

Hufcor, Inc. Quarterly Operating Review

Quarter ended June 30, 2020

July 27, 2020

HUF COR Executive Summary: June & Q2 Performance

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 the year, with a strong commercial push continuing to secure as much work as possible for the end of the year and 2021.
2. In June, Janesville experienced a full production shutdown the week of June 8th to complete COVID testing for 100% of facility, which hampered production capacity for the month. Total of 10 confirmed COVID-19 cases (8 union, 2 non-union) in Janesville
3. The Hufcor team is heavily engaged in the Project Red initiative to determine the best go-forward path for production in Janesville.
4. Despite these challenges, Hufcor financial performance exceeded expectations in June compared to our forecasts:
 - Net Revenue was well below AOP (\$10.3M actual, or 23.8% below AOP of \$13.5M), however in line with \$10.5M forecast put forward in Q1
 - Bank EBITDA of \$0.9M vs AOP of \$0.7M and original forecast of \$0.2M; benefit from review of all reserves
 - In compliance with Q2 covenants (1.19x Fixed Charge, 3.64x Leverage) despite a reduction in Bank EBITDA of \$1.7M compared to Q2 of 2019

PRIMARY DEVELOPMENTS SINCE OUR LAST MOR

Domestic Overview

- New safety director, Steve Rush, instituting additional PPE & safety protocols to prevent future shut-downs
- JVL Production Schedule is current & productions areas aligned; will enable a return to a 5-day/8-hour week by 7/31/20
- Late-stage planning for transition to an independent distributor (L2) in Southern California market

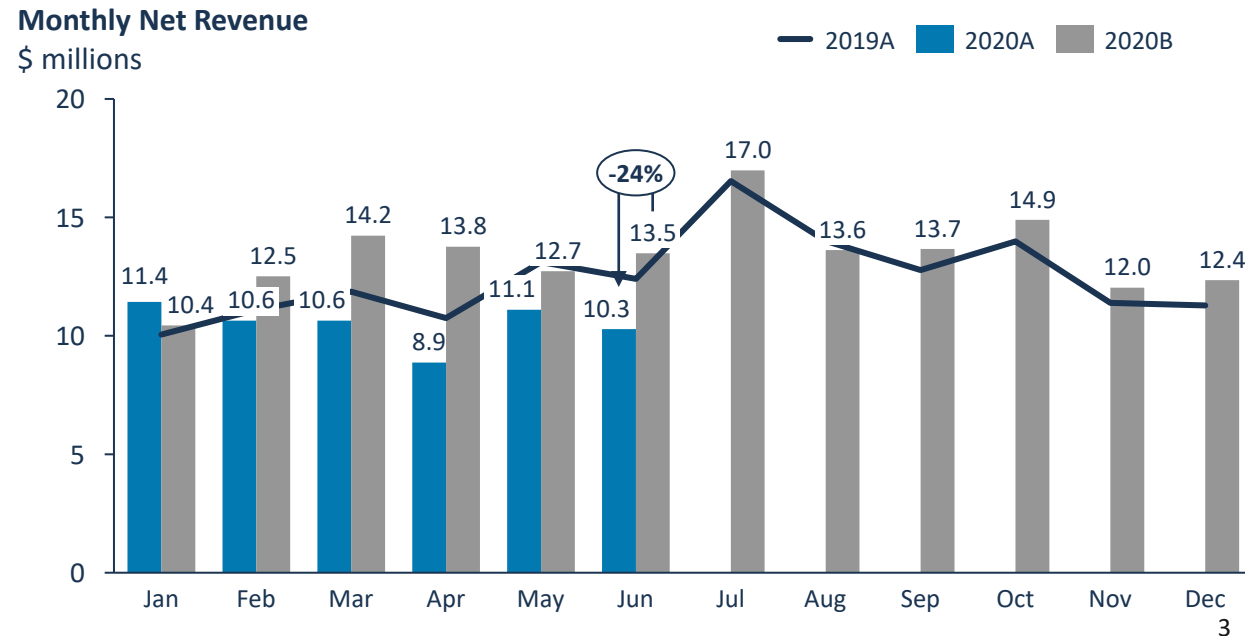
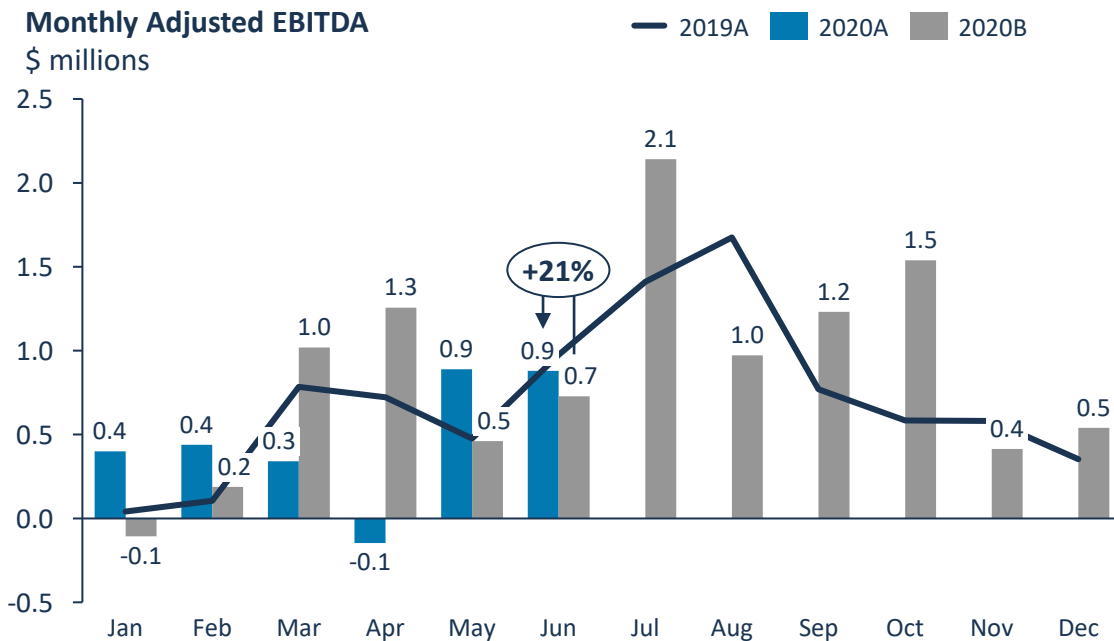
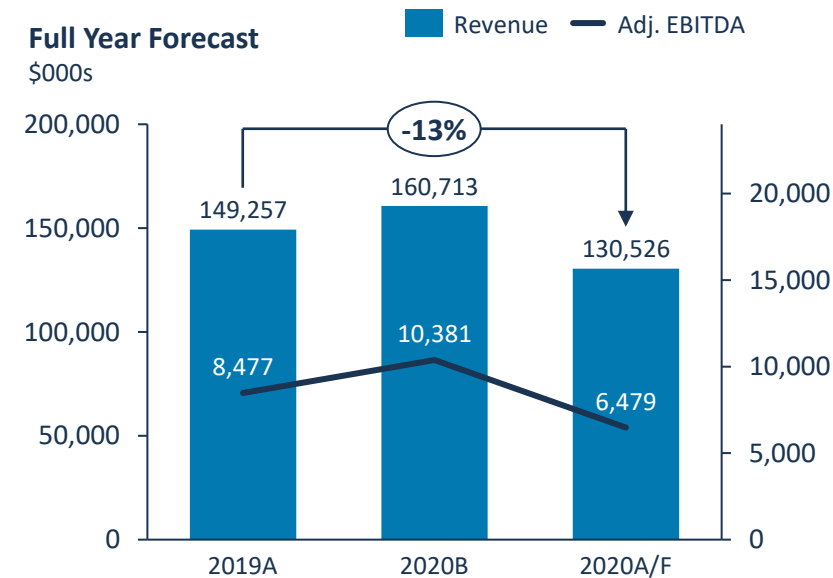
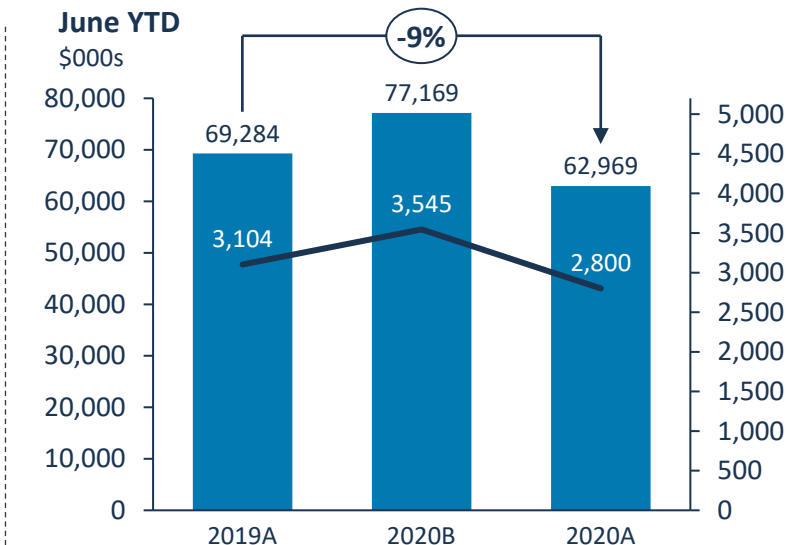
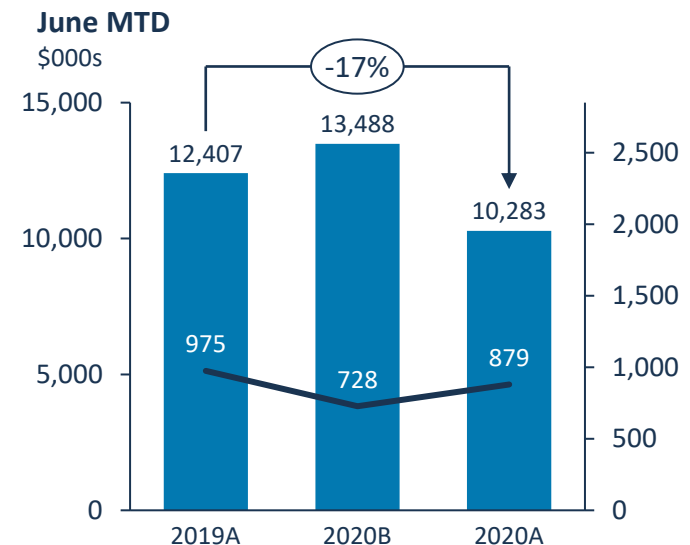
International Overview

- While all international locations have seen a drop in securements (given government-forced shut-downs), operators have performed well – particularly in Europe & Australia
- Have seen initial recovery in Europe commercial securements
- Australia/NZ performance continues to drive the entire International division

Admin / Back-Office Overview

- Continued focus & investment in commercial strategy & team: 3 new RSM's to support independent distributors
- VP of HR resigned mid-June; strong candidate identified in search process
- Furloughs enacted mid-June in response to forced Janesville shut-down; furloughs/layoffs under consideration for Q4 (will depend on final backlog)

HUFCOR Monthly financial metrics

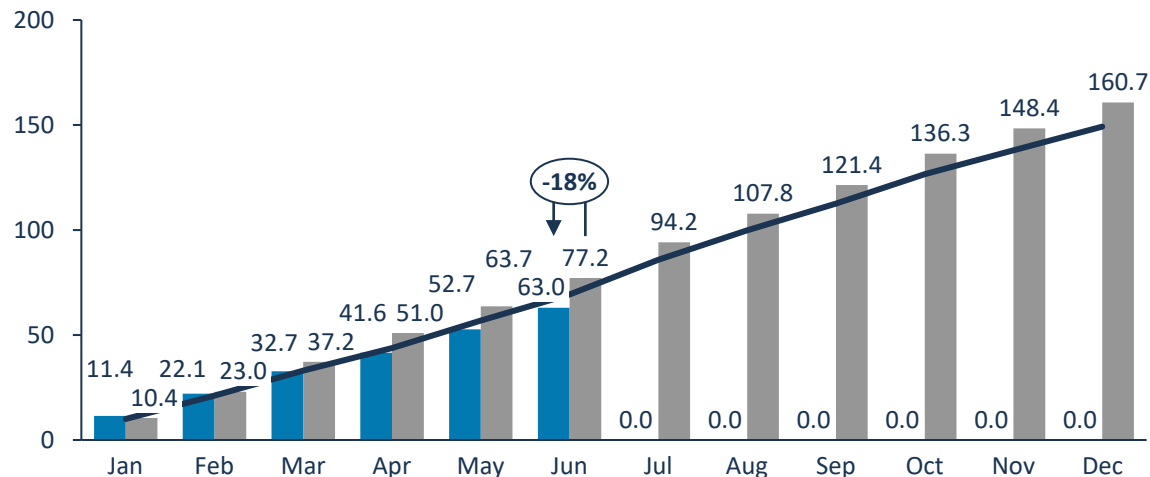


**HUF COR**

Monthly financial metrics

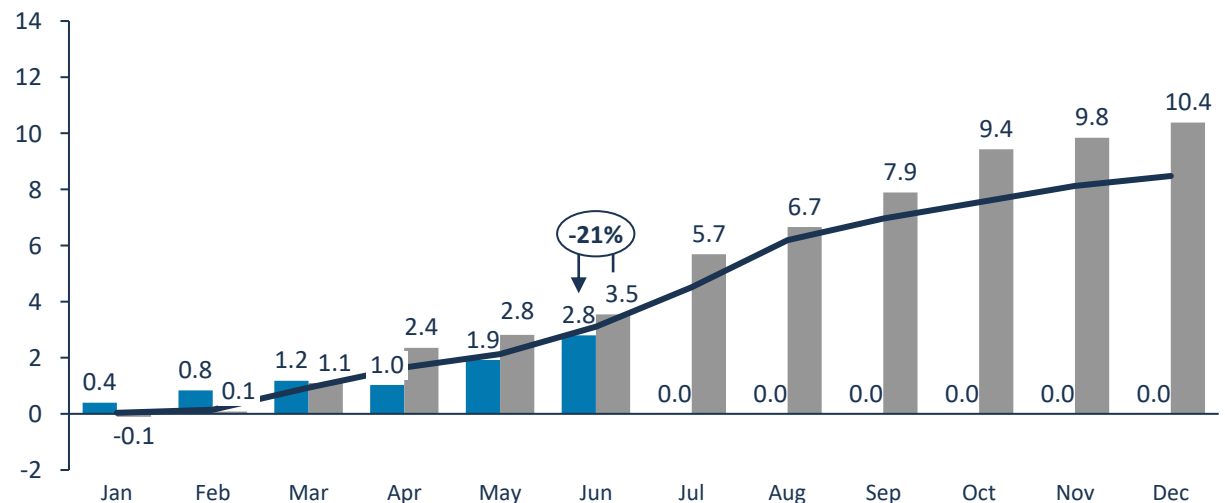
YTD Revenue

\$ millions



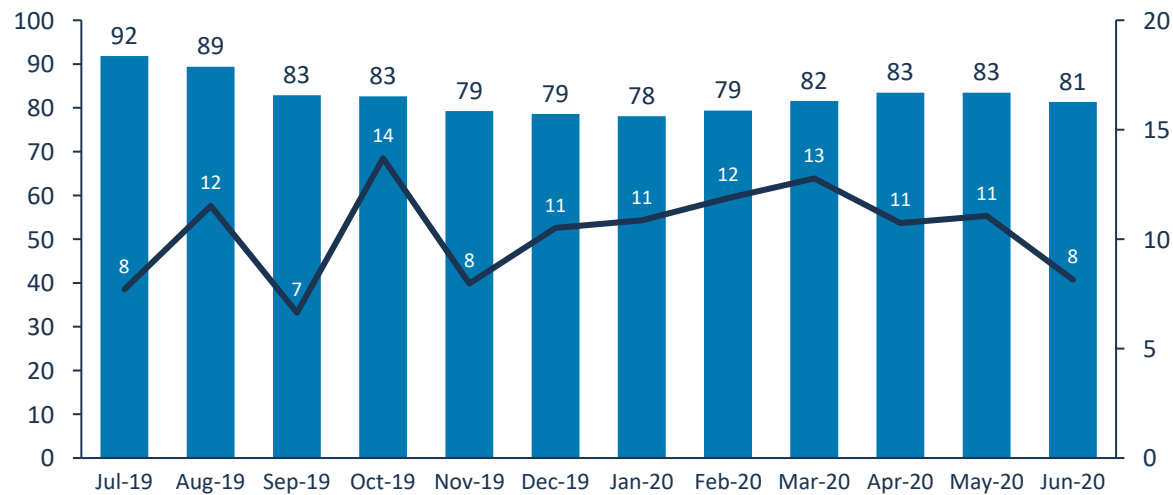
Monthly Pro Forma Adj. EBITDA

\$ millions



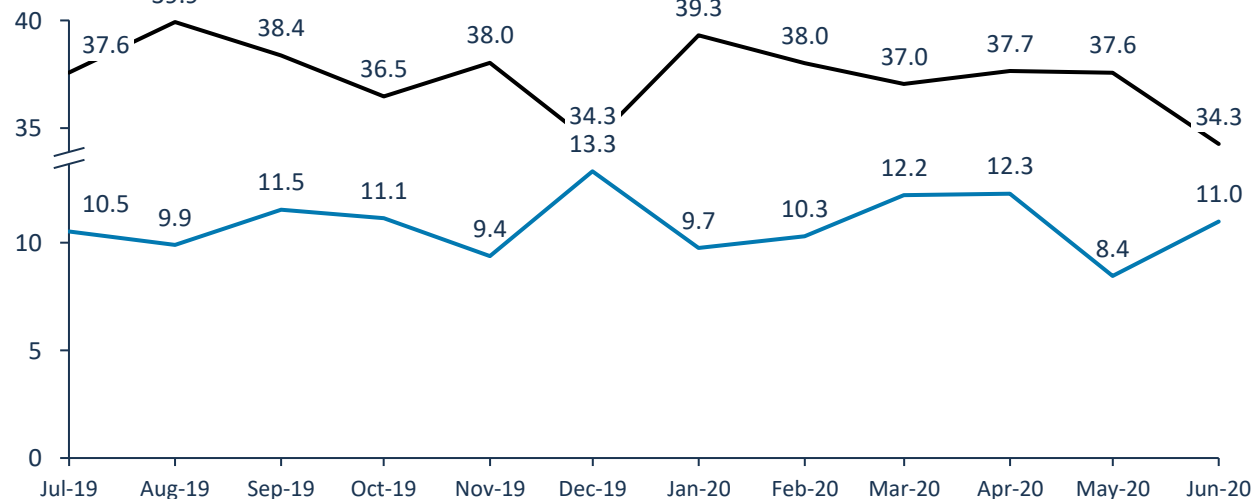
Order Intake

\$ Millions



Liquidity

\$ millions



Section 1

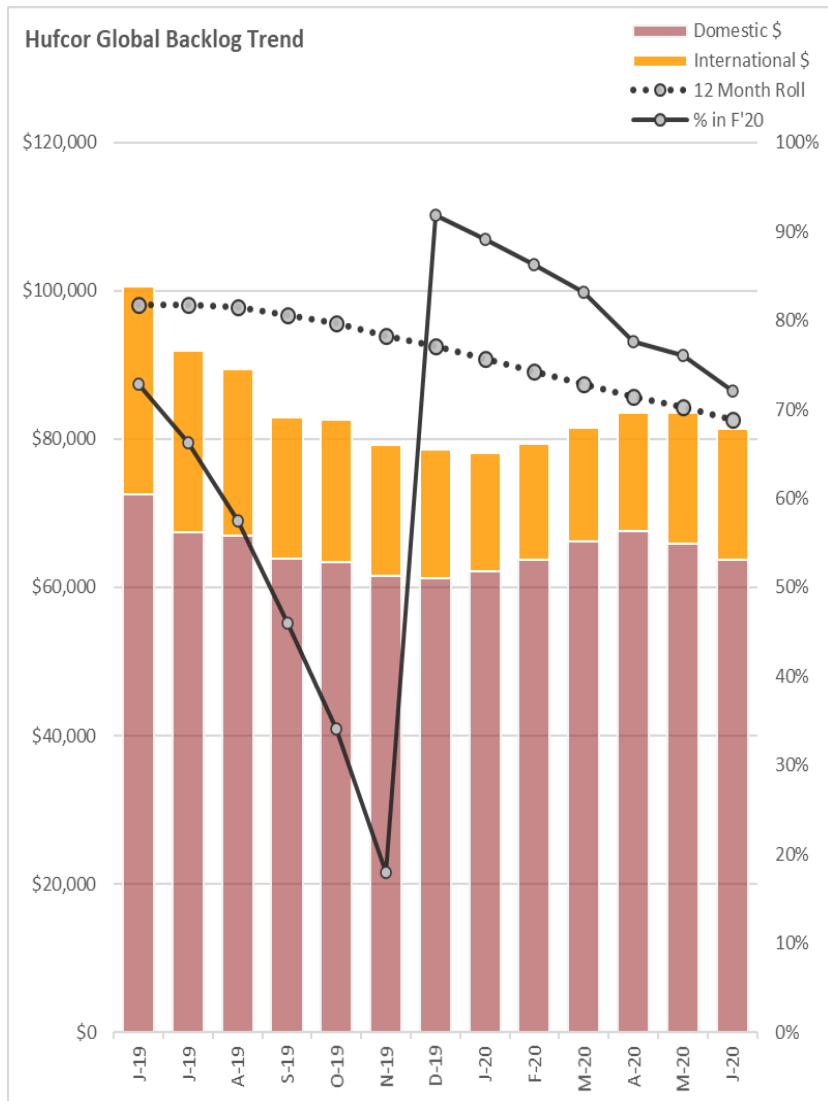
Commercial Update, Outlook & Initiatives

HUFCOR Commercial Update: Hufcor Global Backlog

Overall, the 06/30/20 backlog decreased by \$2.1M (\$2.2M – Domestic, \$55K – International)

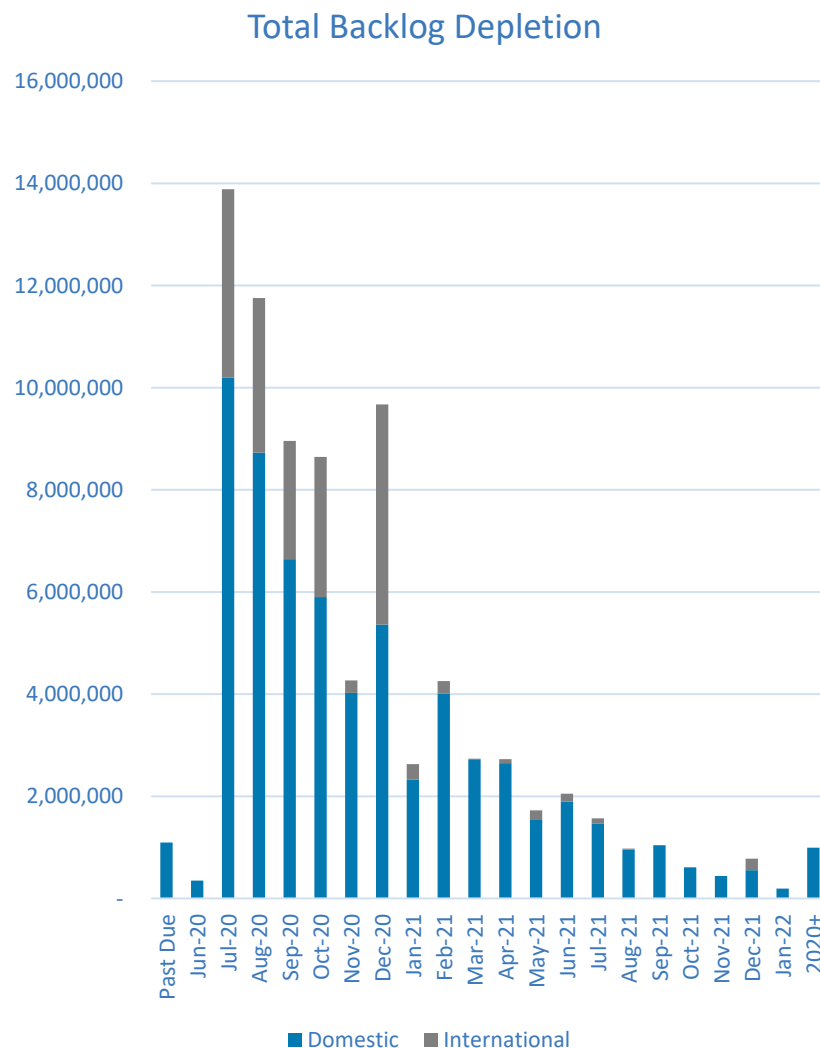
Historical backlog

Thousands USD; 6/30



Backlog roll-off

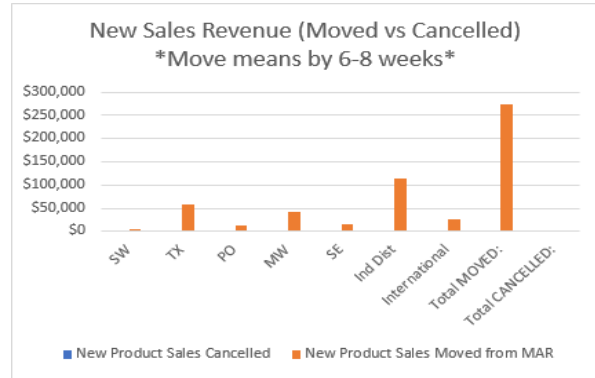
Millions USD; 6/30



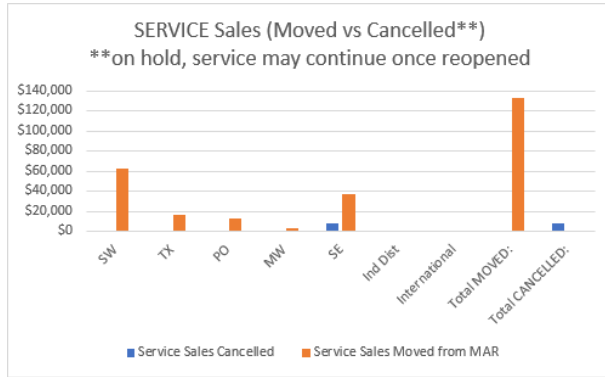
Management Discussion:

- There were three projects that contributed to the backlog decrease:
 - Gaylord Palms Ballroom Expansion, Southeast - \$826K
 - Strike M.S. – Little Elm ISD, Texas - \$261K
 - Figure 2 Ranch, Texas - \$355K
- Hufcor Sales Offices continue to see steady budget pricing and design work, however, bid activity remains slow due to delays.
- Independent Distributors quoting activity is relatively flat in June compared to 2019 and 2018, however Securements declined in the month of June.
- Major Projects activity heated up in June with increased activity over April and May. Q2 2020 still lower than Q1 2020.
- Protective Partition line launched to address COVID-driven need.
- International Backlog:
 - Continued restrictions in southeast Asia.
 - EU seen some increase in June
 - Some restrictions in Melbourne, AU but having very little affect on performance thus far.

