



February Monthly Operating Review

MARCH 2020

Agenda

- Executive Summary
- Operational Review
 - 2020 Sales Alignment, Growth Program & Commercial KPIs
 - Commercial and Sales
 - Operations and Manufacturing
- Financial Review
- Information Systems & Technology
- Acquisitions and Other Transactions
- Management and Governance
- Appendix

Executive Summary

Executive Summary

Good news / positives to business and plan

- Pro Forma Adjusted EBITDA is \$26k higher than plan due largely to a strong mix which resulted in lower DM% of revenue and lower DL partially offset by lower volume.
- Pro Forma Adjusted EBITDA is \$45k higher than PY due to cost savings and improved mix, partially offset by lower volume, and wage inflation.
- Duraco is an Essential Business, non-essential employee (not supporting manufacturing) working remotely
- Ampac view is growing and expecting spike in food delivery
- Wall Hanging extremely strong – continuing into March

Risks / challenges to business and plan

- Revenue is \$83k below plan due largely to slowing industrial sales, however, new geographic coverage model in place and training completed in March on industrial products. Revenue is \$82k ahead of plan on a YTD basis.
- Matt Venezia back out of VP Sales role because of COVID-19 concerns
- POP slightly off plan for February, and flat YTD vs PY

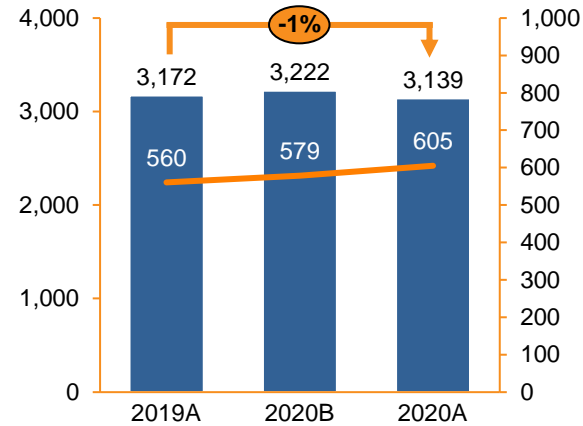
Other material items

- 0 safety incident in February

Monthly Financial Metrics

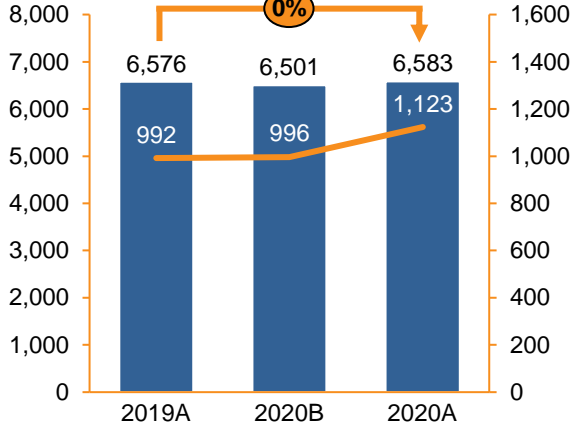
Feb MTD

\$000s



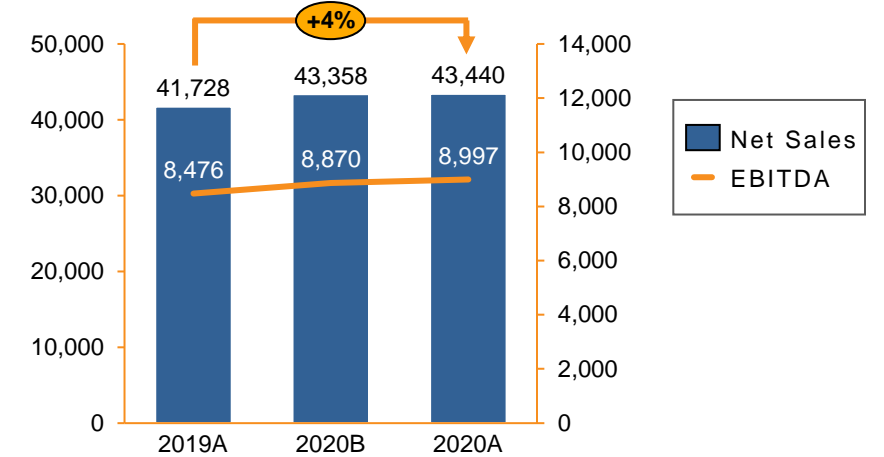
Feb YTD

\$000s



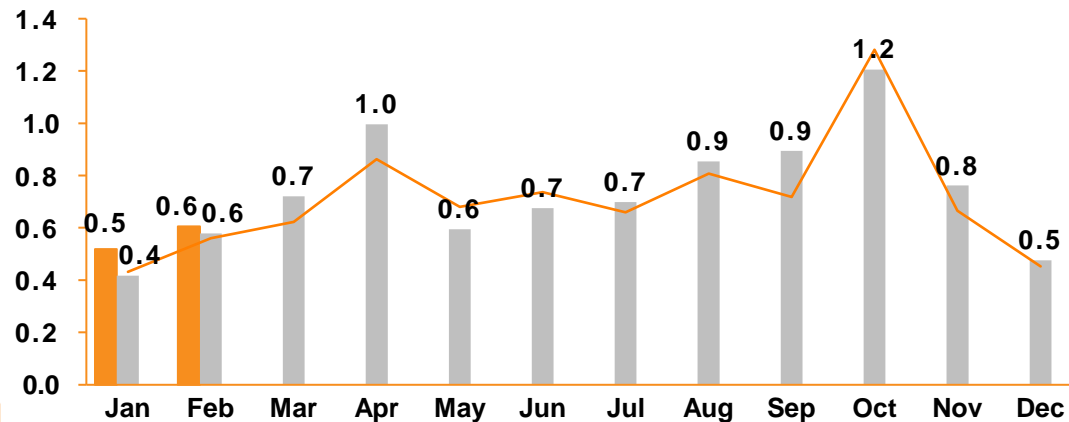
FY (2+10)

