

Hufcor, Inc. Monthly Operating Review

Month Ended May 31, 2020

June 25, 2020

1. The Hufcor team has continued to respond to the COVID-19 disruptions, managing through a very challenging environment. The business has been positioned to control costs & conserve cash through the end of Q2 with a strong commercial push going forward
2. In May, Janesville reverted back to full production schedule effective 5/18/20, with the original goal to add production capacity to second shift by the end of Q2. We achieved significant output increases in the month of May, but we now believe we can meet production goals through increased productivity / reduced costs without production on a second shift
3. Meaningful improvements in Janesville quality procedures, led by Nick Ackley, to improve overall customer experience
4. Hufcor financial performance was positively impacted by return to production levels & April production billing out in May
 - Net Revenue of \$11.1 mm vs AOP of \$12.7 mm, however in line with \$11.4 mm forecast at the end of Q1
 - Bank EBITDA of \$0.9 mm vs AOP of \$0.5 mm and original forecast of \$0.1 mm
 - Complete bottoms-up re-forecast of remaining months in 2020 in process, with “first look” at 2021 included in the exercise

PRIMARY DEVELOPMENTS SINCE OUR LAST MOR

Domestic Overview

- 8 confirmed COVID-19 cases (6 union, 2 non-union) in Janesville
- Forced manufacturing shut-down week of June 8th to complete COVID testing for 100% of facility
- PPE protocol increased to prevent future prolonged shut-downs
- Operations team executed strong recovery in weeks since shut-down

International Overview

- Engaged Randy Teo to assist in HAP strategy
- While all international locations have seen a drop in securements (given government-forced shut-downs), operators have performed well – particularly in Europe & Malaysia
- Significant focus on increasing backlog in all locations

Admin / Back-Office Overview

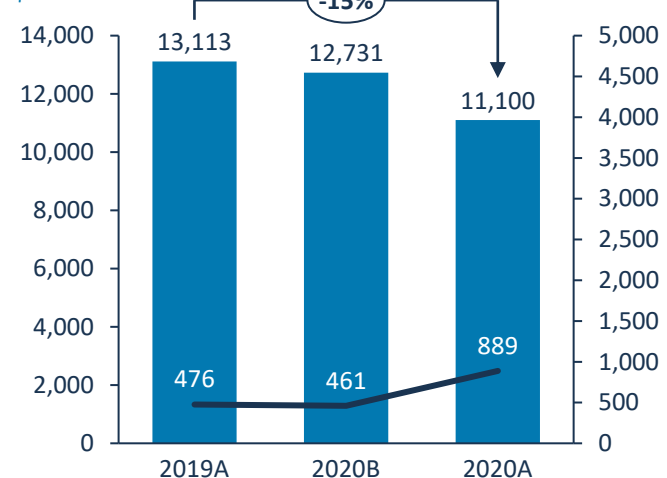
- Continued focus & investment in commercial strategy
- VP of HR resigned mid-June; launched search for HR replacement week of 6/22/20
- Cost controls remain in all areas in light of production / revenue declines
- Furloughs enacted mid-June in response to forced Janesville shut-down

