

ThruThink Deal ScoreSM

C

Deal Name: Case Study 3

Effective Date: May 01, 2017

Time Horizon of Deal: 3 Years

Project Calculation #: 8e93e68d-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.

Historical Worksheet data is incomplete and more data may change the Deal Score

ThruThink EvaluationSM Comments:

(Surplus) Funds are generated from initial Transaction

\$ (15,000)

Will be refunded to equity owners in initial Transaction process

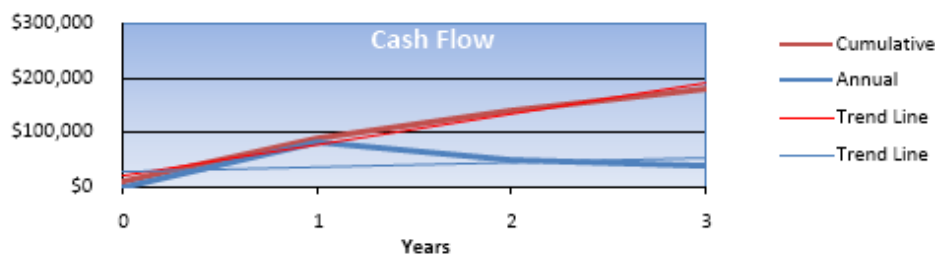
Cash Flow

Component Score
A

Annual Cash Flow is not a detracting factor

Cumulative Cash Flow is not a detracting factor

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



Net Income

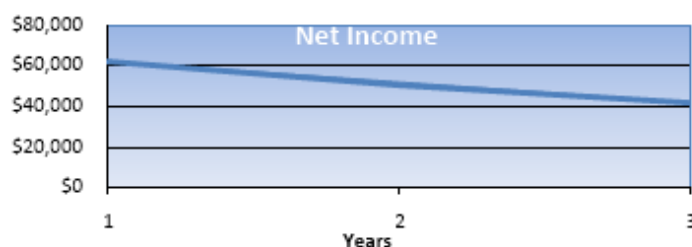
Component Score
C

Net Income percent of EBITDA is excellent

Net Income percent of Total Assets is OK

Net Income trends well from one year to another but the projection trend is negative

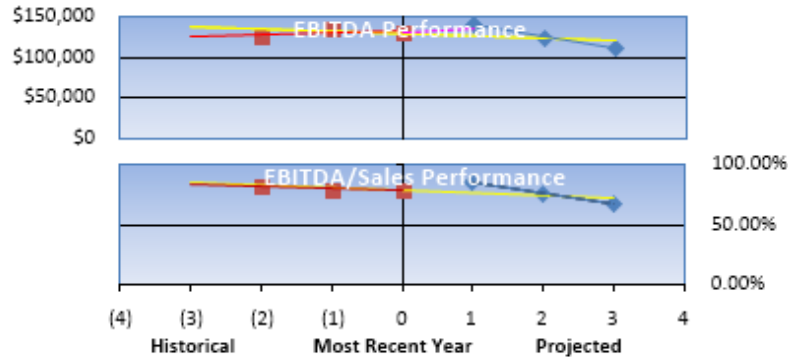
Projection shows no growth the overall trend being slow



Adjusted EBITDA*

EBITDA Historical growth Trend is positive but on the slow side
 Future EBITDA Performance has a negative trend
 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)



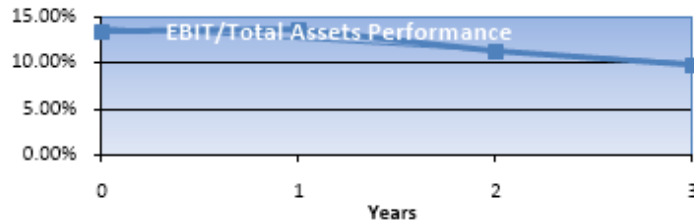
Component Score
B

Component Score
A

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 extremely well correlated with each other