\$000s



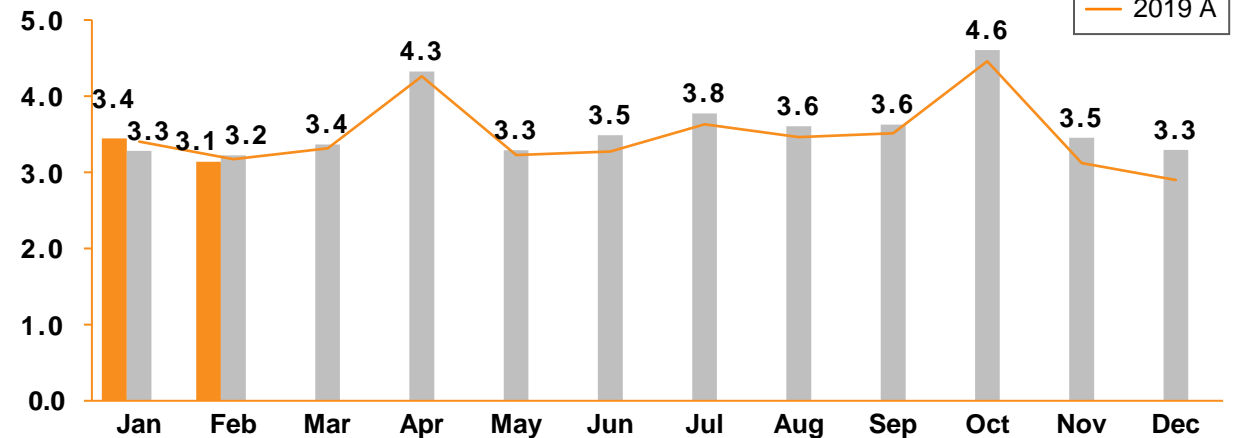
Monthly EBITDA

\$ millions



Monthly Net Revenue

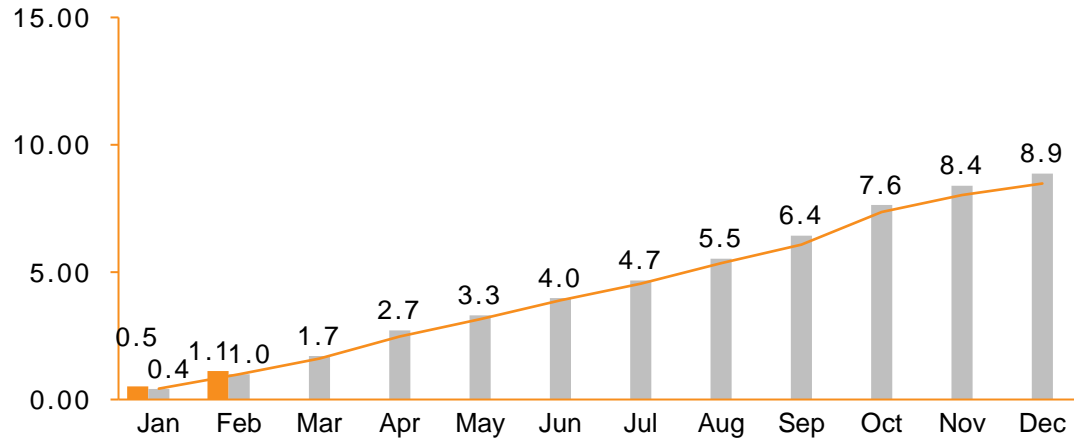
\$ millions



Monthly Financial Metrics – con't

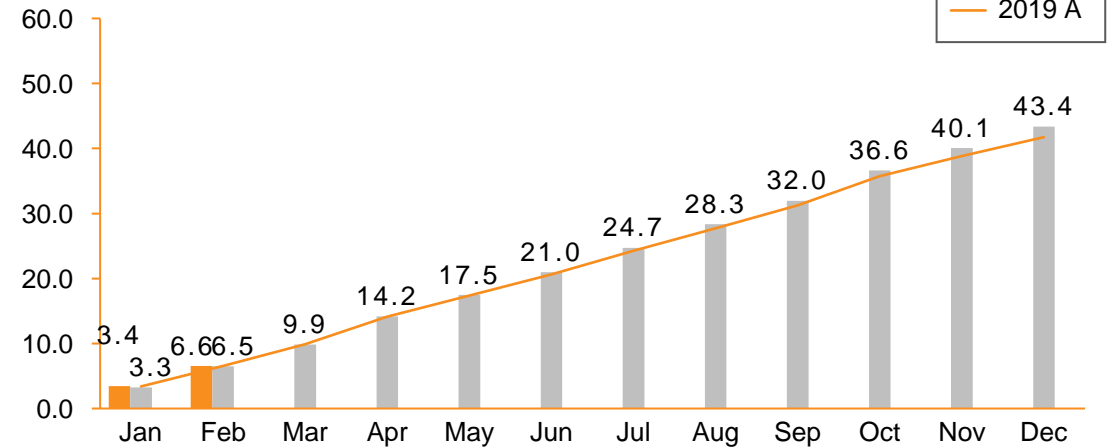
YTD EBITDA

\$ millions



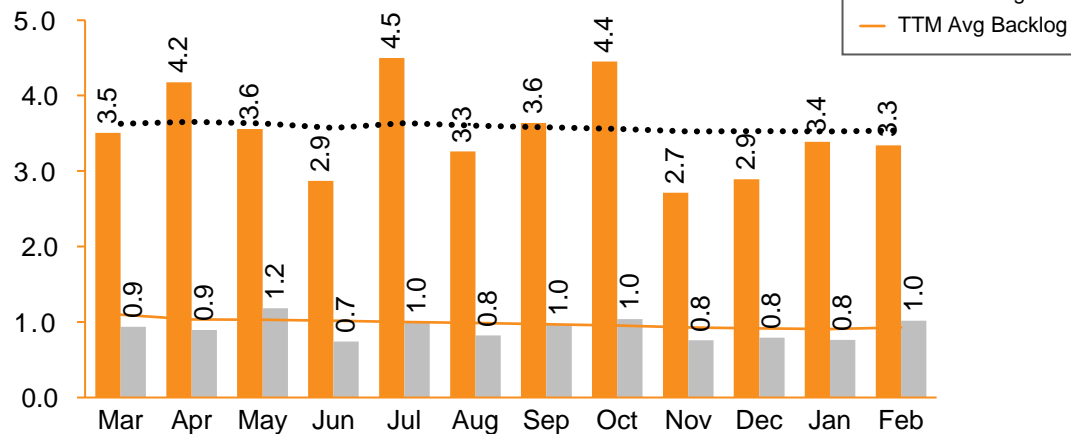
YTD Revenue

\$ millions



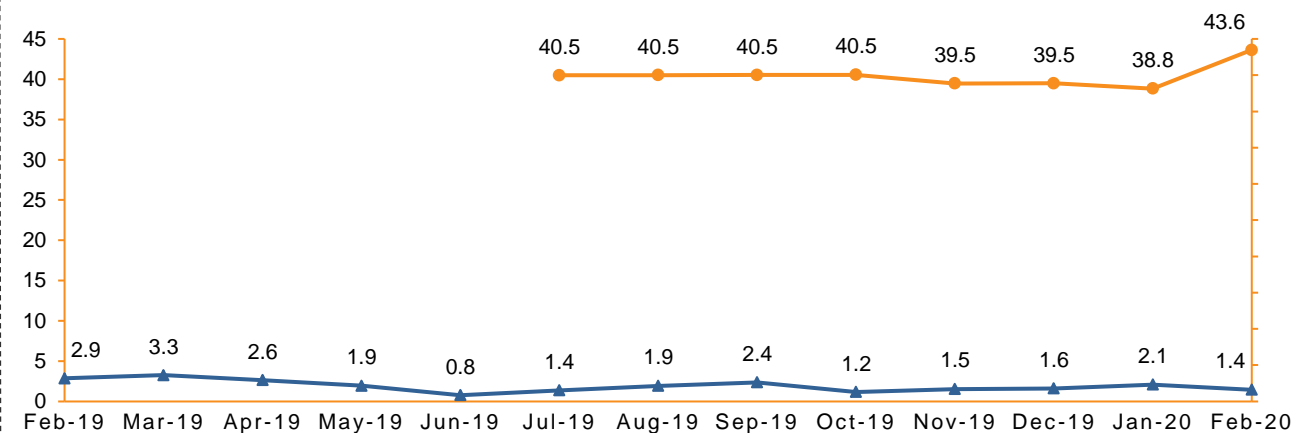
Orders and Backlog

\$ millions









External Debt and Cash

\$ millions



Status of Key Initiatives

STATUS UPDATE: PROJECT DETAILS

| PROJECT | STATUS | CURRENT STATUS & NEXT STEPS | TIMING | Annualized EBITDA Impact (\$MM) | |
|-----------------------------------|---|---|----------|---------------------------------|--------|
| | | | | Projected | Actual |
| Commercial Growth (Inside Sales) |  | <ul style="list-style-type: none"> Inside Sales Manager set up daily call tracking and targets Launched new dashboards giving visibility to sales and churn accounts | Jan 2020 | TBD | TBD |
| Commercial Growth (Outside Sales) |  | <ul style="list-style-type: none"> Restructured Outside Team to deliver new account growth and support for current customers Developed and implemented Industrial product training to Outside and Inside Sales Launched new dashboards giving visibility to regional sales and pipeline data | Feb 2020 | TBD | TBD |
| Sales Compensation Model |  | <ul style="list-style-type: none"> New compensation model to be deployed in February 2020. In addition, working with management team to develop re-occurring sales incentives plans (i.e., SPIFFs) for outside / inside team; outside team to focus on growth and inside team to focus on churn reduction | Feb 2020 | TBD | TBD |
| New Market Entry |  | <ul style="list-style-type: none"> Phase I seven sector review in-progress – phase I focused on identifying high-level market overview and fit for seven priority target markets Beckway developed and implementing VOC on top 5 segments | Feb 2020 | TBD | TBD |
| Sourcing |  | <ul style="list-style-type: none"> Supply Chain Manager focused on de-risking business; liners, film, adhesives, foam, mylar and corrugate. Strong emphasis to reduce inventory, risk mitigation, building strategic partnerships and cost savings | XXX 2020 | \$345K | TBD |
| Continuous Improvement |  | <ul style="list-style-type: none"> Yellow and Green belt training scheduled for 2020 Kaizen's events scheduled for multiple work centers that we have identified as constraints 10 New 5S+ Events scheduled for 2020 | XXX 2020 | TBD | TBD |