HUFCOR Monthly financial metrics

Forecast from OGC LP
Meeting for 7 months
June – December + 5
months actual

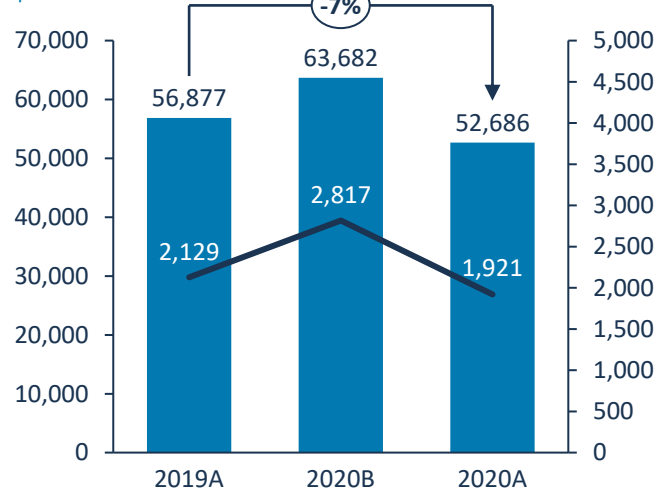
April MTD

\$000s



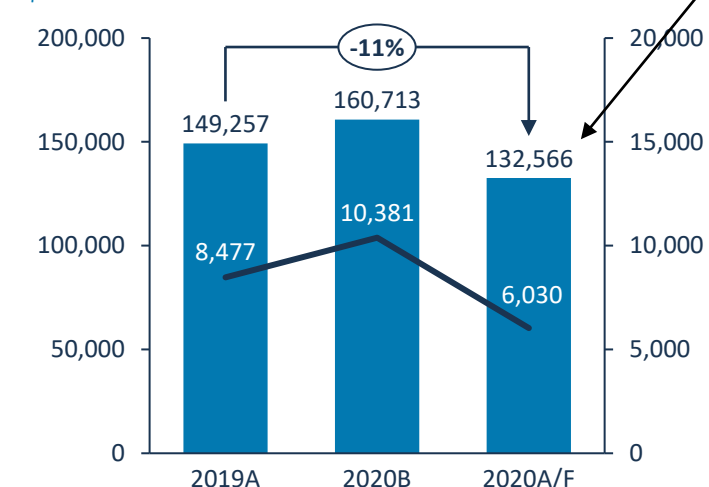
April YTD

\$000s



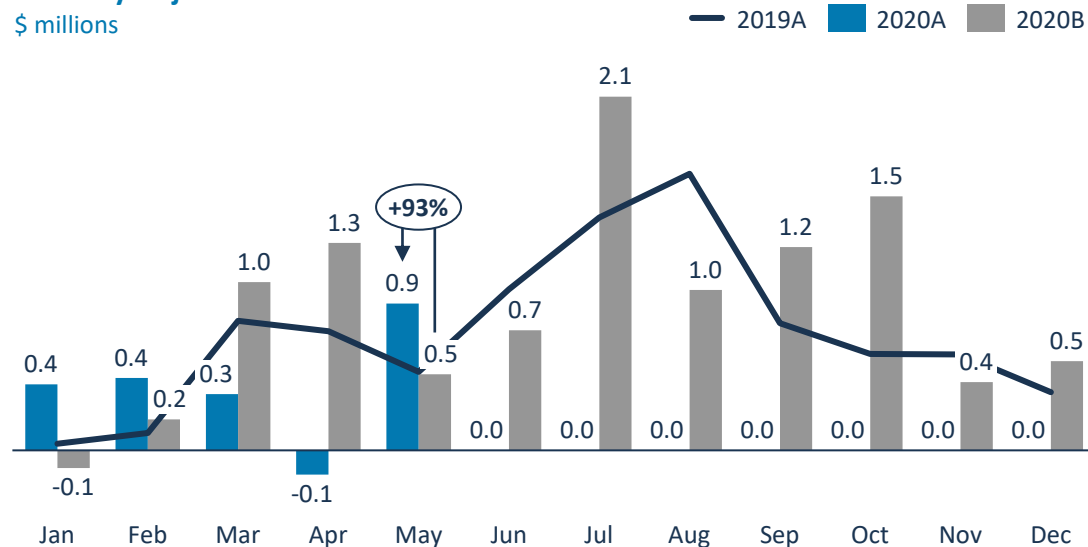
Full Year Forecast

\$000s



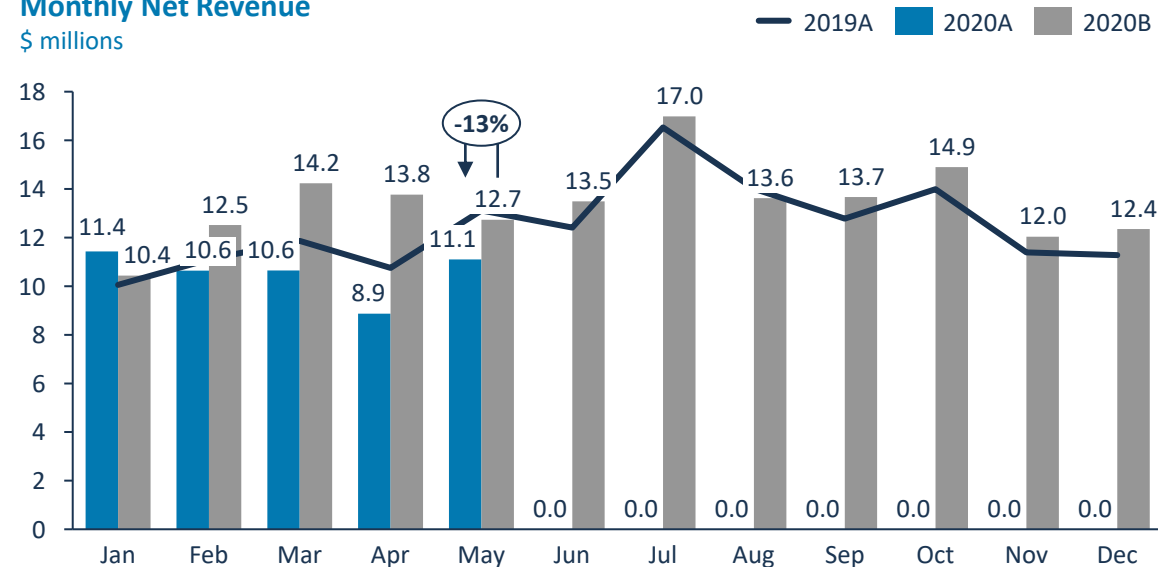
Monthly Adjusted EBITDA

\$ millions



Monthly Net Revenue

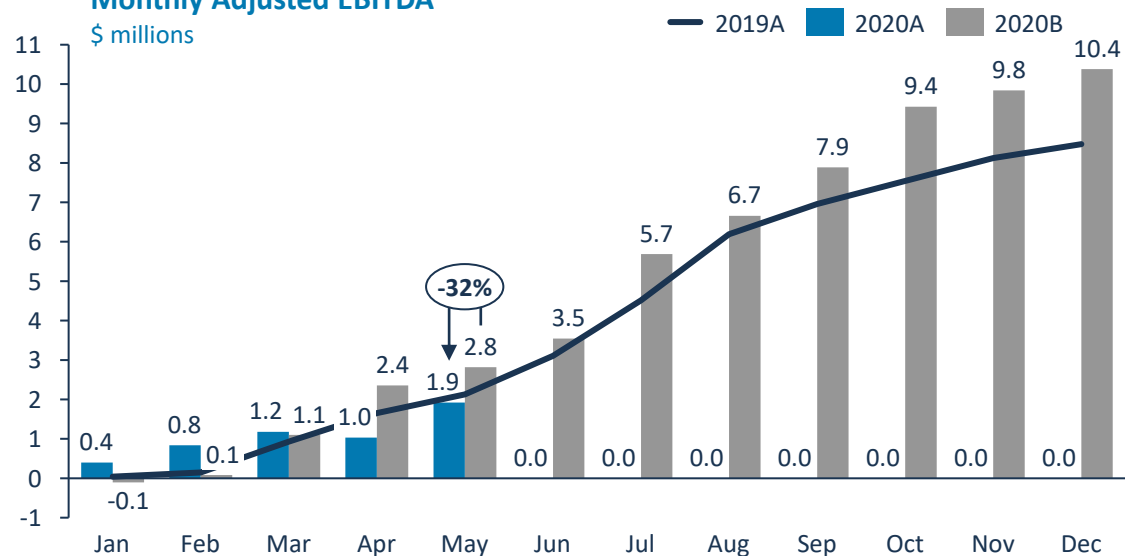
\$ millions



HUFCOR Monthly financial metrics

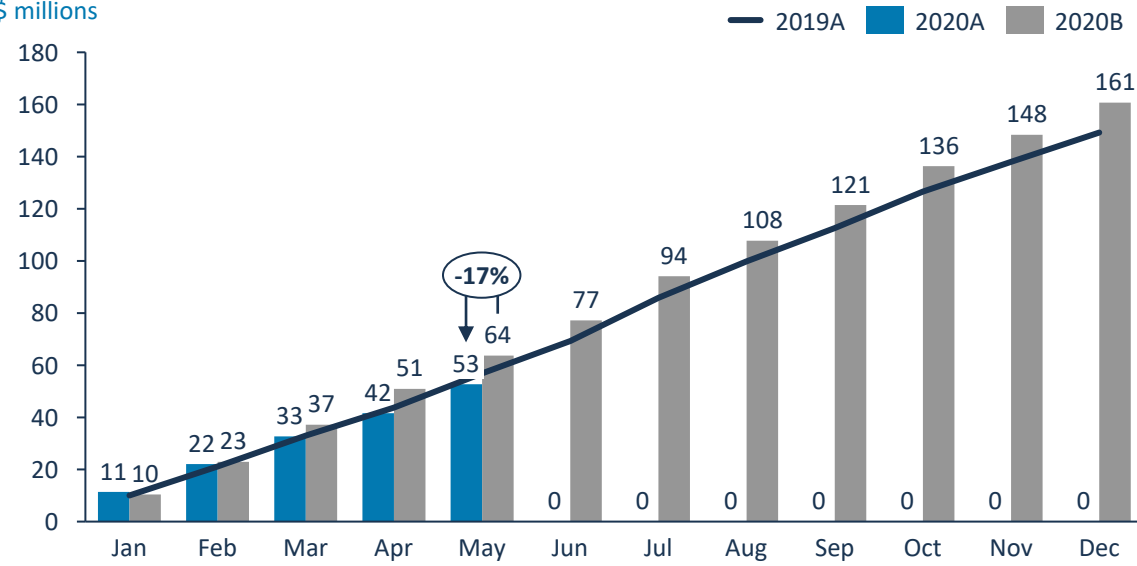
Monthly Adjusted EBITDA

\$ millions



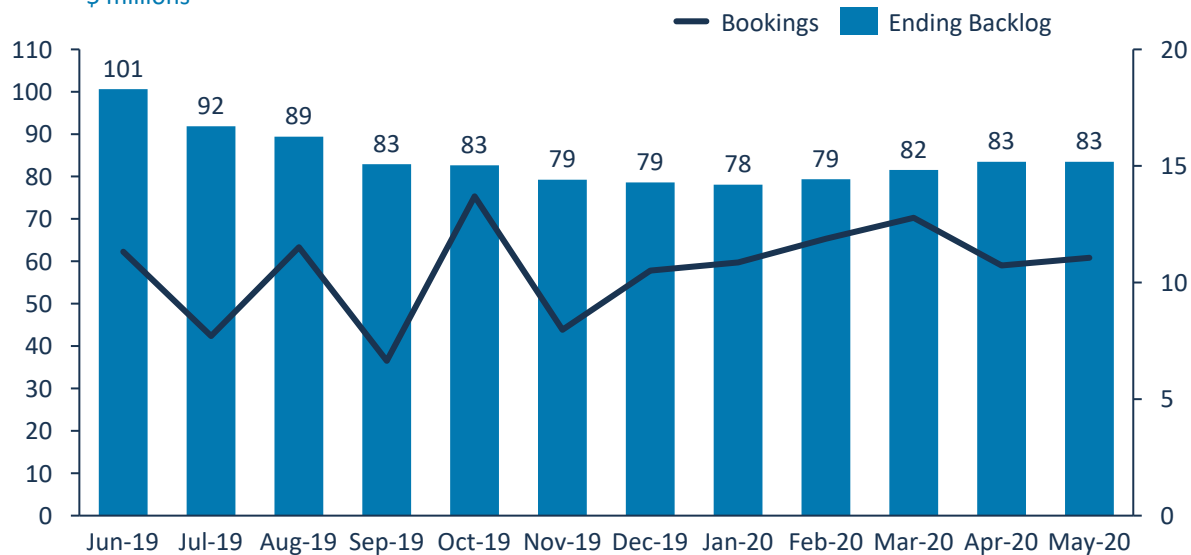
Monthly Net Revenue

\$ millions



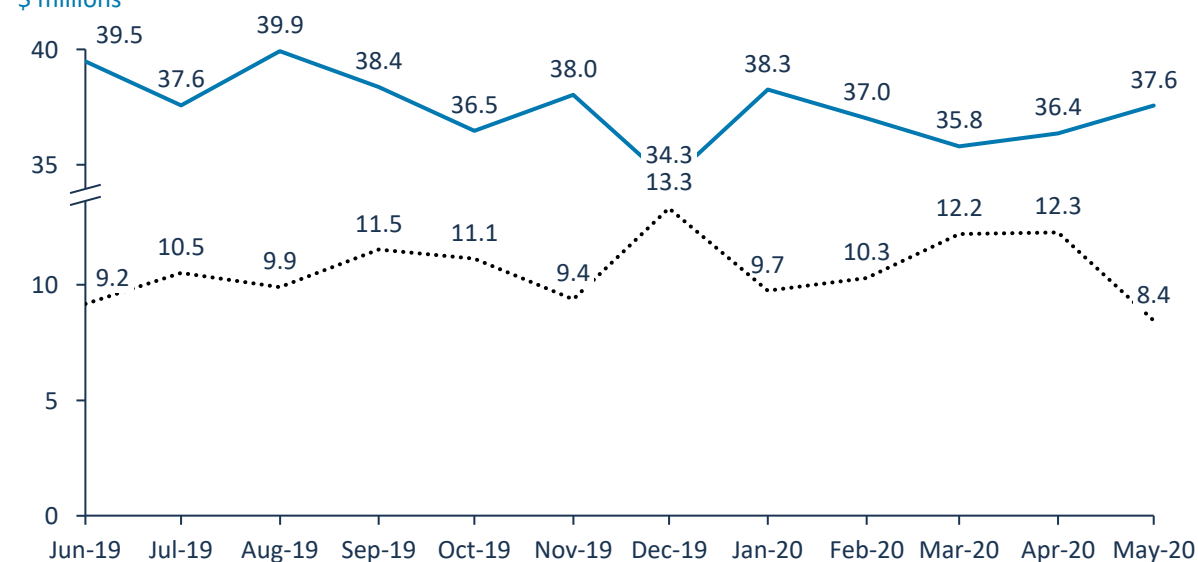
Order Intake

\$ millions



Liquidity

\$ millions



Month 5

Financials – May 2020

HUFCOR May P&L Performance

\$'000	MTD		Variance		PY MTD		Variance		YTD		Variance		PY YTD		Variance	
	Act	Bud	\$	%	Act	\$	%	Act	Bud	%	Act	%	Act	%		
Net Revenue	11,100	12,731	(1,631)	(12.8%)	13,113	(2,013)	(15.3%)	52,686	63,682	(17.3%)	56,877	(7.4%)				
Material	3,725	4,405	(680)	(15.4%)	5,611	(1,886)	(33.6%)	18,005	22,455	(19.8%)	19,741	(8.8%)				
Labor	3,126	3,919	(794)	(20.2%)	3,746	(620)	(16.6%)	16,388	18,841	(13.0%)	17,530	(6.5%)				
Other COGS	933	1,180	(247)	(21.0%)	1,075	(142)	(13.2%)	5,124	6,148	(16.7%)	5,639	(9.1%)				
Total COGS	7,783	9,504	(1,721)	(18.1%)	10,432	(2,648)	(25.4%)	39,517	47,444	(16.7%)	42,910	(7.9%)				
Gross Margin	3,317	3,227	90	2.8%	2,681	636	23.7%	13,169	16,238	(18.9%)	13,967	(5.7%)				
Gross Margin %	29.9%	25.3%			20.4%			25.0%	25.5%		24.6%					
R&D	—	—	—	N/A	—	—	N/A	—	—	N/A	—	N/A				
Sales & Marketing	931	1,334	(403)	(30.2%)	1,162	(231)	(19.9%)	5,444	6,543	(16.8%)	5,534	(1.6%)				
Administrative	1,696	1,663	33	2.0%	1,197	499	41.7%	7,808	9,059	(13.8%)	5,843	33.6%				
Other Opex	7	(7)	14	(197.9%)	(49)	56	(114.0%)	(138)	(37)	271.3%	(183)	(24.4%)				
Total Opex	2,634	2,990	(357)	(11.9%)	2,310	324	14.0%	13,114	15,565	(15.7%)	11,194	17.2%				
EBITDA	683	236	446	(188.8%)	371	311	83.9%	55	673	91.9%	2,773	(98.0%)				
EBITDA %	6.2%	1.9%			2.8%			0.1%	1.1%		4.9%					
Adj. EBITDA	889	461	428	92.8%	476	413	86.8%	1,921	2,817	(31.8%)	2,129	(9.8%)				
Adj. EBITDA %	8.0%	3.6%			3.6%			3.6%	4.4%		3.7%					
Net Income (Loss)	\$ 60	\$ (468)	\$ 528	112.8%	\$ (381)	\$ 441	115.7%	\$ (3,211)	\$ (3,436)	6.5%	\$ (2,100)	(52.9%)				
Opex Overview:	MTD		Variance		PY MTD		Variance		YTD		PY YTD					
	Act	Bud	\$	%	Act	\$	%	Act	Bud	%	Act	%				
Payroll	\$ 966	\$ 1,267	\$ (301)	(23.7%)	\$ 971	\$ (5)	(0.5%)	\$ 5,478	\$ 6,028	(9.1%)	\$ 4,918	11.4%				
Benefits	224	306	(82)	(26.9%)	216	8	3.7%	1,118	1,350	(17.1%)	647	72.9%				
Bonus	135	168	(33)	(19.7%)	98	37	37.1%	129	834	(84.5%)	523	(75.3%)				
Marketing	18	51	(33)	(64.6%)	72	(54)	(74.7%)	102	257	(60.2%)	79	28.8%				
Commissions	175	232	(57)	(24.6%)	189	(14)	(7.3%)	903	1,179	(23.4%)	843	7.1%				
Travel and Entertainment	34	177	(143)	(80.9%)	99	(65)	(65.7%)	484	901	(46.3%)	467	3.7%				
Rent and Facilities	70	90	(20)	(22.4%)	72	(1)	(2.0%)	357	381	(6.4%)	351	1.5%				
Insurance	251	57	194	338.9%	34	217	630.9%	515	287	79.8%	183	181.1%				
Professional Fees	119	74	45	61.3%	80	40	49.7%	563	441	27.7%	444	26.9%				
Utl., Repair, Maint., & Sec.	29	38	(9)	(22.9%)	35	(5)	(15.8%)	159	189	(15.8%)	177	(10.0%)				
Office Expenses	6	7	(1)	(18.4%)	6	(0)	(1.1%)	29	33	(12.7%)	28	3.0%				
IT	55	62	(7)	(11.2%)	72	(17)	(23.3%)	331	365	(9.4%)	334	(1.0%)				
Bad Debts	163	29	134	469.9%	81	81	99.9%	144	157	(8.2%)	1,140	(87.4%)				
Supplies	15	18	(3)	(14.2%)	22	(7)	(29.9%)	74	88	(16.4%)	91	(19.1%)				
FX	—	—	—	N/A	—	—	N/A	—	—	N/A	—	N/A				
Other Expenses	373	413	(40)	(9.7%)	264	109	41.3%	2,728	3,077	(11.3%)	969	181.6%				
Total Opex	\$ 2,634	\$ 2,990	\$ (357)	(11.9%)	\$ 2,310	\$ 324	14.0%	\$ 13,114	\$ 15,566	(15.7%)	\$ 11,194	17.2%				

Management Discussion:

Revenue

- \$1.6 mm below plan (\$11.1 mm actual vs \$12.7 mm budget) driven by
 - Domestic Revenue short of budget by \$0.290mm
 - International Revenue short of budget by \$1.3 mm

Gross Margin

- Gross margin \$90k favorable vs budget impacted by
 - Jobs manufactured in April shipped in May
 - Cost controls implemented globally

OPEX

- OPEX costs favorable \$357k vs budget; cost controls measures continue
 - Salaries / furloughs
 - Consultant expense
 - Travel & Entertainment expense

EBITDA

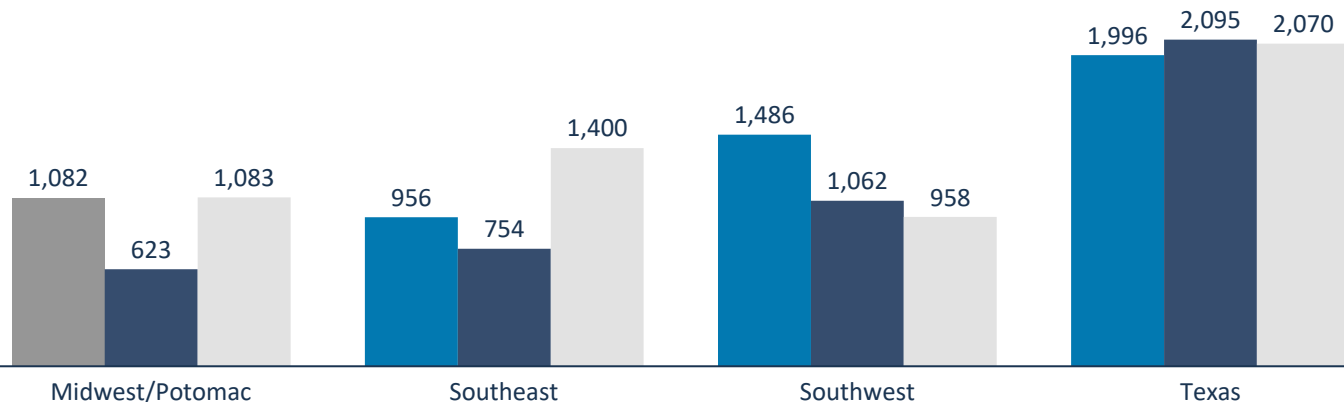
- \$683k of GAAP EBITDA vs. \$236k Budget
 - International = \$102k vs \$223k Budget
 - Domestic = \$581k vs \$14k Budget
- Bank EBITDA of \$889k vs. \$461k Budget
 - Adjusted EBITDA of \$889k compares favorably to initial forecasted \$113k due to
 - April production billed out in May
 - Domestic field offices in line or better than plan
 - China, Europe and Australia performing better than plan

Total Net Revenue – Field Offices

By location, in \$ '000

Mar-20 Apr-20 May-20

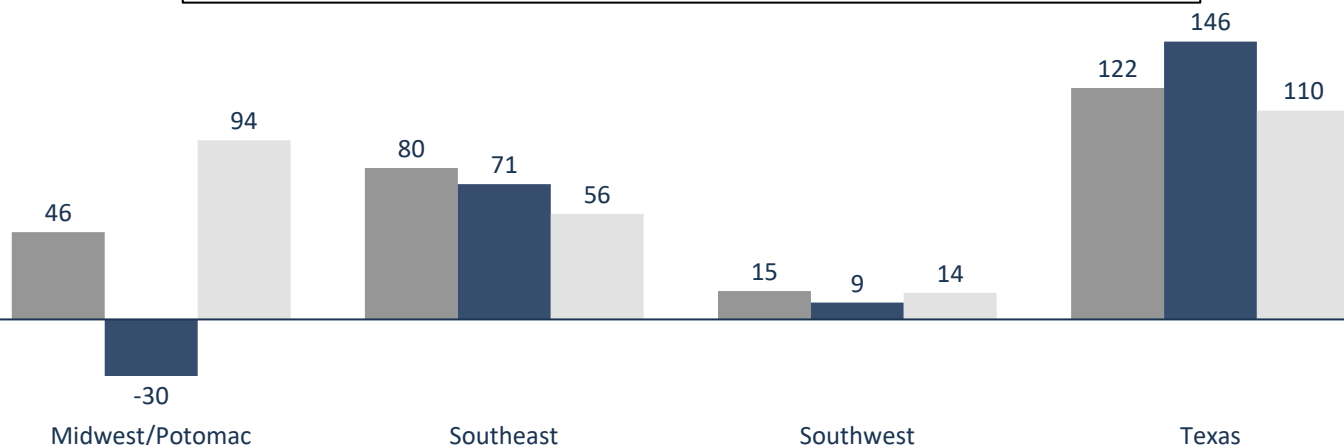
May 2020 Actual = \$5.511MM AOP = \$5.378MM Forecast = \$6.248MM



Total EBITDA

By location, in \$ '000

May 2020 Actual = \$0.274MM AOP = \$0.269MM Forecast = \$0.375MM



Management Discussion:

- Revenue of \$5.511 mm vs AOP of \$5.378 mm. EBITDA of \$0.274 mm vs AOP of \$0.269 mm.
- Revenue came in \$0.133 mm above original AOP
 - Key misses SE (-\$0.333 mm) and Chicago (-\$0.207 mm). Due to factory output decline back in April
 - Key drivers TX (\$0.817 mm). Major projects pushed from earlier months (Kalahari, Walker and Strike)
- EBITDA slightly exceeded original AOP by \$0.005mm.
 - Main driver was TX & MW out-performing by \$0.119 mm
- Southwest continues to struggle, with \$0.560mm moving out of May unexpectedly; GM put on PIP to address deficiencies
- Southeast EBITDA was impacted by \$0.065 mm of outside labor expense from prior month; anticipating strong ramp-up in summer months with re-opening.
- Furloughs and cost control measures were in full effect the entire month. Significant decrease in OPEX for domestic field offices (approximately \$0.110 mm).
- Candidate selected for sales rep replacement in Chicago.
- WI Sales Office has secured additional projects and is now targeting service sales work (Budget Sales = \$173k; Actual Sales = \$80k & waiting on 2 contracts totaling \$66k).

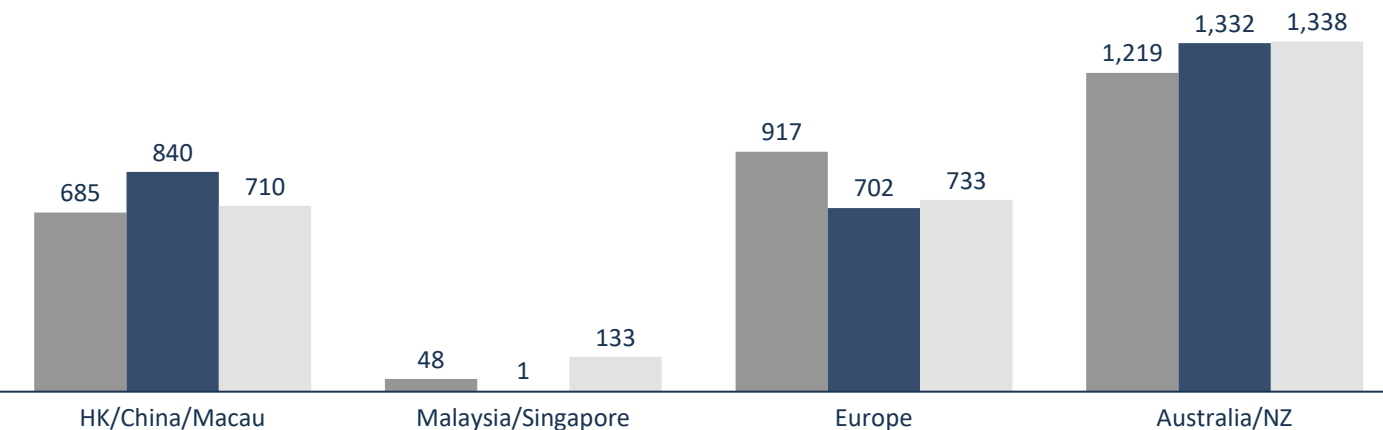
HUFCOR[™] Hufcor International Office Contribution Detail

Total Net Revenue

By location, in \$ '000

■ Mar-20 ■ Apr-20 ■ May-20

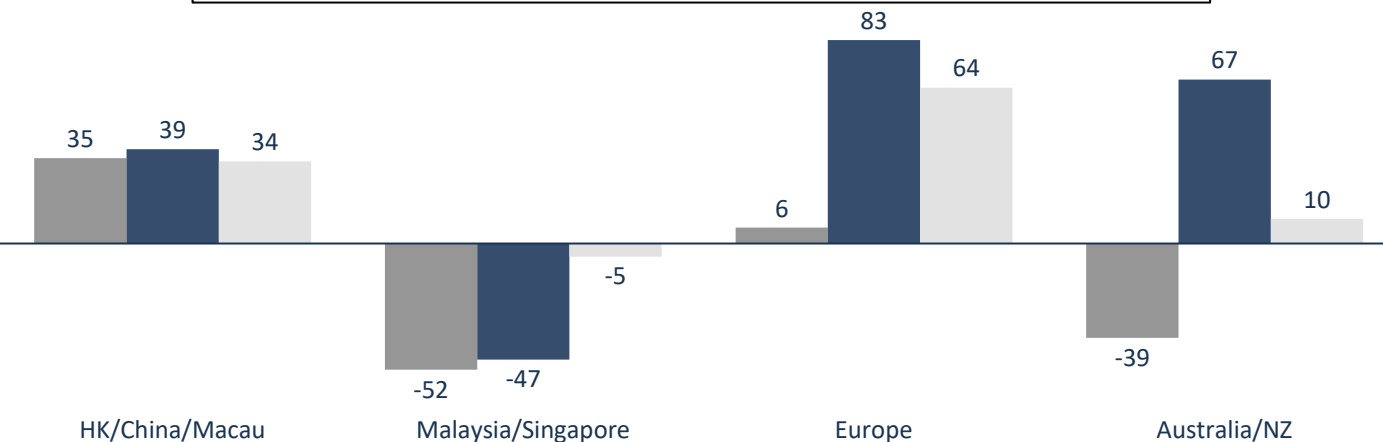
May 2020 Actual = \$2.914MM AOP = \$4.406MM Forecast= \$3.066MM



Total EBITDA

By location, in \$ '000

May 2020 Actual = \$0.102MM AOP = \$0.223MM Forecast= \$0.078MM



Management Discussion:

- May revenue was meaningfully short of AOP, but in line with forecast produced at the end of Q1. Malaysia and Australia experienced shutdowns, driving much of the miss to AOP.
- May EBITDA miss was largely driven by Australia. Lost 1 week of production due to positive COVID test in the plant.
- Hong Kong revenue was at 64% of plan, EBITDA was at 36%. Showing improvement from April.
- China was at 83% of AOP revenue. EBITDA slightly exceeded AOP.
- Malaysia was at 54% of revenue with a miss in EBITDA. They were shutdown for part of May. Job sites were closed for majority of May.
- Australia was at 62% of revenue and 6% of EBITDA. Major projects pushed out in New Zealand and factory shutdown was the major driver.
- Europe was at 81% of revenue but outperformed on EBITDA. Favorable material costs and selling expenses were the biggest factors

HUFCOR Covenant Compliance - Last Twelve Months

Covenant Analysis- JPMC and LBC Credit Partners													
	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	
\$'000	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual
Fixed Charge Coverage Ratio (JP Morgan Chase- Monthly and LBC Credit Partners- Quarterly)													
Net Income (Loss)	\$ 215	\$ 634	\$ 680	\$ (3,773)	\$ 351	\$ (297)	\$ (499)	\$ (845)	\$ (705)	\$ (552)	\$ (1,170)	\$ 60	
Bank EBITDA Calculation:													
Interest Expense	655	356	355	362	342	344	323	327	326	288	271	285	
Income and Franchise Tax Expense	36	146	85	99	94	75	785	(14)	23	(13)	18	8	
Depreciation and Amortization Expense	507	510	510	240	239	240	249	257	279	261	272	259	
Losses (Gains) from Dispositions	-	-	10	1	-	64	(10)	-	-	4	-	30	
Management Agreement fees and expenses	-	-	250	-	250	-	-	250	-	-	83	83	
Losses (Gains) from Discontinued Operations	-	-	-	-	17	17	117	17	30	-	-	-	
Non-cash FX, transaction, translation losses (gains)	(44)	61	6	60	(65)	91	(12)	16	(12)	(9)	19	(13)	
Severance costs, subject to ABL	423	-	-	732	-	(139)	-	-	-	62	128	-	
Other non-cash charges or non-cash gains	-	-	-	-	-	-	374	-	-	-	(0)	-	
Other non-recurring fees and expenses - Consultants	79	20	218	331	390	414	780	391	392	248	326	112	
Other non-recurring fees and expenses - All Other	-	-	-	7	47	-	189	-	105	46	39	64	
Non-recurring inventory write-offs < \$320k in total	-	-	-	498	-	-	(178)	-	-	-	-	-	
Non-recurring A/R write-offs < \$1.3mm in total	(233)	-	-	1,737	(31)	(98)	(879)	-	-	-	(63)	-	
Non-recurring warranty claim payments: Mystic Lake < 400k	-	-	-	75	-	-	-	-	-	-	-	-	
Non-recurring warranty claim payments: Non- Mystic Lake < 625k	(92)	(421)	(37)	686	(2)	(59)	(147)	-	-	-	(70)	-	
Less Extraordinary gains and non-cash income	-	-	-	-	-	-	(412)	-	-	-	-	-	
Bank EBITDA	\$ 1,545	\$ 1,306	\$ 2,079	\$ 1,055	\$ 1,633	\$ 653	\$ 679	\$ 400	\$ 439	\$ 340	\$ (147)	\$ 889	
Less:													
Unfinanced CAPEX	125	289	91	134	132	51	80	219	121	30	23	116	
Cash income and franchise taxes	-	-	-	-	4	1	187	-	-	-	-	8	
Cash Monitoring fees (including expenses)	117	29	115	184	160	278	346	347	412	42	1,554	68	
Numerator	\$ 1,304	\$ 987	\$ 1,873	\$ 737	\$ 1,337	\$ 323	\$ 66	\$ (167)	\$ (94)	\$ 268	\$ (1,724)	\$ 696	
Fixed Charges:													
Cash Interest	605	306	301	308	289	291	269	272	271	233	249	239	
Regularly scheduled principal payments	-	209	-	-	209	-	-	292	-	-	292	-	
Capital Lease payments	-	-	-	-	-	-	-	-	-	-	-	-	
Total Fixed Charges	\$ 605	\$ 515	\$ 301	\$ 308	\$ 497	\$ 291	\$ 269	\$ 565	\$ 271	\$ 233	\$ 541	\$ 239	
TTM Numerator	6,766	7,668	8,445	8,147	8,903	8,913	8,993	8,845	8,735	7,986	5,281	5,607	
TTM Fixed Charges	4,633	4,663	4,675	4,710	4,558	4,537	4,476	4,529	4,496	4,415	4,444	4,635	
Fixed Charge Covenant Ratio	1.46	1.64	1.81	1.73	1.95	1.96	2.01	1.95	1.94	1.81	1.19	1.21	
Required Fixed Charge Covenant Ratio							1.15		1.15 x				
Leverage Ratio (LBC Credit Partners- Quarterly)													
Total Debt for Leverage Calculation	\$ 42,743	\$ 42,745	\$ 41,174	\$ 40,689	\$ 40,241	\$ 40,794	\$ 37,418	\$ 41,594	\$ 38,799	\$ 38,813	\$ 39,392	\$ 39,379	
TTM Bank EBITDA	\$ 9,738	\$ 10,608	\$ 11,459	\$ 11,467	\$ 11,881	\$ 11,873	\$ 12,455	\$ 12,636	\$ 12,802	\$ 11,949	\$ 10,522	\$ 10,870	
Leverage Ratio	4.39	4.03	3.59	3.55	3.39	3.44	3.00	3.29	3.03	3.25	3.74	3.62	
Required Leverage Ratio							4.75		4.25 x				

