital

Component Score

C

Beginning short term debt level is OK, however total debt related to EBITDA is high
Beginning ratio of Current Assets to Current Liabilities is excelent
Average Current Assets to Current Liabilities over the Horizon Years is negative
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 excelent

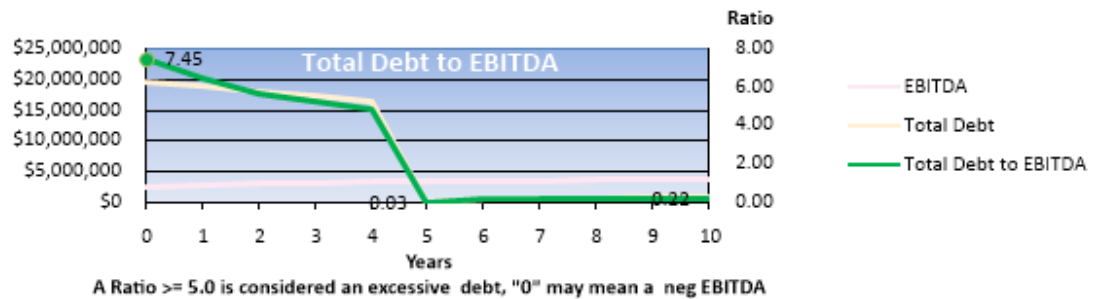


Total Debt

Component Score

F

Beginning Total Debt to EBITDA indicates initial leverage is excessive
Projected Average Total Debt to EBITDA through year 10 needs Improvement



Other Factors - See Step 7:

Component Score

N/A

Management Quality/Independence from Owner

A

Amount of UnCompensated Owner Contribution

N/A

Time to Liquidate Company