Carveout

STATUS UPDATE: PROJECT DETAILS

| PROJECT | STATUS | CURRENT STATUS & NEXT STEPS | TIMING | Annualized EBITDA Impact (\$MM) | |
|-------------------------|--------|--|---------|---------------------------------|--------|
| | | | | Projected | Actual |
| IT Carveout | ● | <ul style="list-style-type: none"> Significant delay and lack of response from Essentra related to network separation. Have escalated in Essentra. On track for June, but behind revised timeline for network carveout. More detailed update available on the IT slide | Q2 2020 | N/A | N/A |
| Ceridian/HR | ● | <ul style="list-style-type: none"> Ceridian has confirmed that they can mitigate GDPR risk according to Essentra's request. Ceridian is creating a formal communication with this detail. Once project is live, anticipating an 8-10 week timeline for completion. | Q2 2020 | N/A | N/A |
| Service Centers | ● | <ul style="list-style-type: none"> Informed Essentra that we would exit NJ at the end of Feb. Have agreement for packing the warehouse by the end of Feb. Plan to close LA Service center and open LA 3PL by the end of April. At risk due to Covid-19. | Q1 2020 | N/A | N/A |
| Treasury | ● | <ul style="list-style-type: none"> Delayed due largely to Essentra. Have a standalone Duraco treasury platform up and running. Only remaining item is check disbursement. Delayed due to Essentra IT. Once complete and tested, we will fully separate our accounts from Essentra and have signatory authority on the account. | Q1 2020 | N/A | N/A |
| Finance Shared Services | ● | <ul style="list-style-type: none"> On schedule Began recruiting for A/P and A/R positions in February (per AOP). All other financial services have been terminated | Q2 2020 | N/A | N/A |

● Complete ● Just started ● On Track ● At Risk ● Behind Schedule

Duraco 2020 Open Roles

| | TYPE | # OF INTERVIEWS | CANDIDATES IN PROCESS | STATUS |
|-----------------------------|----------|-----------------|-----------------------|---|
| REGIONAL SALES MANAGER (2) | New Role | 13 | 3 | David phone screening Steve Witmer (SE) Greg Z phone screening Dawn Garner (SE) |
| AR/AP SPECIALISTS | New Role | 2 | 10 | Danielle phone screening candidates |
| CUSTOMER SERVICE SUPERVISOR | New Role | 5 | 3 | Role on Hold Last Update: Team face-time interviewing 3 candidates: Wanda, Kevin and Michael this week |
| ASSOCIATE PRODUCT MANAGER | New Role | 5 | 5 | Role on Hold Last Update: Danielle and Greg phone screening 5 candidates |
| MATERIALS SCIENTIST | New Role | 5 | 1 | Role on Hold Team has identified Jodie Savage as candidate they want to hire once role is off hold |

Risks and Opportunities

| | DESCRIPTION | POTENTIAL IMPACT | PLAN TO ADDRESS |
|---------------|---|---|---|
| RISKS | <ul style="list-style-type: none"> Paroc quality issues with current 5256 adhesive system in cold weather applications | <ul style="list-style-type: none"> Lower revenue (\$350k) and EBITDA (\$80k) | <ul style="list-style-type: none"> Working with Henkel to purchase “old” IMP01 adhesive formula R&D working on long term solution to cold temperature Waiting for final response from Paroc on “go” with IMP01 |
| | | | |
| OPPORTUNITIES | <ul style="list-style-type: none"> NONE | | |
| | | | |

Treasury Proposal

Plan to implement a simple treasury structure in Citi which requires board approval.

- Make both the Infinity Tapes LLC accounts Zero Balance Accounts, which means:
 - Cash will sweep every night into the Duraco Specialty Tapes cash account (which has a DACA) from the Infinity account.
 - A DACA would not be required on the Infinity Accounts (which saves bank and legal fees as well as time to set them up)
 - We would not need to fund Infinity for any cash needs as it will be automatic
 - We can charge/credit Infinity for expenses through our cash statement, which reduces the amount of time that we use to manage the relationship.
 - We would setup an I/C loan arrangement between the two entities which allows us to move cash back and forth between Duraco and Infinity
 - Allows us to freely use Infinity Funds for Debt payments
 - This plan has been reviewed with Baker Tilly and discussed with counsel. There are not any issues
 - Have discussed with Danielle at LBC who is confirming there are not any issues from an LBC perspective.
- Actions required:
 1. Create two notes, one from Duraco to Infinity and one from Infinity to Duraco.
 2. The Board would need to sign a resolution allowing the notes as this would be outside the ordinary course of business.