Management Discussion: Covenant Compliance thru 2020

- Leverage covenant accounts for 3rd party consultants as add-back.
- Fixed charge coverage ratio incorporates the cash consultant costs, in process of reviewing for accuracy.
- Current forecasts anticipate likely covenant issues in Q2 given the depressed output & restrictions from COVID-19, including the recent 1-week production shutdown in Janesville.
 - Q2 of 2019 accounted for \$3.4 mm of Bank EBITDA
 - Current forecast for Q2 of 2020 for \$0.5 mm of Bank EBITDA
 - Based on forecast prepared for OGC LP Meeting, estimated leverage of:
 - Q2 ≈ 4.0x vs. covenant of 3.75x
 - Q3 ≈ 5.0x vs. covenant of 3.75x
 - Q4 ≈ 6.0x vs. covenant of 3.50x
 - Updated leverage forecast to come with completion of “bottoms-up” re-forecast

HUFCOR Forecasted 13-Week Cashflow

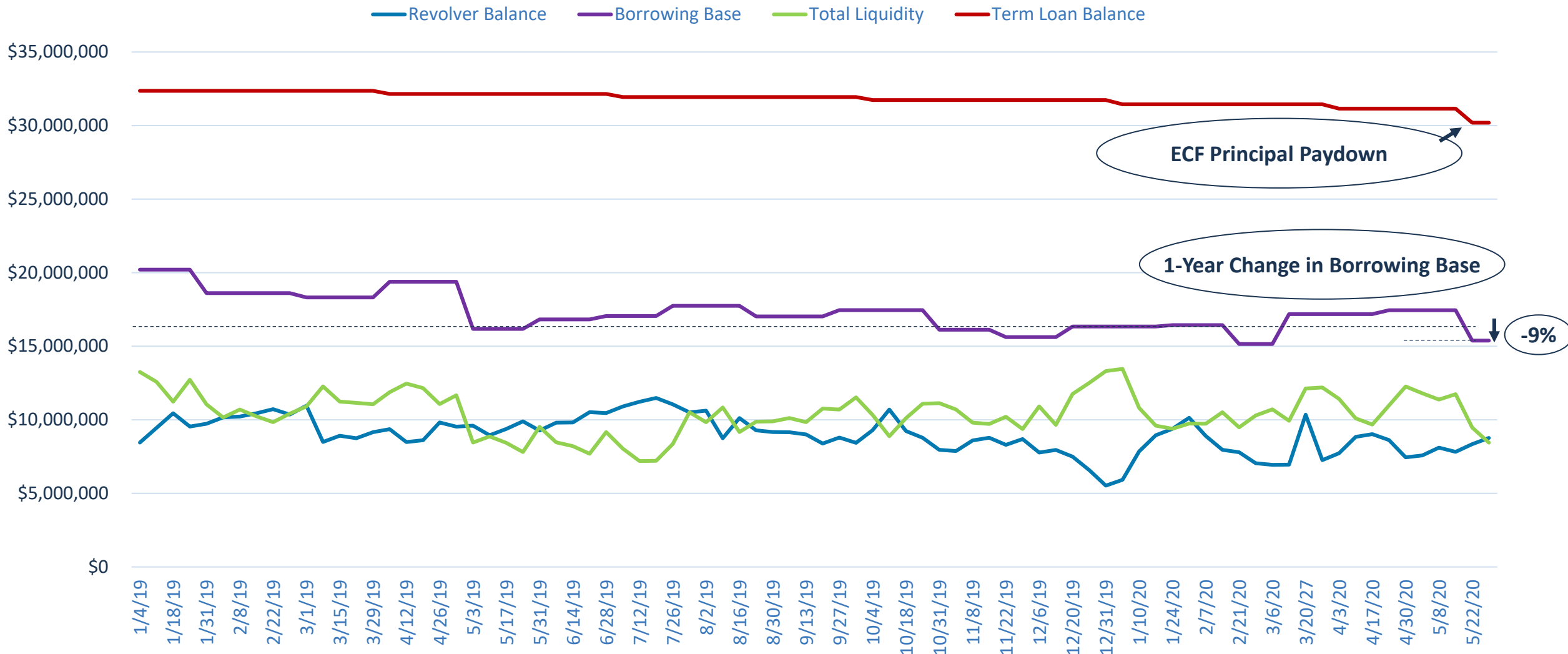
Cumulative Operating Cashflow forecast at just over (\$3.0) mm through next 13 weeks. Collections efforts have yielded strong results in the past 5 weeks; however liquidity will decline following production declines in Janesville & loss of 1 week of production in June. Management still forecasts > \$6.5 mm of liquidity into Q3.

Week #:	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38
Week Ending Friday:	22-May	29-May	5-Jun	12-Jun	19-Jun	26-Jun	3-Jul	10-Jul	17-Jul	24-Jul	31-Jul	7-Aug	14-Aug	21-Aug	28-Aug	4-Sep	11-Sep	18-Sep
13-WEEK CASHFLOW FORECAST	ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Collections from Hufcor Entities	-	14	143	-	130	-	72	-	-	-	-	129	-	-	-	129	-	-
Collections from Non-Hufcor Entities	3,014	2,020	1,624	2,702	3,417	1,953	1,955	2,002	2,019	1,671	1,741	1,688	1,655	1,800	1,984	2,073	2,391	1,955
Royalties	-	-	-	-	-	-	24	-	-	-	-	-	-	-	-	-	-	-
All other inflows	-	9	-	102	4	9	-	33	-	11	-	-	17	-	22	-	-	-
Total Operating Inflows	3,014	2,043	1,767	2,805	3,552	1,962	2,050	2,035	2,019	1,682	1,741	1,816	1,672	1,800	2,006	2,201	2,391	1,955
Materials - Disb. To Hufcor Entity	17	12	128	-	128	-	71	-	-	-	-	128	-	-	-	128	-	-
Materials - Disb. To Non-Hufcor Entity	899	1,042	1,065	858	939	1,115	1,015	974	752	774	859	1,034	945	976	1,083	1,020	1,039	600
Hourly / Salary Payroll	872	370	869	663	607	322	913	502	1,087	310	933	574	953	281	905	383	818	225
Commissions	103	1	-	44	168	66	6	17	166	17	98	23	150	55	65	10	167	-
Benefits	57	103	200	120	72	190	355	215	190	190	190	222	190	190	190	190	190	222
Building Rent	71	27	95	-	42	39	158	2	7	51	49	139	7	47	53	138	2	18
All Other	142	640	479	467	463	422	164	329	158	329	222	335	153	324	216	331	147	300
Total Operating Outflows	2,162	2,195	2,837	2,152	2,419	2,154	2,682	2,038	2,360	1,671	2,351	2,456	2,398	1,874	2,512	2,200	2,362	1,365
Weekly Net Operating Cashflow	852	(152)	(1,070)	653	1,133	(192)	(632)	(3)	(341)	11	(610)	(640)	(726)	(74)	(506)	2	29	590
Cumulative Net Operating Cashflow for next 13 Weeks						(192)	(825)	(828)	(1,169)	(1,158)	(1,768)	(2,408)	(3,134)	(3,208)	(3,714)	(3,713)	(3,684)	(3,094)
Interest Expense / Debt Service/Principal	1,617	-	29	-	-	-	31	-	-	-	-	25	-	-	-	25	-	-
Taxes	130	124	17	7	83	145	6	17	21	248	5	12	21	183	12	12	21	106
CapEx	1	0	7	0	-	-	43	-	-	4	-	21	11	-	-	-	-	-
All Non-Operating Outflows	5	-	1	-	1	-	5	5	5	5	5	1	1	1	1	1	1	1
Total Non-Operating Outflows	1,754	124	55	7	85	145	85	22	26	257	10	60	33	184	13	39	23	107
Weekly Net Cashflow	(902)	(276)	(1,125)	646	1,048	(337)	(717)	(25)	(367)	(246)	(620)	(700)	(759)	(258)	(520)	(37)	6	483
Cumulative Net Cashflow for next 13 Weeks						(337)	(1,054)	(1,079)	(1,446)	(1,692)	(2,312)	(3,012)	(3,771)	(4,030)	(4,549)	(4,586)	(4,580)	(4,097)
Borrowing Base Estimate	15,379	15,379	15,379	15,379	15,843	15,843	15,843	15,843	15,843	16,500	16,500	16,500	16,500	17,000	17,000	17,000	17,000	17,000
Revolver Estimate	8,661	8,937	10,062	9,416	8,368	8,705	9,422	9,447	9,814	10,060	10,680	11,380	12,139	12,397	12,917	12,954	12,947	12,465
Availability Estimate	6,718	6,442	5,317	5,963	7,475	7,137	6,421	6,396	6,029	6,440	5,820	5,120	4,361	4,603	4,083	4,046	4,053	4,535
Cash Balance Estimate	2,433	1,832	2,053	2,570	2,525	2,525	2,525	2,525	2,525	2,525	2,525	2,525	2,525	2,525	2,525	2,525	2,525	2,525
Net Liquidity Estimate	9,151	8,274	7,370	8,533	10,000	9,662	8,945	8,921	8,553	8,965	8,345	7,645	6,886	7,127	6,608	6,571	6,577	7,060
Term Loan Balance Estimate	30,190	30,190	30,191	30,191	30,191	30,191	30,191	30,191	30,191	30,191	30,191	30,191	30,191	30,191	30,191	30,191	30,191	30,191
Total External Debt Estimate	38,851	39,127	40,253	39,607	38,559	38,896	39,613	39,637	40,005	40,250	40,871	41,570	42,330	42,588	43,108	43,144	43,138	42,656

Principal paydown of term
loan based upon ECF
negotiation with LBC

HUFCOR Treasury & Liquidity

Total liquidity (availability + cash) stands at \$8.5 mm at month end May, but increased through June to approximately \$10 mm. Expectation for liquidity to decline through September with lower output & production ramp-up during the summer.



Status Update

Janesville Production
Commercial Updates

Recap, Impact & Actions after COVID-driven shut down

1. First Response

- Learned of a positive case on June 4th and followed established protocol in response to positive COVID test
- Attempted to return to work the following morning but were forced to end production after 4 hours
- Decision was made to shut down production during week of June 8 – June 12 to allow for all employees to be tested (benchmarking)
- After mandating testing for all JVL employees, learned of 7 additional cases
- Local Janesville organizations (County Health, Fire Department) and Wisconsin National Guard were contacted immediately but were slow to react/mobilize

2. Production Restart

- Production resumed the week of June 15th
- Proof of a negative COVID test was required to re-enter the building
- Discipline was issued to those employees who did not adhere to deadlines for testing and submission of results in a timely manner

3. Prevention

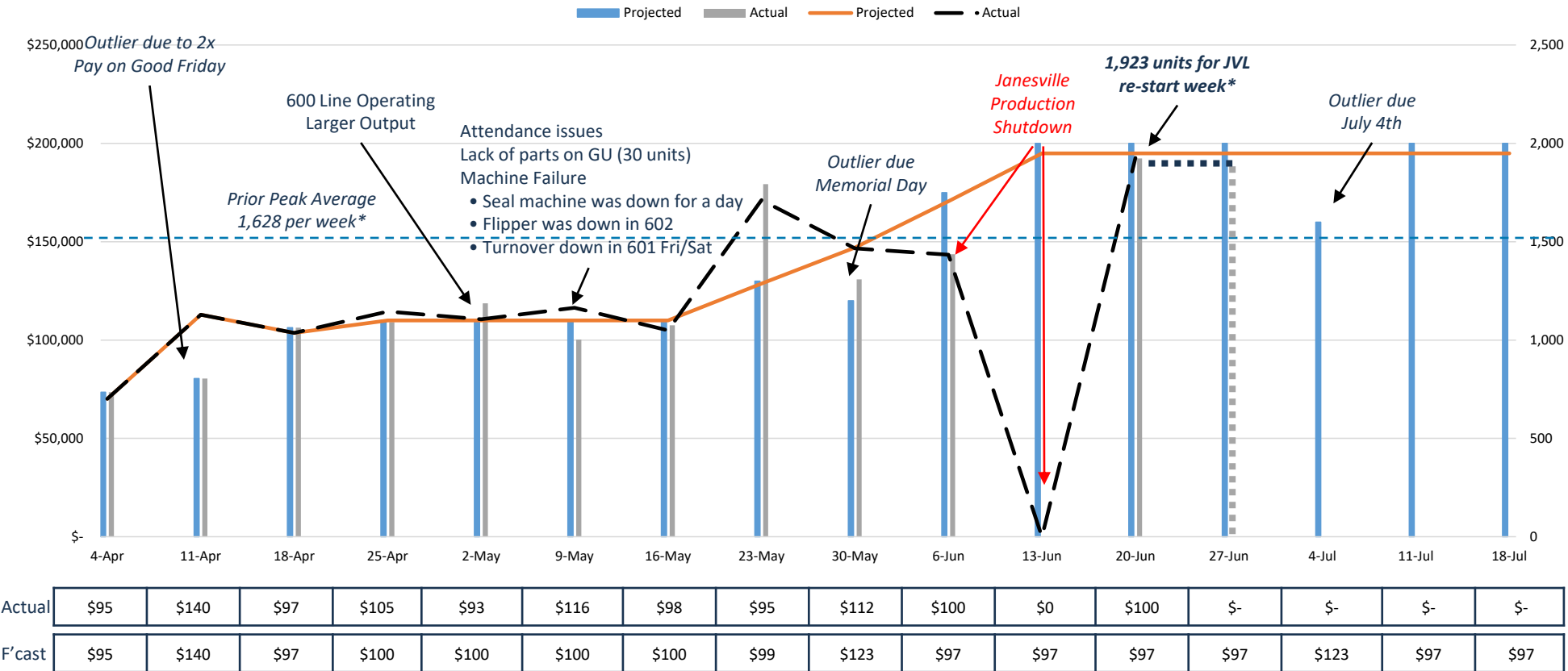
- Initial idea to implement recurring testing eventually yielded to a heavy-PPE strategy in its place
- In the event of a future positive test, identical protocol will be followed based on the individual testing positive, but a production shutdown will not follow
- Research being conducted on thermal scanner and face recognition solutions to facilitate building entry process

Management Discussion:

- Eight (8) known cases; 6 hourly, 2 salaried
- Nearly 300 total employees tested
- PPE: Face shields and/or masks are mandatory in addition to normal PPE
- Absenteeism 1st week back (June 15 – June 19)
 - Monday: 32.5%
 - Tuesday: 26.3%
 - Wednesday: 26.8%
 - Thursday: 23.7%
 - Friday: 27.3%
 - AVERAGE: 27.3% (53 employees/day)
- Recorded 2,092 total units 1st week back (June 15 – June 19) despite significant absenteeism

HUFCOR Janesville Production Levels

Operations team has designed a plan to increase output above previous peak levels by ≈25%



Ratio of Gross Pay per Unit Produced ≈\$97 excluding Holidays & COVID-19

Month of May ≈ \$104 vs forecast of \$100 (outlier week ended 5/9)

Management Discussion:

- Production (w/b June 15)
 - **Total Units: 1,923** (w/o Unispan and Closures) & 2,092 in total
 - Ratio of Gross Pay Per Unit < \$95 without OT, \$100 with OT
- Planned volume: ~2,000 units/week (in a full week)
- Recovery Plan (in response to production shutdown) anticipated to take ~7 weeks
 - During recovery, labor schedule will expand to include 10-hour workdays and mandatory 8-hour Saturdays where required
 - Need for increased labor hours will be evaluated on a weekly basis
- With shutdown included, all lead times are still ≤ 10 weeks
- Staffing models based on planned production volumes in process (to adjust labor to demand)
 - ~20 FTE to be reduced in next 1-2 weeks; potentially more in late Q3/early Q4 depending on demand

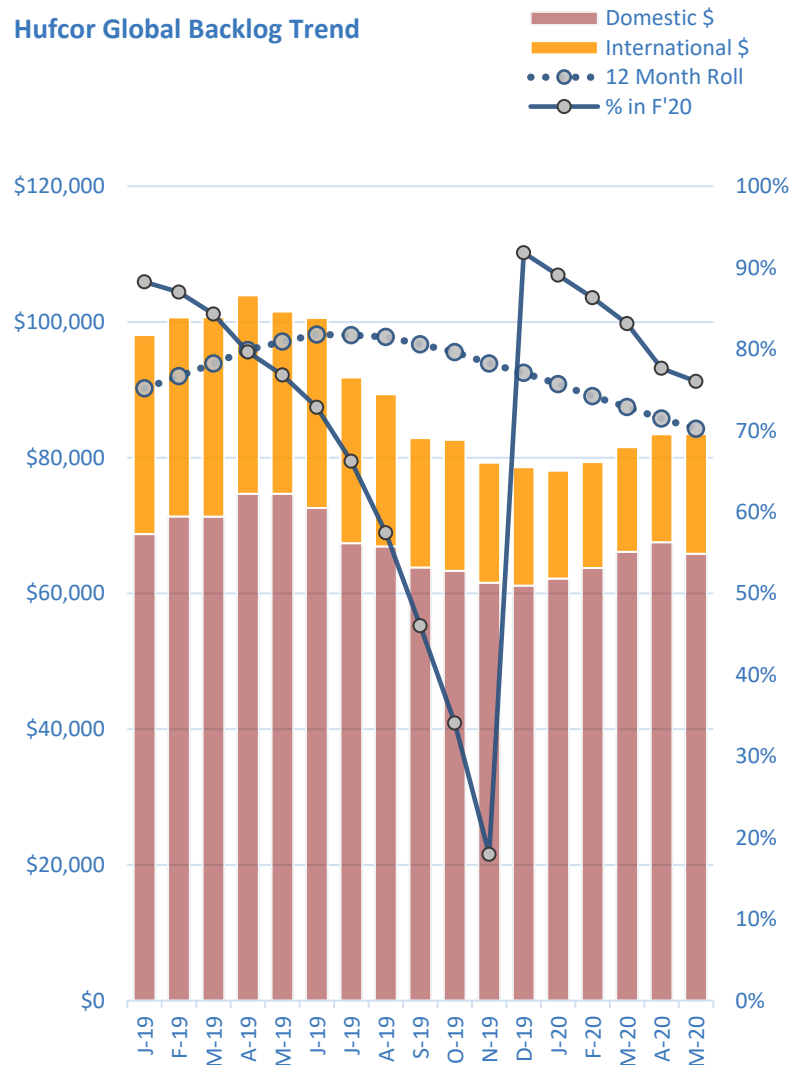
HUFCOR Commercial Update: Hufcor Global Backlog

