

Cash Flow Control Projection

Beginning Reference Point:
May 1, 2017

Case Study 2 Project Calculation # 43247d8a-OK

Acquisition of Mfg Company

\$ 26,578,612

Value based on 100% of Company

Sales-Accrual

% Growth Override (Total Sales)

Total General Sales Manual Override

Total General Sales

Annual Growth Result

Individually Scheduled Sales

Total Individually Scheduled Sales

Beg Base Sales

\$ 19,500,000

Total All Sales

Cost of Goods Sold (COGS)

General COGS-% of General Sales Override

General Cost of Goods Sold

COGS % of Sales

Individually Scheduled COGS

Total Individually Scheduled COGS

Total All COGS

Total All COGS

Gross Margin

Gross Margin

% of Sales

Operating & Overhead Expense

Direct Operating Expense Override - % of Sales

% of Total All Sales (Before Int & Deprec)

Operating Expense from Current Inputs

Additional Operating/Overhead Expenses

Total Operating/Overhead Expense

Operating/Overhead Expense % of Sales Result

See Information Browser for Inputs

Lease on Real Property Assets

See Step 7

Total Operating/Overhead Expenses

Other (Income) Expense from AJE's

EBITDA-Accrual

EBITDA Override

Step 3 % EBITDA Growth Inputs

Whole Number Override Input

Target Company % Increase Override of Prior Year

Target Company EBITDA Override Result

Step 3 Inputs for Target Company

Inputs Not Available

Beg Base EBITDA

Total EBITDA-Accrual

\$ 2,650,000

Total EBITDA (a)

EBITDA - % of Sales

13.59%

% of Sales

% over Prior Year

Purchase Target Company

Acquisition of Mfg Company

Annual Cash Flow	Annual Cash Flow	Annual Cash Flow	Annual Cash Flow	Annual Cash Flow	Annual Cash Flow	Annual Cash Flow	Annual Cash Flow	Annual Cash Flow	Annual Cash Flow
478,859	770,359	866,554	932,608	(14,381,459)	3,320,333	2,802,041	2,844,769	2,888,351	2,932,805
YE Cash Balance	YE Cash Balance	YE Cash Balance	YE Cash Balance	YE Cash Balance	YE Cash Balance	YE Cash Balance	YE Cash Balance	YE Cash Balance	YE Cash Balance
1,478,859	2,249,219	3,115,773	4,048,382	(10,333,078)	(7,012,745)	(4,210,704)	(1,365,935)	1,522,416	4,455,220
Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
EBITDA Override In Place	EBITDA Override In Place	EBITDA Override In Place	EBITDA Override In Place	EBITDA Override In Place	EBITDA Override In Place	EBITDA Override In Place	EBITDA Override In Place	EBITDA Override In Place	EBITDA Override In Place
	10.00%	15.00%							
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
-	-	-	-	-	-	-	-	-	-
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
-	-	-	-	-	-	-	-	-	-
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
EBITDA Override	EBITDA Override	EBITDA Override	EBITDA Override	EBITDA Override	EBITDA Override	EBITDA Override	EBITDA Override	EBITDA Override	EBITDA Override
0	0	0	0	0	0	0	0	0	0
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
-	-	-	-	-	-	-	-	-	-
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
EBITDA Override	EBITDA Override	EBITDA Override	EBITDA Override	EBITDA Override	EBITDA Override	EBITDA Override	EBITDA Override	EBITDA Override	EBITDA Override
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0	0	0	0	0	0	0	0	0	0
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10.00%	10.00%	3.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
2,915,000	3,206,500	3,302,695	3,368,749	3,436,124	3,504,846	3,574,943	3,646,442	3,719,371	3,793,758
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
2,915,000	3,206,500	3,302,695	3,368,749	3,436,124	3,504,846	3,574,943	3,646,442	3,719,371	3,793,758
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10.00%	10.00%	3.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%