This arrangement will reduce cost and increase efficiency. It is a common and effective way to manage cash in a legal structure like Duraco's.

Operational Review

Commercial and Sales

Commercial Bowling Chart by Industry Segment

| PRIORITY | 2020 YTD ACT | | JAN | FEB | MAR | APR | MAY | JUN | JUL | AUG | SEP | OCT | NOV | DEC | FY2020 |
|-------------------|--------------|----------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|----------|
| GROWTH | | | | | | | | | | | | | | | |
| Plan Totals | \$6,590 | PY | \$3,411 | \$3,179 | \$3,322 | \$4,266 | \$3,232 | \$3,282 | \$3,638 | \$3,470 | \$3,517 | \$4,463 | \$3,128 | \$2,904 | \$41,813 |
| | \$6,521 | Plan | \$3,290 | \$3,231 | \$3,374 | \$4,332 | \$3,298 | \$3,496 | \$3,784 | \$3,614 | \$3,637 | \$4,654 | \$3,461 | \$3,302 | \$43,473 |
| | \$6,591 | Fcst/Act | \$3,450 | \$3,141 | \$3,374 | \$4,332 | \$3,298 | \$3,496 | \$3,784 | \$3,614 | \$3,637 | \$4,654 | \$3,461 | \$3,302 | \$43,544 |
| Point of Purchase | \$4,030 | PY | \$2,072 | \$1,958 | \$2,093 | \$2,653 | \$2,092 | \$1,924 | \$2,287 | \$2,005 | \$2,169 | \$2,919 | \$1,992 | \$1,720 | \$25,883 |
| | \$3,856 | Plan | \$1,926 | \$1,930 | \$2,121 | \$2,622 | \$2,038 | \$2,094 | \$2,306 | \$2,136 | \$2,324 | \$2,988 | \$2,031 | \$1,911 | \$26,426 |
| | \$4,022 | Fcst/Act | \$2,102 | \$1,920 | \$2,121 | \$2,622 | \$2,038 | \$2,094 | \$2,306 | \$2,136 | \$2,324 | \$2,988 | \$2,031 | \$1,911 | \$26,593 |
| Transit Packaging | \$60 | PY | \$37 | \$23 | \$36 | \$44 | \$60 | \$45 | \$37 | \$106 | \$114 | \$126 | \$74 | \$46 | \$749 |
| | \$171 | Plan | \$91 | \$81 | \$93 | \$96 | \$95 | \$111 | \$94 | \$82 | \$105 | \$93 | \$99 | \$111 | \$1,152 |
| | \$301 | Fcst/Act | \$179 | \$122 | \$93 | \$96 | \$95 | \$111 | \$94 | \$82 | \$105 | \$93 | \$99 | \$111 | \$1,281 |
| White Goods | \$771 | PY | \$419 | \$352 | \$303 | \$467 | \$348 | \$491 | \$470 | \$384 | \$382 | \$416 | \$370 | \$277 | \$4,680 |
| | \$727 | Plan | \$378 | \$349 | \$354 | \$518 | \$425 | \$494 | \$495 | \$415 | \$392 | \$497 | \$404 | \$439 | \$5,161 |
| | \$673 | Fcst/Act | \$370 | \$303 | \$354 | \$518 | \$425 | \$494 | \$495 | \$415 | \$392 | \$497 | \$404 | \$439 | \$5,107 |
| Industrials | \$863 | PY | \$432 | \$431 | \$482 | \$566 | \$414 | \$449 | \$554 | \$427 | \$408 | \$477 | \$303 | \$388 | \$5,331 |
| | \$969 | Plan | \$479 | \$490 | \$456 | \$510 | \$416 | \$456 | \$514 | \$474 | \$433 | \$514 | \$400 | \$438 | \$5,582 |
| | \$703 | Fcst/Act | \$370 | \$333 | \$456 | \$510 | \$416 | \$456 | \$514 | \$474 | \$433 | \$514 | \$400 | \$438 | \$5,315 |
| Distributors | \$315 | PY | \$135 | \$180 | \$121 | \$290 | \$165 | \$142 | \$130 | \$219 | \$216 | \$164 | \$95 | \$128 | \$1,984 |
| | \$263 | Plan | \$114 | \$149 | \$114 | \$267 | \$160 | \$123 | \$109 | \$212 | \$137 | \$222 | \$146 | \$134 | \$1,886 |
| | \$330 | Fcst/Act | \$208 | \$122 | \$114 | \$267 | \$160 | \$123 | \$109 | \$212 | \$137 | \$222 | \$146 | \$134 | \$1,954 |
| Wall Hangings | \$146 | PY | \$110 | \$35 | \$84 | \$27 | \$2 | \$11 | \$24 | \$73 | \$67 | \$147 | \$137 | \$154 | \$873 |
| | \$146 | Plan | \$89 | \$57 | \$46 | \$100 | \$25 | \$30 | \$35 | \$95 | \$77 | \$141 | \$163 | \$66 | \$923 |
| | \$262 | Fcst/Act | \$41 | \$221 | \$46 | \$100 | \$25 | \$30 | \$35 | \$95 | \$77 | \$141 | \$163 | \$66 | \$1,039 |
| Other | \$245 | PY | \$125 | \$120 | \$127 | \$119 | \$95 | \$149 | \$85 | \$175 | \$103 | \$137 | \$109 | \$104 | \$1,447 |
| | \$238 | Plan | \$128 | \$110 | \$112 | \$121 | \$80 | \$110 | \$153 | \$128 | \$107 | \$137 | \$153 | \$144 | \$1,484 |
| | \$191 | Fcst/Act | \$127 | \$64 | \$112 | \$121 | \$80 | \$110 | \$153 | \$128 | \$107 | \$137 | \$153 | \$144 | \$1,437 |
| Unknown | \$160 | PY | \$81 | \$79 | \$74 | \$101 | \$57 | \$71 | \$52 | \$81 | \$60 | \$76 | \$49 | \$87 | \$867 |
| | \$150 | Plan | \$85 | \$65 | \$78 | \$99 | \$60 | \$78 | \$77 | \$72 | \$60 | \$61 | \$65 | \$59 | \$859 |
| | \$108 | Fcst/Act | \$52 | \$56 | \$78 | \$99 | \$60 | \$78 | \$77 | \$72 | \$60 | \$61 | \$65 | \$59 | \$817 |