Overall, the 05/31/20 backlog decreased by \$1.5M from May 15, 2020

Historical backlog

Thousands USD; 5/31

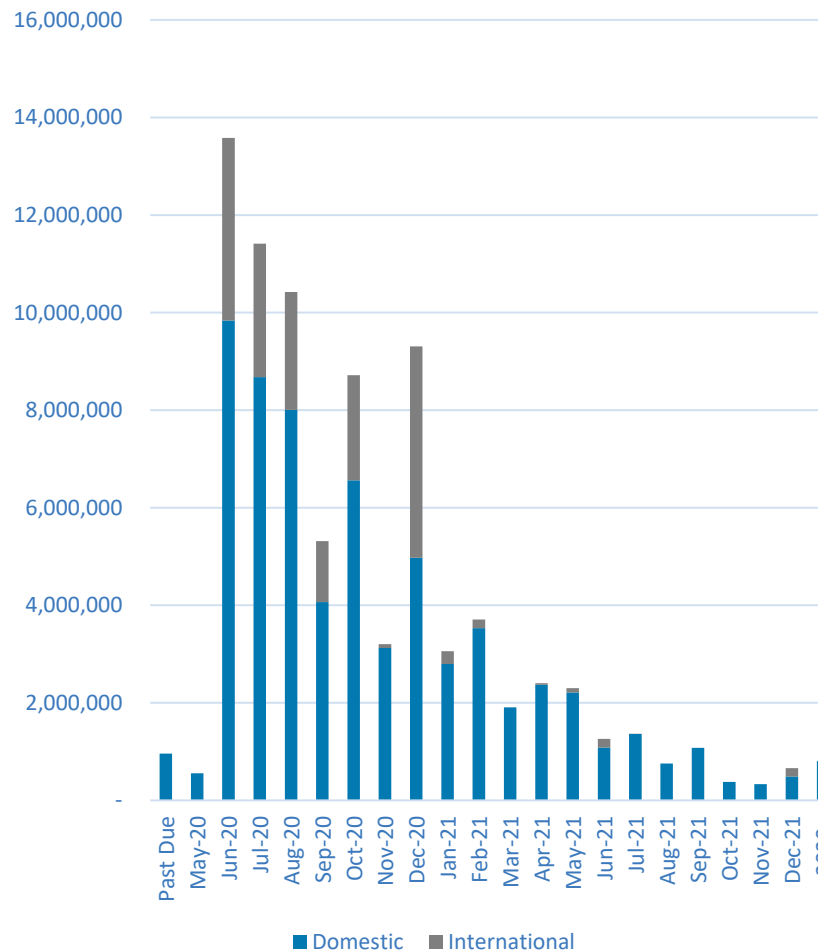
Hufcor Global Backlog Trend



Backlog roll-off

Millions USD; 5/31

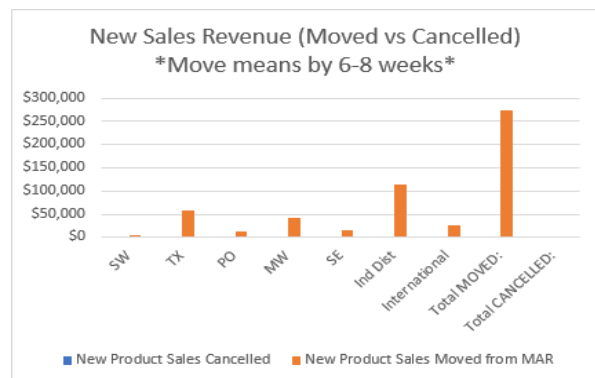
Total Backlog Depletion



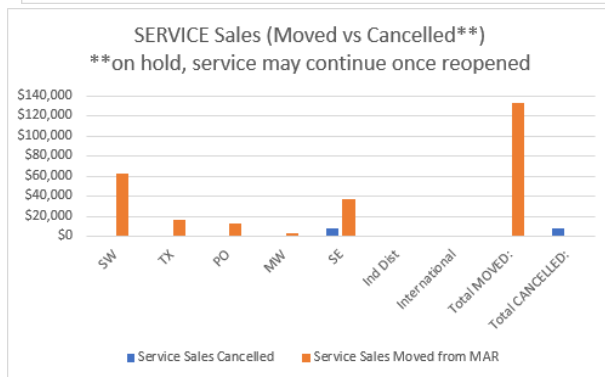
Management Discussion:

- This decrease is driven by a decrease in the domestic backlog of \$2.9M (Texas - \$1.6M, Janesville - \$1.2M, Nevada - \$378K).
- The international backlog, however, increased by \$1.4M. This is driven by an increase in Australia of \$1.2M.
- Hufcor Sales Offices are seeing a slowdown in bid activity and many projects continue to be delayed, resulting in potential securements moving out later in the year.
- Independent Distributors quoting activity leveled off in May from the downturn in April; however Securements declined in the month
- Major Projects activity remained consistent with April activity (i.e. slight weakening compared to Q1 2020)
- International:
 - Continued regional restrictions in South East Asia are causing projects to be delayed.
 - Europe's low point in securements was April with minimal growth in May. June is trending better.
 - Australia remains strong with lead times extending from increased volumes of orders.

Project Impact as of Feb MOR

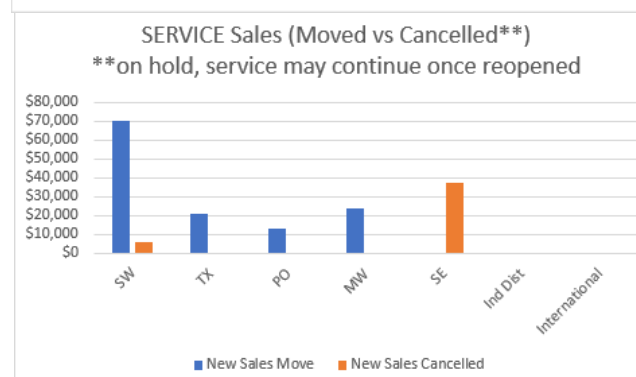
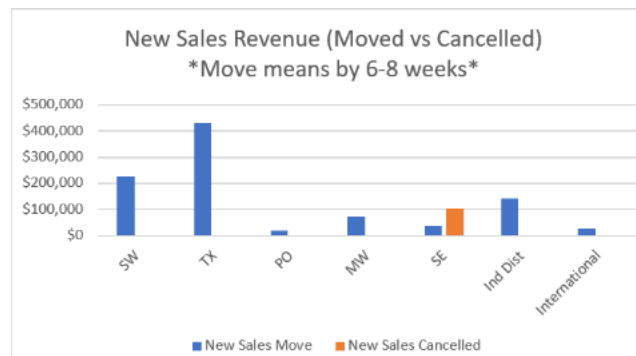


\$108K Cancelled
\$957K moved



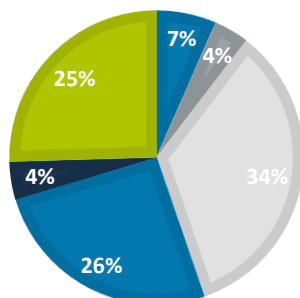
\$43K Cancelled
\$128K moved

Project Impact as of Today



BACKLOG BY MARKET SEGMENT

■ GOV ■ Medical ■ Education ■ Hospitality ■ Religious ■ Commercial



Management Discussion:

Restarting Work as of April 30, 2020:

MI: All construction projects, private and public, could restart on **May 7**.

WA: Construction can resume for projects that were underway prior to the stay at home order.

PA: All construction projects, private and public, were allowed to restart on **May 1**.

NY: In-person operations remain closed through May 15. Construction and Manufacturing will be amongst the first businesses to reopen.

NJ: Construction remains nonessential until further notice.

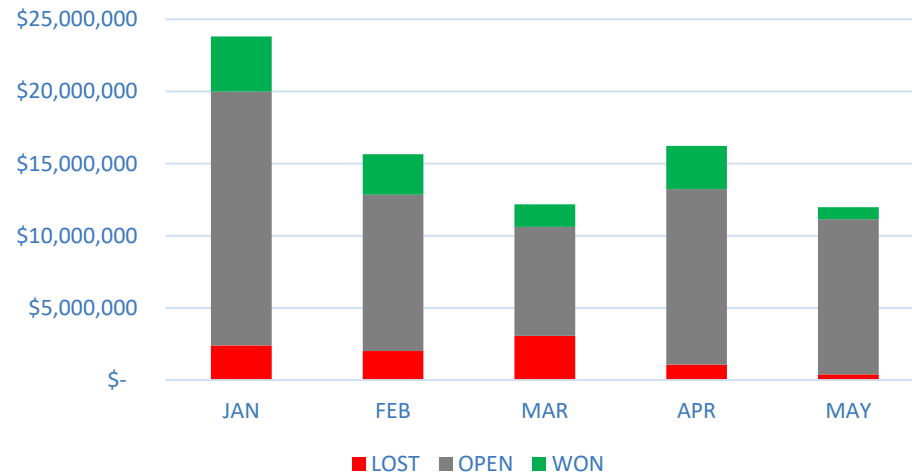
Movement:

- 87 Projects (New Sales / Service) have been impacted (increase of 1 project in May moving to 2021)
- No new Service impacts – however some states starting to see slight increase for service requests - TX

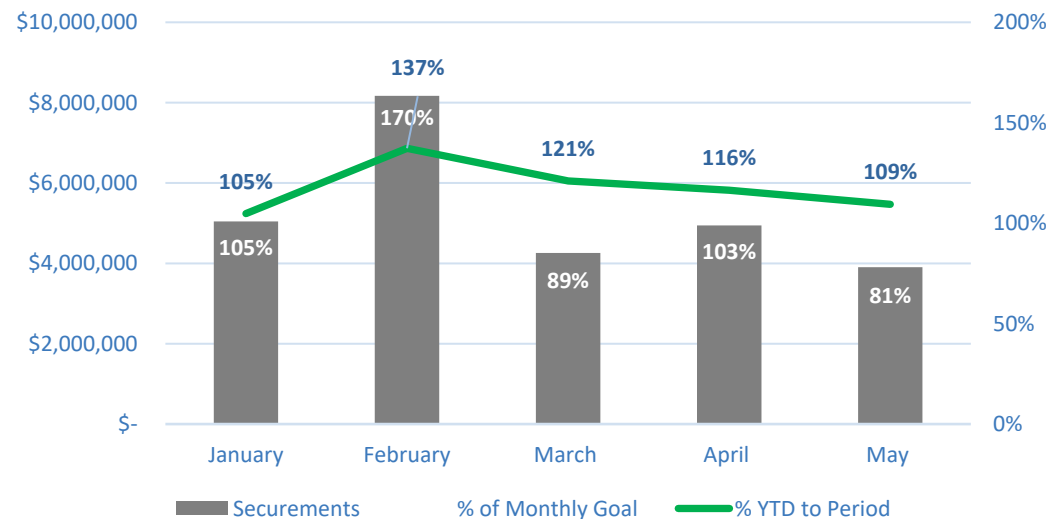
Market Diversity:

- Top three market segments of participation are:
 - Education at 34% (Increase from prior month by 2%)
 - Hospitality at 26% (Decrease from prior month by 9%)
 - Commercial at 25% (Increase from prior month by 6%)

PIPELINE: CRM Opportunities (Hufcor Offices Only)



Domestic Securements - MTD / YTD % of Goal



Management Discussion:

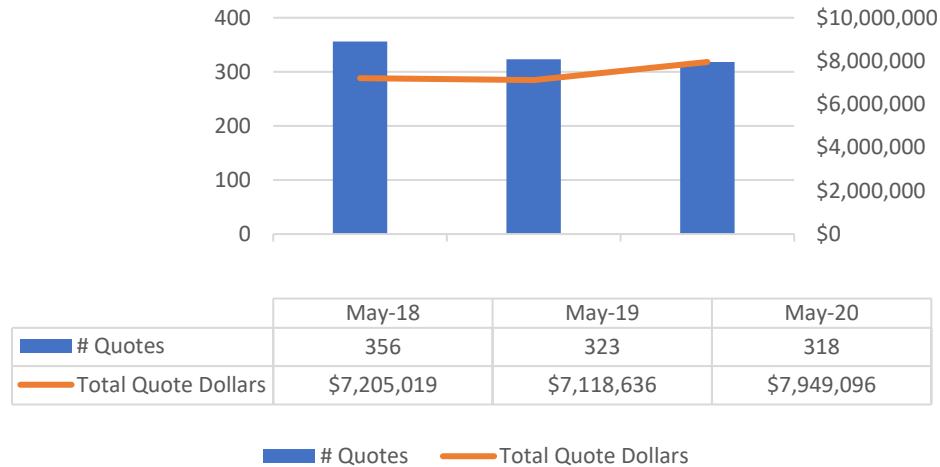
Pipeline:

- Opportunities Hufcor Sales Offices within stages of Qualified/Develop/Negotiate
 - (Represents 50% of Domestic Market)
- May has seen a decline in opportunities, but still receiving Architectural requests for future project budgets.
- Weekly focus on calling all Q1-Q2 quotes for status updates.
- Many projects still experiencing delays as Owners are not releasing projects to bid, but also not cancelling.

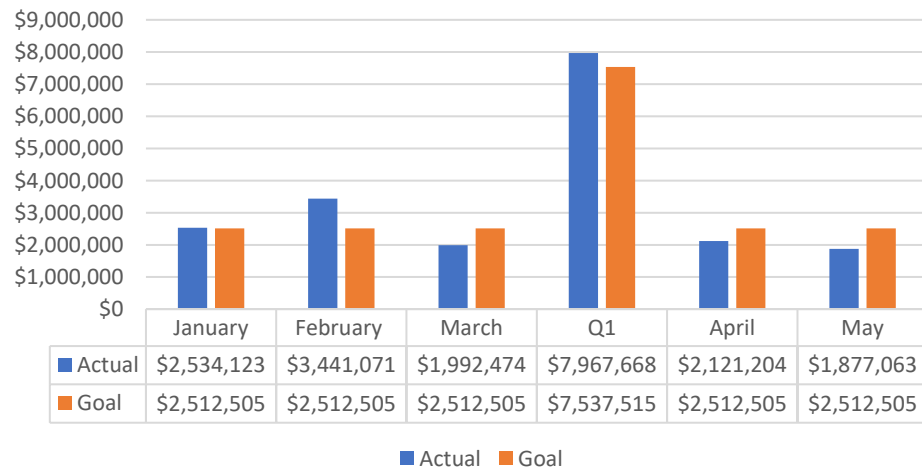
Securements:

- May experienced a decline in securements, totaling \$3.9 mm.
- YTD through end of May, Hufcor Sales Offices are 109% of goal.
- YOY May experienced a decline in securements by -10%, and reduction in project count of -16.
- 2020 outlook remains light for Q4 due to project delays. This will result in revenue push into 2021.
- Areas of focus:
 - Q1-Q2 blitz on all open quotes - Weekly calls min 8 hrs/wk (minimal emails)
 - Glass opportunities for storefronts, education, commercial
 - Protective Partitions - New sales and service sales opportunity
 - Leverage lead times with all projects, as we remain at or below 10 weeks
 - Track inventory program for fast turnkey sales
 - Unispan growth – no competitive threat
 - Pricing strategies in targeted regions
 - Increased focus from A&D sales toward competitive BOD changes

Independent Distributors Quote Log - May



Independent Distributor Securements



Management Discussion:

Quote Activity Levels Off:

- Quote Activity for May 2020 leveled off from the decline of April. The number of May 2020 quotes was 318 vs. 323 for May 2019; however the dollars quoted for May 2020 was \$7.9M vs. 7.1M for May 2019.
- As more states open from Covid-19 restrictions the quoting activity is trending in a positive direction.

Securements:

- Finished May at 75% of securement goal.
- YTD Securement Goal thru May at 95%.

Actions:

- Aggressively pursuing quote log follow up with a heavy focus on projects for secure and release in 2020.
- Rebuilding the commercial team with experienced Regional Sales Managers (3 total) who come on board Monday June 29, 2020.
- New RSM's will bring deeper level of sales management to distributors sales efforts.
- Heavy focus on quote follow up.

Major Projects Activity:

Strong Project Pipeline Opportunities:

	2019 Jan-May	2020 Jan-May	Total YTD May
# Projects	44	49	95
\$\$ (MM)	\$57.4	\$40.4	\$97.8

Material Bookings Lag 2019:

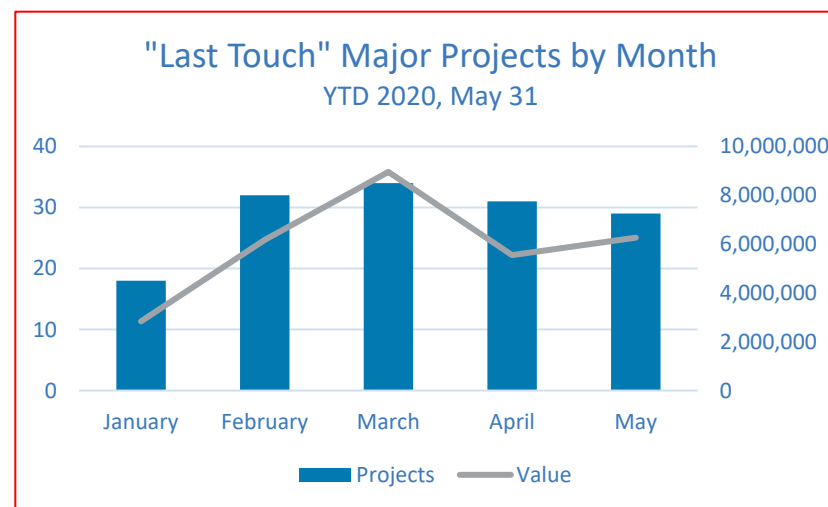
2019 Jan-May	YTD May
\$11.6MM	\$9.1MM

Est. Project Margin Growth:

2019 Jan-Apr	2020 Jan-May	(May only)
38.44%	40.96%	46.7%

May Wins:

Orlando World Trade Marriott	\$500,000
Ocean City CC	\$351,400



Management Discussion:

- May Large Project new quoting activity remained consistent with April except for Hospitality.
- | Project Type | # | Value |
|--------------|----|---------|
| Education | 13 | \$2.7MM |
| Commercial | 5 | \$1.6MM |
| Hotels | 3 | \$.9MM |
| CC | 4 | \$.7MM |
- Slow Down in International Major Projects
 - Late month slowdown in April Project Activity due to COVID-19, which has generally persisted into May.
 - Material Net Books (Janesville) lag due to lower GU/GA bookings in 2020.
 - Continued optimism that hospitality and convention center projects in pipeline to continue, expecting requoting activity in May. However, new \$100K+ hospitality projects grew by only 3 in May.