Project Impact as of Feb MOR

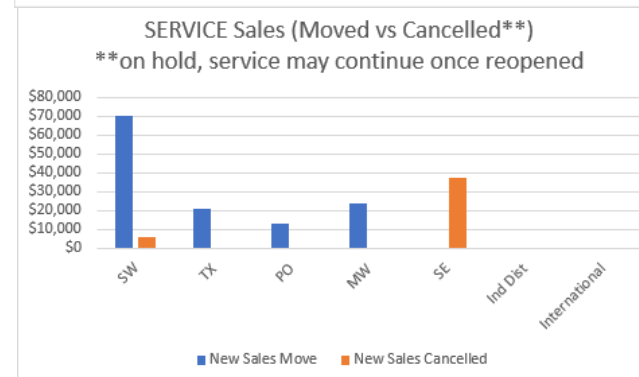
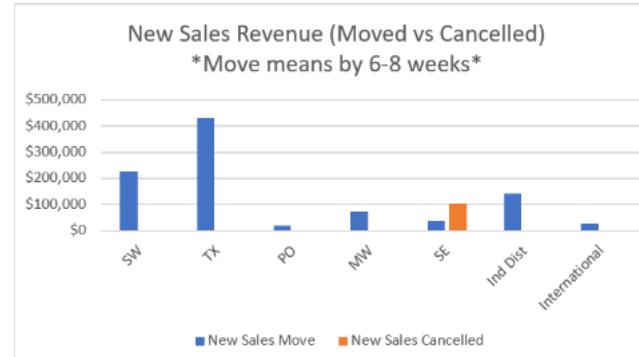


\$108K Cancelled
\$957K moved

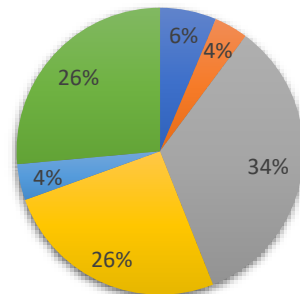


\$43K Cancelled
\$128K moved

Project Impact as of Today



Backlog by Mkt Segment June



GOV Medical Education Hospitality Religious Commercial

Management Discussion:

No additions of contracted projects delayed or cancelled since May,

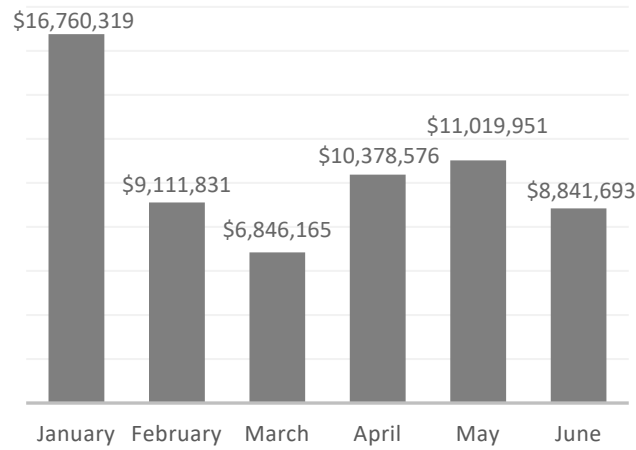
Risks & Concerns:

- COVID19 new cases in CA, TX, and FL are resulting in Governors re-instituting lockdowns. Construction remains an “essential business” to date.
- NV service jobs still delayed until state reopens fully.
- Service opportunities in most regions a potential concern through year end.
- In many regions, building permit process has been delayed due to furloughs and virtual work environments.
- Owners continue to delay projects, but not canceling them.

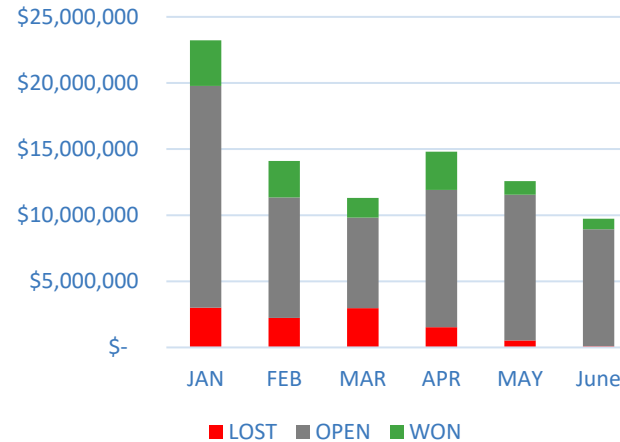
Market Diversity thru June:

- No change in top three market segments of participation:
 - Education at 34%
 - Hospitality at 26%
 - Commercial at 25%

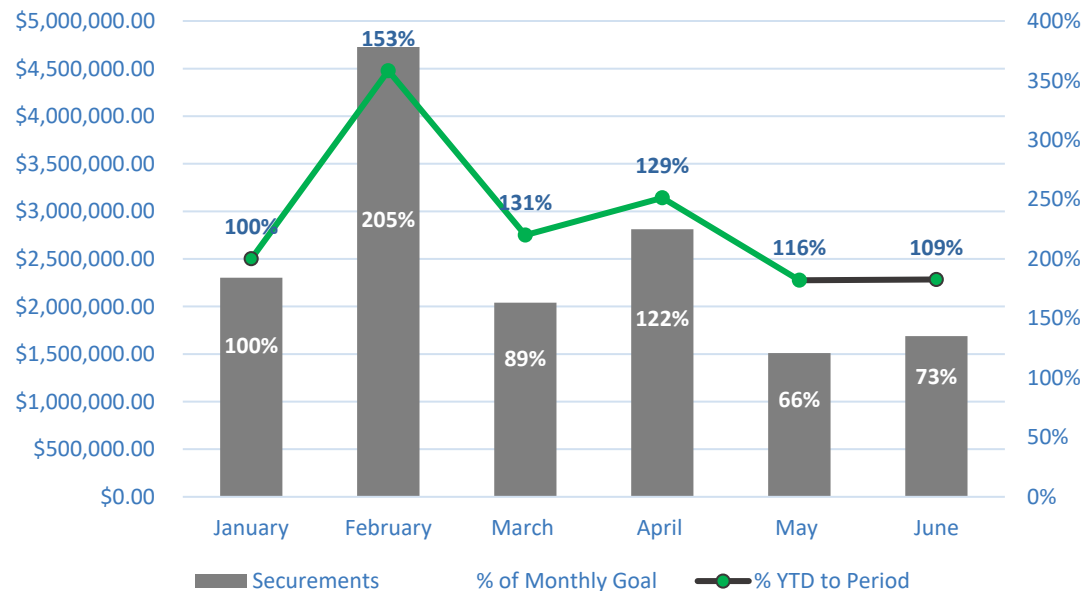
Open Projects \$62.9M



PIPELINE: CRM Opportunities



Domestic Hufcor MTD & YTD Securements vs Goal



Management Discussion:

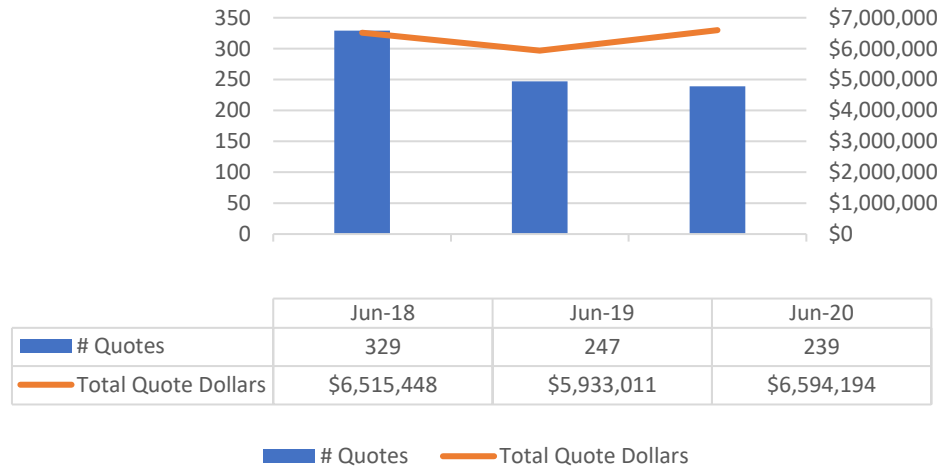
Pipeline Activity:

- Large number of open quotes from Q1 & Q2 (totaling \$62.9M), which remains a weekly focus for field office follow up
- Many projects still experiencing delays as owners are not releasing projects to bid, but also not cancelling. Delay in permits continues.
- Opportunities represent jobs in Hufcor Sales Offices within 3 stages (Qualified/Develop/Negotiate)
- June witnesses a decline in opportunities, but offices are still receiving Architectural requests for future project budgets.

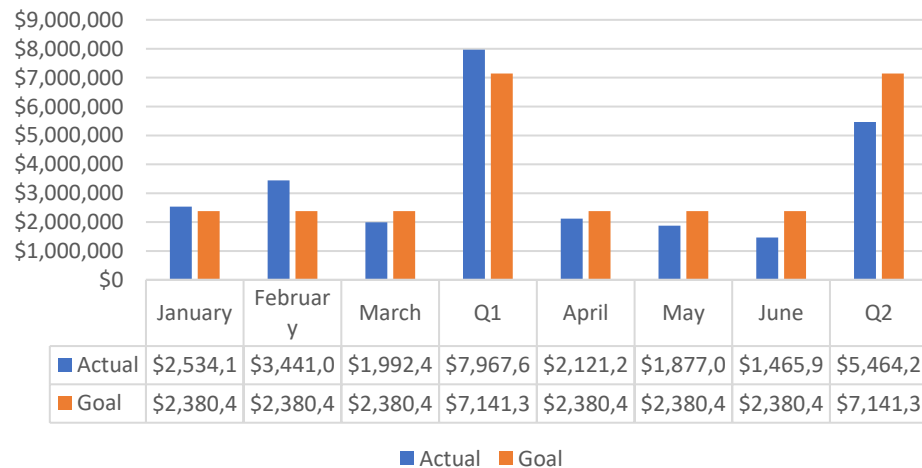
Securement Activity:

- June experienced an increase in securements over May of \$178,172, but we only achieved 73% of monthly goal.
- YTD through end of June, Hufcor Sales Offices are at 109% of goal.
- YOY June experienced a decline in securements by -12%, and reduction in project count of -7.
- Opportunity for additional 2020 securements closing in next 2 months; absent new securements, the outlook for Q4 will be depressed, resulting in revenue push into 2021.
- Areas of focus:
 - Q1-Q2 blitz on all open quotes - weekly calls min 8 hrs/wk (minimal emails)
 - Protective Partitions - New sales and service sales opportunity
 - Leverage lead times with all projects, as we remain at or below 10 weeks
 - Unispan growth – given no competitive threat
 - Pricing strategies and freight cost adjustments in targeted regions
 - Increased focus from A&D sales toward competitive BOD changes

Independent Distributors Quote Log - June



Independent Distributor Securements



Management Discussion:

Quote Activity Levels Off:

- As more states re-opened from Covid-19 restrictions, the quoting activity has ceased to decline and leveled off.
- Number of quotes declined (239 for June 2020 vs. 247 for June 2019)
- However, dollars quoted for June 2020 increased (\$6.6M for June 2020 vs. \$5.9M for June 2019).

Securement Activity:

- Finished June at 62% of securement goal (\$1.5M secured vs \$2.4M goal).
- YTD Securement Goal thru June at 94% of goal (\$13.4M secured vs \$14.3M goal).

Actions:

- New RSM's hired (3) in the East, Central and West regions began on June 29.
- All 3 RSM's have industry experience and training continues as they engage with distributors.
- Aggressively pursuing quote log follow up with a heavy focus on projects for secure and release in 2020.
- New RSM's will bring deeper level of sales management to distributors sales efforts.
- Heavy focus on quote follow up to secure orders.

Major Projects Activity:

Strong Project Pipeline Opportunities:

	2019	2020 Jan-Jun	Total YTD June
# Projects	43	55	98
\$\$ (MM)	\$56.9MM	\$41.7MM	\$99.7MM

Material Bookings Lag 2019:

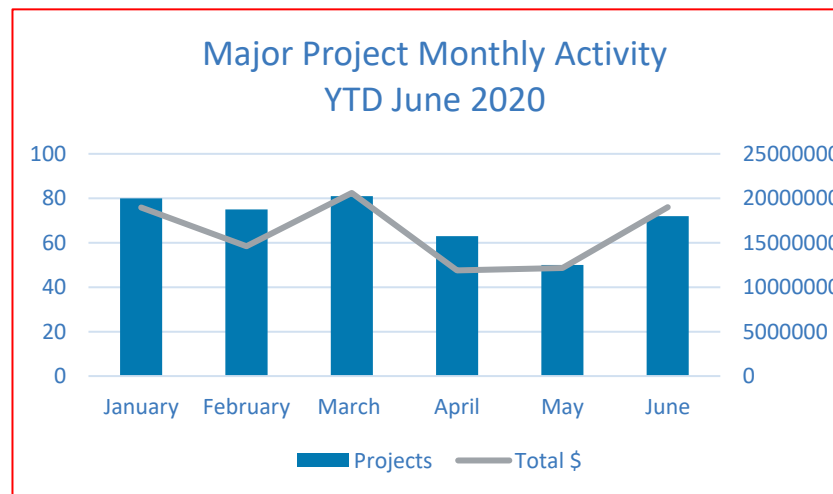
2019 Jan-May	YTD June	%
\$12.14MM	\$9.97MM	82%

Est. Project Margin Growth:

2019 Jan-Apr	2020 Jan-Jun	June (only)
38.44%	41.31%	48.0%

June Wins:

Infinity Energy Center	\$340,000
Microsoft (Summits/Toronto)	\$125,000
Hagerstown CC	\$211,000



Management Discussion:

- Large Project **new quoting activity** grew in June.

Project Type	#	Value
Hotels	11	\$3.81MM
Education	15	\$2.78MM
CC	3	\$1.33MM
Commercial	12	\$2.47MM
- Slow major project activity internationally.
 - China – two projects pending
 - Greece – Private project Hufcor basis of design
 - Korea – Ulsan CC/Korea World Trade Center replacement
- Q2 2020 Bookings over \$100K are lower than 2019, consistent to two large glass wall projects in 2019. 82% verse 2019 YTD
- Large Project Pipeline remains strong with nearly \$100MM available
- Continued optimism that hospitality and convention center projects in pipeline to continue in 2021/2022. Hotel activity up \$3.5MM value.
- Convention Center activity is projected by IAVM to be down 36% over next three years.

International Securement Activity

June Securement Activity (US\$):

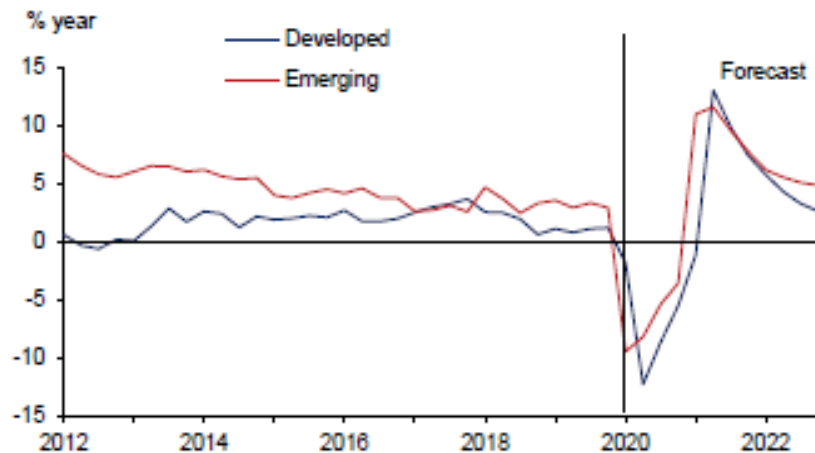
	Goal	Actual	%
Europe	\$1,030,000	\$ 849,863	83%
Australia	\$1,540,000	\$1,592,494	103%
Malaysia	\$ 100,000	\$ 54,493	54%
China	\$ 300,000	\$ 136,567	46%
Hong Kong	\$ 600,000	\$ 291,565	48%
	\$3,570,000	\$2,925,082	82%

Management Discussion:

- International sales grew approximately \$500K in May.
- Europe – Showing gradual increase in securements
 - France: New sales intake strong and finished goods received.
 - Germany: **Agents secured 62.5% of goal** (slight increase from June) **Distributors: 113% Goal**, as projected in May
 - 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- Large declines in overall securements with projections lowered for H2 2020
- China – COVID discovered in Beijing slowed market.
- Hong Kong –Low quote activity and securements. New China laws spur more unrest and uncertainty
- New economic research indicates construction overall will be lower (-10%) in 2020 but climb at a pace of 8.5% in 2021. Germany, Australia, Vietnam, S. Korea Indonesia, Singapore and China projected to recover faster in 2020. (*Oxford Economics 2020*)
- India projected to have most stable sustained annual construction growth with 7% or higher 2021-2025

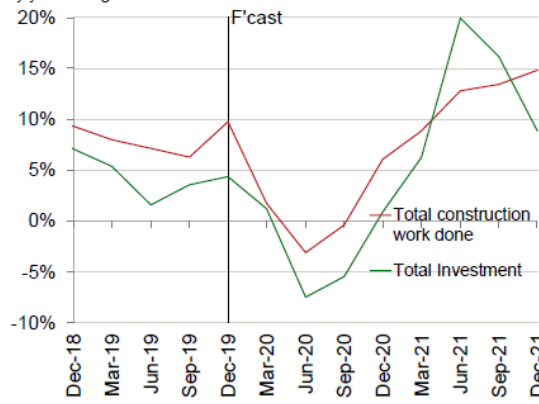
Global Construction Output

World: Construction output growth



SE Asia - Combined

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





HUFCOR Commercial Outlook: 2020 & 2021 Construction Forecasts

Hufcor's primary markets predominantly show declines in 2020 with varying expectations for recovery between 2021 - 2023

US Construction Forecast

(Estimates of construction

Put in Place growth rates)

Source: CBO, Census Bureau, BEA

Sector	Annualized May Y/Y Growth Rate	Jun-Dec 2020 vs. 2019 Y/Y	2021 Y/Y	2022 Y/Y	2023 Y/Y
Total Construction	0.3%	-6.8%	2.7%	4.1%	6.1%
Private	-1.2%	-5.1%	3.0%	7.2%	13.5%
Nonresidential	-3.4%	-10.1%	-5.1%	10.3%	7.2%
Lodging/Hotels	-14.7%	-7.1%	3.0%	-0.9%	24.7%
Office	-6.0%	-13.4%	-3.7%	17.6%	5.3%
Commercial	2.9%	10.1%	3.5%	19.1%	8.8%
Health Care	-0.5%	-13.0%	4.5%	2.8%	0.9%
Universities	-20.6%	13.2%	1.0%	18.2%	11.5%
Religious	-21.0%	2.2%	-14.3%	-19.9%	-7.1%
Entertainment/Recreation	-6.4%	0.3%	9.4%	6.5%	-7.0%
Transportation	-5.0%	1.4%	26.5%	6.7%	0.8%
Communication	4.7%	6.0%	-1.9%	-14.5%	4.0%
Manufacturing	-10.8%	-10.9%	8.4%	21.0%	5.6%
Public	4.7%	-12.3%	1.7%	-1.2%	-7.3%
Nonresidential	4.2%	-12.4%	1.7%	-0.3%	-7.1%
Office	7.5%	-17.7%	5.8%	-4.0%	-22.9%
Commercial	-0.6%	-22.3%	-10.8%	18.6%	-28.0%
Health Care	-4.1%	11.1%	12.4%	13.3%	4.4%
Education	3.7%	-11.2%	8.7%	3.8%	-9.8%
Public Safety	44.2%	-25.9%	-2.6%	13.3%	-9.2%
Entertainment/Recreation	7.0%	-24.4%	-2.3%	-9.8%	-4.7%
Transportation	3.3%	-21.2%	5.6%	-8.3%	15.2%

US Hotel Occupancy

(% occupancy for the weeks ending as specified)



Management Discussion:

- Total domestic construction market forecast to decrease by -6.8% Y/Y in second half from June-December 2019
- Lodging/Hotel forecast: After initial projects are complete this year, slight pause is likely as hotels and convention centers measure attendance and rate of business room bookings.
- Education: Uncertainty will remain if schools do not open in the fall resulting in less spending. If a vaccine is developed and can be deployed to a majority of the population, we may see the increase in spending in 2021 as predicted. There are also bonds in many states that have past and will be starting over the next two years increasing construction spend. Operable walls are also increasing in interest among designers due to COVID for both new and retrofit.
- Overall, the private sector is expected to perform slightly better than Public sector, but with both still expecting to decline (-5.1% private sector vs -12.3% in public sector). Public sector forecast to remain strong in health care.
- 2021 growth expectations will vary depending on length of second COVID outbreak. 2.7% growth in total construction is modest but could be as low as 0.6% or as high as 7.0%, according to a range of current building & construction and economic studies.
- Variability in forecasts and outlook require Hufcor commercial team to prepare for various potential economic realities.