Commercial Bowling Chart by Region

| PRIORITY | 2020 YTD ACT | | JAN | FEB | MAR | APR | MAY | JUN | JUL | AUG | SEP | OCT | NOV | DEC | FY2020 |
|----------------------------|--------------|----------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|----------|
| GROWTH | | | | | | | | | | | | | | | |
| Plan Totals | \$6,590 | PY | \$3,411 | \$3,179 | \$3,322 | \$4,266 | \$3,232 | \$3,282 | \$3,638 | \$3,470 | \$3,517 | \$4,463 | \$3,128 | \$2,904 | \$41,813 |
| | \$6,521 | Plan | \$3,290 | \$3,231 | \$3,374 | \$4,332 | \$3,298 | \$3,496 | \$3,784 | \$3,614 | \$3,637 | \$4,654 | \$3,461 | \$3,302 | \$43,473 |
| | \$6,591 | Fcst/Act | \$3,450 | \$3,141 | \$3,374 | \$4,332 | \$3,298 | \$3,496 | \$3,784 | \$3,614 | \$3,637 | \$4,654 | \$3,461 | \$3,302 | \$43,544 |
| Northeast | \$770 | PY | \$442 | \$328 | \$364 | \$566 | \$418 | \$357 | \$479 | \$276 | \$337 | \$358 | \$296 | \$260 | \$4,483 |
| | \$765 | Plan | \$436 | \$329 | \$382 | \$492 | \$398 | \$372 | \$431 | \$308 | \$354 | \$352 | \$336 | \$295 | \$4,485 |
| | \$575 | Fcst/Act | \$324 | \$251 | \$382 | \$492 | \$398 | \$372 | \$431 | \$308 | \$354 | \$352 | \$336 | \$295 | \$4,295 |
| Southeast | \$764 | PY | \$390 | \$374 | \$409 | \$503 | \$389 | \$298 | \$414 | \$425 | \$383 | \$518 | \$403 | \$255 | \$4,761 |
| | \$774 | Plan | \$385 | \$389 | \$416 | \$507 | \$404 | \$317 | \$398 | \$515 | \$424 | \$513 | \$385 | \$263 | \$4,916 |
| | \$756 | Fcst/Act | \$350 | \$406 | \$416 | \$507 | \$404 | \$317 | \$398 | \$515 | \$424 | \$513 | \$385 | \$263 | \$4,898 |
| East Central | \$1,033 | PY | \$564 | \$469 | \$542 | \$691 | \$540 | \$588 | \$570 | \$580 | \$530 | \$718 | \$489 | \$468 | \$6,751 |
| | \$1,056 | Plan | \$553 | \$502 | \$572 | \$707 | \$539 | \$602 | \$637 | \$546 | \$539 | \$724 | \$523 | \$594 | \$7,039 |
| | \$1,290 | Fcst/Act | \$670 | \$620 | \$572 | \$707 | \$539 | \$602 | \$637 | \$546 | \$539 | \$724 | \$523 | \$594 | \$7,274 |
| Central | \$1,601 | PY | \$772 | \$830 | \$804 | \$1,003 | \$893 | \$848 | \$879 | \$914 | \$948 | \$1,292 | \$821 | \$974 | \$10,978 |
| | \$1,662 | Plan | \$804 | \$858 | \$869 | \$1,167 | \$868 | \$963 | \$955 | \$887 | \$993 | \$1,295 | \$830 | \$871 | \$11,359 |
| | \$1,606 | Fcst/Act | \$908 | \$698 | \$869 | \$1,167 | \$868 | \$963 | \$955 | \$887 | \$993 | \$1,295 | \$830 | \$871 | \$11,302 |
| Southwest | \$461 | PY | \$209 | \$252 | \$268 | \$254 | \$149 | \$183 | \$232 | \$252 | \$265 | \$299 | \$202 | \$191 | \$2,756 |
| | \$449 | Plan | \$207 | \$243 | \$233 | \$258 | \$173 | \$220 | \$259 | \$250 | \$278 | \$297 | \$214 | \$207 | \$2,837 |