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



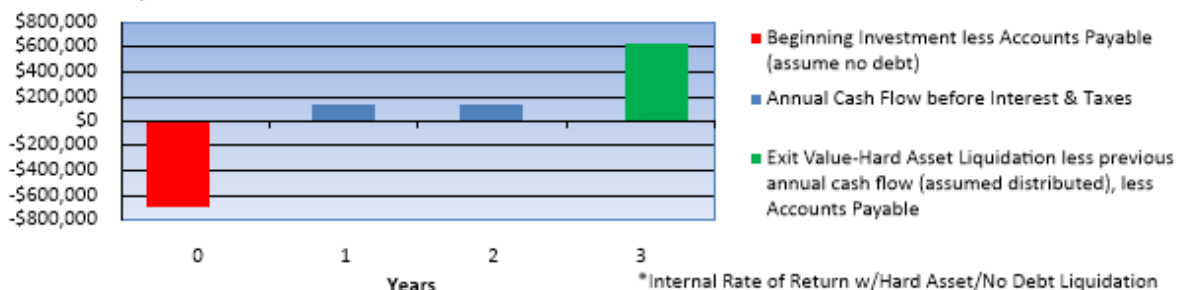
Component Score
A

Component Score
F

Rate of Return compared to a Safe Investment

9% 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 an Insufficient Risk Return

IRR* of Investment w/o Debt Leverage using Hard Asset Liquidation Exit
 3 Year HA/ND Internal Rate of Return of 8.84% with a Good Confidence Level



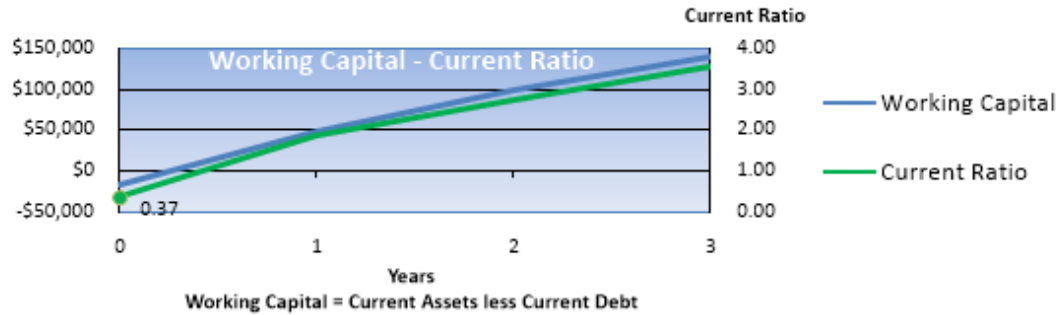
*Internal Rate of Return w/Hard Asset/No Debt Liquidation

Working Capital

Beginning short term debt level is high, total debt related to EBITDA is high
 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 Working Capital over the Horizon Years is excellent

Component Score

C

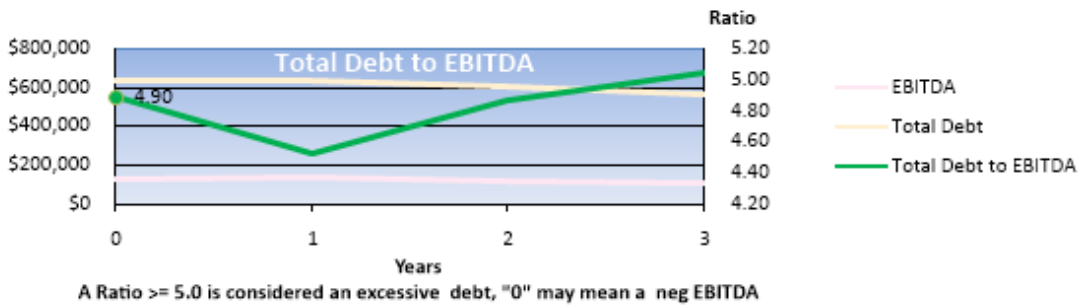


Total Debt

Beginning Total Debt to EBITDA needs improvement
 Projected Average Total Debt to EBITDA through year 3 needs Improvement

Component Score

F



Other Factors - See Step 7:

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

Component Score

A

A

A