International Securement Activity

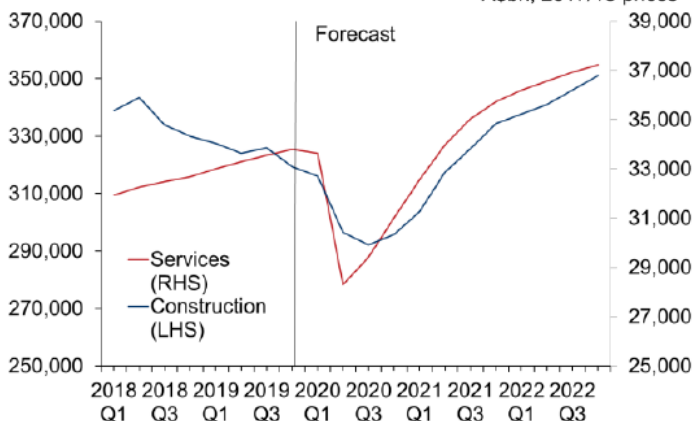
May Securement Activity (US\$):

	Goal	Actual	%
Europe	\$ 990,000	\$ 542,674	53%
Australia	\$1,320,000	\$1,455,667	106%
Malaysia	\$ 100,000	\$ 240,483	240%
China	\$ 300,000	\$ 156,231	52%
Hong Kong	\$ 600,000	\$ 771,248	128%
	\$3,310,000	\$3,166,303	95%

Australia

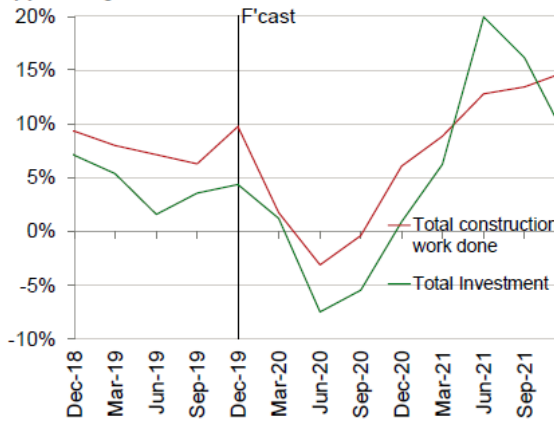
Construction and services GVA

A\$bn, 2017/18 prices



SE Asia - Combined

South-east Asia total construction work done and total investment y/y % change



Management Discussion:

- International sales grew approximately \$500K in May.
- Europe - Severe slow down in quoting and securements affected by COVID shut-downs.
 - France: finally received most finished goods. Quoting remains low.
 - Germany: **Agents secured 44% of goal** (lower than Apr.) Distributors: 68% Goal, projecting stronger June
 - Developed Service Sales Plan – look to implement Q3 to improve overall margins
- Australia – Strong opportunity pipeline and government COVID recovery investments in education markets.
- Malaysia- Bounced back from horrible April. Secured large UTP project in Malaysia.
- China – selling activity continues to grow after near two month shut down. COVID discovered in Beijing.
- Hong Kong – rebounded from April. Low quote activity.
- New research indicates Australia, Vietnam, Indonesia, Singapore and China projected to recover faster in 2020. (*Oxford Economics 2020*)

A | Appendix

1. Southwest Field Office

- Resorts World (NV)- Contract \$3.0 mm
- NV partially ramped up at start of June
- Focusing on service sales

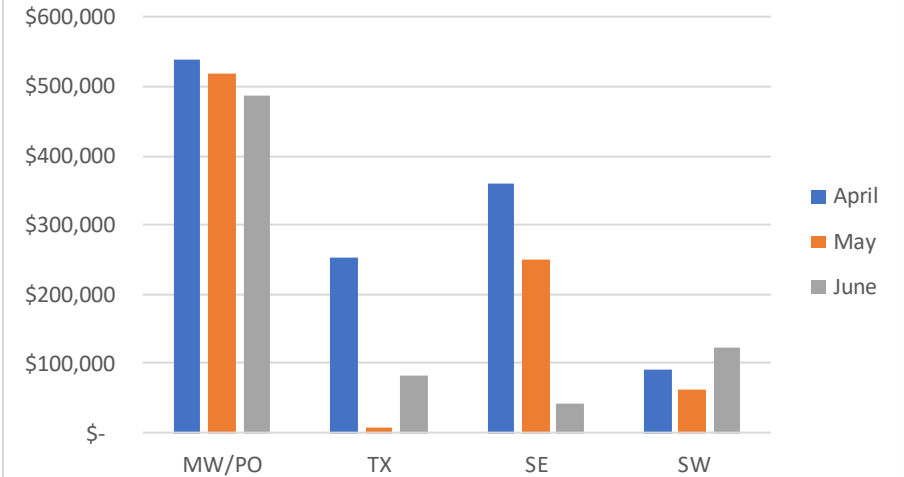
2. Midwest / Potomac Field Office

- Sullivan CC, I Hotel CC and IU Health Bloomington having track installed
 - Total contract value is ~\$250k/ea
 - Panels install July and August
- MN office eliminated \$15k/mo by layoffs and ending services
- Southeast Field Office
- Orange County Convention Center- \$230k
 - Project coming to an end in June
 - High margin recover project
- Full team will be in place start of June

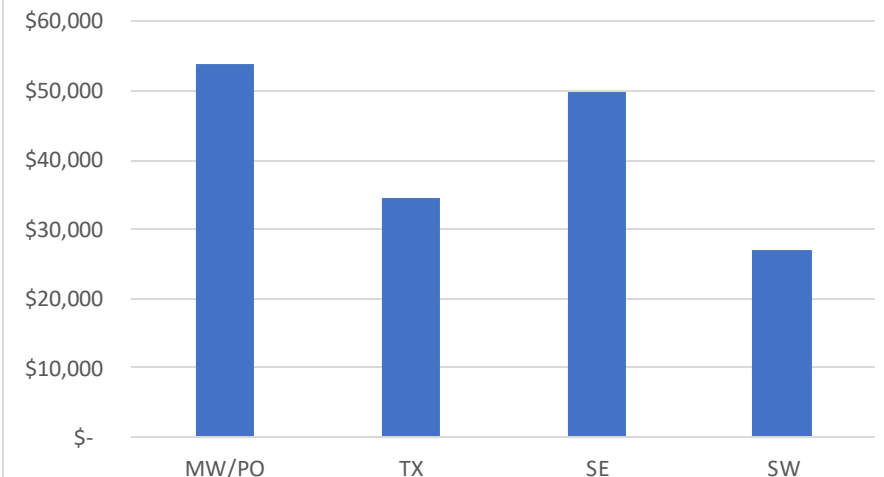
3. Texas Field Office

- Strike/Walker MS- \$2.1mm, Four Hands- Switchable Glass, Kalahari- \$1mm
- Eliminated \$11.9k/mo by reorganizing the staff and reducing outside labor use

Q2 Revenue Moveout



Q2 Cost Control- COVID-19



HUFCOR Operations Update: International Field Offices

1. China / Hong Kong Field Offices

- Major projects to invoice Q2:
 - The open university of HK \$156K
 - Y2 Convention Center \$336K
 - Qingdao Haitian Hotel \$111K
 - Shenzhen Waldorf 112K
- Laminator to be in place on June 28th
- Team working on Passdoor on make same project
- First candidate for BDM interview setup

2. Malaysia Field Office

- Major projects to invoice Q2:
 - Universiti Teknologi Petronas, Malaysia \$70K tracks only
 - Leela Hotel Bangalore, India \$100k
 - Flamingo Hotel, Vietnam \$20K tracks only
 - New world Saigon, Vietnam \$23K
- Job sites starting to reopen in Malaysia
- Jobs have been shuffling as different areas continue to have lockdowns

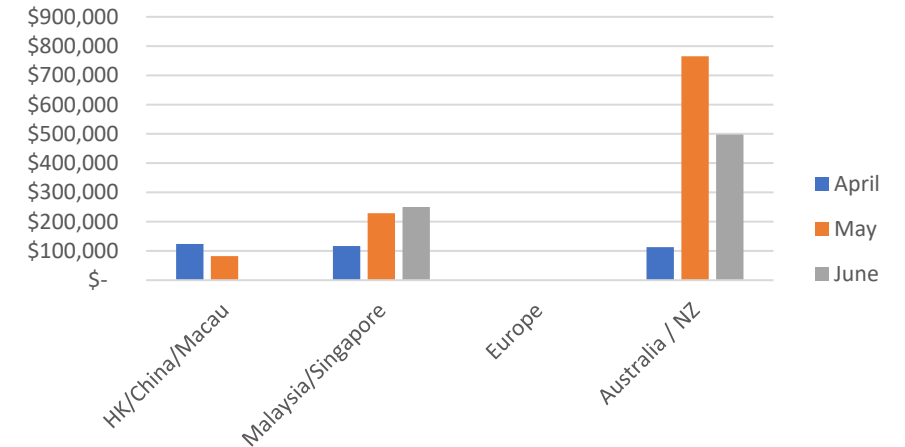
3. Germany Field Office

- Major projects to invoice Q2:
 - Walsrode Stadthalle \$58k
 - Latvia VELVE \$40K
 - Belgium Centrum Islamic \$31K
- Securements continue to be weak
- Working reduced days until order volume picks back up.
- Looking to better serve UK market by offering track at a reduced lead time

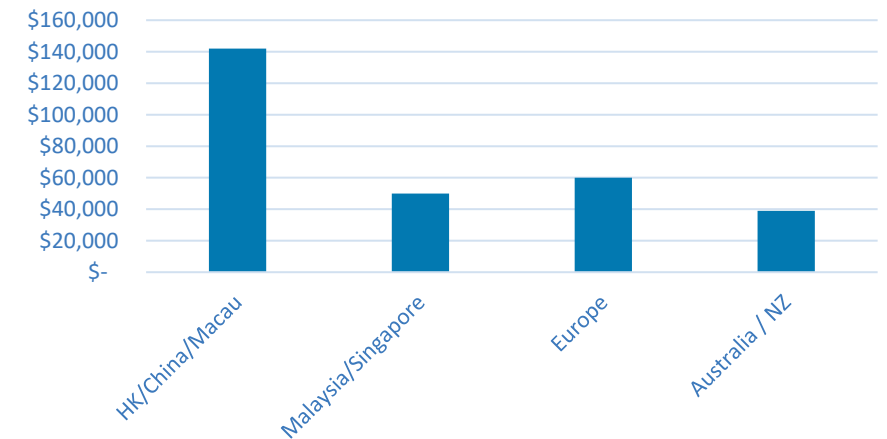
4. Australia / New Zealand Field Office

- Shut down Week 20 for positive COVID-19 case & employee testing; re-opened Week 21
- Avg 45 units in May. Goal is to get to 50
- Major projects to invoice Q2:
 - Christchurch Convention Center \$450K
 - UQ Collaboration Hub \$157K
 - Melbourne hub Development \$139K (cubicles)

Q2 Revenue Moveout



Q2 Cost Control- COVID-19



Appendix: 2020 Financial Statements

INCOME STATEMENT	Act	Act	Act	Act	Act	Act
	1/31/2020	2/28/2020	3/31/2020	Quarter Ending 3/31/2020	4/30/2020	5/31/2020
	1M	1M	1M	1Q	1M	1M
Units produced	-	-	-	-	-	-
Units shipped	-	-	-	-	-	-
Bookings (\$'000)	10,862	11,878	12,772	35,512	10,732	11,061
Backlog (\$'000)	78,087	79,369	81,553	81,553	83,470	83,481
Gross Revenue	\$ 11,432	\$ 10,641	\$ 10,644	\$ 32,717	\$ 8,869	\$ 11,100
Discounts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Returns	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Rebates	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Revenue	\$ 11,432	\$ 10,641	\$ 10,644	\$ 32,717	\$ 8,869	\$ 11,100
Material	\$ 3,751	\$ 3,216	\$ 4,249	\$ 11,216	\$ 3,064	\$ 3,725
Labor	\$ 3,597	\$ 3,388	\$ 3,246	\$ 10,231	\$ 3,031	\$ 3,126
Other COGS	\$ 1,117	\$ 1,167	\$ 1,111	\$ 3,395	\$ 796	\$ 933
Total COGS	\$ 8,466	\$ 7,771	\$ 8,606	\$ 24,843	\$ 6,891	\$ 7,783
Gross Margin	\$ 2,966	\$ 2,870	\$ 2,038	\$ 7,874	\$ 1,978	\$ 3,317
Gross Margin %	25.9%	27.0%	19.1%	24.1%	22.3%	29.9%
R&D	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales & marketing	\$ 1,209	\$ 1,144	\$ 1,131	\$ 3,484	\$ 1,030	\$ 931
Administrative	\$ 1,785	\$ 1,838	\$ 938	\$ 4,561	\$ 1,551	\$ 1,696
Other Opex	\$ (19)	\$ (22)	\$ (6)	\$ (47)	\$ (98)	\$ 7
Total OPEX (excl D&A)	\$ 2,975	\$ 2,959	\$ 2,063	\$ 7,997	\$ 2,483	\$ 2,634
Opex Overview						
Payroll	\$ 1,127	\$ 1,094	\$ 1,100	\$ 3,320	\$ 1,191	\$ 966
Overtime	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Benefits	\$ 326	\$ 295	\$ 27	\$ 648	\$ 247	\$ 224
Bonus	\$ 163	\$ 143	\$ (323)	\$ (16)	\$ 11	\$ 135
Severance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Marketing	\$ 11	\$ 29	\$ 21	\$ 62	\$ 22	\$ 18
Commissions	\$ 224	\$ 162	\$ 163	\$ 549	\$ 179	\$ 175
Travel and Entertainment	\$ 144	\$ 113	\$ 153	\$ 410	\$ 40	\$ 34
Rent and Facilities	\$ 68	\$ 77	\$ 67	\$ 213	\$ 74	\$ 70
Insurance	\$ 71	\$ 71	\$ 71	\$ 213	\$ 51	\$ 251
Professional Fees	\$ 52	\$ 165	\$ 138	\$ 355	\$ 89	\$ 119
Utl., Repair, Maint., & Sec.	\$ 30	\$ 32	\$ 38	\$ 100	\$ 30	\$ 29
Office Expenses	\$ 6	\$ 3	\$ 9	\$ 19	\$ 4	\$ 6
Safety and Training	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
IT	\$ 79	\$ 34	\$ 87	\$ 200	\$ 75	\$ 55
Bad Debt	\$ 26	\$ 48	\$ (67)	\$ 8	\$ (26)	\$ 163
Supplies	\$ 16	\$ 17	\$ 15	\$ 49	\$ 10	\$ 15
FX	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
JV Loss (Income)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Expenses	\$ 630	\$ 676	\$ 562	\$ 1,869	\$ 486	\$ 373
Total OPEX (excl D&A)	\$ 2,975	\$ 2,959	\$ 2,063	\$ 7,997	\$ 2,483	\$ 2,634
EBITDA	\$ (8)	\$ (89)	\$ (25)	\$ (123)	\$ (505)	\$ 683
EBITDA Margin %	-0.1%	-0.8%	-0.2%	-0.4%	-5.7%	6.2%
Depreciation	\$ 174	\$ 196	\$ 178	\$ 548	\$ 189	\$ 176
Amortization	\$ 83	\$ 83	\$ 83	\$ 249	\$ 83	\$ 83
Less: D&A	\$ 257	\$ 279	\$ 261	\$ 797	\$ 272	\$ 259
EBIT, reported	\$ (265)	\$ (368)	\$ (286)	\$ (920)	\$ (777)	\$ 424
Interest and financial amortization	\$ 327	\$ 326	\$ 288	\$ 940	\$ 271	\$ 285
Other financial income/expense (e.g. fx, hed)	\$ 16	\$ (12)	\$ (9)	\$ (5)	\$ 19	\$ (13)
Non-financial income/expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Monitoring fees	\$ 250	\$ -	\$ -	\$ 250	\$ 83	\$ 83
Restructuring costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Non-recurring items	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
EBT, reported	\$ (858)	\$ (682)	\$ (565)	\$ (2,105)	\$ (1,152)	\$ 68
Taxes	\$ (14)	\$ 23	\$ (13)	\$ (4)	\$ 18	\$ 8
Net Income (Loss)	\$ (845)	\$ (705)	\$ (552)	\$ (2,101)	\$ (1,170)	\$ 60
Net Income (Loss) %	-7.4%	-6.6%	-5.2%	-6.4%	-13.2%	0.5%
Bank allowable EBITDA add-backs	\$ 1,244	\$ 1,143	\$ 892	\$ 3,280	\$ 1,023	\$ 829
Bank EBITDA	\$ 400	\$ 439	\$ 340	\$ 1,179	\$ (147)	\$ 889
EBITDA addbacks	\$ 1,244	\$ 1,143	\$ 892	\$ 3,280	\$ 1,023	\$ 829
EBITDA, adjusted	\$ 400	\$ 439	\$ 340	\$ 1,179	\$ (147)	\$ 889
Adjusted EBITDA % sales	3.5%	4.1%	3.2%	3.6%	-1.7%	8.0%

CASHFLOW STATEMENT

Cash flow from operations

	1/31/2020	2/28/2020	3/31/2020	Quarter Ending 3/31/2020	4/30/2020	5/31/2020
	1M	1M	1M	1Q	1M	1M
Net Income (Loss)	\$ (845)	\$ (705)	\$ (552)	\$ (2,101)	\$ (1,170)	\$ 60
Depreciation, amortization and other	\$ 257	\$ 279	\$ 261	\$ 797	\$ 272	\$ 259
Capitalized fees & expenses	\$ (199)	\$ 55	\$ 55	\$ (90)	\$ 276	\$ 47
Gain (loss) on sale of fixed assets	\$ -	\$ -	\$ 4	\$ 4	\$ -	\$ 30
Non-cash interest expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Non-cash dividends	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred income tax	\$ (0)	\$ (1)	\$ (1)	\$ (2)	\$ 0	\$ (9)
Change in operating assets and liabilities:						
Accounts receivable	\$ 1,936	\$ 567	\$ (169)	\$ 2,334	\$ 2,390	\$ (3,271)
Inventory	\$ 587	\$ 153	\$ 705	\$ 1,444	\$ (1,064)	\$ 149
Prepaid expenses and other current assets	\$ (142)	\$ 242	\$ 179	\$ 279	\$ (254)	\$ 83
Accounts payable	\$ (2,008)	\$ 1,295	\$ 1,334	\$ 621	\$ (1,777)	\$ (1,088)
Accrued expenses	\$ (2,317)	\$ (138)	\$ (253)	\$ (2,709)	\$ 174	\$ 2,384
Accrued income taxes	\$ -	\$ (15)	\$ (18)	\$ (34)	\$ -	\$ -
Other changes in operating assets and liabilities	\$ (958)	\$ (22)	\$ (52)	\$ (1,032)	\$ 731	\$ 214
Other cash flow from operations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Cash Flow from Operations	\$ (3,688)	\$ 1,710	\$ 1,492	\$ (486)	\$ (421)	\$ (1,145)