| | \$390 | Fcst/Act | \$191 | \$199 | \$233 | \$258 | \$173 | \$220 | \$259 | \$250 | \$278 | \$297 | \$214 | \$207 | \$2,778 |
| West | \$591 | PY | \$348 | \$243 | \$276 | \$339 | \$259 | \$278 | \$338 | \$255 | \$331 | \$479 | \$305 | \$241 | \$3,693 |
| | \$517 | Plan | \$262 | \$255 | \$272 | \$294 | \$285 | \$285 | \$337 | \$333 | \$381 | \$460 | \$385 | \$330 | \$3,878 |
| | \$577 | Fcst/Act | \$332 | \$245 | \$272 | \$294 | \$285 | \$285 | \$337 | \$333 | \$381 | \$460 | \$385 | \$330 | \$3,938 |
| Canada | \$159 | PY | \$63 | \$96 | \$104 | \$85 | \$48 | \$69 | \$89 | \$59 | \$53 | \$109 | \$37 | \$26 | \$838 |
| | \$173 | Plan | \$70 | \$103 | \$120 | \$96 | \$61 | \$86 | \$96 | \$72 | \$67 | \$126 | \$58 | \$45 | \$999 |
| | \$140 | Fcst/Act | \$83 | \$57 | \$120 | \$96 | \$61 | \$86 | \$96 | \$72 | \$67 | \$126 | \$58 | \$45 | \$966 |
| Mexico | \$43 | PY | \$19 | \$24 | \$24 | \$22 | \$52 | \$28 | \$31 | \$19 | \$22 | \$20 | \$15 | \$19 | \$295 |
| | \$47 | Plan | \$27 | \$21 | \$22 | \$25 | \$34 | \$28 | \$37 | \$28 | \$23 | \$24 | \$20 | \$19 | \$306 |
| | \$42 | Fcst/Act | \$23 | \$19 | \$22 | \$25 | \$34 | \$28 | \$37 | \$28 | \$23 | \$24 | \$20 | \$19 | \$300 |
| Appliance - WP, Tiers & RV | \$744 | PY | \$406 | \$338 | \$293 | \$452 | \$322 | \$478 | \$455 | \$364 | \$368 | \$397 | \$358 | \$264 | \$4,495 |
| | \$693 | Plan | \$359 | \$334 | \$331 | \$426 | \$352 | \$421 | \$403 | \$341 | \$319 | \$405 | \$331 | \$366 | \$4,387 |
| | \$681 | Fcst/Act | \$356 | \$325 | \$331 | \$426 | \$352 | \$421 | \$403 | \$341 | \$319 | \$405 | \$331 | \$366 | \$4,375 |
| Appliance - GE | \$27 | PY | \$13 | \$14 | \$10 | \$14 | \$26 | \$13 | \$15 | \$20 | \$14 | \$19 | \$12 | \$13 | \$185 |
| | \$34 | Plan | \$19 | \$15 | \$23 | \$92 | \$74 | \$74 | \$92 | \$74 | \$74 | \$92 | \$74 | \$74 | \$774 |
| | \$29 | Fcst/Act | \$15 | \$14 | \$23 | \$92 | \$74 | \$74 | \$92 | \$74 | \$74 | \$92 | \$74 | \$74 | \$769 |
| House / International | \$291 | PY | \$149 | \$142 | \$199 | \$251 | \$115 | \$95 | \$232 | \$173 | \$192 | \$278 | \$205 | \$76 | \$2,109 |
| | \$302 | Plan | \$139 | \$163 | \$119 | \$241 | \$100 | \$87 | \$95 | \$219 | \$161 | \$344 | \$285 | \$195 | \$2,147 |
| | \$469 | Fcst/Act | \$179 | \$290 | \$119 | \$241 | \$100 | \$87 | \$95 | \$219 | \$161 | \$344 | \$285 | \$195 | \$2,314 |
| Teachers Tape | \$44 | PY | \$21 | \$22 | \$17 | \$27 | \$13 | \$24 | \$47 | \$48 | \$20 | \$24 | \$13 | \$14 | \$292 |
| | \$48 | Plan | \$28 | \$19 | \$16 | \$28 | \$11 | \$19 | \$45 | \$41 | \$25 | \$22 | \$22 | \$19 | \$296 |
| | \$37 | Fcst/Act | \$21 | \$17 | \$16 | \$28 | \$11 | \$19 | \$45 | \$41 | \$25 | \$22 | \$22 | \$19 | \$285 |