Cash Flow Control Projection

Beginning Reference Point:
May 1, 2017

Case Study 2 Project Calculation # 43247d8a-OK

Acquisition of Mfg Company

\$ 26,578,612
Value based on 100% of Company

Annual Cash Flow	Annual Cash Flow	Annual Cash Flow	Annual Cash Flow	Annual Cash Flow	Annual Cash Flow	Annual Cash Flow	Annual Cash Flow	Annual Cash Flow	Annual Cash Flow
478,859	770,359	866,554	932,608	(14,381,459)	3,320,333	2,802,041	2,844,769	2,888,351	2,932,805
YE Cash Balance	YE Cash Balance	YE Cash Balance	YE Cash Balance	YE Cash Balance	YE Cash Balance	YE Cash Balance	YE Cash Balance	YE Cash Balance	YE Cash Balance
1,478,859	2,249,219	3,115,773	4,048,382	(10,333,078)	(7,012,745)	(4,210,704)	(1,365,935)	1,522,416	4,455,220
Year	Year	Year	Year	Year	Year	Year	Year	Year	Year
1	2	3	4	5	6	7	8	9	10

Other Cash Flow Items

(Increase) Decrease in Cash

Accounts Receivable/Inventory Change

Other Current Asset Invested (Received)

Other Manual Investment (Pmts Received)

End of Year Balance \$

Beg Balance

(a)	0	0	0	0	0	0	0	0	0	0
(a)	0	0	0	0	0	0	0	0	0	0
(a)										
	0	0	0	0	0	0	0	0	0	0

Securities/Notes Receivable Invested (Received)

(a)	0	0	0	0	0	0	0	0	0	0
-----	---	---	---	---	---	---	---	---	---	---

Debt Payments

See Step 6 for Debt Inputs

Accounts Payable

A/P Change (Increase-Source), Decrease-Use of Funds \$

End of Year Balance

Beg Balance

(a)	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0

Loan Triggers-Check to Use A/R Loan each Year

End of Year A/R Debt Balance

	0	0	0	0	0	0	0	0	0	0
--	---	---	---	---	---	---	---	---	---	---

Loan Triggers-Check to Use Inventory Loan each Year

Inventory Debt

End of Year Inv Debt Balance

A/R and Inventory Interest Paid

(a)	0	0	0	0	0	0	0	0	0	0
(a)	0	0	0	0	0	0	0	0	0	0

Other Current Debt Scheduled Payments

Manual Additional Debt Pymt's (Draws)

End of Year Debt Balance \$

Beg Balance

(a)	0	0	0	0	0	0	0	0	0	0
(a)										
	0	0	0	0	0	0	0	0	0	0

Equipment Debt Scheduled Payments

Manual Additional Debt Pymt's (Draws)

End of Year Debt Balance \$

Beg Balance

(a)	0	0	0	0	0	0	0	0	0	0
(a)										
	0	0	0	0	0	0	0	0	0	0

Building and Imp Debt Scheduled Payments

Manual Additional Debt Pymt's (Draws)

End of Year Debt Balance \$

Beg Balance

(a)	0	0	0	0	0	0	0	0	0	0
(a)										
	0	0	0	0	0	0	0	0	0	0

Real Estate Debt Scheduled Payments

Manual Additional Debt Pymt's (Draws)

End of Year Debt Balance \$

Beg Balance

(a)	0	0	0	0	0	0	0	0	0	0
(a)										
	0	0	0	0	0	0	0	0	0	0

Other Transaction Debt Scheduled Payments

Manual Additional Debt Pymt's (Draws)

End of Year Debt Balance \$

End of Year Accrued Interest

Beg Balance

(a)	0	0	0	0	0	0	0	0	0	0
(a)										
	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0

Other Long Term Debt Scheduled Payments

Manual Additional Debt Pymt's

End of Year Debt Balance \$

Beg Balance

(a)	0	0	0	0	0	0	0	0	0	0
(a)										
	0	0	0	0	0	0	0	0	0	0

Subordinated Debt Scheduled Payments

Manual Additional Debt Pymt's (Draws)

End of Year Debt Balance \$

End of Year Accrued Regular Interest

End of Year Accrued PIK Interest

Pre-Payment Penalty

Reg Sched PIK Payment

Warrants Paid

Beg Balance

8,000,000

(a)	960,000	960,000	960,000	960,000	8,960,000	0	0	0	0	0
(a)										
	8,000,000	8,000,000	8,000,000	8,000,000	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0
	0	0	0	0	0	0	0	0	0	0
(a)	0	0	0	0	0	0	0	0	0	0
(a)	0	0	0	0	0	0	0	0	0	0
(a)	0	0	0	0	0	0	0	0	0	0