Cash flow from investing

	1/31/2020	2/28/2020	3/31/2020	Quarter Ending 3/31/2020	4/30/2020	5/31/2020
	1M	1M	1M	1Q	1M	1M
Additions to property, plant and equipment	\$ (282)	\$ (2)	\$ 104	\$ (181)	\$ (173)	\$ (97)
Acquisitions of companies, net of cash acquired	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment in intangibles	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Earnout payments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other cash flow from investing (goodwill)	\$ (488)	\$ -	\$ -	\$ (488)	\$ -	\$ 55
Total Cash Flow from Investing	\$ (770)	\$ (2)	\$ 104	\$ (669)	\$ (173)	\$ (42)

Cash flow from financing

	1/31/2020	2/28/2020	3/31/2020	Quarter Ending 3/31/2020	4/30/2020	5/31/2020
	1M	1M	1M	1Q	1M	1M
Proceeds from the issuance (repayment) of sho	\$ 4,470	\$ (2,796)	\$ 14	\$ 1,688	\$ 872	\$ 941
Proceeds from the issuance of debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Repayment of debt	\$ (293)	\$ -	\$ -	\$ (293)	\$ (293)	\$ (955)
Capital lease	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Common stock issued (repurchased)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Common stock cash dividends paid	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Preferred stock issued (repurchased)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other cash flow from financing costs	\$ 751	\$ (404)	\$ (140)	\$ 207	\$ (283)	\$ (0)
Total Cash Flow from Financing	\$ 4,928	\$ (3,200)	\$ (126)	\$ 1,602	\$ 296	\$ (14)
Effect of FX rates on cash and cash equivalents	\$ (252)	\$ (58)	\$ (242)	\$ (553)	\$ 316	\$ (18)

Net change in cash

	1/31/2020	2/28/2020	3/31/2020	Quarter Ending 3/31/2020	4/30/2020	5/31/2020
	1M	1M	1M	1Q	1M	1M
Beginning cash	\$ 3,118	\$ 3,335	\$ 1,785	\$ 3,118	\$ 3,013	\$ 3,031
Change in cash	\$ 217	\$ (1,550)	\$ 1,228	\$ (106)	\$ 18	\$ (1,218)
Ending cash	\$ 3,335	\$ 1,785	\$ 3,013	\$ 3,013	\$ 3,031	\$ 1,812

BALANCE SHEET

Current Assets

	12/31/2019	1/31/2020	2/28/2020	3/31/2020	4/30/2020	5/31/2020
	1M	1M	1M	1M	1M	1M
Cash and cash equivalents	\$ 3,118	\$ 3,335	\$ 1,785	\$ 3,013	\$ 3,031	\$ 1,812
Short term investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable, gross	\$ 37,033	\$ 35,051	\$ 34,542	\$ 34,461	\$ 32,117	\$ 33,356
Accounts receivable, reserves	\$ (3,290)	\$ (3,275)	\$ (3,333)	\$ (3,083)	\$ (3,128)	\$ (3,289)
Accounts receivable, net	\$ 33,744	\$ 31,776	\$ 31,209	\$ 31,379	\$ 28,988	\$ 30,067
Inventory, gross	\$ 16,922	\$ 16,396	\$ 16,556	\$ 15,848	\$ 16,862	\$ 16,620
Inventory, reserves	\$ (314)	\$ (376)	\$ (689)	\$ (685)	\$ (635)	\$ (541)
Inventory, net	\$ 16,607	\$ 16,021	\$ 15,868	\$ 15,163	\$ 16,227	\$ 16,079
Prepaid expenses and other current assets	\$ 1,448	\$ 1,593	\$ 1,488	\$ 1,465	\$ 1,725	\$ 1,627
Current portion of deferred taxes	\$ 4,149	\$ 4,894	\$ 4,869	\$ 4,819	\$ 4,081	\$ 4,101
Revenue in excess of billings	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other current assets	\$ 546	\$ 577	\$ 464	\$ 359	\$ 358	\$ 2,551
Total Current Assets	\$ 59,612	\$ 58,195	\$ 55,682	\$ 56,196	\$ 54,411	\$ 56,237

Non-Current Assets

	12/31/2019	1/31/2020	2/28/2020	3/31/2020	4/30/2020	5/31/2020
	1M	1M	1M	1M	1M	1M
Property, plant & equipment, gross	\$ 40,450	\$ 40,593	\$ 40,595	\$ 40,491	\$ 40,758	\$ 40,789
Accumulated depreciation	\$ (24,382)	\$ (24,416)	\$ (24,548)	\$ (24,536)	\$ (24,818)	\$ (25,012)
Property, plant & equipment, net	\$ 16,068	\$ 16,177	\$ 16,047	\$ 15,956	\$ 15,940	\$ 15,776
Goodwill	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Identifiable intangible assets, gross	\$ 15,230	\$ 15,133	\$ 15,125	\$ 15,109	\$ 15,208	\$ 15,215
Accumulated amortization	\$ (8,623)	\$ (8,832)	\$ (8,913)	\$ (8,992)	\$ (8,949)	\$ (9,034)
Identifiable intangible assets, net	\$ 6,607	\$ 6,301	\$ 6,212	\$ 6,117	\$ 6,259	\$ 6,181
Deferred financing cost	\$ 1,492	\$ 1,691	\$ 1,636	\$ 1,581	\$ 1,305	\$ 1,258
Deferred tax asset	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other non-current assets	\$ 847	\$ 1,137	\$ 1,111	\$ 933	\$ 817	\$ 636
Total Non-Current Assets	\$ 25,013	\$ 25,306	\$ 25,006	\$ 24,588	\$ 24,321	\$ 23,851

Total Assets	\$ 84,626	\$ 83,501	\$ 80,689	\$ 80,784	\$ 78,732	\$ 80,088
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Current Liabilities

	12/31/2019	1/31/2020	2/28/2020	3/31/2020	4/30/2020	5/31/2020
	1M	1M	1M	1M	1M	1M
Current portion of long-term debt	\$ 1,174	\$ 1,198	\$ 1,197	\$ 1,322	\$ 1,321	\$ 1,321
Line of Credit	\$ 5,658	\$ 10,128	\$ 7,333	\$ 7,347	\$ 8,220	\$ 9,161
Accounts payable	\$ 12,101	\$ 10,101	\$ 11,396	\$ 12,730	\$ 10,791	\$ 9,527
Accrued liabilities	\$ 12,221	\$ 10,685	\$ 10,524	\$ 10,224	\$ 10,349	\$ 12,631
Accrued compensation	\$ 2,255	\$ 1,578	\$ 1,601	\$ 1,648	\$ 1,878	\$ 2,021
Income taxes payable	\$ 196	\$ 172	\$ 156	\$ 138	\$ 159	\$ 79
Short-term unearned revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other current liabilities	\$ 3,204	\$ 2,975	\$ 2,928	\$ 2,701	\$ 2,766	\$ 3,022
Total Current Liabilities	\$ 36,809	\$ 36,837	\$ 35,135	\$ 36,110	\$ 35,484	\$ 37,762

Long-term liabilities

	12/31/2019	1/31/2020	2/28/2020	3/31/2020	4/30/2020	5/31/2020
	1M	1M	1M	1M	1M	1M
Long-term debt less current maturities	\$ 30,585	\$ 30,269	\$ 30,269	\$ 30,144	\$ 29,851	\$ 28,897
Capital lease	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt owing to OpenGate	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

in \$'000							
AR Aging							
Days	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	%
0-30	\$ 16,408	\$ 17,284	\$ 17,349	\$ 19,532	\$ 15,726	\$ 16,628	49.9%
31-60	5,268	3,956	4,976	2,317	4,085	3,450	10.4%
61-90	3,159	2,707	3,503	2,099	1,394	2,390	7.2%
>90	12,001	11,232	11,201	10,462	10,906	10,853	32.6%
Total Gross AR	\$ 36,836	\$ 35,179	\$ 37,028	\$ 34,411	\$ 32,111	\$ 33,321	100.0%
Reserves	(3,256)	(3,275)	(3,333)	(3,083)	(3,128)	(3,289)	
Total Net AR	\$ 33,579	\$ 31,904	\$ 33,695	\$ 31,328	\$ 28,983	\$ 30,033	
Change in AR Reserve	915	(19)	(57)	250	(45)	(160)	
Actual Bad Debt P&L Charge	(211)	29	48	(67)	(26)	163	
LTM Bad Debt P&L Charge	\$ 2,738	\$ 2,645	\$ 2,654	\$ 1,798	\$ 1,694	\$ 1,775	
AP Aging							
Days	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	%
0-30	\$ 9,132	\$ 8,534	\$ 9,156	\$ 10,692	\$ 9,067	\$ 8,418	83.8%
31-60	1,696	789	522	941	1,003	585	5.8%
61-90	182	105	500	102	156	159	1.6%
>90	2,559	2,449	2,522	2,770	2,685	888	8.8%
Total	\$ 13,569	\$ 11,876	\$ 12,700	\$ 14,505	\$ 12,911	\$ 10,049	100.0%

Management Discussion:

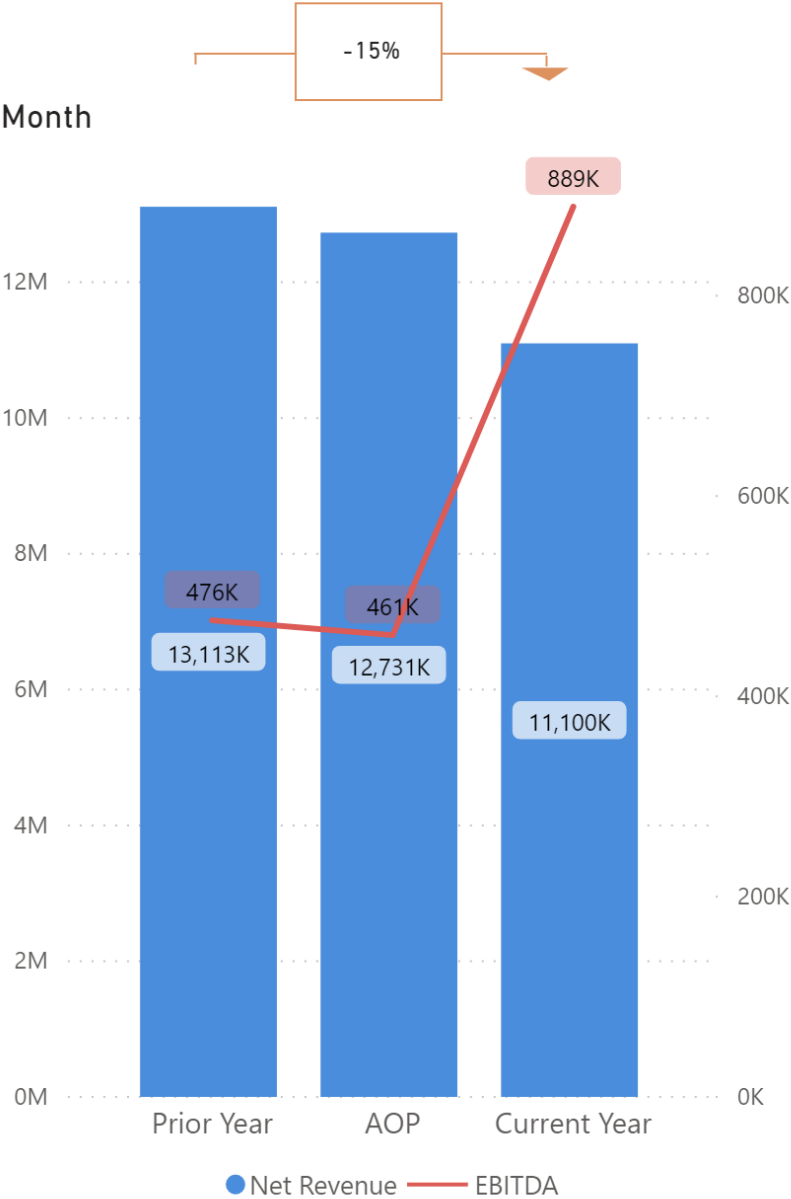
Accounts Receivable

- Increase in AR driven by May Sales
- Retainage listed at \$6.3 mm
 - \$4.4 mm of Domestic Retainage
 - \$1.9 mm of International Retainage
- May DSO was 84.0

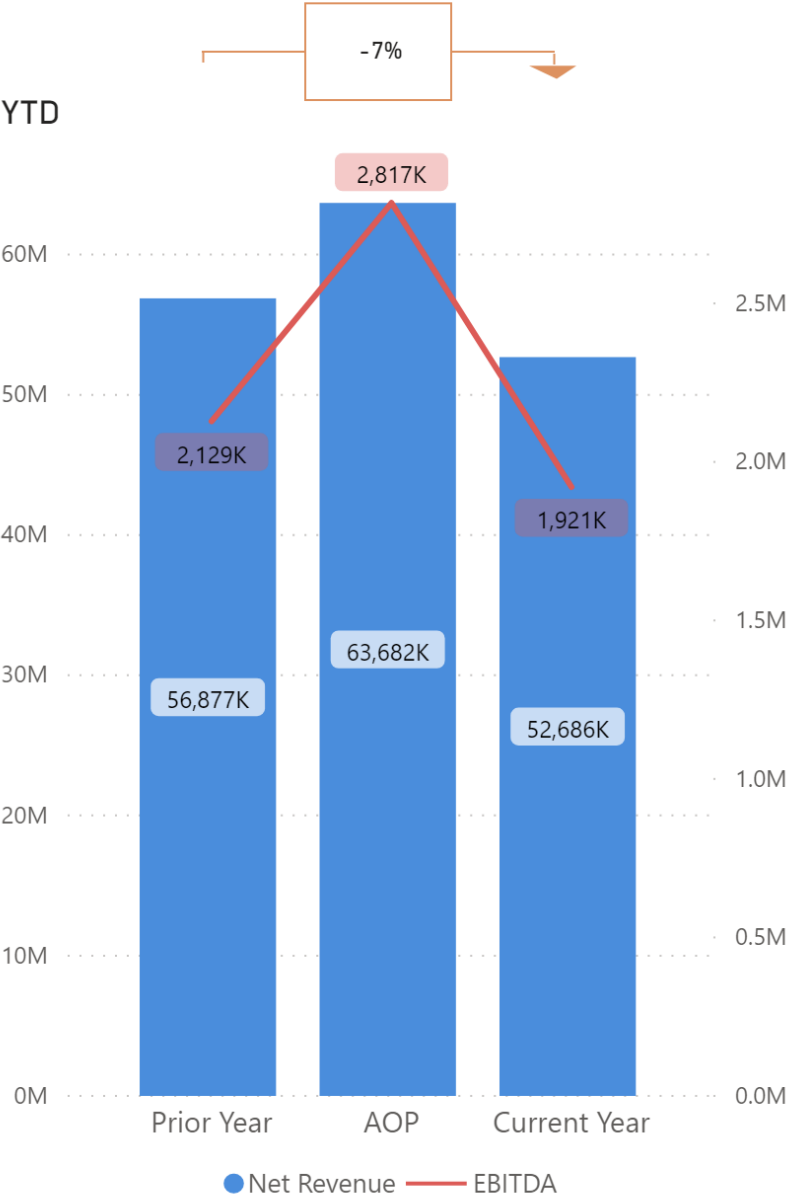
Accounts Payable

- The AP balance in May decreased as payments to strategic vendors were made and paid down balances.
- A/P > 90 consists of OpenGate management fees and other legal fees received late