	Phase 1 - Broad Stakeholder Input and Market Assessment	Phase 2 – Collaborative Strategy Development	Phase 3 - Moving to Implementation
Key Activities	<p>Conducting online surveys to gain <i>internal perspectives</i> on opportunities and growth paths from:</p> <ul style="list-style-type: none"> Hufcor Leadership OpenGate Leadership Global general management A broad, multi-disciplinary group of Hufcor employees <p>Conducting online surveys (or online collaborations) with specific <i>customer-facing Hufcor teams</i> to gain a sense of market expectations:</p> <ul style="list-style-type: none"> Commercial and Project Teams Architect and Design Team Engineering Innovation Team Others? <p>Conducting online surveys and/or collaborations with key <i>audience groups</i> to gain direct marketplace input:</p> <ul style="list-style-type: none"> Distributor Council Architects and Designers Building Owners <p>Performing a comprehensive, overall & vertical market assessment of:</p> <ul style="list-style-type: none"> Trends & forecasts Opportunities & challenges Market gaps Needs, expectations, and resources <p>Developing and facilitating an online collaboration with leadership to shape the vision / growth strategy platform based on Phase 1 inputs.</p> <p>Regular project management calls with Hufcor project leadership</p> <p>Designing Phase 2 collaboration workshops, including:</p> <ul style="list-style-type: none"> Identifying strategy exercises Developing meeting flows Preparing support materials 	<p>Facilitating multiple online collaborations focused on:</p> <ul style="list-style-type: none"> Articulating strategic imperatives and criteria to direct and prioritize innovation and M&A exploration Identifying a broad range of organic product growth opportunities, prioritizing them, and developing initial concepts for the innovation pipeline Spelling out preliminary M&A needs, opportunities, and targets for evaluation Developing strategic initiative plans to implement the commercial growth strategy <p>Regular project management calls with Hufcor project leadership to coordinate planning activities</p>	<p>Document deliverables* from the online collaborations, surveys, and market assessment activities into the commercial strategy including:</p> <ul style="list-style-type: none"> The final version of the strategic foundation & growth messaging The commercial growth strategy plan with initiatives, objectives, implementation plans, initiative owners, and critical success factors. An innovation roadmap for prioritized product development activities A preliminary M&A framework to that aligns & accelerates organic growth initiatives. <p>Provide launch tools and regular follow-up checkpoints to propel successful implementation</p> <p>Regular project management calls with Hufcor project leadership to coordinate planning activities</p>
Overview	<ul style="list-style-type: none"> 5 weeks in length 4 online surveys and 6 online collaborations across the audiences for research and input purposes Multi-dimensional market assessment 	<ul style="list-style-type: none"> 3-4 weeks in length 35 hours of online collaboration across multiple times and days 	<ul style="list-style-type: none"> 3–4 weeks in length Document the strategy plus review meetings 6-month implementation support

Management Discussion:

- Project has started and fully underway
 - Surveys have been completed globally
 - Internal & External
 - In-depth market research will be ongoing to capture all changes in current economic and pandemic conditions.
 - Online collaboration meetings have started and there will be a total of 9 meetings over next few weeks.
 - Leadership collaboration meeting set for week of July 27th.
- Focus will be on the following:
 - 12-24 month growth
 - 3-5 year strategy
 - Determine gaps and required resources to achieve success
 - M&A potential targets
 - Market share growth
 - NEW market opportunities that align with our channel to market
 - Competitive Threats

Hufcor Commercial Growth Strategy Update

	Phase 1					Phase 2		Phases 2 & 3		Phase 3		
Weeks	Jun 8	Jun 15	Jun 22	Jun 29	Jul 6	Jul 13	Jul 20	Jul 27	Aug 3	Aug 10	Aug 17	Monthly
Kickoff												
Prepare and conduct online surveys												
Prepare and conduct online collaborations												
Develop market assessment												
Analyze results from Phase 1 input												
Design Phase 2 online workshops												
Conduct Phase 2 online workshops												
Document Phase 2 online workshops												
Sign off on documents and support												
Future checkpoints												6 months

Business Initiatives - Domestic

1. Launch Protective Partition line: Freestanding, Cubicle and Roller
2. Conducting bi-monthly “smart bidding” training techniques to optimize bids
3. Discounting levels slightly increased on project-by-project basis (Turner BCI: **-1.01%**)
4. Sliding Glass Walls Systems: late Q3 Launch
5. Freight leveling with IL2000 verse PS4 published rates
 - Planning for more crated LTL shipments to high volume markets
 - Implementing online IL2000 QuickRate system to sales team/distributors
 - Reducing bids up to 5%
 - Compressing Fuel Surcharges on HufVan pricing
 - Weekly Scheduled Hauls to California – direct dry vans/per panel \$

Management Discussion:

- Experience within sales and estimating team requires ongoing training to assist in developing best bid prices.
- Discounting to education, small hospitality markets key to backlog building in 2020 Q4 and 2021.
- Sliding/Telescoping Glass Walls #1 rate new product development identified in 2019.
- Vetting vertical lift product development (opportunity for \$5MM-\$10MM global backlog by 2022)
- Freight by competitors is far less expensive based on input from former Modernfold distributors and new Midwest RSM. Creative freight options must be implemented to maintain product margins, buying power and flexibility.

IL2000
Integrated Logistics 2000, LLC

To Zip: 90805

Density Calculator

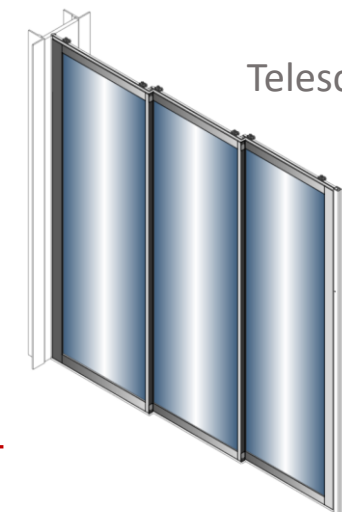
Class	HU	Unit Weight	Total Weight	Length	Width	Height	Density (lb/cu)	Suggested Class
70	2	600	1200	84	42	36	8.16	110
70	1	200	200	84	42	36	2.72	300

1400

Get Quick Rate Reset

Carrier	Cost	Transit
ROADRUNNER	\$347.87	6 day(s)
YRC	\$429.18	4 day(s)
R&L CARRIERS	\$712.95	4 day(s)
ESTES	\$768.83	4 day(s)
OLD DOMINION	\$1119.66	4 day(s)
Sutton Transport	Non-Direct	5 day(s)

☐ Construction Site
☐ Hazmat
☐ Inside Delivery
☐ Keep From Freezing
☐ Lift Gate Req'd
☐ Limited Access Del.
☐ Military Delivery
☐ Notify Before Del.
☐ Residential Delivery
☐ Set Appointment

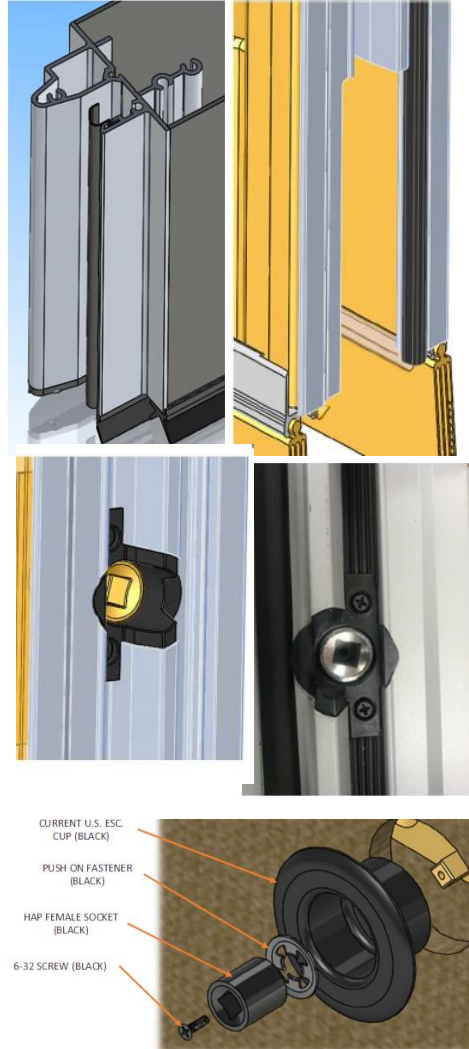


Telescoping GF:

Telescoping GF:



HAP/Janesville Panel Consolidation:



Leader: Dustin Miles
Due Complete: Dec. 2020

Personal Protection Panel



Leader: Andy Williams
Due Complete: Aug. 2020

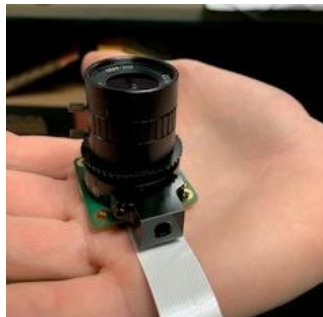
HUFCOR Commercial Initiatives: Product Innovation

Voice Activation:

- ❖ Patent applications filed on 5/11/2020
 - U.S. Patent Application No. 16/869,823
 - International PCT Patent Application No. PCT/US20/32006
 - Can now call it a patent pending system
 - Initial launch to control switchable glass
 - Longer launch to control electric partition movement
- ❖ Beta or v2 improvements
 - Moved from Arduino to Raspberry Pi
 - Faster processor
 - More storage (will assist camera/blob detection)
 - Built-in camera hardware interface
 - Wifi/Ethernet connection for G.W.E.N. software upgrades to our customers
 - Remote troubleshooting
 - Now using far-field mics for better voice recognition
 - v2 speaker integration testing
 - Initial wall bracket design concepts
 - Programmed storage on Github for remote access

Safety Sensors:

- Initial camera object detection testing completed on electric wall in burrow
- Initial LIDAR testing conducted on same wall
- Learned that camera upgrade / processor needed – moved to RaspberryPi
- Setting up new Pi HD camera
- Programming RaspberryPi for new camera detection set-up
- 3D printed mounting brackets for LIDAR and camera
- Reconfiguration for LIDAR to work more closely with camera



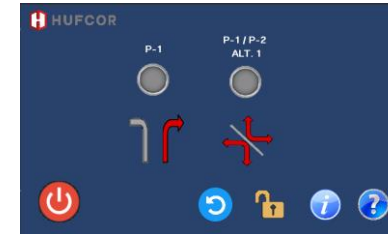
Next Generation Electric Switch:

- ❖ Benefits
 - Smaller footprint
 - Quick switching track
 - Smaller radius to eliminate flipper panels
 - Works with 11 or 11L carriers
 - Base to convert to RFID control switch (next gen)
 - Much easier factory build
 - Lighter for installers

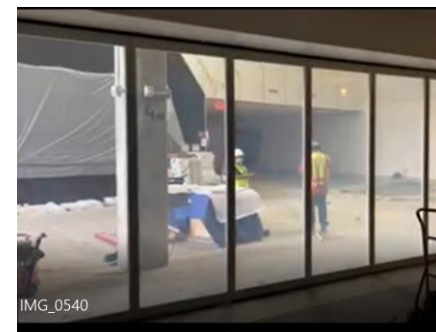


Shipped Jobs W/New Innovation

- ❖ Melbourne Basketball Switch Touch Screen Controls
 - Custom relay control box give power to proper switch
 - Custom Touch Screen control to show direction of switches and give push button control



- ❖ First Job with Switchable Glass using patented power in panel connection

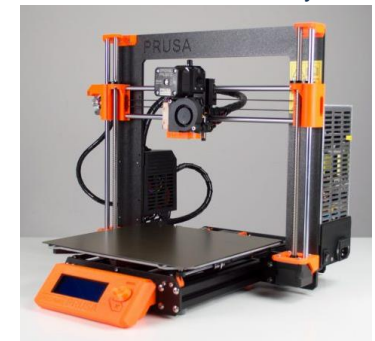


Global Innovation Council

- ❖ International collaboration
 - Initial meeting on August 7, 2020
 - Set-up working together not apart approach
 - Share ideas

3D Printer:

- ❖ Prusa i3 MK3
 - Most used 3D printer of its class in the world
 - build volume (9.84" x 8.26" x 8.26")
 - Up to 50 micron resolution
- ❖ Benefits
 - Significantly shorter lead times
 - Parts with complex geometries can be tested and iterated quickly, efficiently
 - R.O.I. is less than 1 year



HUFCOR Commercial Initiatives: Design Engineering Initiatives

Painted Parts Process:

	GF	GL	GU	AL. TRACK PARTS***			
PREMIUM COLORS	PAINTED PARTS COLOR	PAINTED PARTS COLOR	PAINTED PARTS COLOR	#36 TRACK	#26 TRACK	#38 TRACK	#40 TRACK
Sky White Textured NEW TCIB-890-12 10212-93181	Sky White Textured	Sky White Textured	Sky White Textured				
Sky White Flat NEW TCIB-999-3 10210-93308	n/a	n/a	n/a	Sky White Flat (new)	Sky White Flat (new)	Sky White Flat (new)	Sky White Flat (new)
Black Textured NEW TCIB-886-6 10012-93179	Black Textured	Black Textured	Black Textured	Black	Black	Black	Black
Dark Bronze Textured NEW TCIB-889-8 10012-82125	Dark Bronze Textured	Dark Bronze Textured	Dark Bronze Textured	n/a	n/a	n/a	n/a
Putty (current formulation)	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Clear Anodized *** (ASSIMILATION Project)	n/a	n/a	n/a	n/a	n/a	n/a	n/a

* Sweeps, Bulb Seal, = Pantone Black C current

** Reprots (Soft), LC trims, IPD Splice, H Splice, End Covers, LC Splice

*** To confirm any other finishes HAP has uses 04/20/20

2. Establish a consistent pricing and lead time for Premium and Custom options.

3. Cost add for track could be calculated per element:

- Track
- Escapement
- L Intersection
- T Intersection
- X Intersection
- 2, 3, and 4 Stack Intersections
- Curve / Diverts (#38)

4. Test of new paint formulations for panels parts and track assemblies.

5. See Paint Process Rules document for Short Lead times and no PVR (05/05/2020):

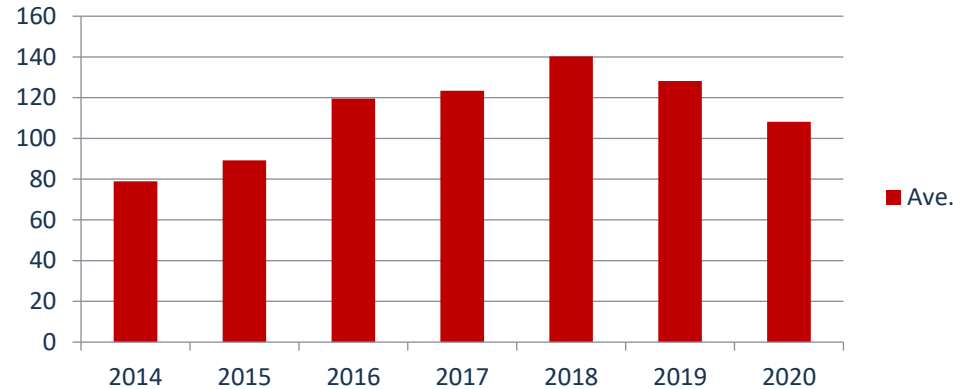
- Maximum MH = 147"
- Maximum MW = 48-1/8"
- Maximum number of panels = 15

Leader: Misty Oleston/Gary Southern
Due Complete: Oct.. 2020

Vertical Lift – Accordion Stacking Design

- Projected \$5MM-\$10MM global backlog by 2022 if launch Q2 2021
- \$1.5MM capital expenses
- Acceleration with global engineering consultant
- Reverse engineering competition product
- Patent reviews completed
- Vetting with commercial team

PVR Monthly Average



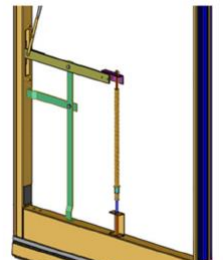
Other Active Engineering Involved Projects

- SCS Global (EPD's/HPD's)
- Stacks Built by Installers
- New Face Materials
- Dubai Acoustics
- Dubai Skin Change Process and tooling.
- 63X Retired
- PVR for European Handles
- Manufactured Parts to Purchased
- Basketball Switches for Production
- Collaboration/Innovation

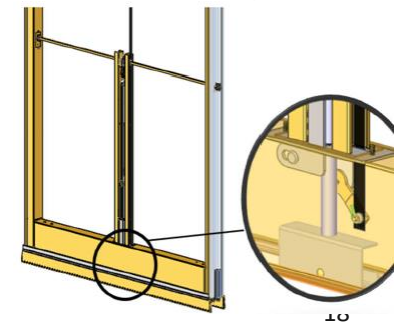
4" Seal Strap Mech

- Floor Clearance: 0 - 4.5"
- Offered with or without top mech
- Estimated Annual Production:
 - Bottom & Top Mech: 3000
 - Bottom Only: 400
- Production Cost (mech only):
 - Bottom Mech: \$ 56 *
 - Top & bottom: \$ 77 *
- Eliminates Mech MW Ticket items,
 - Soft cost may not be accounted for
 - Difficult to track
 - Difficult manage in a changing schedule
- Applies a constant floor seal force (100 lbs.)
- Improves Serviceability
 - Able to access top banding from bottom of panel
- Allows for stocking complete Mech assembly

Current production
4" Floor clearance (Deep Seal)
(Bayonet Style) w/ or w/o top seal



Proposed (Assimilation) Mech
4" Floor clearance (Cam Style)
w/ or w/o top seal



Business Initiatives - Domestic

1. New Regional Sales Managers in place starting June 22
2. Distributor/Sales Territory Upgrades
 - California
 - New York City Region
 - Pittsburgh/Western PA
 - Columbus, OH
 - Midwest (Added new salesperson in Chicago market)
 - Arizona (recruiting new position)
3. New Sales Channels – online
4. Unispan: Existing Open Space Schools and Offices
5. Q1/Q2 Open Quote BLITZ – nearly \$100MM bids in Q1/Q2



Designing the K-12 Education
Environment for Fall 2020
and Beyond

<https://www.dlrgroup.com/media/articles/covid-k12-now/>

Management Discussion:

- Hufcor was working without RSMs since January 2020, reducing effectiveness in closing deals and servicing architects.
- Top Markets underperforming are being critically analyzed and new options being reviewed or bolstered
- Hufcor looking at online resellers for industrial and non-traditional movable wall markets
- Top education architects promoting designs using flexible spaces, including GF sliders, Unispans and protection panels.

ASEAN Commercial Plan – Highlights

1. Launched www.hufcorsouthasia.com and www.hufcoreastasia.com
2. Hiring Business Development/Commercial Directors in China and SE Asia
3. Hiring marketing coordinators in China and SE Asia
4. Hiring Brandigo, Shanghai-based digital marketing company to research buyer personas, develop and implement both WeChat and Baidu advertising and promotional efforts targeting KOLs in architecture, hospitality and commercial design
5. Implementing targeted geographic Google AdWords campaigns throughout SE Asia to improve lead generation (started July 8 and already started generating tangible leads)
6. Launching host of new product line extensions:
 - GF/HF, including KD sets
 - Factory Lamination of Faces (China)
 - 48 STC/Switch Glass/Full Height pass doors (600G line) and 5000G products
 - Melamine faces in SE Asia/India/tall panels (Europe) from Malaysia, including KD
 - 60 STC
7. Participating in HOTECH 2021 (March) to drive influence key hospitality chains in SE Asia and China
8. Targeting hospitality, education and commercial fitout in select geographic locations
9. Outsourcing BDM/RSMs from MTM, including track inventory stocking, in India to set up stronger brand awareness in commercial and hospitality developers and direct purchasers. Focus on 2021-2023 growth and backlog building.
10. Implement marketing automation and content marketing into SE Asia



Management Discussion:

- Marketing investments in China and SE Asia over past four years has been virtually eliminated.
- Sales/salesperson is only \$200k in China verse nearly \$1MM in Hong Kong Lead generation has been key driver. (Steve Long analysis)
- Non-Residential Construction to rise up to 14.7% in China in 2021 only double-digit global market. (Oxford Economics July 2020)
- India market expected to grow nearly 10% in 2022-2024, projected to be top global emerging market.
- Lodging Econometrics data shows US, UK, China and Indonesia as top four markets for hotels in pipeline as of Q1 2020. These markets all will be targeted, including Vietnam.
- 95-97% of all online searches are through Google making SE Asia market prime for “western” marketing automation and inbound techniques.
- Budget approximately \$400K ASEAN

Australia Commercial Plan – Highlights

1. Continued focus on *Specification Selling* through Architects and Designers in offering more BIM Revit. (Hufcor as an integral partner in the design phase-“more than product pusher”)
2. Specification selling targeting “non Hufcor” specifying architects (Lotus and Dorma)
3. Q1/Q2 Open Quote Blitz
4. Strategic focus on specific key major projects (op walls & toilet partitions)
5. Updating new website with key project case studies
6. Strategic focus on filling manufacturing capacity with higher margin new products
7. Targeting projects that have both Operable walls and Toilet Cubicles
8. Systematic mass email marketing to specifiers to promote Hufcor capabilities & products
9. Improve social media participation and targeted Australia postings.
10. New Product Launches
 - **new slider system with soft close** and updated designed tracks and rollers allowing it to meet AU Standards (newtons of force)
 - **light weight glass slider system-steel frame**. Actually lower weight and cheaper, providing more competitive market position verse Lotus
 - **HX Series walls** to allow for the phasing out of 8000 Series (goal phase out by (01/2021)
 - Updating parts list and sourcing new parts locally
 - Entering parts in ERP system
 - Updating drawings
 - Finalizing build process
 - **Custom Designed Lockers**; in discovery phase as post-COVID opportunity for flexible partitioning of personal items.



Management Discussion:

- Australia construction market projections:

2020	2021	2022
-10.4%	7.1%	11.2**

****Global Top 5 country (Oxford Economics July 2020)**

- Australia is an extremely tight specification market requiring strong upfront design and specification efforts. More than 70% of time, specified product is purchased. 80% of firms now using BIM and majority are using embedded specifications within models. (2019, NBS Australia)
- New website launched in June and feedback was a need to increase case studies/project photos. Q3 implementation downloads and BIM.
- HX and Glass Sliders are key products to compete with Lotus & Dorma specified projects.
- HX product reduces costs of current 8000 Series, improves aesthetics and provide specifiable elements.