Possible Sub Debt Availability

Max Senior & Sub Debt 3.00

EBITDA Multiple

745,000	1,619,500	1,908,085	2,106,247	10,308,372	10,514,539	10,724,830	10,939,326	11,158,113	11,381,275
---------	-----------	-----------	-----------	------------	------------	------------	------------	------------	------------

Cash Flow Control Projection

Beginning Reference Point:
May 1, 2017

Case Study 2 Project Calculation # 43247d8a-OK

Purchase Target Company

Acquisition of Mfg Company

Acquisition of Mfg Company

\$ 26,578,612

Value based on 100% of Company

EBITDA Multiple

Seller Debt Scheduled Payments

Additional Payment due to Earn Out or Interest Rate Increase
Manual Additional Debt Pymt's (Draws)

Beg Balance
5,000,000

End of Year Purchase Note Balance \$
Performance Note End of Year Balance
End of Year Accrued Interest

Equity Debt Scheduled Payments

Manual Additional Debt Pymt's (Draws)

Beg Balance
6,750,000

End of Year Debt Balance \$
End of Year Accrued Interest

CapEx, Taxes and Other Items

Capital Expenditures (Sales)

See Step 7

Income Taxes

See Other Interest Paid

Other Interest & General Indiv Sched Int Paid

See Step 7

AJE entries-(Excludes items listed separately)

See Step 7

Non expense Cash Draws (Contributions)

Cash Flow

Annual Cash Flow
Ending Cash Balance

Beg Cash Balance
\$1,000,000

(a) Items that equal Cash Flow calculation (Annual
Cash Flow = EBITDA less (a))

UnHappy with Cash. See Help-Cash
Weekly/Monthly Cash Flow -See Information Graphs

	Annual Cash Flow 478,859	Annual Cash Flow 770,359	Annual Cash Flow 866,554	Annual Cash Flow 932,608	Annual Cash Flow (14,381,459)	Annual Cash Flow 3,320,333	Annual Cash Flow 2,802,041	Annual Cash Flow 2,844,769	Annual Cash Flow 2,888,351	Annual Cash Flow 2,932,805
	YE Cash Balance 1,478,859	YE Cash Balance 2,249,219	YE Cash Balance 3,115,773	YE Cash Balance 4,048,382	YE Cash Balance (10,333,078)	YE Cash Balance (7,012,745)	YE Cash Balance (4,210,704)	YE Cash Balance (1,365,935)	YE Cash Balance 1,522,416	YE Cash Balance 4,455,220
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
(a)	1,476,141	1,476,141	1,476,141	1,476,141	0	0	0	0	0	0
(a)	0	0	0	0	0	0	0	0	0	0
(a)	3,873,859	2,668,889	1,379,571	0	0	0	0	0	0	0
	26,500	55,650	65,270	71,875	78,612	78,612	78,612	78,612	78,612	80,971
	0	795	2,465	4,423	6,579	8,937	11,296	13,654	16,012	16,012
(a)	0	0	0	0	8,775,000	0	0	0	0	0
(a)	0	0	0	0	0	0	0	0	0	0
	6,750,000	6,750,000	6,750,000	6,750,000	0	0	0	0	0	0
	405,000	810,000	1,215,000	1,620,000	0	0	0	0	0	0
(a)	0	0	0	0	0	0	0	0	0	0
(a)	0	0	0	0	82,583	184,514	772,902	801,674	831,020	860,954
(a)	0	0	0	0	0	0	0	0	0	0
(a)	0	0	0	0	0	0	0	0	0	0
(a)	0	0	0	0	0	0	0	0	0	0
(a)	478,859	770,359	866,554	932,608	(14,381,459)	3,320,333	2,802,041	2,844,769	2,888,351	2,932,805
	1,478,859	2,249,219	3,115,773	4,048,382	(10,333,078)	(7,012,745)	(4,210,704)	(1,365,935)	1,522,416	4,455,220