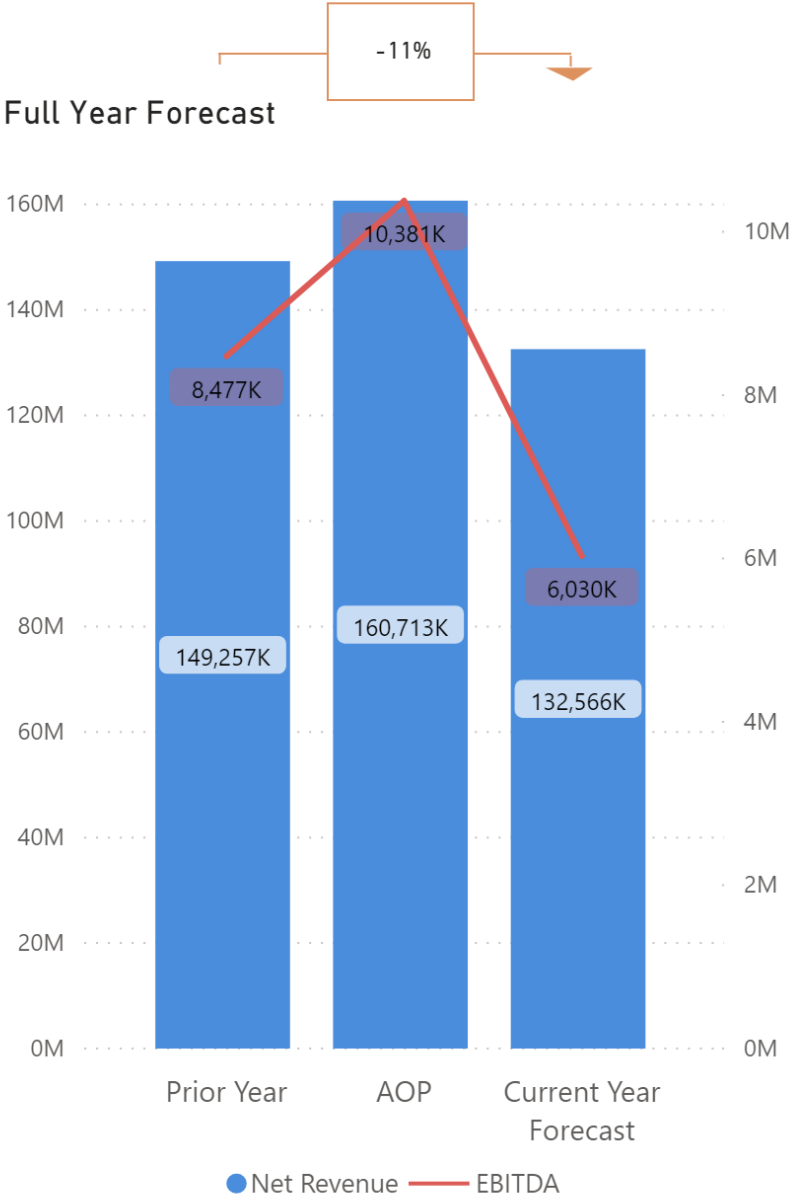
Month



YTD

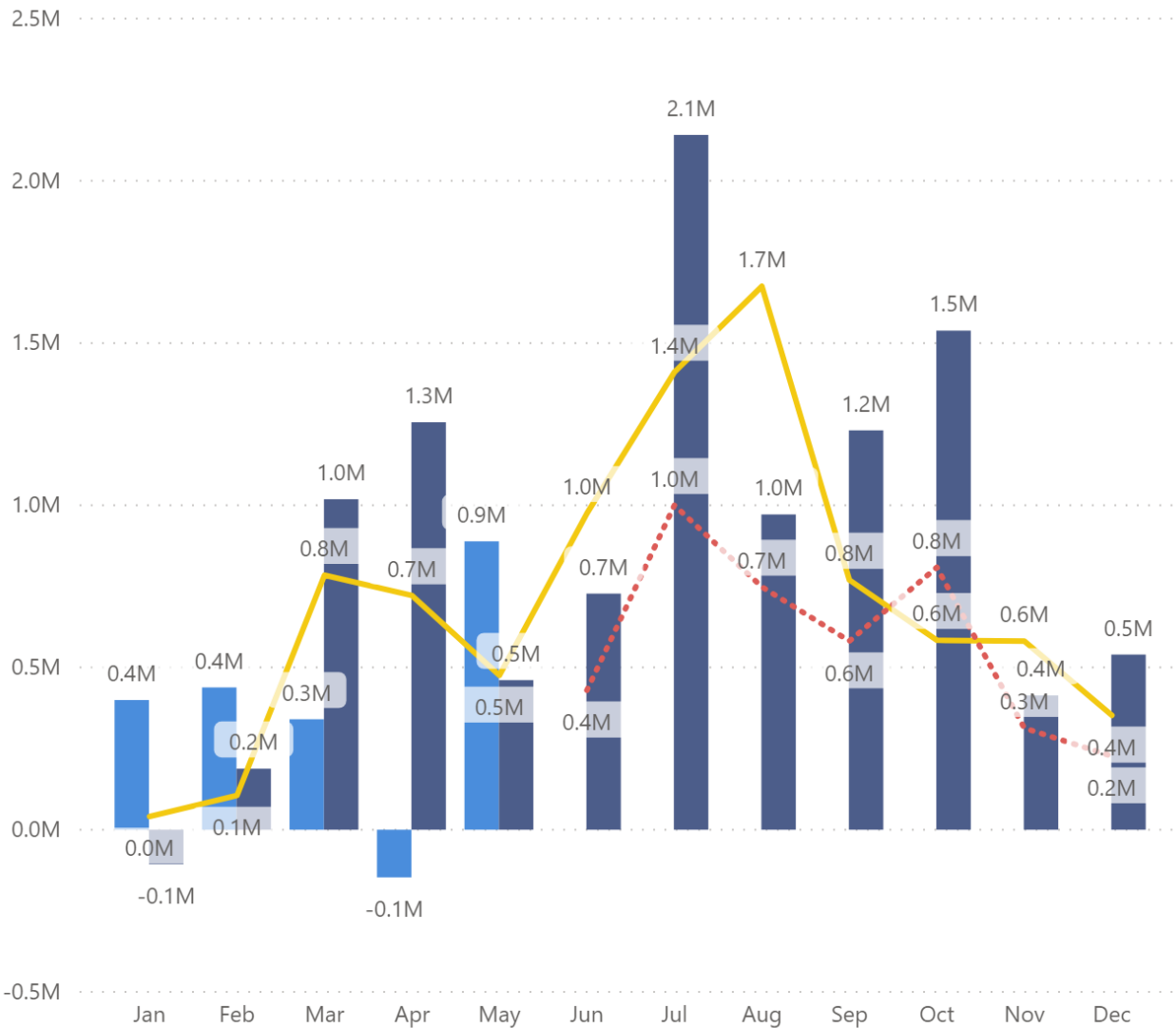


Full Year Forecast



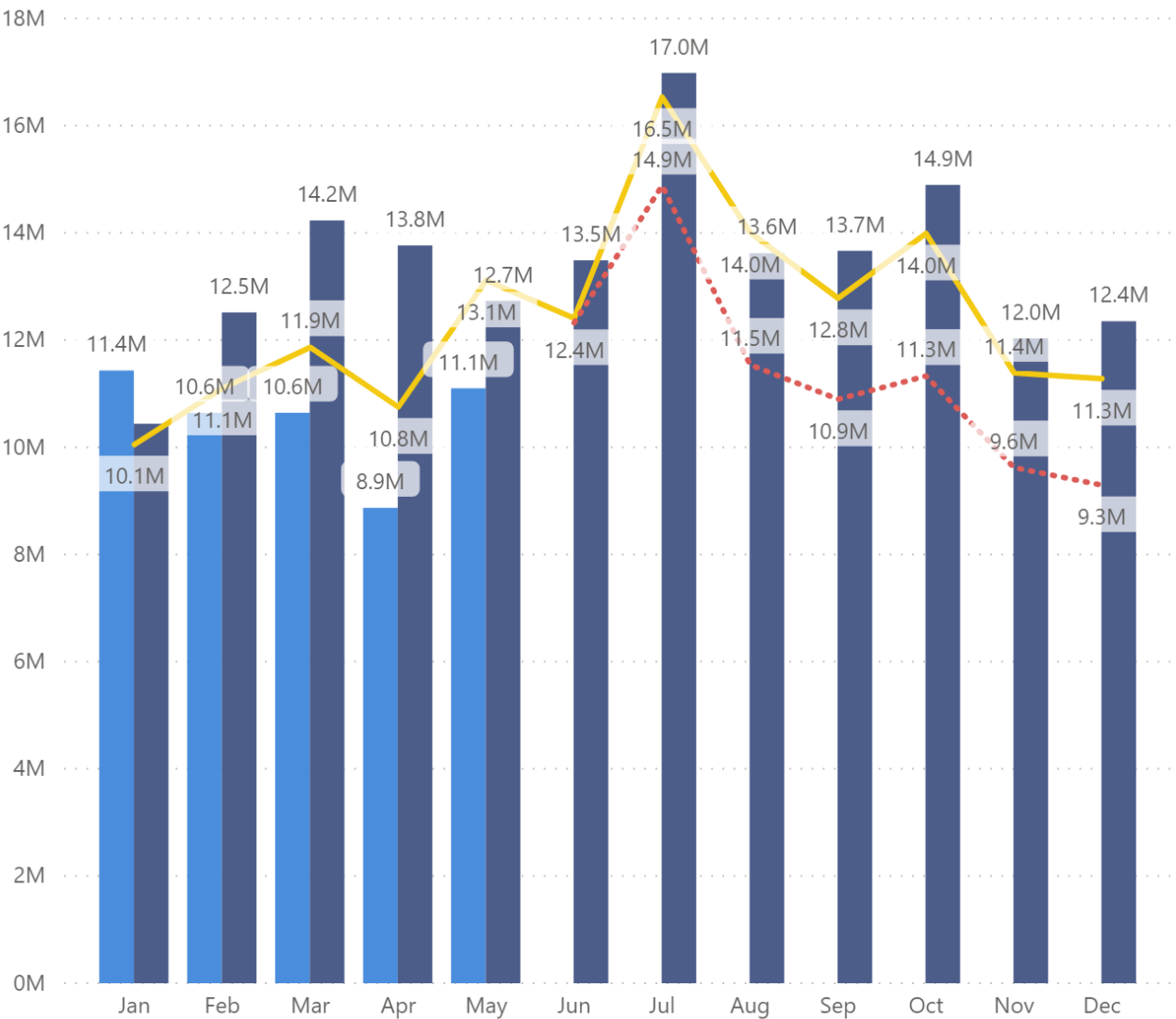
Monthly EBITDA

● Actuals ● Plan ● Prior Year ● Forecast



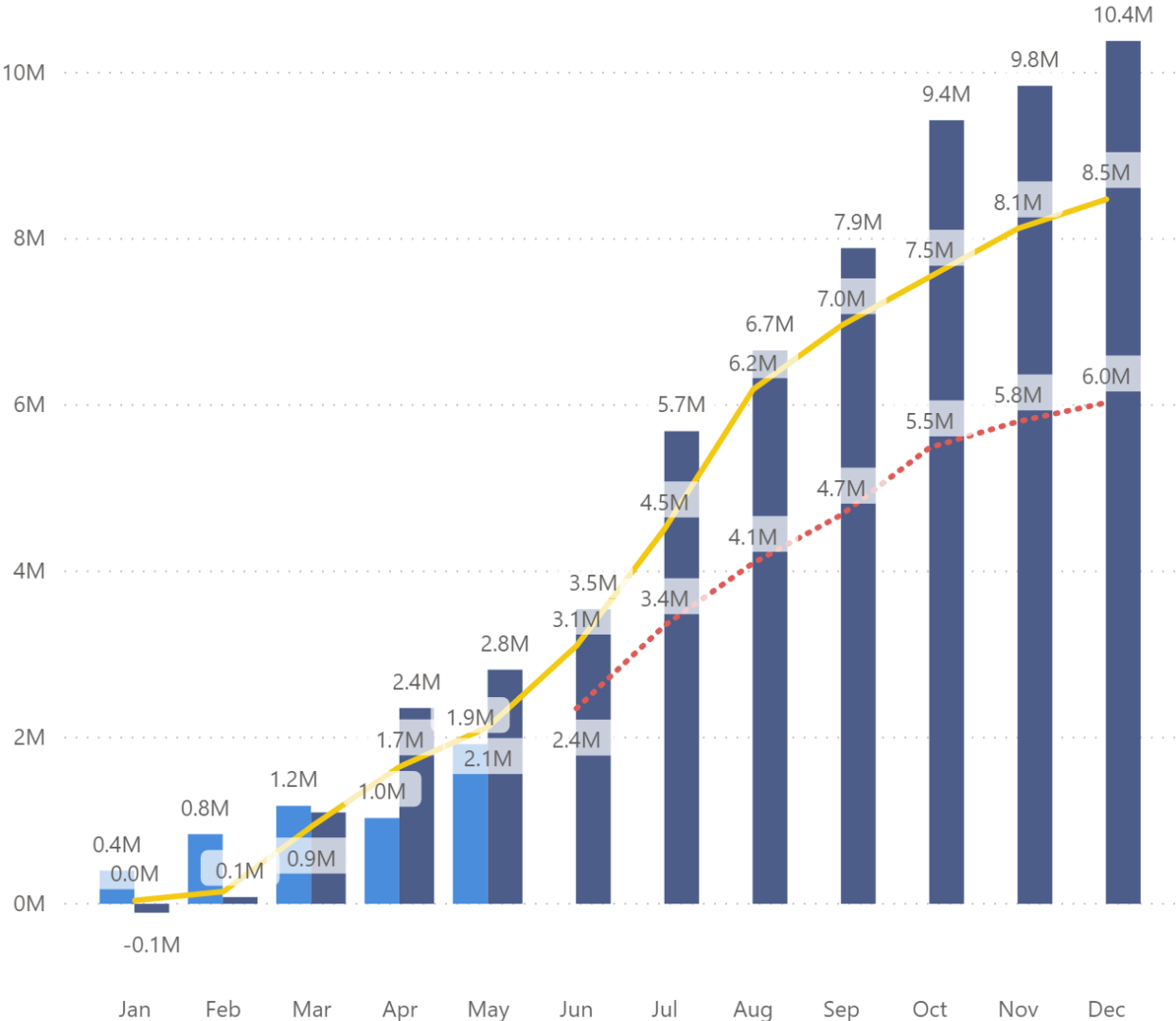
Monthly Net Revenue

● Actuals ● Plan ● Prior Year ● Forecast



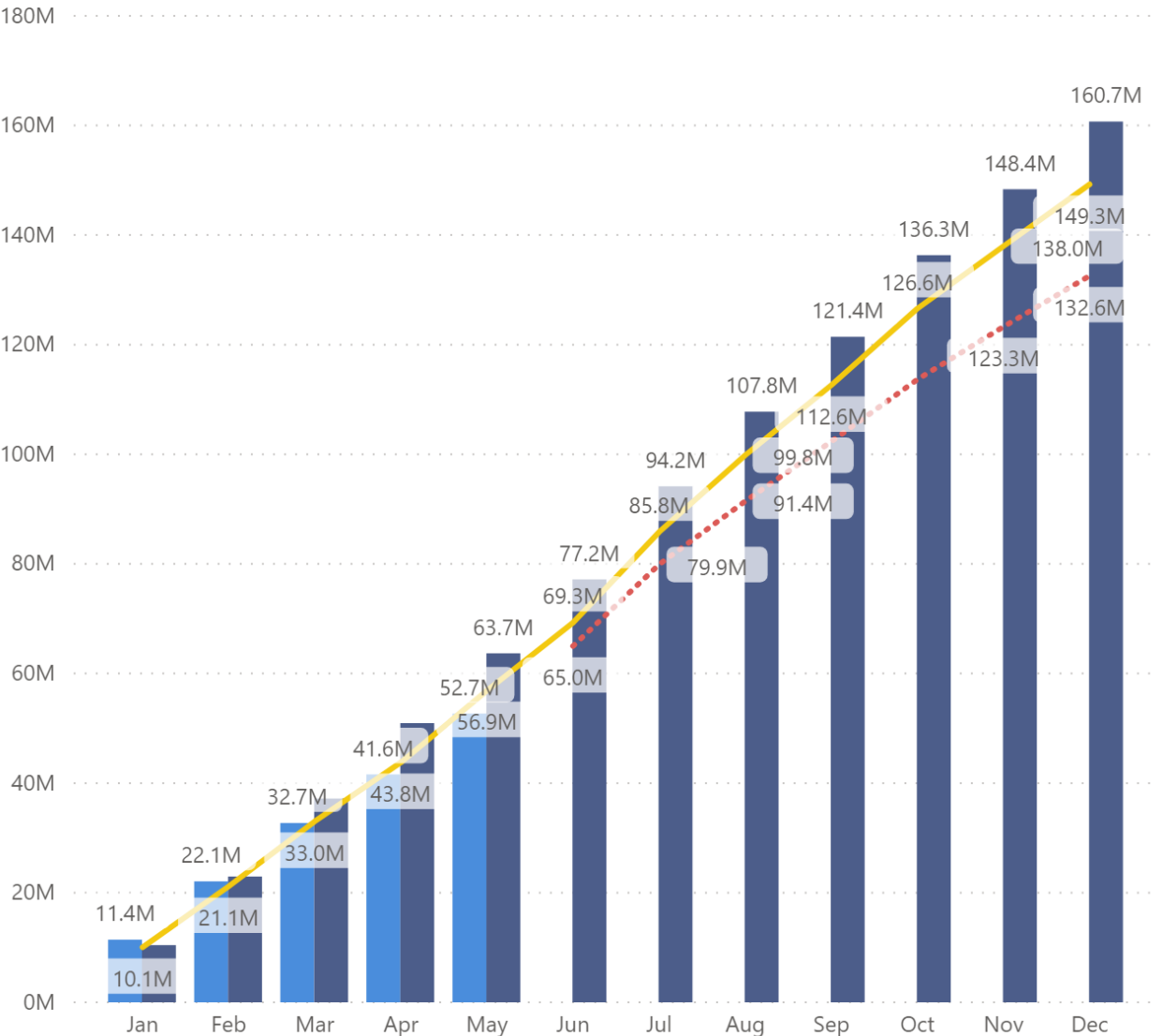
YTD EBITDA

Actuals Plan Prior Year Forecast



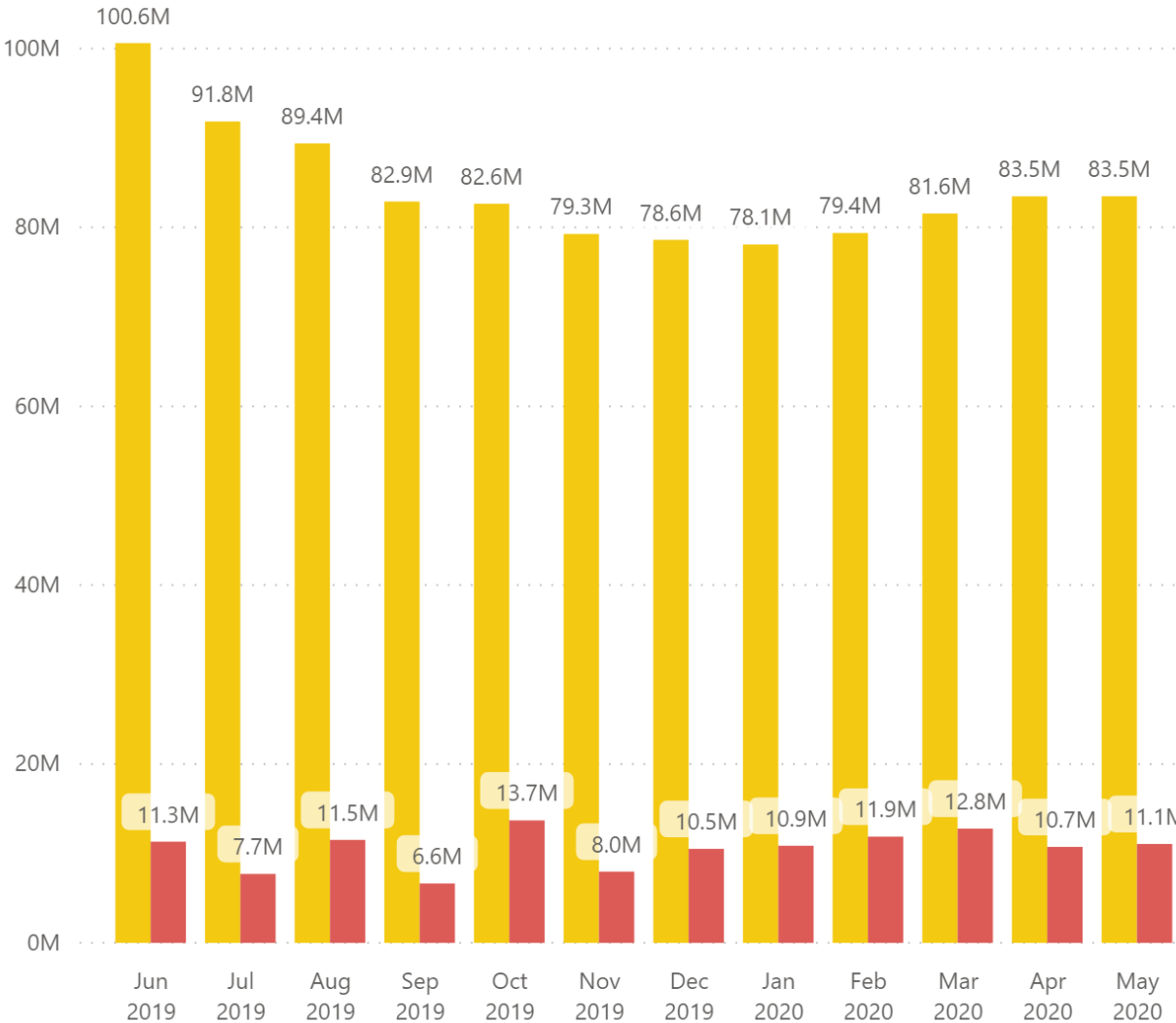
YTD Net Revenue

Actuals Plan Prior Year Forecast



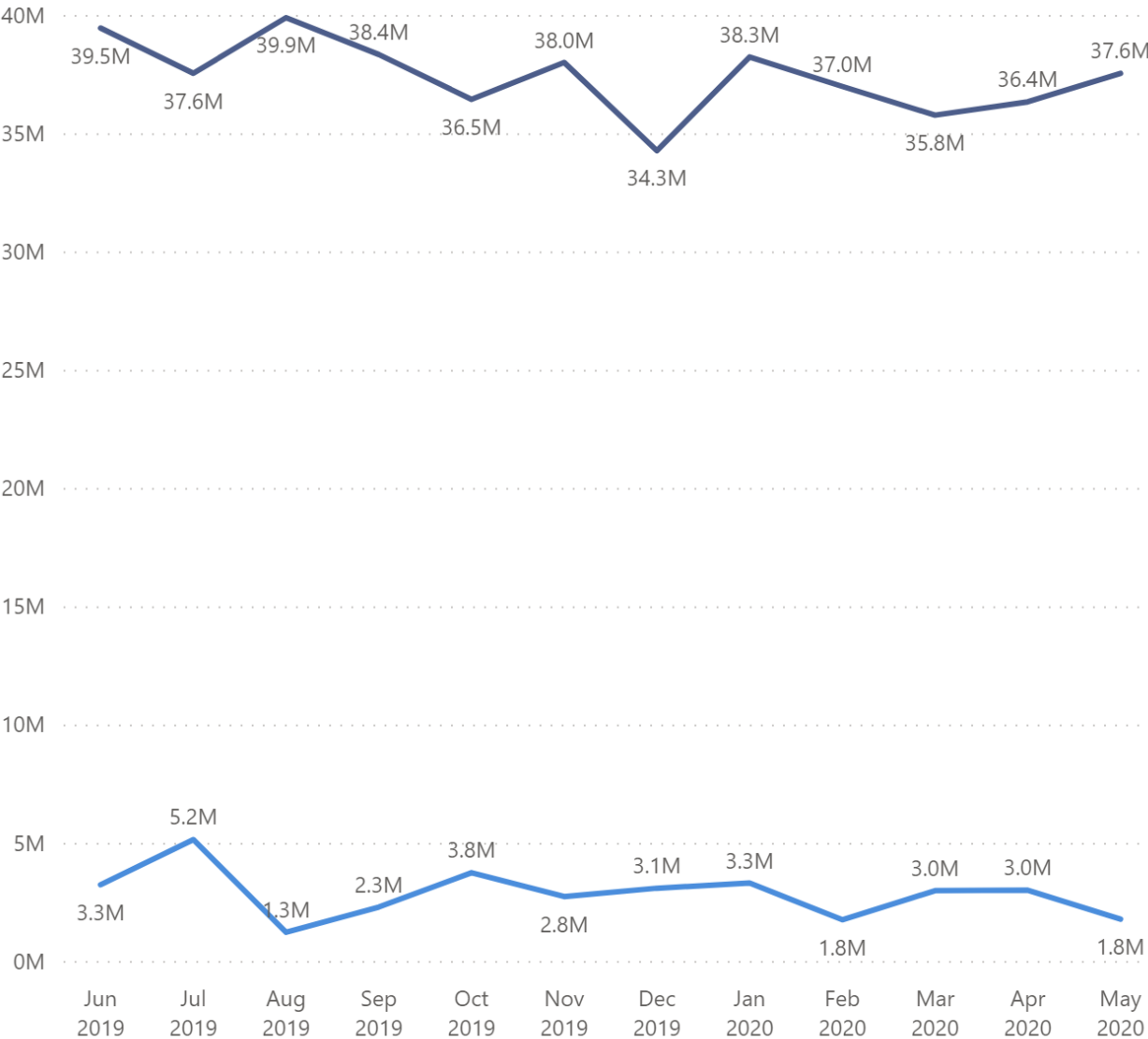
Order Intake

Backlog Bookings



Liquidity

Ending Cash Balance Total Net External Debt



Income Statement



Latest Month ▼

May 2020

Month

QTD

YTD

Plan Scenario

AOP ▼

Income Statement

	Current Year	Prior Year	Plan	Δ Prior Year (%)		Δ Plan (%)	
= Units produced	0K	0K	0K				
= Units shipped	0K	0K	0K				
= Bookings	11,061K	10,671K	11,475K		+4	(4)	+9
= Backlog	83,481K	101,546K	76,508K	(18)			
= Gross Revenue	11,100K	13,113K	12,731K	(15)		(13)	
Discounts	0K	0K	0K				
Returns	0K	0K	0K				
Rebates	0K	0K	0K				
Other Revenue	0K	0K	0K				
= Net Revenue	11,100K	13,113K	12,731K	(15)		(13)	
- Material	3,725K	5,611K	4,405K	(34)		(15)	
- Labor	3,126K	3,746K	3,919K	(17)		(20)	
- Other COGS	933K	1,075K	1,180K	(13)		(21)	
= Total COGS	7,783K	10,432K	9,504K	(25)		(18)	
= Gross Margin	3,317K	2,681K	3,227K		+24		+3
- R&D	0K	0K	0K				
- Sales & marketing	931K	1,162K	1,334K	(20)		(30)	
- Administrative	1,696K	1,197K	1,663K		+42		+2
- Other OPEX	7K	(49K)	(7K)		+114		+198
= Total OPEX (excl D&A)	2,634K	2,310K	2,990K		+14	(12)	
= Reported EBITDA	683K	371K	236K		+84		+189
Bank allowable EBITDA ad...	829K	922K	929K	(10)		(11)	
= Bank EBITDA	889K	541K	461K		+64		+93
EBITDA addbacks	829K	857K	929K	(3)		(11)	
= Adjusted EBITDA	889K	476K	461K		+87		+93

Income Statement



Latest Month ▾

May 2020

Month

QTD

YTD

Plan Scenario

AOP ▾

Income Statement

	Current Year	Prior Year	Plan		Δ Prior Year (%)	Δ Plan (%)
= Units produced	0K	0K	0K			
= Units shipped	0K	0K	0K			
= Bookings	57,304K	62,891K	47,419K	(9)		+21
= Backlog	405,960K	504,945K	296,303K	(20)		+37
= Gross Revenue	52,686K	56,877K	63,682K	(7)	(17)	
Discounts	0K	0K	0K			
Returns	0K	0K	0K			
Rebates	0K	0K	0K			
Other Revenue	0K	0K	0K			
= Net Revenue	52,686K	56,877K	63,682K	(7)	(17)	
- Material	18,005K	19,741K	22,455K	(9)	(20)	
- Labor	16,388K	17,530K	18,841K	(7)	(13)	
- Other COGS	5,124K	5,639K	6,148K	(9)	(17)	
= Total COGS	39,517K	42,910K	47,444K	(8)	(17)	
= Gross Margin	13,169K	13,967K	16,238K	(6)	(19)	
- R&D	0K	0K	0K			
- Sales & marketing	5,444K	5,534K	6,543K	(2)	(17)	
- Administrative	7,808K	5,843K	9,059K	+34	(14)	
- Other OPEX	(138K)	(183K)	(37K)	+24	(271)	
= Total OPEX (excl D&A)	13,114K	11,194K	15,565K	+17	(16)	
= Reported EBITDA	55K	2,773K	673K	← (98)	← (92)	
Bank allowable EBITDA ad...	5,132K	5,606K	6,253K	(8)	(18)	
= Bank EBITDA	1,921K	3,506K	2,817K	← (45)	(32)	
EBITDA addbacks	5,132K	4,229K	6,253K	+21	(18)	