Europe Commercial Plan – Highlights

1. Hiring Business Development Director in UK (Aug. 17 start date – 25 years experience, former Accordial district manager)
2. Invest in UK market project and commercial real estate data – Glenigan
3. Offering 16 panels per week in 4-week “Rapid Ship” for UK market
4. Launching track fabrication in UK Q3 2020
5. Launching service/PM team in Q3 2020 (uplift of \$200K-\$300K in service sales)
6. Implementing targeted geographic Google AdWords campaigns to improve lead generation
7. Launching Freestanding Protective Partition project line in Europe
8. Launching GF product in early Q4 2020
9. Hired three new German market reps in Stuttgart & Bremen Germany regions
10. Solidified Price Increases in France, Austria, Switzerland, Belgium.
11. Negotiating for Fully Automatic track systems with Gilgen. [Youtube example](#)
12. Implementing market-wide CRM Q3 2020
13. Introducing Gibca rotating doors to architectural market.
14. Introducing “low cost” Type 100T at fixed heights for Scandinavia/EE countries

G Glenigan

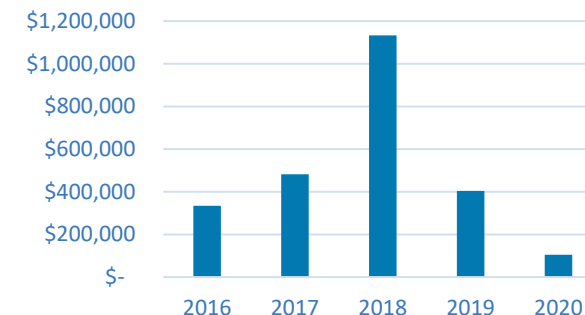


GILGEN
DOOR SYSTEMS

Management Discussion:

- Hufcor sales in UK declining from DE products

TOTAL UK Annual Securements



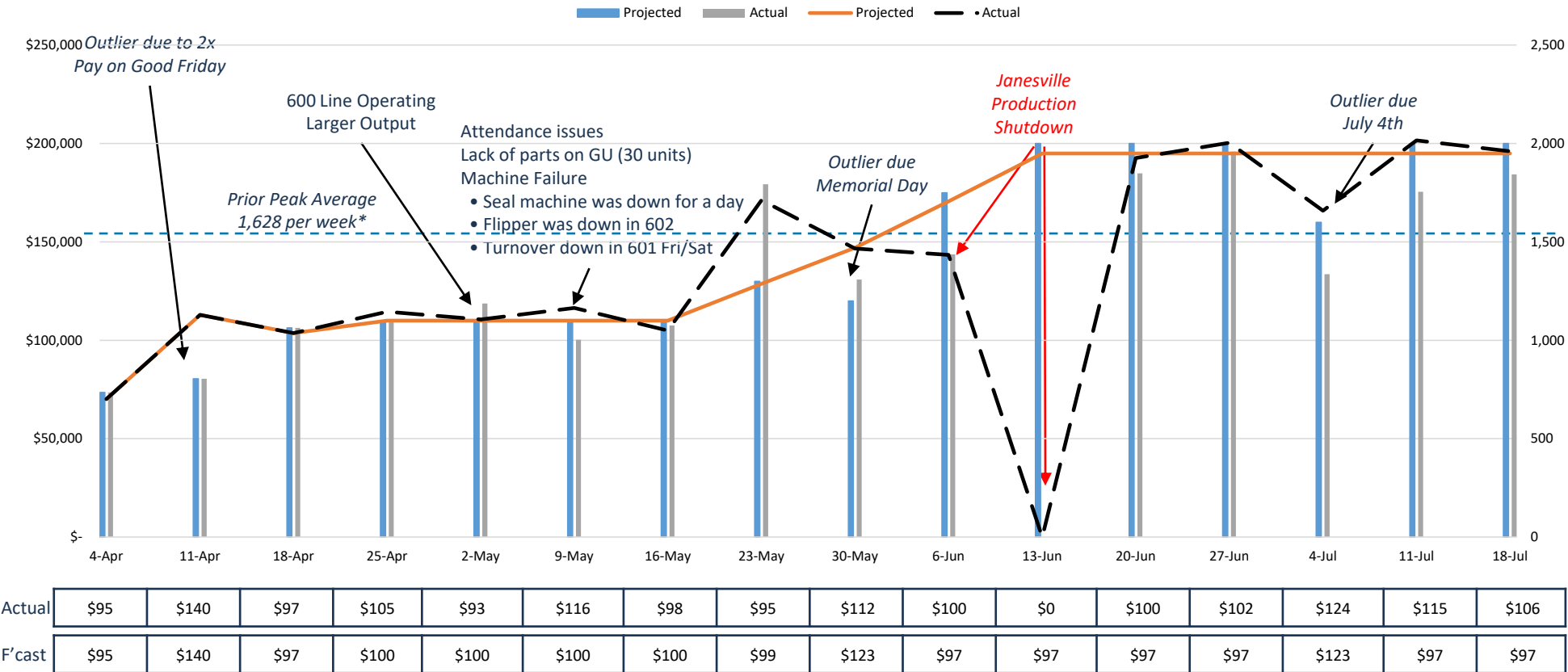
- Local companies have taken the tenant fitout market as both Hufcor, Dorma and Pathos have struggled with lead times.
- UK architectural market has major influence on UAE, India and Hong Kong markets. Business Development to assist in promotion of Summit and GF slider/switch glass to those targeted firms
- France market projected to increase 13% in 2021 per Oxford Economics World Construction Report. Must launch “specifiable” products with higher margins – firewalls, fully automatic, high STC, GF with switchable glass.
- Competitive Price struggles in Scandinavia and Eastern Europe (Winab/Modul/MultiWall)

Section 2

Operations Update & Outlook

HUFCOR™ Janesville Production Levels through July 18th vs. Forecast

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 June ≈ \$102 vs forecast of \$97; Month of July ≈ \$114 vs forecast of \$104

Management Discussion:

- Janesville Production shutdown w/b June 8 due to COVID testing for all JVL employees
 - Led to increased overtime hours in the month but Gross Pay per Unit improved slightly overall from May
- During June, lead times did not exceed 10 weeks on any product line
- Planned/Projected unit production falling to normal weekly levels (1600-1800) to minimize overtime
- Production floor anticipated to be “caught up” by Mon, 7/27
 - Minimal overtime anticipated for ROY pending unplanned downtime
- New production planning for 1,800 per week going forward

PEOPLE

- **Total Union Roster count: 195**
 - On June 20th: 203
- (2) Manufacturing Engineers have joined Tim White's team since July 6th
- (1) Production Supervisor (backfill for T. Trumpy) joining team on July 27th
- Offer extended to full-time Supply Chain administrator (\$18/hr)
- (4) Interns working in ME and QE through August
- Key Open Positions:
 - Quality Engineer
 - Quality Technician
 - Service & Warranty Manager
 - Demand Planning Manager (SIOP)

PRODUCTION

- **5,568 total units** in June (no Closures)
- June Labor Productivity: **0.244 units/hour** (all labor hours)
 - +0.009 units/hour (+3.6%) vs. May 2020
- June labor hours: **22,789 total hours**
 - Required larger number of overtime hours to make up for lost production week (6/8-6/12)
 - May 2020: 28,681 total hours

PROJECTS

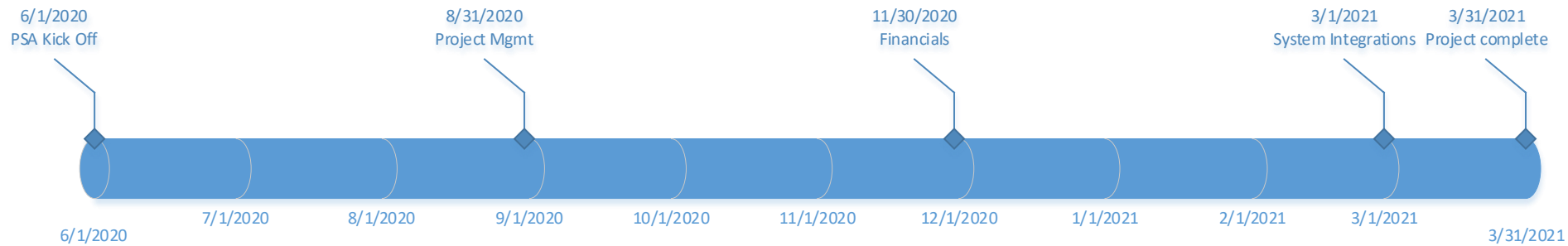
- Continuous Improvement
 - **Support WIP Depot Program**
 - 6S
 - **Flexible Staffing Model**
- Quality
 - **SIM 2.0**
 - Glue to PSA Tape (Duraco)
- Supply Chain
 - **SIOP Stand-up**
 - Metals Outsourcing
- Production
 - FA Synchronization
- Safety
 - **COVID Compliance**
 - EMR / Workers Comp Response Plan

- Union Labor Staffing and Procurement in focus in anticipation of potential **40% production decline** starting in October
 - i.e. 40% less production → 25% FTE reduction
- Deadlines for Monthly Planning:
 - Oct 2020: August 17th
 - Nov 2020: September 14th
 - Dec 2020: October 12th
- Potential Responses:
 - 4-day or 3-day work weeks for Union Labor
 - Week-long shutdowns depending on weekly demand and Target Ship dates
 - Build-ahead & Store
 - Shutdown planned for last 2 weeks of December (pre-COVID)

PSA Project Timeline

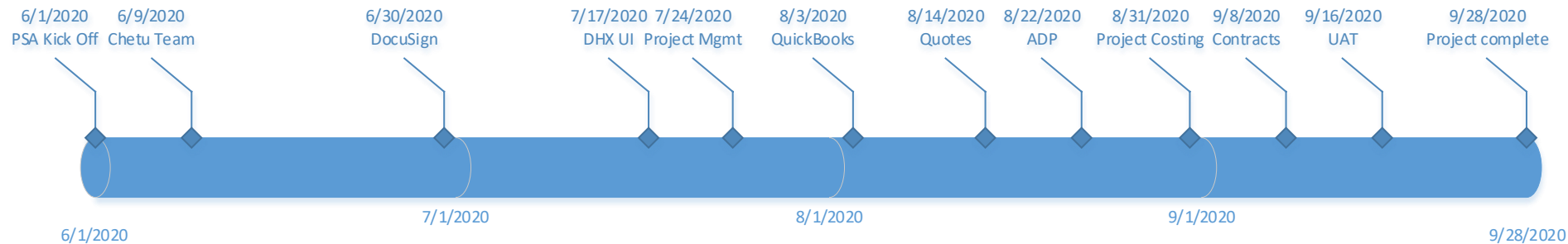
Purchased System

License Cost: >\$100k/annual



PS5 – PSA Module

Development Cost: \$56k



Quote Editor

Create Non-Warranty Service Quote

Contract Body

Work to be Performed

• Photo Luminiscence Exit Sign

• Options: None

ADD Alternative: Field Drill Structural Supports: ADD \$900.00

Clarifications & Exclusions:

• Pricing is submitted in a qualified bid and is subject to descriptions and clarifications indicated within this proposal.

• Job specific seismic calculations, if required, can be provided for additional cost.

• Sound test excluded.

• (Exception of contract has address: @location of bid has no address)

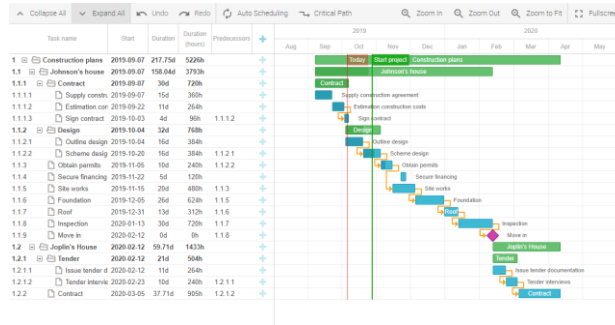
Financials

Category	Description	Hours	Rate
Labor	Track Labor	22	65.00
Rental	Crane 2 Days - Acme Rentals		1500.00
Travel	Distance Surcharge (100 miles)		500.00

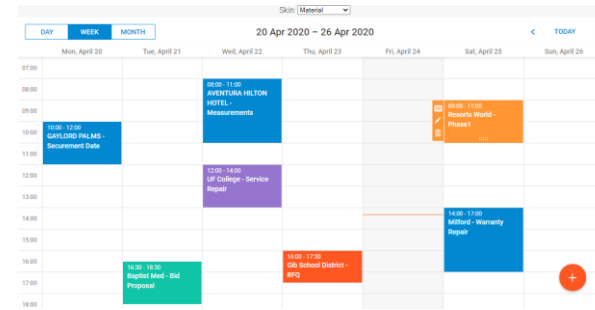
Total Amount: \$ 3,340.00

CANCEL OK

PP Gantt Chart



PP Calendar View



DocuSign

Create Quote

Signature Style

Signature Not Required

Document Recipients

Add new Email Address

Order of Signature Authorizations (Optional)

bjkennner@hufcor.com

dkimball@hufcor.com

randrews@hufcor.com

MOVE UP

MOVE DOWN

REMOVE

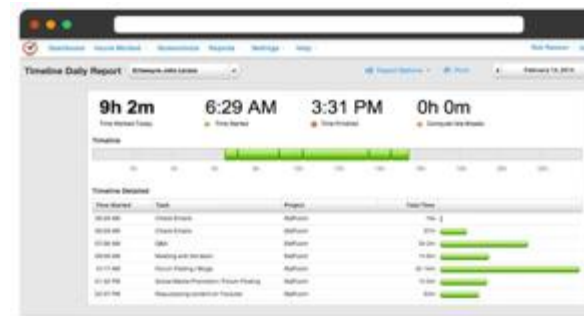
CANCEL OK

Dynamic Templates

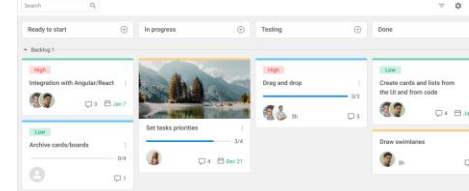
Category	Task	Predecessor	Milestone	Direct Cost	Set As Default	Action
Track Status (Phase X)	Track Requested Date	Submital Approval				
Documentation	Submital Approval	Site Visit				
Preliminary Tasks	Site Visit	Measurements				
Panel Status (Phase X)	StatusTask					
Documentation	DocTask					
Track Status (Phase X)	Track Requested Date	Submital Approval				
Documentation	Submital Approval					
Preliminary Tasks	Site Visit					
Panel Status (Phase X)	StatusTask					
Documentation	DocTask					

Save

Time Tracking



Kanban



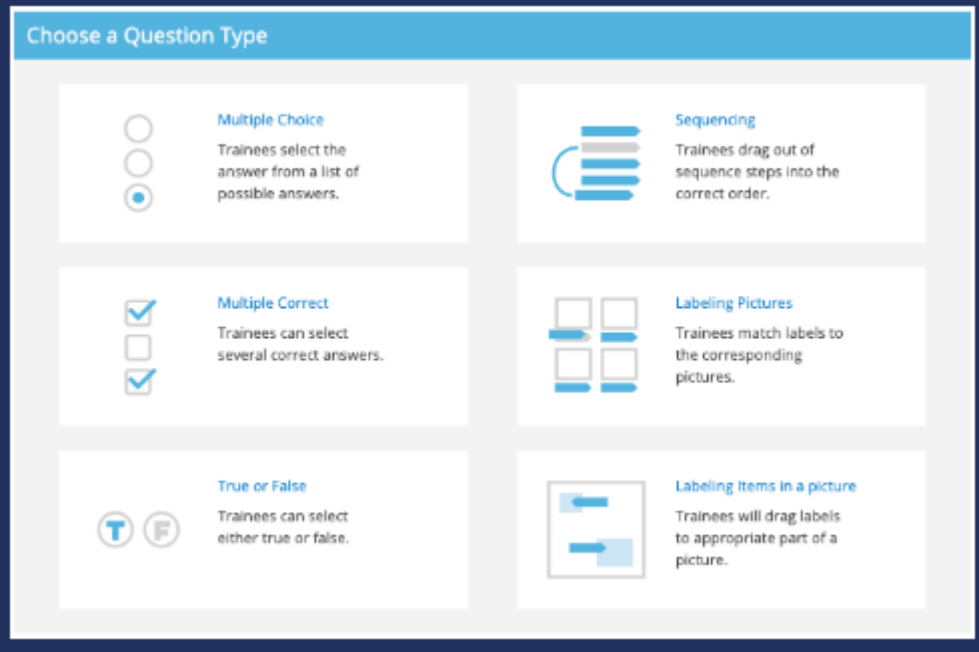
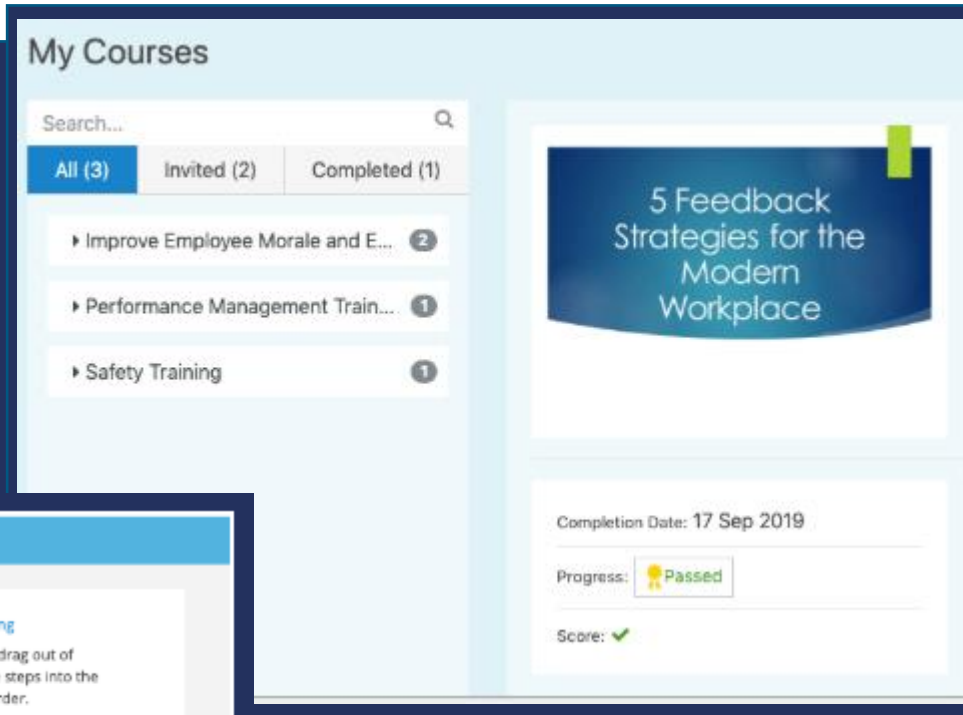
Management Discussion:

PS5 – PSA Module

- Scheduled with General Release
- System Integrations
 - DocuSign
 - Quick Books
 - ADP Time Attendance
- Project Costing
 - New Install & Service
 - Project Number Ref
 - QB GL Code
 - API Data Integration
- Project Management
 - DHX DHTML
 - User Interfaces
 - MFG Schedule Automation
 - Cost Movement*
- Document Management
 - Bids & Quotes
 - Dynamic Contracts
 - Signature Execution
- Time Tracking
- Business Rules & Events

Learning Management System

- Cloud-Based Learning
- Web Based / On-Demand Training
- Responsive Courseware
- Progress Review
- Knowledge Checks
- Reports and Dashboards



Management Discussion:

Learning Management System

Why?

- Knowledge Transfer
- Onboarding Employees
- Coach Processes & Procedures
- Reduce Risk & Cost

• Mindflash - LMS

- Employee Training
- Virtual Classroom
- Compliance Training
- Quizzes & Assessments

• eLearning

- SCORM Compliant
- Tracking Progress/Results
- Purchased Courseware
- Custom Courseware

• Course Creation

- Captivate & Storyline
- Interactive Content
- Instructional Systems Design (ISD)
- Subject Matter Expert (SME)

• Deployment Cost

- LMS = \$8k annual (200 users)
- ISD = \$50k for 2020
- Avg Course Dev Time ~30 hours

Section 3

Financials – Second Quarter 2020

June P&L Compared to Original AOP: Reported

\$'000	MTD				QTD				YTD			
	Act	%	Bud	%	Act	%	Bud	%	Act	%	Bud	%
Net Revenue	10,283	100.0%	13,488	100.0%	30,252	100.0%	39,984	100.0%	62,969	100.0%	77,169	100.0%
Material	3,127	30.4%	4,856	36.0%	9,916	32.8%	14,020	35.1%	21,132	33.6%	27,311	35.4%
Labor	3,475	33.8%	3,983	29.5%	9,632	31.8%	11,746	29.4%	19,863	31.5%	22,824	29.6%
Other COGS	999	9.7%	1,144	8.5%	2,729	9.0%	3,560	8.9%	6,124	9.7%	7,292	9.4%
Total COGS	7,602	73.9%	9,983	74.0%	22,277	73.6%	29,327	73.3%	47,119	74.8%	57,427	74.4%
Gross Margin	2,681	26.1%	3,504	26.0%	7,975	26.4%	10,657	26.7%	15,850	25.2%	19,742	25.6%
R&D	—		—		—		—		—		—	
Sales & Marketing	992	9.6%	1,344	10.0%	2,953	9.8%	4,050	10.1%	6,436	10.2%	7,887	10.2%
Administrative	1,049	10.2%	1,606	11.9%	4,296	14.2%	4,997	12.5%	8,857	14.1%	10,666	13.8%
Other Opex	(84)	-0.8%	(9)	-0.1%	(175)	-0.6%	(24)	-0.1%	(222)	-0.4%	(46)	-0.1%
Total Opex	1,957	19.0%	2,941	21.8%	7,074	23.4%	9,023	22.6%	15,071	23.9%	18,506	24.0%
EBITDA	724	7.0%	563	4.2%	901	3.0%	1,634	4.1%	779	1.2%	1,236	1.6%
Adj. EBITDA	879	8.6%	728	5.4%	1,621	5.4%	2,445	6.1%	2,800	4.4%	3,545	4.6%
Net Income (Loss)	\$ 28		\$ (145)		\$ (1,082)		\$ (763)		\$ (3,183)		\$ (3,581)	
Opex Overview:	MTD				QTD				YTD			
	Act		Bud		Act		Bud		Act		Bud	
Payroll	\$ 1,126		\$ 1,266		\$ 3,284		\$ 3,790		\$ 6,604		\$ 7,293	
Benefits	35		205		506		814		1,154		1,555	
Bonus	(194)		168		(48)		504		(64)		1,002	
Marketing	23		51		63		154		125		308	
Commissions	147		243		502		746		1,050		1,422	
Travel and Entertainment	44		178		117		534		528		1,079	
Rent and Facilities	71		90		215		253		428		471	
Insurance	94		57		396		172		609		344	
Professional Fees	273		74		482		233		837		515	
Utl., Repair, Maint., & Sec.	34		38		93		113		193		227	
Office Expenses	5		7		15		20		34		40	
IT	58		62		188		215		389		427	
Bad Debts	(75)		28		62		93		69		185	
Supplies	12		18		37		54		86		106	
FX	—		—		—		—		—		—	
Other Expenses	303		456		1,162		1,329		3,030		3,532	
Total Opex	\$ 1,957		\$ 2,941		\$ 7,074		\$ 9,023		\$ 15,071		\$ 18,507	

Management Discussion on June Performance:

Revenue

- \$3.2mm below plan (\$10.3mm actual vs. 13.5mm budget), driven by performance both in the U.S. and internationally
 - International: (\$1.0mm)
 - Domestic: (\$2.2mm)

Gross Margin

- Impacted by production slow downs in Janesville and General Contractor push out of projects

OPEX

- Favorable OPEX costs of \$984k were driven by adjustments in:
 - Salaries / Commissions / furloughs \$236K
 - Consultant expense \$140K
 - Travel & Entertainment expense \$123K
 - Bonus \$364K

EBITDA

- \$724k Reported EBITDA vs \$563k Budget
 - International = \$150k vs \$217k Budget
 - Domestic = \$574k vs \$346k Budget
- Bank EBITDA of \$879k vs \$728k Budget
 - International = \$150K vs \$217k mm Budget
 - Domestic = \$729k mm vs \$511 mm Budget



June P&L Compared to Prior Year

\$'000	MTD				QTD				YTD			
	Act	%	Prior Year	%	Act	%	Prior Year	%	Act	%	Prior Year	%
Net Revenue	10,283	100.0%	12,407	100.0%	30,252	100.0%	42,051	100.0%	62,969	100.0%	69,284	100.0%
Material	3,127	30.4%	3,561	28.7%	9,916	32.8%	16,344	38.9%	21,132	33.6%	23,303	33.6%
Labor	3,475	33.8%	3,935	31.7%	9,632	31.8%	11,940	28.4%	19,863	31.5%	21,464	31.0%
Other COGS	999	9.7%	946	7.6%	2,729	9.0%	2,901	6.9%	6,124	9.7%	6,585	9.5%
Total COGS	7,602	73.9%	8,442	68.0%	22,277	73.6%	31,185	74.2%	47,119	74.8%	51,353	74.1%
Gross Margin	2,681	26.1%	3,965	32.0%	7,975	26.4%	10,867	25.8%	15,850	25.2%	17,932	25.9%
R&D	—											
Sales & Marketing	992	9.6%	1,265	10.2%	2,953	9.8%	3,660	8.7%	6,436	10.2%	6,799	9.8%
Administrative	1,049	10.2%	1,325	10.7%	4,296	14.2%	3,810	9.1%	8,857	14.1%	7,168	10.3%
Other Opex	(84)	-0.8%	6	0.0%	(175)	-0.6%	(50)	-0.1%	(222)	-0.4%	(177)	-0.3%
Total Opex	1,957	19.0%	2,596	20.9%	7,074	23.4%	7,420	17.6%	15,071	23.9%	13,790	19.9%
EBITDA	724	7.0%	1,369	11.0%	901	3.0%	3,447	8.2%	779	1.2%	4,141	6.0%
Adj. EBITDA	879	8.6%	975	7.9%	1,621	5.4%	2,862	6.8%	2,800	4.4%	3,104	4.5%
Net Income (Loss)	\$ 28		\$ 215		\$ (1,082)		\$ 468		\$ (3,183)		\$ (1,886)	
Opex Overview:	Act	Prior Year	Act	Prior Year	Act	Prior Year	Act	Prior Year	Act	Prior Year	Act	Prior Year
Payroll	\$ 1,126	\$ 1,128	\$ 3,284	\$ 3,245	\$ 6,604	\$ 6,046						
Benefits	35	224	506	663	1,154	871						
Bonus	(194)	75	(48)	270	(64)	597						
Marketing	23	81	63	204	125	160						
Commissions	147	180	502	564	1,050	1,023						
Travel and Entertainment	44	87	117	274	528	553						
Rent and Facilities	71	75	215	218	428	427						
Insurance	94	33	396	166	609	216						
Professional Fees	273	60	482	247	837	503						
Utl., Repair, Maint., & Sec.	34	33	93	104	193	210						
Office Expenses	5	5	15	16	34	33						
IT	58	67	188	201	389	401						
Bad Debts	(75)	(211)	62	(105)	69	929						
Supplies	12	13	37	55	86	104						
FX	—	—	—	—	—	—						
Other Expenses	303	746	1,162	1,298	3,030	1,715						
Total Opex	\$ 1,957	\$ 2,596	\$ 7,074	\$ 7,420	\$ 15,071	\$ 13,790						

Management Discussion on June Performance:**Revenue**

- \$3.2mm below plan (\$10.3mm actual vs. 13.5mm budget), driven by performance both in the U.S. and internationally
 - International: (\$1.0mm)
 - Domestic: (\$2.2mm)

Gross Margin

- Impacted by production slow downs in Janesville and General Contractor push out of projects

OPEX

- Favorable OPEX costs of \$984k were driven by adjustments in:
 - Salaries / Commissions / furloughs \$236K
 - Consultant expense \$140K
 - Travel & Entertainment expense \$123K
 - Bonus \$364K

EBITDA

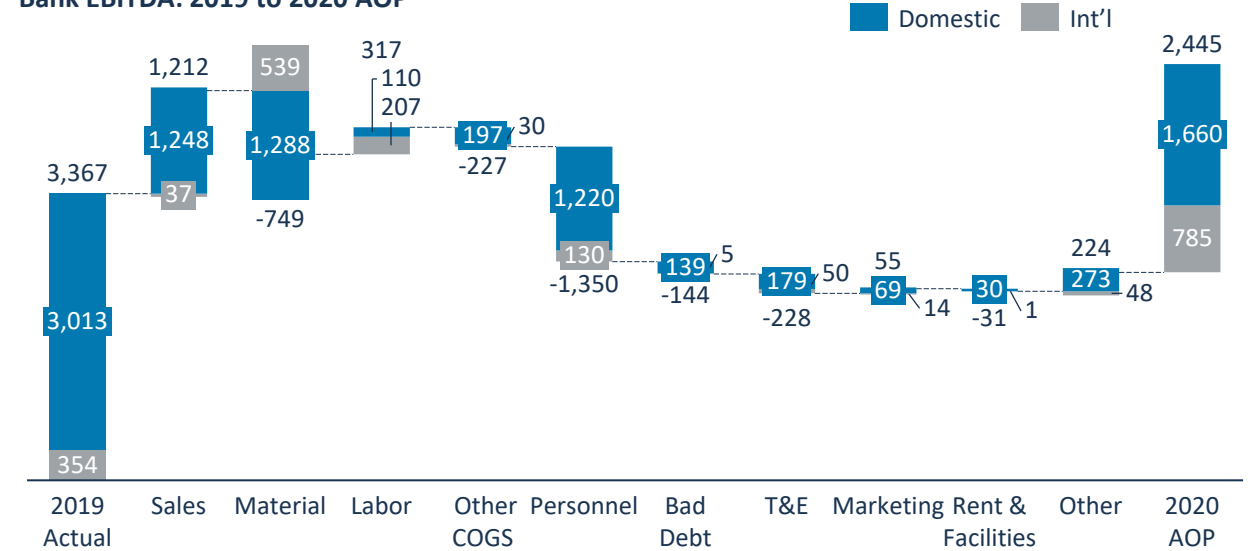
- \$724k Reported EBITDA vs \$563k Budget
 - International = \$150k vs \$217k Budget
 - Domestic = \$574k vs \$346k Budget
- Bank EBITDA of \$879k vs \$728k Budget
 - International = \$150K vs \$217k mm Budget
 - Domestic = \$729k mm vs \$511 mm Budget

HUFCOR™ Q2 Bank EBITDA Bridge (Int'l vs. Domestic)

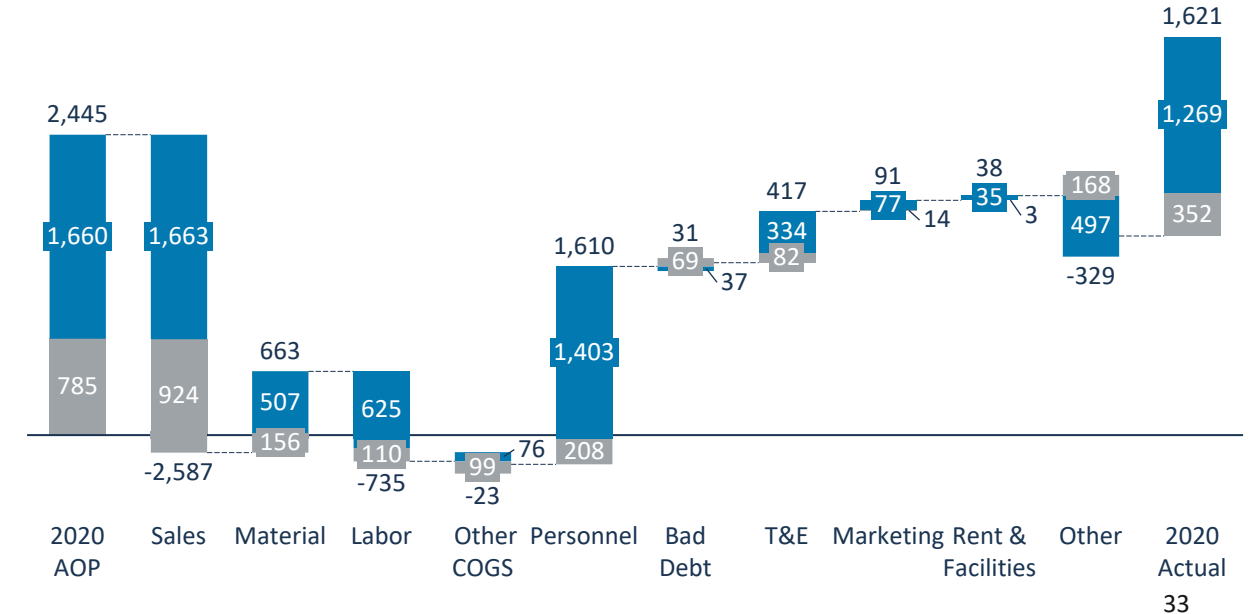
\$ '000

	Q2 Bank EBITDA					
	Domestic		International		Consolidated	
	Revenue	EBITDA	Revenue	EBITDA	Revenue	EBITDA
2019	\$ 23,649	\$ 3,013	\$ 12,622	\$ 354	\$ 36,271	\$ 3,367
Increased Sales	3,896	1,248	(182)	(37)	3,713	1,212
<i>Manufacturing Variance</i>						0
Material Variance		(1,288)		539		(749)
Labor Variance		110		207		317
Other COGS Variance		(197)		(30)		(227)
<i>OpEx Variance</i>						
Personnel		(1,220)		(130)		(1,350)
Bad Debt		(139)		(5)		(144)
T&E		(179)		(50)		(228)
Marketing		69		(14)		55
Rent & Facilities		(30)		(1)		(31)
IT Costs		15		1		15
Professional Fees		13		(6)		7
All Other Net of Adj.		245		(43)		202
2020 AOP	\$ 27,544	\$ 1,660	\$ 12,440	\$ 785	\$ 39,984	\$ 2,445
Increased Sales	(6,149)	(1,663)	(3,583)	(924)	(9,732)	(2,587)
<i>Manufacturing Variance</i>						0
Material Variance		507		156		663
Labor Variance		(625)		(110)		(735)
Other COGS Variance		76		(99)		(23)
<i>OpEx Variance</i>						0
Personnel		1,403		208		1,610
Bad Debt		(37)		69		31
T&E		334		82		417
Marketing		77		14		91
Rent & Facilities		35		3		38
IT Costs		27		(0)		27
Professional Fees		(264)		15		(249)
All Other Net of Adj.		(260)		154		(106)
2020 Actual	\$ 21,396	\$ 1,269	\$ 8,856	\$ 352	\$ 30,252	\$ 1,621

Bank EBITDA: 2019 to 2020 AOP

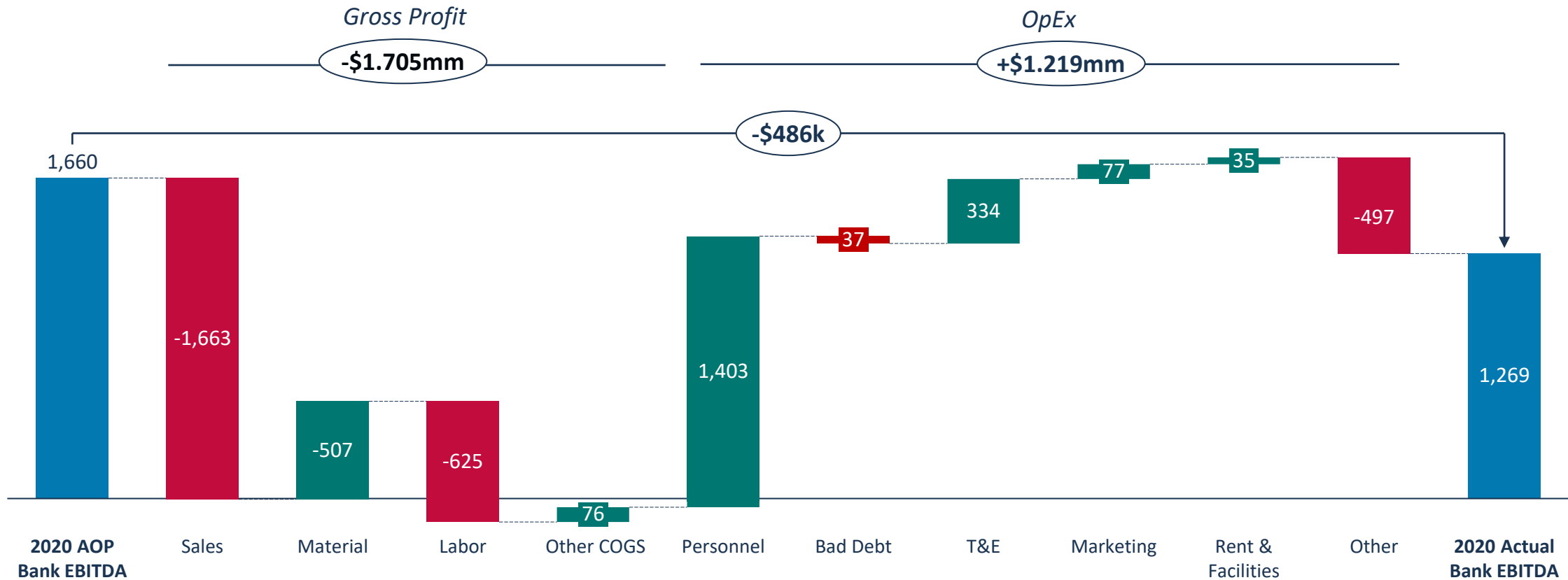


Bank EBITDA: 2020 AOP to 2020 Actual



HUFCOR™ Q2 Domestic EBITDA Bridge: 2020 Bank EBITDA

\$ '000



- Gross Profit miss due to both COVID-19 Janesville closure and General Contractor push out of projects from Q2 to Q3 and beyond. Direct Labor in Janesville ran at 27.2% of Revenue vs. AOP of 26.7% for Q2.
- Personnel cost variance primarily driven by Corporate savings: salaries & commissions (\$552K), bonus accrual (\$422k) and favorable variance to self-insured health plan (\$152k) offset by professional fees and insurance

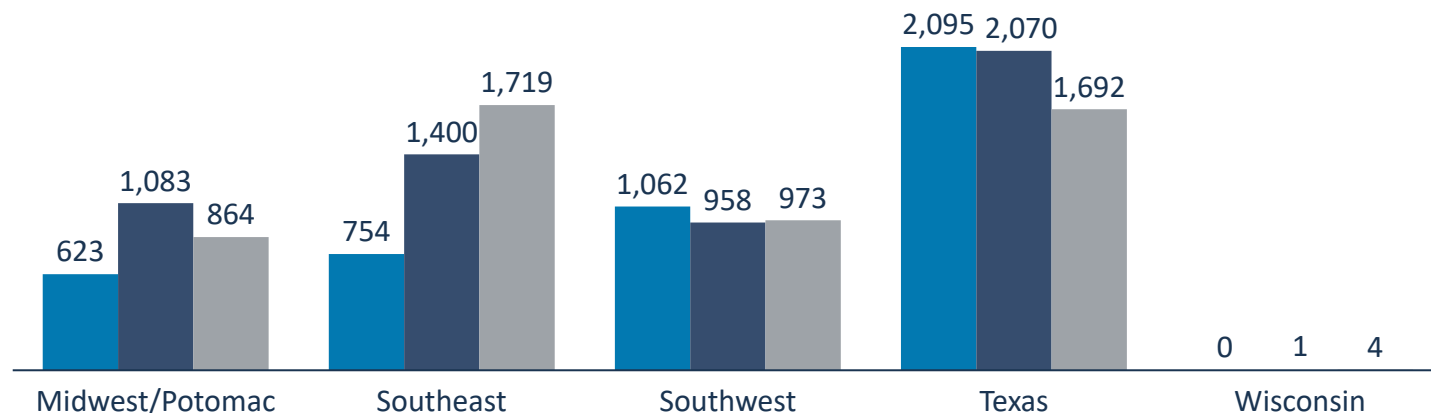
HUF COR™ Hufcor Domestic Office Contribution Detail

Total Net Revenue – Field Offices

By location, in \$' 000

■ Apr-20 ■ May-20 ■ Jun-20

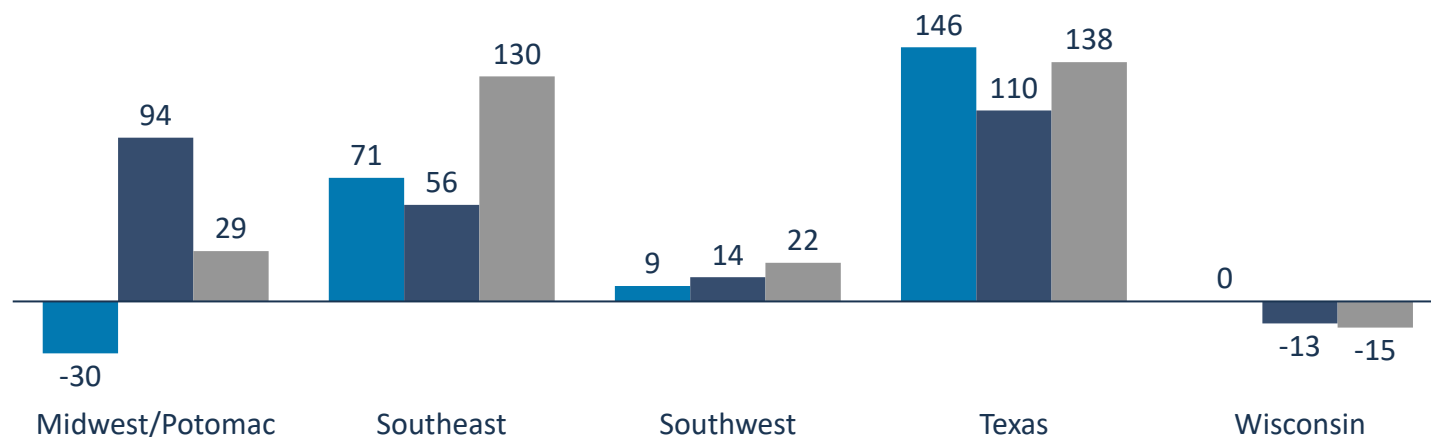
June 2020 Actual = \$5.251mm AOP = \$6.167mm Forecast = \$5.347mm
Q2 2020 Actual = \$15.298mm AOP = \$18.120mm Forecast = \$16.975mm



Total EBITDA – Field Offices

By location, in \$' 000

June 2020 Actual = \$0.304mm AOP = \$0.381mm Forecast = \$0.391mm
Q2 2020 Actual = \$0.762mm AOP = \$1.049mm Forecast = \$0.954mm



Management Discussion:

June Results

- Revenue actual was \$5.251mm vs AOP \$6.167mm and Forecast of \$5.347mm
 - Revenue miss vs Forecast was below by -\$0.100mm
 - Main driver for miss was SW by \$0.413mm
 - Revenue gain was from TX for \$0.663mm
- EBITDA of \$0.304mm vs AOP of \$0.381mm vs FRCST of \$0.391mm
 - EBITDA miss was in Southeast \$0.188mm
 - Texas exceeded Forecast by \$0.098mm due to Strike/Walker

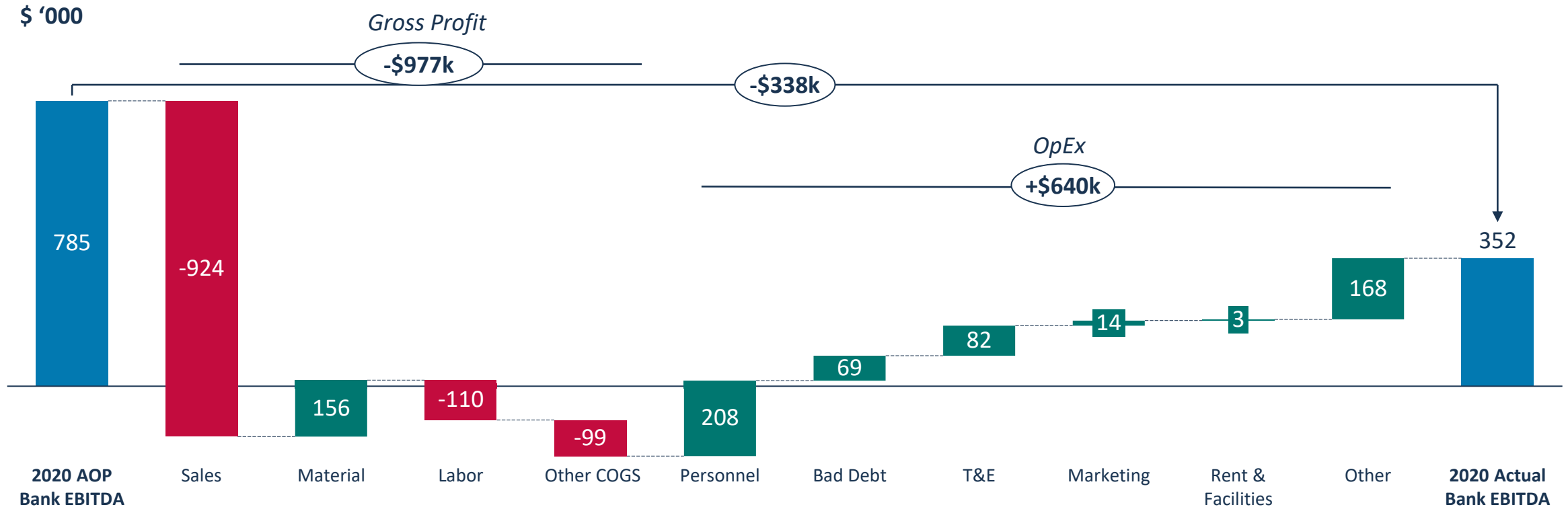
Q2 Results

- Revenue actual was \$15.298mm vs AOP \$18.120mm and Forecast \$16.975mm
 - Revenue was short of Forecast by \$1.68mm
 - Main driver for miss was Southwest pushing \$1.8mm
- EBITDA actual was \$0.762mm vs AOP \$1.049mm vs FRCST \$0.954mm was short of Forecast by \$0.164mm due to
 - Southeast missed Forecast by \$0.210mm due to June results and Southwest missed by \$0.077mm due to revenue movement
 - MW/PO came in \$0.120mm better than Forecast. Mainly driven by MN and PO

Challenges/Wins

- Uncertainty around COVID and what states/counties are going to do
- Filling the Q4 pipeline
- Texas and Southeast are seeing good opportunities with service projects

HUFCOR™ Q2 International EBITDA Bridge: 2020 Bank EBITDA



- *COVID 19 had an impact to varying degrees for all regions*
 - *Australia/NZ drove the most significant miss vs AOP in the quarter due to the NZICC project. Project was in the AOP but a fire destroyed the project so it has pushed out to 2022.*
 - *Malaysia/Singapore fell below expectations due to full country lockdown (COVID 19) in April*
 - *HK/China/Macau was driven by China low securements as the region faces political, flooding, and COVID challenges*
 - *Europe had lower revenue as a result of using short time work offered by the German government, they ran a much better gross profit margin with the new management team vs the AOP*

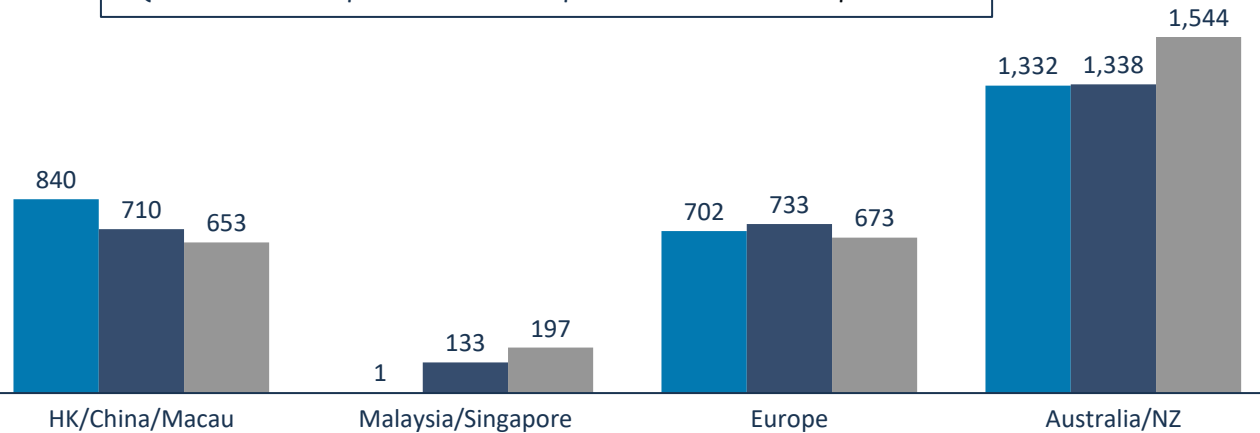
Total Net Revenue

By location, in \$' 000

■ Apr-20 ■ May-20 ■ Jun-20

June 2020 Actual = \$3.067mm AOP = \$4.129mm Forecast = \$3.112mm

Q2 2020 Actual = \$8.856mm AOP = \$12.546mm Forecast = \$9.155mm

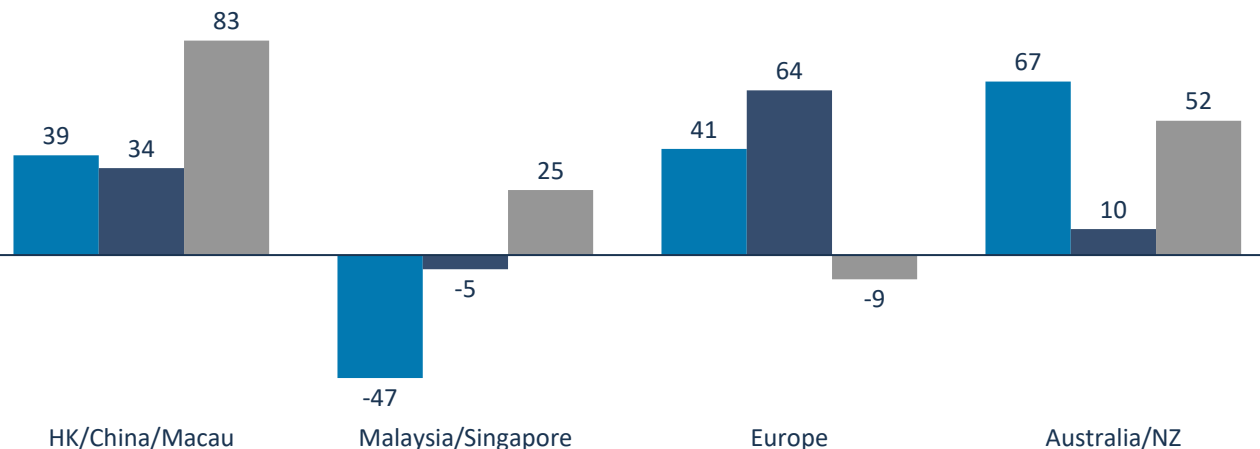


Total EBITDA

By location, in \$'s 000

June 2020 Actual = \$0.150mm AOP = \$0.217mm Forecast = \$0.139mm

Q2 2020 Actual = \$0.352mm AOP = \$0.785mm Forecast = \$0.248mm



Management Discussion:

June Results

- Revenue actual was \$3.067mm vs AOP \$4.129mm and FRCST \$3.112mm
- EBITDA actual was \$0.150mm vs AOP \$0.217mm vs FRCST \$0.139mm, exceeded FRCST by \$0.011mm
 - HK/China/Macau
 - Revenue miss vs AOP was driven by China low securements as the region faces political, flooding, and COVID challenges
 - EBITDA vs AOP was above AOP driven by Government subsidy in HK, and HK's performance
 - Malaysia/Singapore
 - Revenue miss vs AOP in was driven by jobs pushing out. Leela \$103K in Bangalore.
 - EBITDA vs AOP was at budget due to decrease in SG&A costs
 - Europe
 - Revenue miss vs AOP was driven by low securements in March/April
 - EBITDA miss vs AOP was driven by warranty from Celtic Manor and a Movista job in Czech Republic
 - Australia/NZ
 - Revenue miss vs AOP was driven by NZ major project postponed due to fire
 - EBITDA miss vs AOP was driven by lower then expected revenue

Q2 Results

- Revenue actual was \$8.856mm vs AOP \$12.545mm vs FRCST \$9.155mm
 - Revenue miss vs AOP overall was driven by COVID related delays and plant closures with a reduction of securements in Q1
- EBITDA actual was \$0.352mm vs AOP \$0.785mm vs FRCST \$0.248mm, exceeded FRCST by \$0.146mm
 - EBITDA miss vs AOP was driven by the lower revenue caused by the same factors above

HUFCOR Covenant Compliance - Last Twelve Months

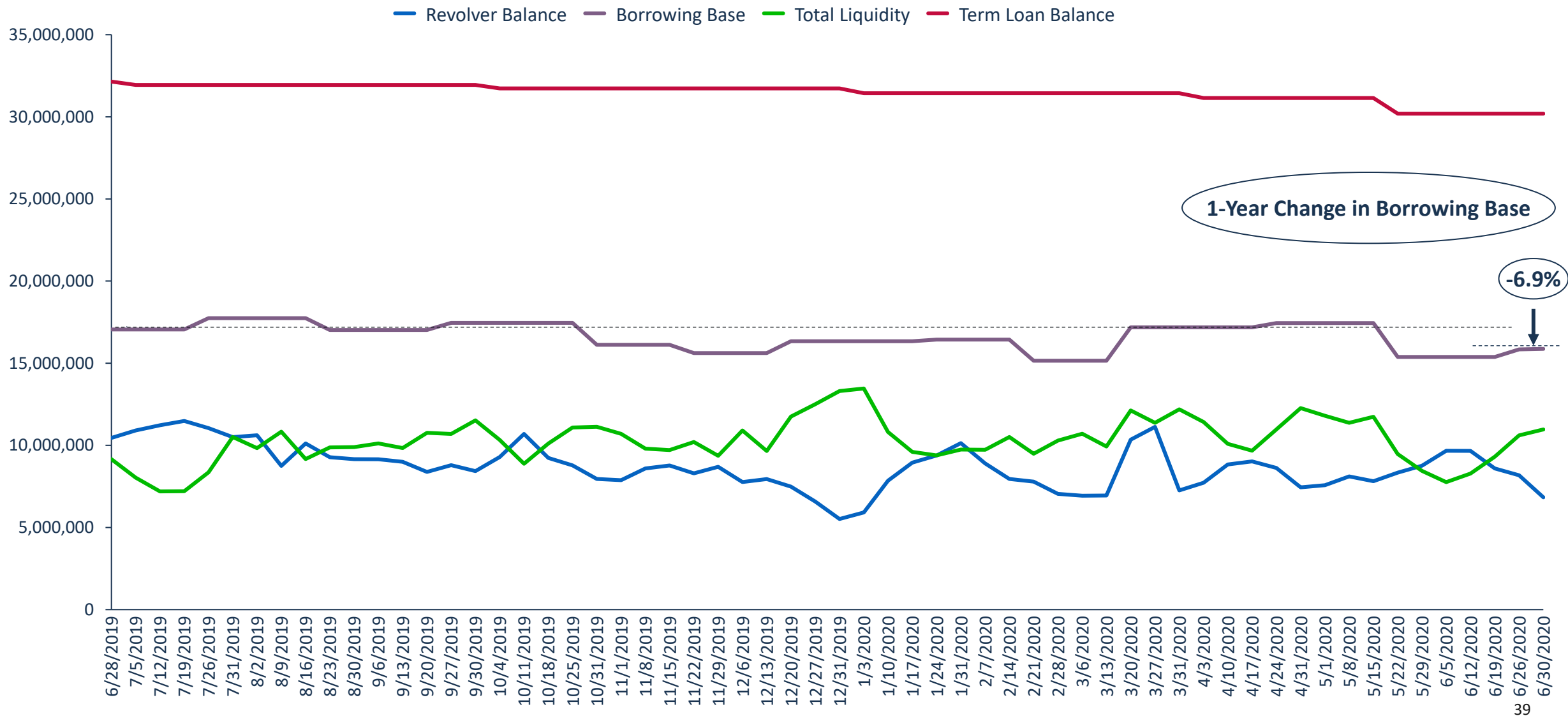
Covenant Analysis- JPMC and LBC Credit Partners													
	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	
\$'000	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	
Fixed Charge Coverage Ratio (JP Morgan Chase- Monthly and LBC Credit Partners- Quarterly)													
Net Income (Loss)	\$ 634	\$ 680	\$ (3,773)	\$ 351	\$ (297)	\$ (499)	\$ (845)	\$ (705)	\$ (552)	\$ (1,170)	\$ 60	\$ 28	
Bank EBITDA Calculation:													
Interest Expense	356	355	362	342	344	323	327	326	288	271	285	281	
Income and Franchise Tax Expense	146	85	99	94	75	785	(14)	23	(13)	18	8	74	
Depreciation and Amortization Expense	510	510	240	239	240	249	257	279	261	272	259	281	
Losses (Gains) from Dispositions	-	10	1	-	64	(10)	-	-	4	-	30	-	
Management Agreement fees and expenses	-	250	-	250	-	-	250	-	-	83	83	83	
Losses (Gains) from Discontinued Operations	-	-	-	17	17	117	17	30	-	-	-	-	
Non-cash FX, transaction, translation losses (gains)	61	6	60	(65)	91	(12)	16	(12)	(9)	19	(13)	(23)	
Severance costs, subject to ABL	-	-	732	-	(139)	-	-	-	62	128	-	-	
Other non-cash charges or non-cash gains	-	-	-	-	-	374	-	-	-	(0)	-	-	
Other non-recurring fees and expenses - Consultants	20	218	331	390	414	780	391	392	248	326	112	155	
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	-	-	1,737	(31)	(98)	(879)	-	-	-	(63)	-	-	
Non-recurring warranty claim payments: Mystic Lake < 400k	-	-	75	-	-	-	-	-	-	-	-	-	
Non-recurring warranty claim payments: Non- Mystic Lake < 625k	(421)	(37)	686	(2)	(59)	(147)	-	-	-	(70)	-	-	
Less Extraordinary gains and non-cash income	-	-	-	-	-	(412)	-	-	-	-	-	-	
Bank EBITDA	\$ 1,306	\$ 2,079	\$ 1,055	\$ 1,633	\$ 653	\$ 679	\$ 400	\$ 439	\$ 340	\$ (147)	\$ 889	\$ 879	
Less:													
Unfinanced CAPEX	283	87	136	132	51	123	203	115	30	23	112	12	
Cash income and franchise taxes	-	-	-	4	1	187	-	-	-	-	8	74	
Cash Monitoring fees (including expenses)	29	115	184	160	278	346	347	412	42	1,554	75	5	
Numerator	\$ 993	\$ 1,876	\$ 735	\$ 1,337	\$ 323	\$ 23	\$ (151)	\$ (88)	\$ 268	\$ (1,724)	\$ 694	\$ 788	
Fixed Charges:													
Cash Interest	306	301	308	289	291	269	272	271	233	249	239	234	
Regularly scheduled principal payments	209	-	-	209	-	-	292	-	-	292	-	-	
Capital Lease payments	-	-	-	-	-	-	-	-	-	-	-	-	
Total Fixed Charges	\$ 515	\$ 301	\$ 308	\$ 497	\$ 291	\$ 269	\$ 565	\$ 271	\$ 233	\$ 541	\$ 239	\$ 234	
TTM Numerator	7,665	8,445	8,146	8,902	8,912	8,948	8,816	8,712	7,963	5,258	5,592	5,075	
TTM Fixed Charges	4,663	4,675	4,710	4,558	4,537	4,476	4,529	4,496	4,415	4,444	4,635	4,264	
Fixed Charge Covenant Ratio	1.64	1.81	1.73	1.95	1.96	2.00	1.95	1.94	1.80	1.18	1.21	1.19	
Required Fixed Charge Covenant Ratio					1.15				1.15 x				1.15 x
Leverage Ratio (LBC Credit Partners- Quarterly)													
Total Debt for Leverage Calculation	\$ 42,745	\$ 41,174	\$ 40,689	\$ 40,241	\$ 40,794	\$ 37,418	\$ 42,640	\$ 39,799	\$ 40,060	\$ 40,683	\$ 39,379	\$ 37,135	
TTM Bank EBITDA	\$ 10,608	\$ 11,459	\$ 11,467	\$ 11,881	\$ 11,873	\$ 12,455	\$ 12,636	\$ 12,802	\$ 11,949	\$ 10,522	\$ 10,870	\$ 10,205	
Leverage Ratio	4.03	3.59	3.55	3.39	3.44	3.00	3.37	3.11	3.35	3.87	3.62	3.64	
Required Leverage Ratio					4.75				4.25 x				3.75 x

Hufcor is in Covenant Compliance

As of June 30, 2020

- Despite significant production disruption in Q2, Hufcor was able to meet Q2 covenants
 - Successfully managed AR and accelerated collections while managing AP
 - International cash management allowed for deleveraging at quarter end
- Leverage covenant accounts for 3rd party consultants as EBITDA add-back
- Fixed charge coverage ratio incorporates the cash consultant costs to reduce numerator
- Anticipate challenges meeting future covenant levels given leverage step down and lower production levels through Q4 compared to 2019 (July – December 2019 Bank EBITDA of \$7.4M)

Total liquidity (availability + cash) remains slightly below June 30 a year ago following working capital management at end of Q2.



HUFCOR Forecasted 13-Week Cashflow

Cumulative Operating Cashflow forecast at -\$870k through next 13 weeks, excluding any aggressive A/P management at quarter end. Borrowing Base will decline with revenue which will drive a reduction to liquidity. We forecast > \$5.0 mm of liquidity through Q3. Please note a debt service payment & ECF payment due on 10/1.

Week #:

Week Ending Friday:

	29 17-Jul	30 24-Jul	31 31-Jul	32 7-Aug	33 14-Aug	34 21-Aug	35 28-Aug	36 4-Sep	37 11-Sep	38 18-Sep	39 25-Sep	40 2-Oct	41 9-Oct	42 16-Oct
13-WEEK CASHFLOW FORECAST	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Collections from Hufcor Entities	54	-	-	157	-	-	-	129	-	-	129	-	-	-
Collections from Non-Hufcor Entities	1,792	1,683	1,726	1,783	1,722	1,913	2,139	2,198	2,096	2,116	2,058	2,462	2,337	2,392
Royalties	-	-	-	-	-	-	-	-	-	-	-	-	-	-
All other inflows	32	18	-	-	-	-	35	-	-	-	35	-	-	-
Total Operating Inflows	1,879	1,700	1,726	1,940	1,722	1,913	2,174	2,326	2,096	2,116	2,222	2,462	2,337	2,392
Materials - Disb. To Hufcor Entity	-	-	-	128	-	-	-	128	-	-	128	-	-	-
Materials - Disb. To Non-Hufcor Entity	731	1,022	1,148	1,084	1,017	1,037	1,144	1,070	1,024	1,017	1,022	1,191	1,019	1,017
Hourly / Salary Payroll	1,149	300	883	539	903	260	916	362	957	391	893	405	1,036	381
Commissions	-	17	113	17	150	55	80	17	150	57	68	23	-	167
Benefits	53	190	190	222	190	190	190	190	190	222	190	190	190	215
Building Rent	2	51	48	146	2	47	52	141	7	42	38	160	7	2
All Other	540	226	232	337	161	325	217	337	148	330	215	340	148	330
Total Operating Outflows	2,475	1,806	2,614	2,473	2,423	1,915	2,599	2,245	2,476	2,059	2,553	2,308	2,400	2,112
Weekly Net Operating Cashflow	(597)	(105)	(888)	(534)	(700)	(2)	(425)	82	(380)	58	(330)	153	(64)	280
Cumulative Net Operating Cashflow for next 13 Weeks	1,986	1,881	993	459	(241)	(243)	(668)	(586)	(966)	(909)	(1,239)	(1,086)	(1,149)	(870)
Interest Expense / Debt Service/Principal	-	-	-	25	-	-	-	25	-	-	4	1,613	-	-
Taxes	159	168	-	17	57	198	-	-	38	148	106	17	-	74
CapEx	1	4	-	21	11	-	43	-	-	-	-	-	-	-
All Non-Operating Outflows	6	5	5	1	1	1	1	1	1	1	1	1	1	1
Total Non-Operating Outflows	166	177	5	65	69	199	44	26	40	149	111	1,631	1	76
Weekly Net Cashflow	(762)	(282)	(893)	(598)	(770)	(201)	(469)	56	(420)	(92)	(442)	(1,478)	(65)	204
Cumulative Net Cashflow for next 13 Weeks	(805)	(1,087)	(1,980)	(2,578)	(3,347)	(3,549)	(4,017)	(3,961)	(4,381)	(4,473)	(4,915)	(6,393)	(6,458)	(6,254)
Borrowing Base Estimate	15,843	15,224	15,224	15,224	15,224	16,000	16,000	16,000	16,000	16,500	16,500	16,500	16,500	17,000
Revolver Estimate	9,633	9,915	10,807	11,405	12,175	12,376	12,845	12,789	13,209	13,301	13,743	15,221	15,285	15,081
Availability Estimate	6,210	5,309	4,416	3,818	3,049	3,624	3,155	3,211	2,791	3,199	2,757	1,279	1,215	1,919
Cash Balance Estimate	2,348	2,348	2,348	2,348	2,348	2,348	2,348	2,348	2,348	2,348	2,348	2,348	2,348	2,348
Net Liquidity Estimate	8,558	7,657	6,764	6,166	5,397	5,972	5,503	5,559	5,139	5,547	5,105	3,627	3,563	4,267
Term Loan Balance Estimate	30,191	30,191	30,191	30,191	30,191	30,191	30,191	30,191	30,191	30,191	30,191	29,243	29,243	29,243
Total External Debt Estimate	39,823	40,105	40,998	41,596	42,366	42,567	43,036	42,980	43,400	43,492	43,934	44,463	44,528	44,324

Section 4

Financial Update & Outlook

Q3 & Q4 2020 Reforecast Assumptions

1H 2020 Actual		2H 2020 Forecast	FYE 2020 Forecast
Net Revenue \$62.969M	<ul style="list-style-type: none"> Q3 forecast built based on current backlog and projections from each individual field offices Q4 forecast assumes securement success through September will yield additional business for Janesville & field offices service work Downside / risk to forecast is overall uncertainty in domestic & international markets due to COVID-19 	Net Revenue \$76.405M	Net Revenue \$139.374M
Material Costs \$21.132M 33.6%	<ul style="list-style-type: none"> Expectation for higher material content given product mix in 2nd half Vendor negotiations on extending terms continue with potential cost increase as an off-set for more favorable credit terms 	Material Costs \$27.503M 36.0%	Material Costs \$48.636M 34.9%
Labor Costs \$19.863M 31.5%	<ul style="list-style-type: none"> Labor productivity in Janesville assumed in line with 1H 2020 Field labor improvements driven by increased product & service mix 	Labor Costs \$23.646M 30.9%	Labor Costs \$43.510M 31.2%
Gross Profit \$15.850M 25.2%	<ul style="list-style-type: none"> Margin expectations in line with 1H 2020 Janesville margins down slightly, but improved field office margins 	Gross Profit \$19.263M 25.2%	Gross Profit \$35.113M 25.2%
OpEx \$13.049M	<ul style="list-style-type: none"> Forecast assumes all employees returned from furloughs through entire quarter, but does not assume return of employer match for salary 401(k) plan 	OpEx \$15.747M	OpEx \$28.796M
Bank EBITDA \$2.800M 4.5%	<ul style="list-style-type: none"> Key Driver = ramping production back up to > 1,800 units per week in Janesville Key Driver = domestic securements to fill out Q4 2020 	Bank EBITDA \$3.516M 4.6%	Bank EBITDA \$6.317M 4.5%
Capex \$0.931M	<ul style="list-style-type: none"> No major additions to CapEx plans Existing investments across IT & required improvements in manufacturing locations 	Capex \$0.400M	Capex \$1.331M

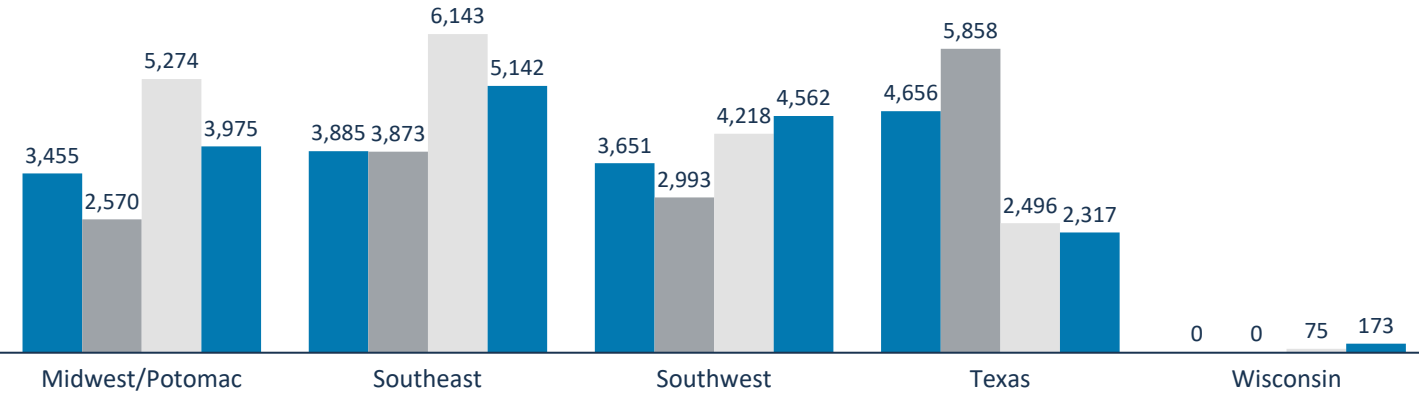
HUFCOR™ Internal Goals: Domestic Field Offices

Total Net Revenue – Field Offices

By location, in \$' 000

■ Q1 ■ Q2 ■ Q3 ■ Q4

Q1 Actual = \$15.647mm	Q1 AOP = \$17.401mm
Q2 Actual = \$15.293mm	Q2 AOP = \$18.120mm
Q3 FRCST = \$18.206mm	Q3 AOP = \$21.755mm
Q4 FRCST = \$16.169mm	Q4 AOP = \$16.246mm

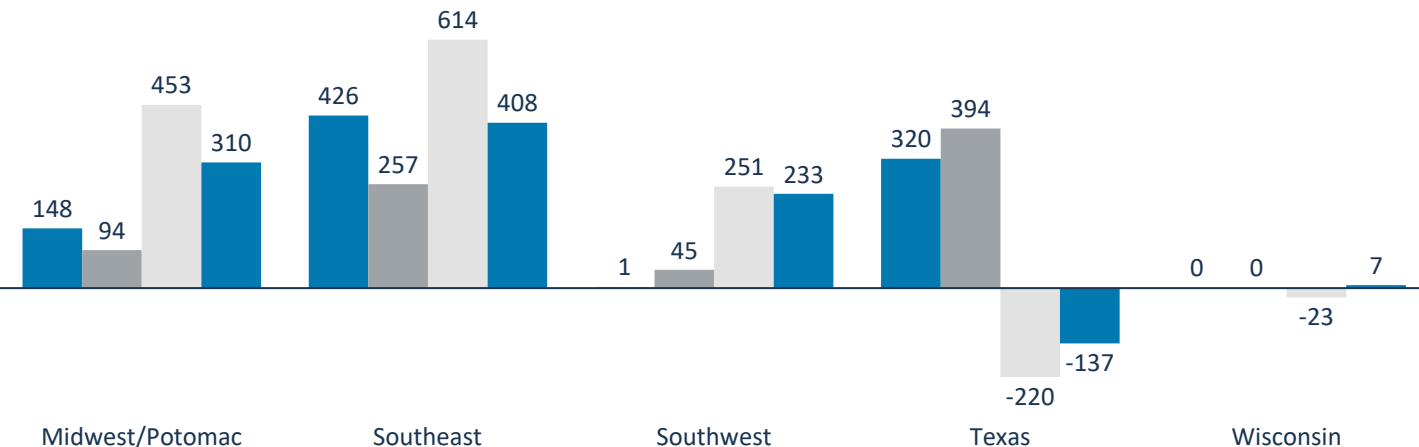


Total EBITDA – Field Offices

By location, in \$' 000

■ Q1 ■ Q2 ■ Q3 ■ Q4

Q1 Actual = \$0.894mm	Q1 AOP = \$0.739mm
Q2 Actual = \$0.790mm	Q2 AOP = \$1.049mm
Q3 FRCST = \$1.074mm	Q3 AOP = \$2.080mm
Q4 FRCST = \$0.822mm	Q4 AOP = \$0.778mm



- Southwest Field Office**
 - Resorts World (NV)- Balance completing in Oct \$2.37mm
 - CA new product sales- Diligence taking place for distributor
 - COVID: NV slow to open, CA at risk of moving back and AZ remains steady
 - Securements very slow in NV and AZ
- Midwest / Potomac Field Office**
 - New sales rep brought on in Chicago office
 - MN service sales rep brought back off furlough for MN/WI territory
 - COVID: DC is seeing a slowdown in service work, MW slowing in reopening
 - Revenue pushout from Q2 will start to burn down in Q3
- Southeast Field Office**
 - Gaylord Ballroom Expansion- \$1.2mm
 - New General Manager stated early July
 - COVID: Remains a concern, but has not had major impacts
 - Service Sales recover projects have been very beneficial to bottom line
- Texas Field Office**
 - Strike/Walker MS- \$2.1mm and Kalahari- \$1mm completing
 - New service sales rep in Dallas
 - COVID: Houston and San Antonio nearing shelter in place, Dallas took step back