= Adjusted EBITDA	1,921K	2,129K	2,817K	(10)	(32)	

Opex Overview



Latest Month ▾

May 2020

MonthQTDYTD

Plan ScenarioAOP ▾

Opex Overview

	Current Year	Prior Year	Plan	Δ Prior Year (%)		Δ Plan (%)	
- Total Opex Overview	2,634K	2,310K	2,990K		+14		(12)
- 01:Payroll	966K	971K	1,267K	(0)		(24)	
- 03:Benefits	224K	216K	306K	+4		(27)	
- 04:Bonus	135K	98K	168K	+37		(20)	
- 06:Marketing	18K	72K	51K	(75)		(65)	
- 07:Commissions	175K	189K	232K	(7)		(25)	
- 08:Travel and Entertainment	34K	99K	177K	(66)		(81)	
- 09:Rent and Facilities	70K	72K	90K	(2)		(22)	
- 10:Insurance	251K	34K	57K	+631		+339	
- 11:Professional Fees	119K	80K	74K	+50		+61	
- 12:Utl., Repair, Maint., & Sec.	29K	35K	38K	(16)		(23)	
- 13:Office Expenses	6K	6K	7K	(1)		(18)	
- 15:IT	55K	72K	62K	(23)		(11)	
- 16:Bad Debt	163K	81K	29K	+100		+470	
- 17:Supplies	15K	22K	18K	(30)		(14)	
- 20:Other Expenses	373K	264K	413K	+41		(10)	

EBITDA Bridge - Actuals vs. Plan

Latest Month

▼

May 2020

Month

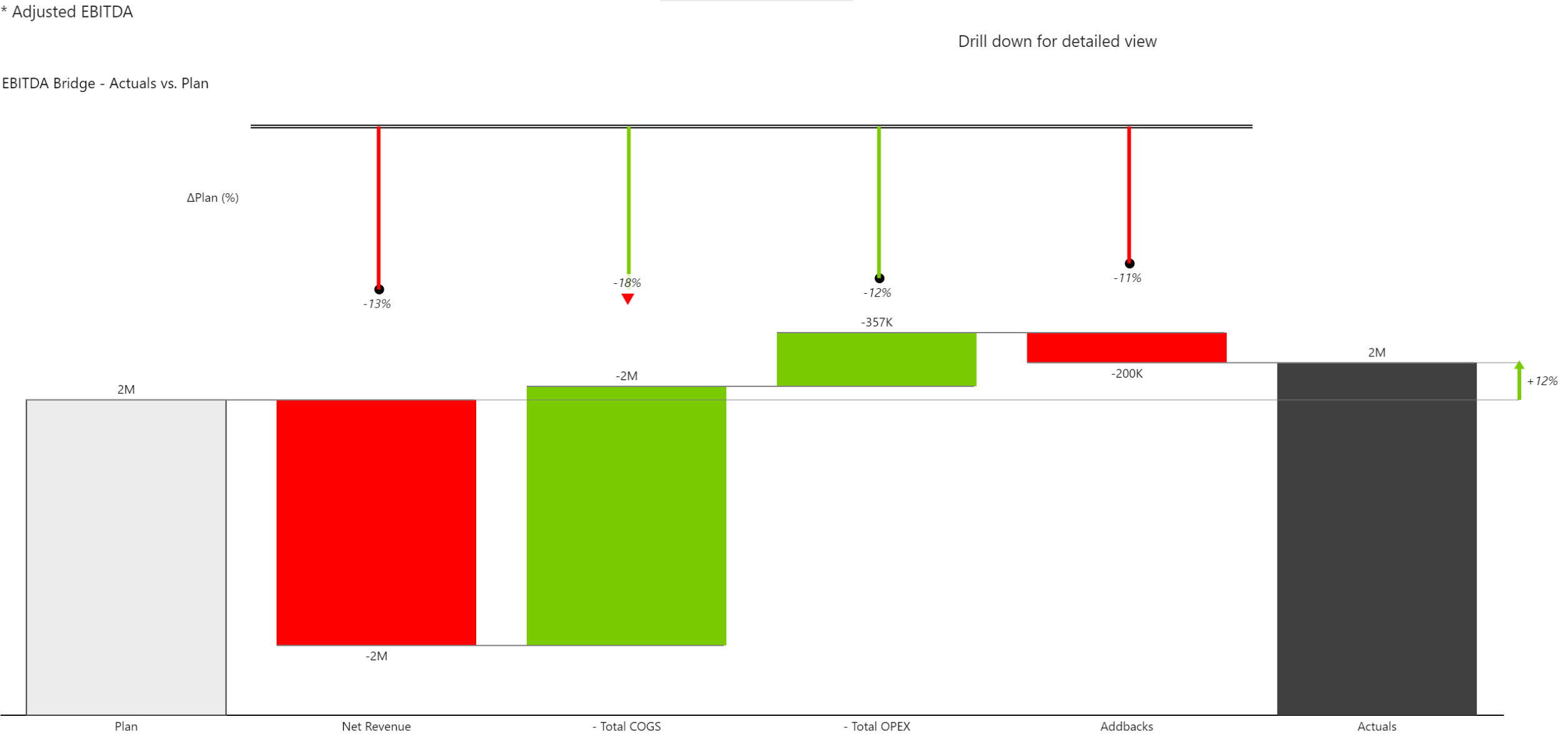
QTD

YTD

Plan Scenario

AOP

▼



EBITDA Bridge - Actuals vs. Prior Year



Latest Month ▾

May 2020

Month

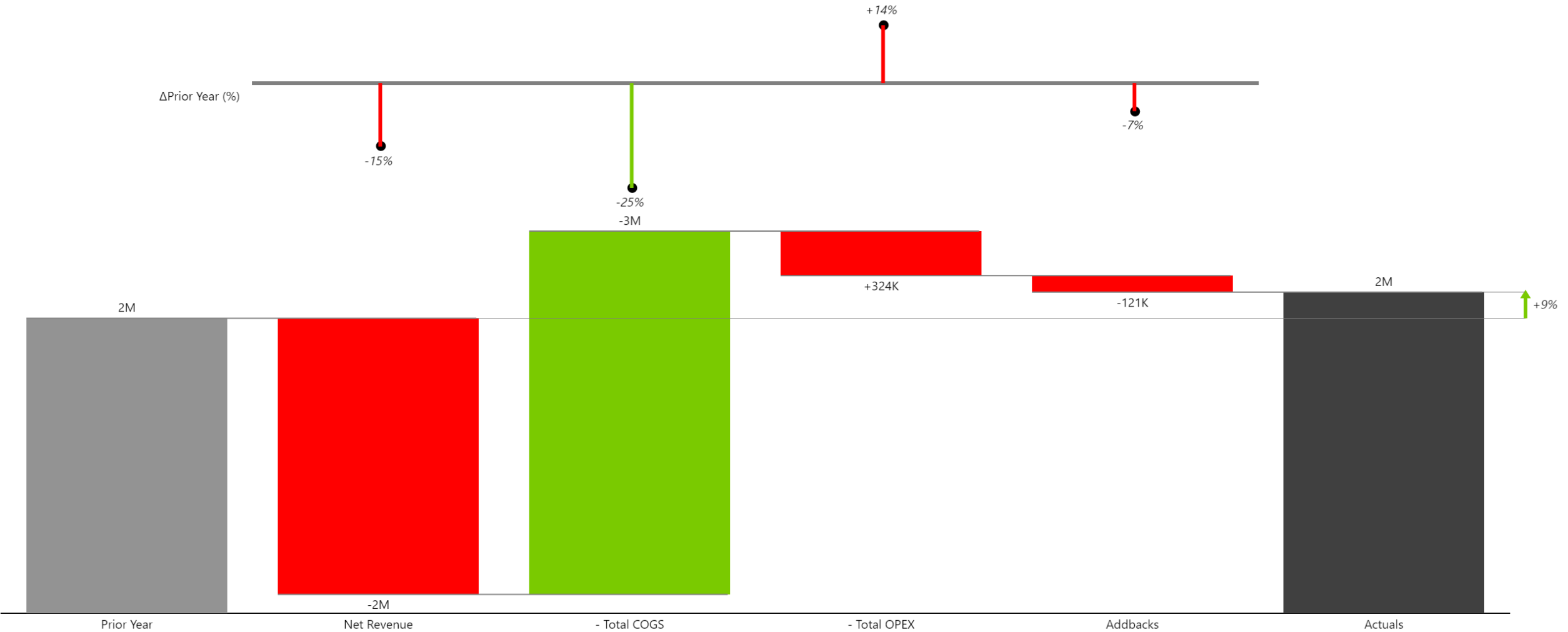
QTD

YTD

* Adjusted EBITDA

Drill down for detailed view

EBITDA Bridge - Actuals vs. Plan



Cash Flow Statement



Latest Month ▼

May 2020

Month

QTD

YTD

Plan Scenario

AOP ▼

Cash Flow Statement

	Current Year	Prior Year	Plan		Δ Prior Year (%)		Δ Plan (%)
Net Income (Loss)	60K	(381K)	(468K)		+116		+113
D&A	259K	507K	335K	(49)		(23)	
Capitalized fees and expenses	47K	(88K)	163K		+153	(71)	
Gain (loss) on sale of fixed assets	30K	0K	0K				
Non-cash dividends	0K	1K	0K	(100)			
Deferred income tax	(9K)	(1K)	(0K)	(821)		(4,690)	
Changes in accounts receivable	(3,271K)	(876K)	1,261K	(273)		(359)	
Changes in inventory	149K	(464K)	820K		+132	(82)	
Changes In Prepaid expenses and other current ass...	83K	233K	60K	(64)			+39
Changes in Accounts payable	(1,088K)	(134K)	(61K)	(712)		(1,688)	
Changes in Accrued expenses	2,384K	1,594K	16K		+49		+14,960
Changes in accrued income taxes	0K	1K	0K	(100)			
Other changes in operating assets and liabilities	214K	(4K)	(122K)		+5,414		+275
Other cash flow from operations	0K	(3K)	0K		+100		
= Total Cash Flow from Operations	(1,145K)	385K	2,004K	(398)		(157)	
Additions to PP&E	(97K)	(17K)	(23K)	(472)		(323)	
Other cash flow from investing	55K	0K	0K				
= Total Cash Flow from Investing	(42K)	(17K)	(23K)	(148)		(84)	
Proceeds from the issuance (repayment) of short-te...	941K	(315K)	(1,415K)		+399		+167
Proceeds from the issuance of debt	0K	1K	0K	(100)			
Repayment of debt	(955K)	0K	0K				
Other cash flow from financing	(0K)	(5K)	(6K)		+94		+96
= Total Cash Flow from Financing	(14K)	(319K)	(1,421K)		+96		+99
= Effect of FX rates on cash and cash equivalents	(18K)	(9K)	0K	(111)			
Beginning Cash Balance	3,031K	1,521K	3,742K		+99	(19)	
Net change in cash	(1,218K)	40K	560K	(3,136)		(318)	
= Ending Cash Balance	1,812K	1,561K	4,302K		+16	(58)	