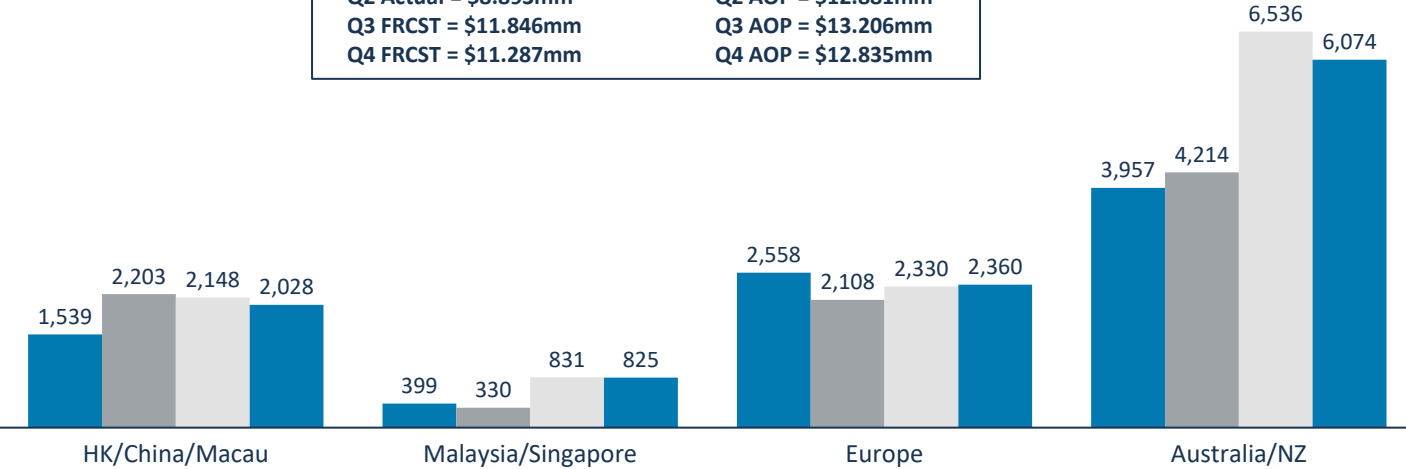
HUFCOR™ Internal Goals: International Field Offices

Total Net Revenue – Field Offices

By location, in \$' 000

Q1 Actual = \$8.453mm	Q1 AOP = \$11.419mm
Q2 Actual = \$8.893mm	Q2 AOP = \$12.881mm
Q3 FRCST = \$11.846mm	Q3 AOP = \$13.206mm
Q4 FRCST = \$11.287mm	Q4 AOP = \$12.835mm

■ Q1 ■ Q2 ■ Q3 ■ Q4

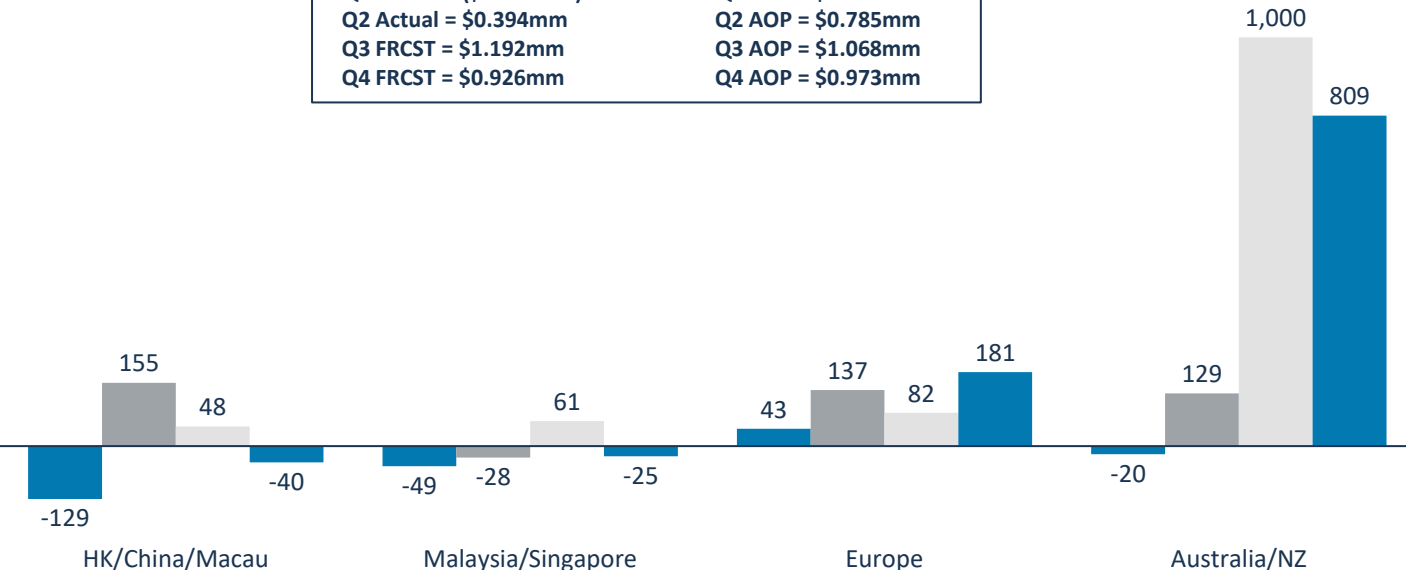


Total EBITDA – Field Offices

By location, in \$' 000

Q1 Actual = (\$0.155mm)	Q1 AOP = \$0.304mm
Q2 Actual = \$0.394mm	Q2 AOP = \$0.785mm
Q3 FRCST = \$1.192mm	Q3 AOP = \$1.068mm
Q4 FRCST = \$0.926mm	Q4 AOP = \$0.973mm

■ Q1 ■ Q2 ■ Q3 ■ Q4



1. China / Hong Kong Field Offices

- Major projects to invoice Q3:
- NDB \$136K
- Wuxi Radisson Hotel \$100K
- IR Towers \$102K (HK)
- Laminator is in place
- 11 carriers, leveler beams samples sent to Janesville for approval

2. Malaysia Field Office

- Major projects to invoice Q3:
- Leela Hotel \$103K
- Flamingo Convention Center \$132K
- 11 track samples sent to Janesville
- Melamine board panel launched

3. Germany Field Office

- Major projects to invoice Q3:
- Boppard BOMAG \$94K
- Israel Hagoshrim \$41K
- GF sample product shipped to Germany
- Developing GF product/CE certification to meet low end demand (Q3 launch)

4. Australia / New Zealand Field Office

- Major projects to invoice Q3:
- Christchurch Convention Center \$420K
- Cairns Convention Centre \$1.295M
- Entering parts into ERP system, sourcing parts for HX series expected Q1 2021

Appendix

Supporting Materials for all Sections



INCOME STATEMENT	Act	Act	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	6/30/2020	Quarter Ending 6/30/2020
	1M	1M	1M	1Q	1M	1M	1M	1Q
Gross Revenue	\$ 11,432	\$ 10,641	\$ 10,644	\$ 32,717	\$ 8,869	\$ 11,100	\$ 10,283	\$ 30,252
Discounts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Returns	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Rebates	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net Revenue	\$ 11,432	\$ 10,641	\$ 10,644	\$ 32,717	\$ 8,869	\$ 11,100	\$ 10,283	\$ 30,252
Material	\$ 3,751	\$ 3,216	\$ 4,249	\$ 11,216	\$ 3,064	\$ 3,725	\$ 3,127	\$ 9,916
Labor	\$ 3,597	\$ 3,388	\$ 3,246	\$ 10,231	\$ 3,031	\$ 3,126	\$ 3,475	\$ 9,632
Other COGS	\$ 1,117	\$ 1,167	\$ 1,111	\$ 3,395	\$ 796	\$ 933	\$ 999	\$ 2,729
Total COGS	\$ 8,466	\$ 7,771	\$ 8,606	\$ 24,843	\$ 6,891	\$ 7,783	\$ 7,602	\$ 22,277
Gross Margin	\$ 2,966	\$ 2,870	\$ 2,038	\$ 7,874	\$ 1,978	\$ 3,317	\$ 2,681	\$ 7,975
Gross Margin %	25.9%	27.0%	19.1%	24.1%	22.3%	29.9%	26.1%	26.4%
R&D	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales & marketing	\$ 1,209	\$ 1,144	\$ 1,131	\$ 3,484	\$ 1,030	\$ 931	\$ 992	\$ 2,953
Administrative	\$ 1,785	\$ 1,838	\$ 938	\$ 4,561	\$ 1,551	\$ 1,696	\$ 1,049	\$ 4,296
Other Opex	\$ (19)	\$ (22)	\$ (6)	\$ (47)	\$ (98)	\$ 7	\$ (84)	\$ (175)
Total OPEX (excl D&A)	\$ 2,975	\$ 2,959	\$ 2,063	\$ 7,997	\$ 2,483	\$ 2,634	\$ 1,957	\$ 7,074
Opex Overview								
Payroll	\$ 1,127	\$ 1,094	\$ 1,100	\$ 3,320	\$ 1,191	\$ 966	\$ 1,126	\$ 3,284
Overtime	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Benefits	\$ 326	\$ 295	\$ 27	\$ 648	\$ 247	\$ 224	\$ 35	\$ 506
Bonus	\$ 163	\$ 143	\$ (323)	\$ (16)	\$ 11	\$ 135	\$ (194)	\$ (48)
Severance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Marketing	\$ 11	\$ 29	\$ 21	\$ 62	\$ 22	\$ 18	\$ 23	\$ 63
Commissions	\$ 224	\$ 162	\$ 163	\$ 549	\$ 179	\$ 175	\$ 147	\$ 502
Travel and Entertainment	\$ 144	\$ 113	\$ 153	\$ 410	\$ 40	\$ 34	\$ 44	\$ 117
Rent and Facilities	\$ 68	\$ 77	\$ 67	\$ 213	\$ 74	\$ 70	\$ 71	\$ 215
Insurance	\$ 71	\$ 71	\$ 71	\$ 213	\$ 51	\$ 251	\$ 94	\$ 396
Professional Fees	\$ 52	\$ 165	\$ 138	\$ 355	\$ 89	\$ 119	\$ 273	\$ 482
Util., Repair, Maint., & Sec.	\$ 30	\$ 32	\$ 38	\$ 100	\$ 30	\$ 29	\$ 34	\$ 93
Office Expenses	\$ 6	\$ 3	\$ 9	\$ 19	\$ 4	\$ 6	\$ 5	\$ 15
Safety and Training	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
IT	\$ 79	\$ 34	\$ 87	\$ 200	\$ 75	\$ 55	\$ 58	\$ 188
Bad Debt	\$ 26	\$ 48	\$ (67)	\$ 8	\$ (26)	\$ 163	\$ (75)	\$ 62
Supplies	\$ 16	\$ 17	\$ 15	\$ 49	\$ 10	\$ 15	\$ 12	\$ 37
FX	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
JV Loss (Income)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other Expenses	\$ 630	\$ 676	\$ 562	\$ 1,869	\$ 486	\$ 373	\$ 303	\$ 1,162
Total OPEX (excl D&A)	\$ 2,975	\$ 2,959	\$ 2,063	\$ 7,997	\$ 2,483	\$ 2,634	\$ 1,957	\$ 7,074
EBITDA	\$ (8)	\$ (89)	\$ (25)	\$ (123)	\$ (505)	\$ 683	\$ 724	\$ 901
EBITDA Margin %	-0.1%	-0.8%	-0.2%	-0.4%	-5.7%	6.2%	7.0%	3.0%
Depreciation	\$ 174	\$ 196	\$ 178	\$ 548	\$ 189	\$ 176	\$ 198	\$ 562
Amortization	\$ 83	\$ 83	\$ 83	\$ 249	\$ 83	\$ 83	\$ 83	\$ 249
Less: D&A	\$ 257	\$ 279	\$ 261	\$ 797	\$ 272	\$ 259	\$ 281	\$ 812
EBIT, reported	\$ (265)	\$ (368)	\$ (286)	\$ (920)	\$ (777)	\$ 424	\$ 443	\$ 89
Interest and financial amortization	\$ 327	\$ 326	\$ 288	\$ 940	\$ 271	\$ 285	\$ 281	\$ 837
Other financial income/expense (e.g. fx)	\$ 16	\$ (12)	\$ (9)	\$ (5)	\$ 19	\$ (13)	\$ (23)	\$ (16)
Non-financial income/expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Monitoring fees	\$ 250	\$ -	\$ -	\$ 250	\$ 83	\$ 83	\$ 83	\$ 250
Restructuring costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Non-recurring items	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
EBT, reported	\$ (858)	\$ (682)	\$ (565)	\$ (2,105)	\$ (1,152)	\$ 68	\$ 102	\$ (982)
Taxes	\$ (14)	\$ 23	\$ (13)	\$ (4)	\$ 18	\$ 8	\$ 74	\$ 101
Net Income (Loss)	\$ (845)	\$ (705)	\$ (552)	\$ (2,101)	\$ (1,170)	\$ 60	\$ 28	\$ (1,082)
Net Income (Loss) %	-7.4%	-6.6%	-5.2%	-6.4%	-13.2%	0.5%	0.3%	-3.6%
Bank allowable EBITDA add-backs	\$ 1,244	\$ 1,143	\$ 892	\$ 3,280	\$ 1,023	\$ 829	\$ 851	\$ 2,704
Bank EBITDA	\$ 400	\$ 439	\$ 340	\$ 1,179	\$ (147)	\$ 889	\$ 879	\$ 1,621

CASHFLOW STATEMENT	1/31/2020	2/28/2020	3/31/2020	Quarter Ending 3/31/2020	4/30/2020	5/31/2020	6/30/2020	Quarter Ending 6/30/2020
	1M	1M	1M	1Q	1M	1M	1M	1Q
Cash flow from operations								
Net Income (Loss)	\$ (845)	\$ (705)	\$ (552)	\$ (2,101)	\$ (1,170)	\$ 60	\$ 28	\$ (1,082)
Depreciation, amortization and other	\$ 257	\$ 279	\$ 261	\$ 797	\$ 272	\$ 259	\$ 281	\$ 812
Capitalized fees & expenses	\$ 55	\$ 55	\$ 55	\$ 164	\$ 23	\$ 47	\$ 47	\$ 116
Gain (loss) on sale of fixed assets	\$ -	\$ -	\$ 4	\$ 4	\$ -	\$ 30	\$ -	\$ 30
Non-cash interest expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Non-cash dividends	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred income tax	\$ (0)	\$ (1)	\$ (1)	\$ (2)	\$ 0	\$ (9)	\$ 0	\$ (9)
Change in operating assets and liabilities:								
Accounts receivable	\$ 2,310	\$ 567	\$ (203)	\$ 2,675	\$ 2,081	\$ (1,079)	\$ 1,050	\$ 2,052
Inventory	\$ (6)	\$ 153	\$ 705	\$ 852	\$ (472)	\$ 149	\$ (989)	\$ (1,312)
Prepaid expenses and other current assets	\$ (144)	\$ 105	\$ 23	\$ (16)	\$ (260)	\$ 98	\$ 293	\$ 131
Accounts payable	\$ (1,778)	\$ 1,295	\$ 1,334	\$ 851	\$ (2,161)	\$ (1,265)	\$ 2,080	\$ (1,345)
Accrued expenses	\$ (2,412)	\$ (138)	\$ (287)	\$ (2,837)	\$ 588	\$ 2,425	\$ (922)	\$ 2,092
Accrued income taxes	\$ (460)	\$ (15)	\$ (18)	\$ (494)	\$ 457	\$ (80)	\$ 20	\$ 397
Other changes in operating assets and liabilities	\$ (532)	\$ 91	\$ (256)	\$ (697)	\$ 627	\$ (1,909)	\$ 1,259	\$ (23)
Other cash flow from operations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Cash Flow from Operations	\$ (3,555)	\$ 1,686	\$ 1,066	\$ (804)	\$ (15)	\$ (1,275)	\$ 3,147	\$ 1,858
Cash flow from investing								
Additions to property, plant and equipment	\$ (1,471)	\$ 174	\$ 163	\$ (1,135)	\$ (183)	\$ 1,609	\$ 112	\$ 1,539
Acquisitions of companies, net of cash acquired	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment in intangibles	\$ 94	\$ 90	\$ 95	\$ 278	\$ 71	\$ 78	\$ 76	\$ 225
Earnout payments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other cash flow from investing (goodwill)	\$ 383	\$ (196)	\$ 27	\$ 214	\$ (666)	\$ (309)	\$ (227)	\$ (1,202)
Total Cash Flow from Investing	\$ (995)	\$ 67	\$ 284	\$ (643)	\$ (778)	\$ 1,378	\$ (39)	\$ 562
Cash flow from financing								
Proceeds from the issuance (repayment) of debt	\$ 4,470	\$ (2,795)	\$ 14	\$ 1,689	\$ 872	\$ 941	\$ (2,244)	\$ (430)
Proceeds from the issuance of debt	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Repayment of debt	\$ 753	\$ (45)	\$ 246	\$ 953	\$ (249)	\$ (2,245)	\$ (0)	\$ (2,494)
Capital lease	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Common stock issued (repurchased)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Common stock cash dividends paid	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Preferred stock issued (repurchased)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other cash flow from financing costs	\$ (203)	\$ (404)	\$ (140)	\$ (747)	\$ 478	\$ (0)	\$ 2	\$ 479
Total Cash Flow from Financing	\$ 5,019	\$ (3,245)	\$ 121	\$ 1,895	\$ 1,101	\$ (1,304)	\$ (2,242)	\$ (2,446)
Effect of FX rates on cash and cash equivalents	\$ (252)	\$ (58)	\$ (242)	\$ (553)	\$ (290)	\$ (18)	\$ 191	\$ (117)
Net change in cash	\$ 217	\$ (1,550)	\$ 1,228	\$ (104)	\$ 18	\$ (1,219)	\$ 1,057	\$ (143)
Beginning cash	\$ 3,118	\$ 3,335	\$ 1,785	\$ 3,118	\$ 3,013	\$ 3,031	\$ 1,812	\$ 3,013
Change in cash	\$ 217	\$ (1,550)	\$ 1,228	\$ (104)	\$ 18	\$ (1,219)	\$ 1,057	\$ (143)
Ending cash	\$ 3,335	\$ 1,785	\$ 3,013	\$ 3,013	\$ 3,031	\$ 1,812	\$ 2,870	\$ 2,869



Appendix: HUF COR HOLDINGS - BALANCE SHEET, A/R & A/P

BALANCE SHEET

	12/31/2019	1/31/2020	2/28/2020	3/31/2020	4/30/2020	5/31/2020	6/30/2020
	1M	1M	1M	1M	1M	1M	1M
Current Assets							
Cash and cash equivalents	\$ 3,118	\$ 3,335	\$ 1,785	\$ 3,013	\$ 3,031	\$ 1,812	\$ 2,870
Short term investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable, gross	\$ 37,033	\$ 34,742	\$ 34,232	\$ 34,152	\$ 32,117	\$ 33,356	\$ 32,219
Accounts receivable, reserves	\$ (3,290)	\$ (3,309)	\$ (3,366)	\$ (3,083)	\$ (3,128)	\$ (3,289)	\$ (3,202)
Accounts receivable, net	\$ 33,744	\$ 31,433	\$ 30,866	\$ 31,069	\$ 28,988	\$ 30,067	\$ 29,017
Inventory, gross	\$ 16,922	\$ 16,989	\$ 17,149	\$ 16,440	\$ 16,862	\$ 16,620	\$ 17,614
Inventory, reserves	\$ (314)	\$ (376)	\$ (689)	\$ (685)	\$ (635)	\$ (541)	\$ (546)
Inventory, net	\$ 16,607	\$ 16,613	\$ 16,460	\$ 15,756	\$ 16,227	\$ 16,079	\$ 17,068
Prepaid expenses and other current assets	\$ 1,448	\$ 1,593	\$ 1,488	\$ 1,465	\$ 1,725	\$ 1,627	\$ 1,333
Current portion of deferred taxes	\$ 4,149	\$ 3,763	\$ 3,738	\$ 3,688	\$ 4,081	\$ 4,101	\$ 4,131
Revenue in excess of billings	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other current assets	\$ 546	\$ 577	\$ 464	\$ 359	\$ 358	\$ 2,551	\$ 1,574
Total Current Assets	\$ 59,612	\$ 57,313	\$ 54,801	\$ 55,348	\$ 54,411	\$ 56,237	\$ 55,992
Non-Current Assets							
Property, plant & equipment, gross	\$ 40,450	\$ 42,446	\$ 42,390	\$ 42,189	\$ 42,681	\$ 40,789	\$ 40,981
Accumulated depreciation	\$ (24,382)	\$ (24,907)	\$ (25,025)	\$ (24,986)	\$ (25,295)	\$ (25,012)	\$ (25,317)
Property, plant & equipment, net	\$ 16,068	\$ 17,539	\$ 17,365	\$ 17,203	\$ 17,385	\$ 15,776	\$ 15,664
Goodwill	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Identifiable intangible assets, gross	\$ 15,230	\$ 15,216	\$ 15,207	\$ 15,191	\$ 15,208	\$ 15,215	\$ 15,225
Accumulated amortization	\$ (8,623)	\$ (8,702)	\$ (8,783)	\$ (8,862)	\$ (8,949)	\$ (9,034)	\$ (9,120)
Identifiable intangible assets, net	\$ 6,607	\$ 6,514	\$ 6,424	\$ 6,330	\$ 6,259	\$ 6,181	\$ 6,104
Deferred financing cost	\$ 1,492	\$ 1,437	\$ 1,382	\$ 1,328	\$ 1,305	\$ 1,258	\$ 1,212
Deferred tax asset	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other non-current assets	\$ 847	\$ 828	\$ 801	\$ 794	\$ 662	\$ 636	\$ 626
Total Non-Current Assets	\$ 25,013	\$ 26,318	\$ 25,973	\$ 25,654	\$ 25,612	\$ 23,851	\$ 23,607
Total Assets	\$ 84,626	\$ 83,631	\$ 80,774	\$ 81,002	\$ 80,023	\$ 80,088	\$ 79,599
Current Liabilities							
Current portion of long-term debt	\$ 1,174	\$ 1,199	\$ 1,198	\$ 1,499	\$ 1,499	\$ 1,321	\$ 1,447
Line of Credit	\$ 5,658	\$ 10,128	\$ 7,333	\$ 7,347	\$ 8,220	\$ 9,161	\$ 6,917
Accounts payable	\$ 12,101	\$ 10,323	\$ 11,618	\$ 12,952	\$ 10,791	\$ 9,527	\$ 11,607
Accrued liabilities	\$ 12,221	\$ 10,485	\$ 10,324	\$ 9,991	\$ 10,349	\$ 12,631	\$ 11,282
Accrued compensation	\$ 2,255	\$ 1,578	\$ 1,601	\$ 1,648	\$ 1,878	\$ 2,021	\$ 2,449
Income taxes payable	\$ 196	\$ (264)	\$ (279)	\$ (297)	\$ 159	\$ 79	\$ 99
Short-term unearned revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other current liabilities	\$ 3,204	\$ 2,686	\$ 2,639	\$ 2,412	\$ 2,766	\$ 3,022	\$ 3,293
Total Current Liabilities	\$ 36,809	\$ 36,136	\$ 34,435	\$ 35,552	\$ 35,662	\$ 37,762	\$ 37,093
Long-term Liabilities							
Long-term debt less current maturities	\$ 30,585	\$ 31,313	\$ 31,268	\$ 31,213	\$ 30,964	\$ 28,897	\$ 28,771
Capital lease	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt owing to OpenGate	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred income taxes	\$ 31	\$ 31	\$ 30	\$ 29	\$ 29	\$ 20	\$ 20
Long-term unearned revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Other non-current liabilities	\$ 46	\$ 44	\$ 43	\$ (99)	\$ 43	\$ 44	\$ 45
Total Long-Term Liabilities	\$ 30,662	\$ 31,388	\$ 31,341	\$ 31,144	\$ 31,036	\$ 28,960	\$ 28,837
Total Liabilities	\$ 67,471	\$ 67,524	\$ 65,775	\$ 66,695	\$ 66,699	\$ 66,723	\$ 65,930
Commitments and contingencies	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Shareholders' Equity							
Common stock	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Preferred stock	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital in excess of stated value	\$ 36,350	\$ 36,350	\$ 36,350	\$ 36,350	\$ 36,350	\$ 36,350	\$ 36,350
Retained earnings	\$ (19,114)	\$ (19,958)	\$ (20,663)	\$ (21,215)	\$ (22,384)	\$ (22,325)	\$ (22,213)
Accumulated other comprehensive income	\$ 47	\$ 41	\$ 46	\$ 48	\$ 523	\$ 523	\$ 525
Other equity transactions	\$ (129)	\$ (326)	\$ (735)	\$ (877)	\$ (1,164)	\$ (1,183)	\$ (993)
Total Shareholders' Equity	\$ 17,155	\$ 16,107	\$ 14,998	\$ 14,307	\$ 13,324	\$ 13,366	\$ 13,669
Total Liabilities and Shareholders' Equity	\$ 84,626	\$ 83,631	\$ 80,774	\$ 81,002	\$ 80,023	\$ 80,088	\$ 79,599

in \$'000

AR Aging

Days	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	%
0-30	\$ 17,284	\$ 17,349	\$ 19,532	\$ 15,726	\$ 16,628	\$ 16,033	49.8%
31-60	3,956	4,976	2,317	4,085	3,450	2,998	9.3%
61-90	2,707	3,503	2,099	1,394	2,390	1,870	5.8%
>90	11,232	11,201	10,462	10,906	10,853	11,269	35.0%
Total Gross AR	\$ 35,179	\$ 37,028	\$ 34,411	\$ 32,111	\$ 33,321	\$ 32,171	100.0%
Reserves	(3,275)	(3,366)	(3,083)	(3,128)	(3,289)	(3,202)	
Total Net AR	\$ 31,904	\$ 33,662	\$ 31,328	\$ 28,983	\$ 30,033	\$ 28,969	

Change in AR Reserve	(19)	(91)	283	(45)	(160)	87
Actual Bad Debt P&L Charge	29	48	(67)	(26)	163	(75)
LTM Bad Debt P&L Charge	\$ 2,645	\$ 2,654	\$ 1,798	\$ 1,694	\$ 1,775	\$ 1,912

AP Aging

Days	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	%
0-30	\$ 8,534	\$ 9,156	\$ 10,692	\$ 9,067	\$ 8,418	\$ 10,408	84.4%
31-60	789	522	941	1,003	585	1,039	8.4%
61-90	105	500	102	156	159	52	0.4%
>90	2,449	2,522	2,770	2,685	888	828	6.7%
Total	\$ 11,876	\$ 12,700	\$ 14,505	\$ 12,911	\$ 10,049	\$ 12,327	100.0%

Management Discussion:

Accounts Receivable

- Decrease in AR driven by increased focus on collections through June and lower billing levels domestically.
- Retainage listed at \$5.6mm
 - \$3.6mm of Domestic Retainage
 - \$2.0mm of International Retainage

Accounts Payable

- As expected, the AP balance in June increased as we managed vendors to improve working capital
- A/P > 90 consists of OpenGate management fees prior to May; remaining >90 driven by cash management in international locations using “pay when paid” model and legal fees.

Income Statement

Latest Month ▾

Jun 2020

Month

QTD

YTD

TTM

Plan Scenario

AOP ▾

Income Statement

	Current Year	Prior Year	Plan		ΔPrior Year (%)		ΔPlan (%)
= Units produced	0K	0K	0K				
= Units shipped	0K	0K	0K				
= Bookings	8,148K	11,318K	11,600K	(28)		(30)	
= Backlog	81,365K	100,608K	75,983K	(19)			+7
= Gross Revenue	10,283K	12,407K	13,488K	(17)		(24)	
Discounts	0K	0K	0K				
Returns	0K	0K	0K				
Rebates	0K	0K	0K				
Other Revenue	0K	0K	0K				
= Net Revenue	10,283K	12,407K	13,488K	(17)		(24)	
- Material	3,127K	3,561K	4,856K	(12)		(36)	
- Labor	3,475K	3,935K	3,983K	(12)		(13)	
- Other COGS	999K	946K	1,144K		+6	(13)	
= Total COGS	7,602K	8,442K	9,983K	(10)		(24)	
= Gross Margin	2,681K	3,965K	3,504K	(32)		(23)	
- R&D	0K	0K	0K				
- Sales & marketing	992K	1,265K	1,344K	(22)		(26)	
- Administrative	1,049K	1,325K	1,606K	(21)		(35)	
- Other OPEX	(84K)	6K	(9K)	(1,528)		(870)	
= Total OPEX (excl D&A)	1,957K	2,596K	2,941K	(25)		(33)	
= Reported EBITDA	724K	1,369K	563K	(47)			+29
Bank allowable EBITDA ad...	851K	1,330K	873K	(36)		(2)	
= Bank EBITDA	879K	1,545K	728K	(43)			+21
EBITDA addbacks	851K	761K	873K		+12	(2)	
= Adjusted EBITDA	879K	975K	728K	(10)			+21

Income Statement

Latest Month ▾

Jun 2020

Month

QTD

YTD

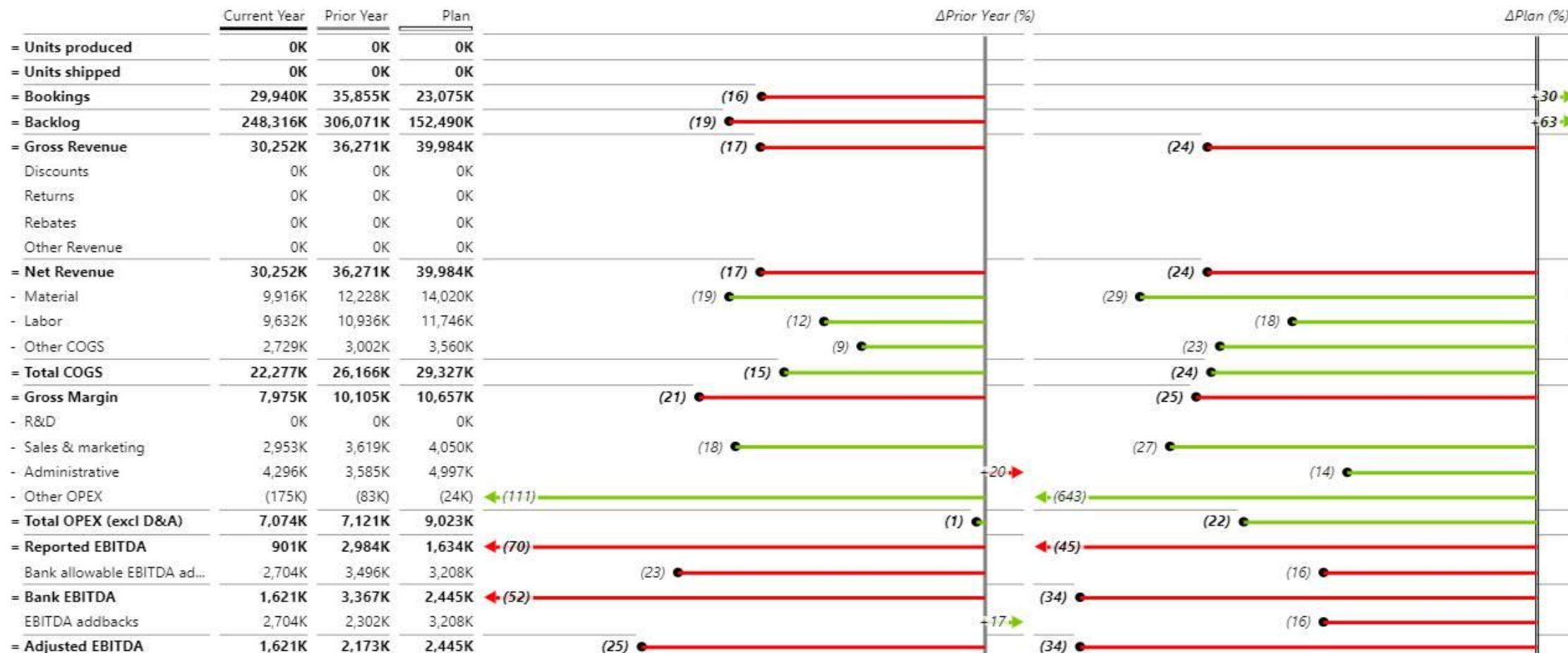
TTM

Plan Scenario

AOP ▾



Income Statement



Income Statement

Latest Month ▾

Jun 2020

Month

QTD

YTD

TTM

Plan Scenario

AOP ▾

Income Statement

	Current Year	Prior Year	Plan		ΔPrior Year (%)		ΔPlan (%)
= Units produced	0K	0K	0K				
= Units shipped	0K	0K	0K				
= Bookings	65,452K	74,209K	59,020K		(12)		11
= Backlog	487,326K	605,553K	372,286K		(20)		31
= Gross Revenue	62,969K	69,284K	77,169K		(9)	(18)	
Discounts	0K	0K	0K				
Returns	0K	0K	0K				
Rebates	0K	0K	0K				
Other Revenue	0K	0K	0K				
= Net Revenue	62,969K	69,284K	77,169K		(9)	(18)	
- Material	21,132K	23,303K	27,311K		(9)	(23)	
- Labor	19,863K	21,464K	22,824K		(7)	(13)	
- Other COGS	6,124K	6,585K	7,292K		(7)	(16)	
= Total COGS	47,119K	51,353K	57,427K		(8)	(18)	
= Gross Margin	15,850K	17,932K	19,742K		(12)	(20)	
- R&D	0K	0K	0K				
- Sales & marketing	6,436K	6,799K	7,887K		(5)	(18)	
- Administrative	8,857K	7,168K	10,666K			(17)	
- Other OPEX	(222K)	(177K)	(46K)	(26)		(384)	
= Total OPEX (excl D&A)	15,071K	13,790K	18,506K		+9	(19)	
= Reported EBITDA	779K	4,141K	1,236K	(81)		(37)	
Bank allowable EBITDA ad...	5,984K	6,936K	7,126K	(14)		(16)	
= Bank EBITDA	2,800K	5,051K	3,545K	(45)		(21)	
EBITDA addbacks	5,984K	4,990K	7,126K			(16)	
= Adjusted EBITDA	2,800K	3,104K	3,545K	(10)		(21)	

Cash Flow Statement

Latest Month ▾

Jun 2020

Month

QTD

YTD

TTM

Plan Scenario

AOP ▾

Cash Flow Statement

	Current Year	Prior Year	Plan			
Net Income (Loss)	28K	215K	(145K)	(87)		
D&A	281K	507K	336K	(45)		
Capitalized fees and expenses	47K	50K	163K	(7)		
Non-cash dividends	0K	2K	0K	(100)		
Deferred income tax	0K	1K	0K	(74)		
Changes in accounts receivable	2,027K	(2,452K)	1,368K		+183	
Changes in inventory	(989K)	(2,102K)	(2,455K)		+53	
Changes In Prepaid expenses and other current ass...	421K	35K	226K		+1,116	
Changes in Accounts payable	2,285K	889K	661K		+157	
Changes in Accrued expenses	(895K)	4,042K	950K	(122)		
Changes in accrued income taxes	0K	2K	0K	(100)		
Other changes in operating assets and liabilities	(94K)	(734K)	(207K)		+87	
Other cash flow from operations	0K	(6K)	0K		+100	
= Total Cash Flow from Operations	3,111K	448K	899K		+594	
Additions to PP&E	95K	(198K)	16K		+148	
= Total Cash Flow from Investing	95K	(198K)	16K		+148	
Proceeds from the issuance (repayment) of short-te...	(2,244K)	1,288K	(552K)	(274)		
Proceeds from the issuance of debt	0K	2K	0K	(100)		
Repayment of debt	(0K)	0K	0K			
Other cash flow from financing	2K	(21K)	(24K)		+107	
= Total Cash Flow from Financing	(2,242K)	1,268K	(576K)	(277)		
= Effect of FX rates on cash and cash equivalents	191K	184K	0K		+4	
Beginning Cash Balance	1,812K	1,561K	4,302K		+16	
Net change in cash	1,154K	1,702K	339K	(32)		
= Ending Cash Balance	2,967K	3,263K	4,641K	(9)		

ΔPrior Year (%)

ΔPlan (%)

Balance Sheet

Latest Month Jun 2020

Plan Scenario

AOP

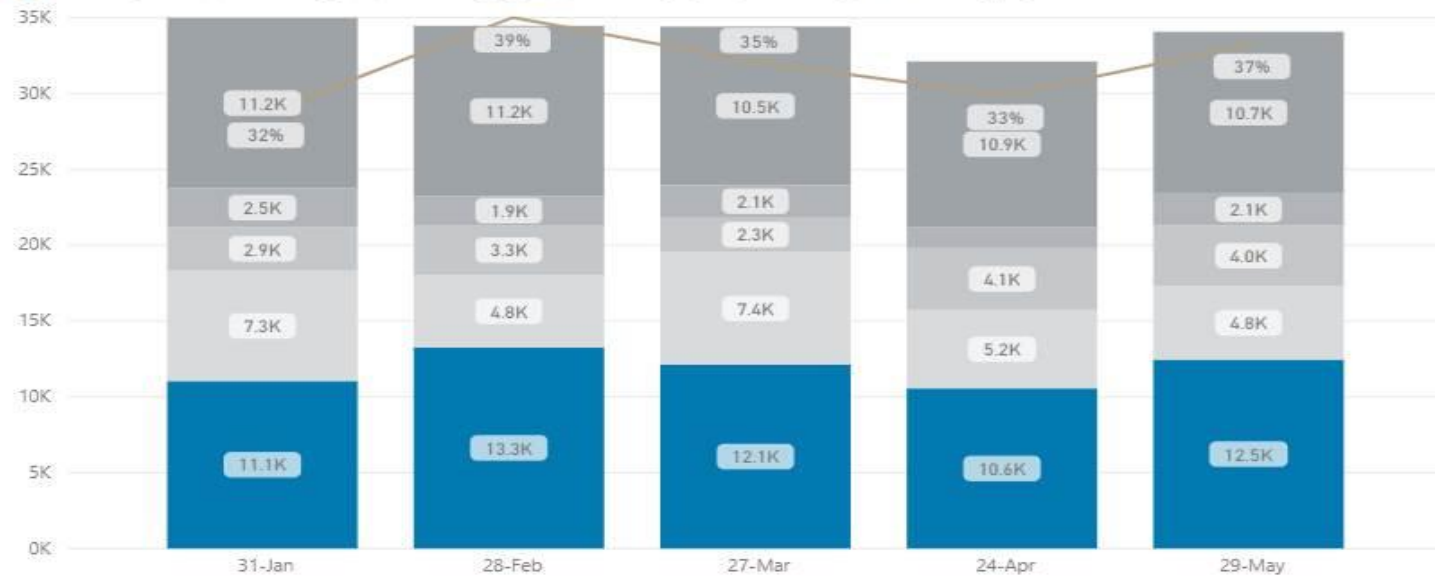
Balance Sheet

	Current Year	Prior Year	Plan		Δ Prior Year (%)	Δ Plan (%)
Cash and cash equivalents	2,870K	3,263K	4,641K		(12)	
Accounts receivable, gross	32,219K	36,345K	41,944K		(11)	
Accounts receivable, reserves	(3,202K)	(2,232K)	(3,658K)	(43)		
= Accounts receivable, net	29,017K	34,113K	38,287K		(15)	
Inventory, gross	17,614K	18,889K	18,416K		(7)	
Inventory, reserves	(546K)	(295K)	(355K)	(85)		
= Inventory, net	17,068K	18,594K	18,062K		(8)	
Prepaid expenses and other current assets	1,333K	1,338K	1,662K		(0)	
Current portion of deferred taxes	4,131K	5,280K	5,592K	(22)		
Other current assets	1,574K	397K	613K			+297
= Total Current Assets	55,992K	62,985K	68,857K		(11)	
Property, plant & equipment, gross	40,981K	38,362K	41,580K			+7
Accumulated depreciation	(25,317K)	(23,838K)	(26,155K)	(6)		
= Property, plant & equipment, net	15,664K	14,524K	15,425K			+8
Identifiable intangible assets, gross	15,225K	15,233K	15,148K		(0)	
Accumulated amortization	(9,120K)	(7,597K)	(9,248K)	(20)		
= Identifiable intangible assets, net	6,104K	7,636K	5,900K		(20)	
Deferred financing cost	1,212K	1,900K	767K	(36)		
Other non-current assets	626K	2,697K	1,156K	(77)		
= Total Non-Current Assets	23,607K	26,756K	23,248K		(12)	
= Total Assets	79,599K	89,742K	92,105K		(11)	
- Current portion of long-term debt	1,447K	1,002K	1,599K			+44
- Notes payable	6,917K	10,596K	12,834K	(35)		
- Accounts payable	11,607K	16,614K	14,664K	(30)		
- Accrued liabilities	11,282K	5,257K	13,101K			+115
- Accrued compensation	2,449K	1,970K	2,303K			+24
- Income taxes payable	99K	246K	327K	(60)		
- Short-term unearned revenue	0K	66K	0K	(100)		
- Other current liabilities	3,293K	3,223K	3,083K			+2
= Total Current Liabilities	37,093K	38,973K	47,910K		(5)	
- Long-term debt less current maturities	28,771K	31,146K	29,893K	(8)		
- Deferred income taxes	20K	95K	35K	(79)		
- Other non-current liabilities	45K	(653K)	46K			+107
= Total Long-term liabilities	28,837K	30,588K	29,974K		(6)	
= Total Liabilities	65,930K	69,561K	77,884K		(5)	

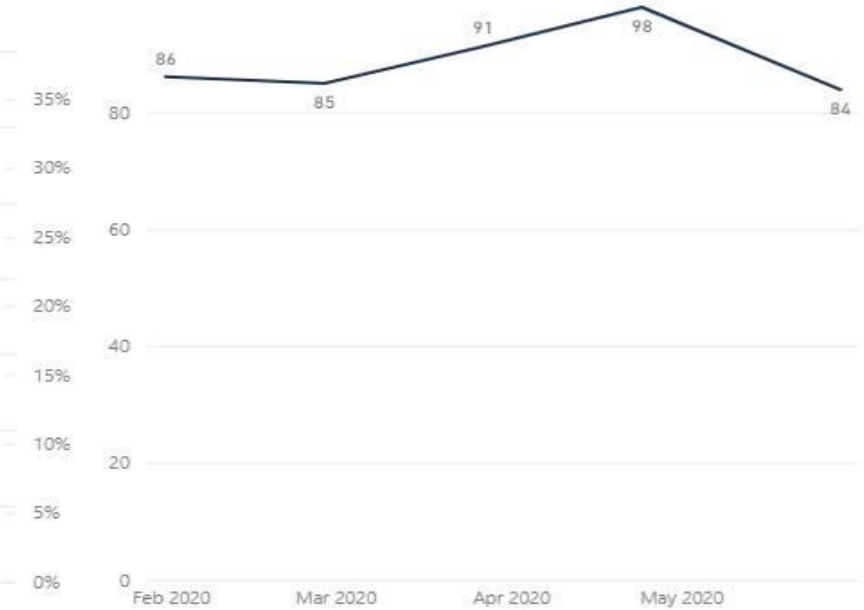
Accounts Receivable Aging and DSO over time

Accounts Receivable Aging

● Sum of AR_current ● Sum of AR_1_30 ● Sum of AR_31_60 ● Sum of AR_61_90 ● Sum of AR_90 — Sum of AR_pct_current



Days Sales Outstanding



	31-Jan	28-Feb	27-Mar	24-Apr	29-May
Sum of AR_current	11K	13K	12K	11K	12K
Sum of AR_1_30	7K	5K	7K	5K	5K
Sum of AR_31_60	3K	3K	2K	4K	4K
Sum of AR_61_90	3K	2K	2K	1K	2K
Sum of AR_90	11K	11K	10K	11K	11K
Sum of AR_total	35K	34K	34K	32K	34K



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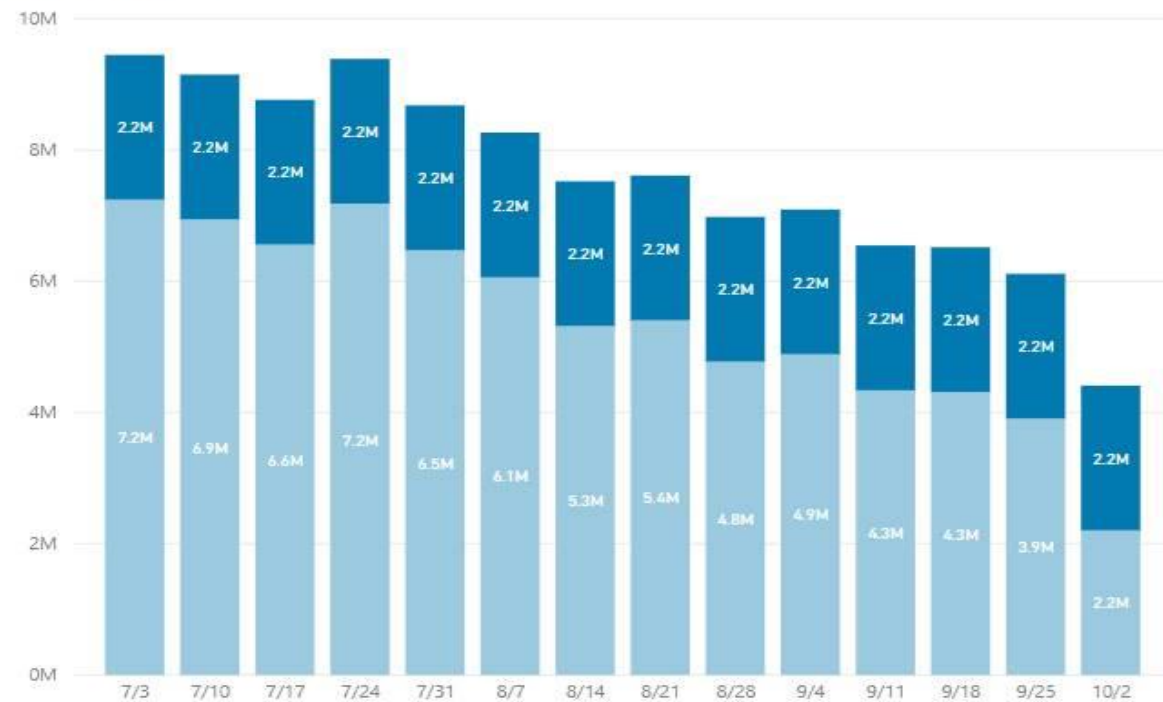
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13-Week Cash Flow Forecast

Total liquidity forecast

Liquidity Forecast

● Availability ● Ending_Cash_Bal



Company_BU

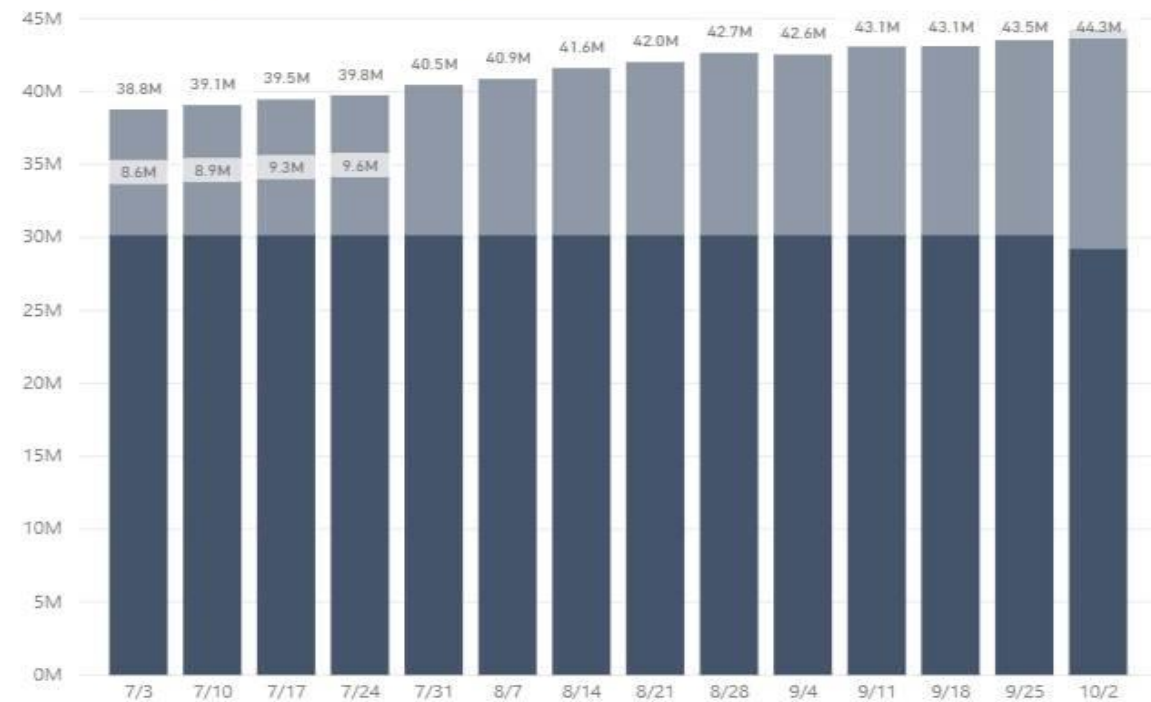
Consolidated_Global

Vintage

*Latest

Debt Forecast

● Term_Loan_Balance ● Revolver_ABL_Balance — Total_Debt



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