Top Customers by MTD and YTD Sales and GVA

| Parent Customer (Industry) | Current Month Sales | Current Month Plan | Month % of Plan | PY Month Sales | MoM % Change | Current Month GVA % | PY Month GVA % | Current Year Sales | Current Year Plan | YTD % of Plan | Prior Year Sales | YoY % Change | Current Year GVA % | Prior Year GVA % |
|---|---------------------|--------------------|-----------------|------------------|--------------|---------------------|----------------|--------------------|-------------------|---------------|------------------|--------------|--------------------|------------------|
| Mixtiles (Wall Hangings) | 209,542 | 37,760 | 555 % | 35,182 | 495.6 % | 81.3 % | 82.4 % | 232,859 | 107,886 | 89 % | 96,134 | 142.2 % | 81.3 % | 82.8 % |
| Whirlpool (Appliance) | 207,128 | 236,734 | 87 % | 243,007 | -14.8 % | 47.4 % | 41.9 % | 404,316 | 472,869 | 102 % | 484,182 | -16.5 % | 47.0 % | 37.8 % |
| WestRock (POP) | 115,124 | 45,199 | 255 % | 38,322 | 200.4 % | 74.9 % | 73.7 % | 205,237 | 143,631 | 95 % | 136,476 | 50.4 % | 74.1 % | 72.5 % |
| Ampac (Transit Packaging) | 110,631 | 38,500 | 287 % | 10,654 | 938.4 % | 59.0 % | 54.2 % | 214,613 | 77,000 | 42 % | 32,447 | 561.4 % | 57.6 % | 54.2 % |
| Menasha (POP) | 68,036 | 77,175 | 88 % | 75,005 | -9.3 % | 71.0 % | 71.5 % | 155,415 | 174,790 | 102 % | 178,993 | -13.2 % | 73.3 % | 72.3 % |
| Lauren Plastics LLC (POP) | 61,377 | 13,986 | 439 % | 30,324 | 102.4 % | 59.3 % | 46.2 % | 91,701 | 27,972 | 113 % | 31,619 | 190.0 % | 59.2 % | 46.6 % |
| RR Donnelley (POP) | 61,339 | 45,810 | 134 % | 40,267 | 52.3 % | 71.4 % | 70.1 % | 123,627 | 91,619 | 97 % | 88,866 | 39.1 % | 73.1 % | 71.3 % |
| Essentra (Distribution) | 53,328 | 63,834 | 84 % | 82,940 | -35.7 % | 51.9 % | 56.7 % | 185,779 | 126,936 | 134 % | 170,118 | 9.2 % | 49.0 % | 56.0 % |
| Green Bay Packaging (POP) | 44,288 | 19,742 | 224 % | 19,965 | 121.8 % | 82.8 % | 82.0 % | 61,072 | 19,742 | 101 % | 19,965 | 205.9 % | 82.8 % | 82.0 % |
| Flower City Printing Company (POP) | 37,979 | 32,000 | 119 % | 41,084 | -7.6 % | 75.8 % | 73.5 % | 59,509 | 64,000 | 96 % | 61,278 | -2.9 % | 77.9 % | 76.0 % |
| Imagine Print Solutions (POP) | 37,424 | 77,240 | 48 % | 84,117 | -55.5 % | 81.6 % | 80.6 % | 110,749 | 159,631 | 109 % | 174,737 | -36.6 % | 81.5 % | 79.5 % |
| QUAD GRAPHICS NEW BERLIN (POP) | 36,918 | 15,550 | 237 % | 12,037 | 206.7 % | 69.2 % | 78.8 % | 48,208 | 25,917 | 70 % | 18,074 | 166.7 % | 71.8 % | 81.3 % |
| Circle Graphics (POP) | 34,543 | 12,106 | 285 % | 8,751 | 294.7 % | 68.3 % | 65.8 % | 143,104 | 22,913 | 74 % | 16,968 | 743.4 % | 73.2 % | 68.9 % |
| Siffron (POP) | 32,872 | 28,000 | 117 % | 27,696 | 18.7 % | 64.8 % | 73.4 % | 162,447 | 84,999 | 102 % | 86,922 | 86.9 % | 72.5 % | 67.3 % |
| Freeman (POP) | 32,425 | 50,001 | 65 % | 60,275 | -46.2 % | 73.3 % | 69.8 % | 80,026 | 100,000 | 109 % | 108,874 | -26.5 % | 66.4 % | 71.0 % |
| Great Northern Corporation (POP) | 31,554 | 22,259 | 142 % | 22,868 | 38.0 % | 83.0 % | 82.8 % | 45,097 | 37,435 | 103 % | 38,678 | 16.6 % | 83.9 % | 82.4 % |
| MPS MULTI PACKAGING SOLUTIONS (POP) | 30,155 | 6,558 | 460 % | 6,632 | 354.7 % | 79.0 % | 80.0 % | 53,808 | 20,845 | 104 % | 21,757 | 147.3 % | 80.9 % | 76.2 % |
| PCA Corporation (POP) | 26,102 | 23,898 | 109 % | 25,901 | 0.8 % | 84.5 % | 85.3 % | 59,767 | 50,326 | 102 % | 51,170 | 16.8 % | 84.5 % | 83.8 % |
| Donaldson (Industrial) | 25,643 | 27,080 | 95 % | 25,370 | 1.1 % | 64.8 % | 60.7 % | 56,137 | 60,930 | 79 % | 47,884 | 17.2 % | 63.1 % | 59.8 % |
| Alliance Laundry Systems LLC (Appliance) | 23,652 | 27,095 | 87 % | 25,897 | -8.7 % | 66.2 % | 61.3 % | 54,486 | 60,964 | 99 % | 60,084 | -9.3 % | 65.0 % | 62.7 % |
| Stumps Shindigz (POP) | 23,010 | 10,677 | 216 % | 10,798 | 113.1 % | 86.0 % | 73.2 % | 54,396 | 18,866 | 102 % | 19,291 | 182.0 % | 80.6 % | 72.9 % |
| Stoughton Trailers Incorporated (Industrial) | 22,970 | 21,112 | 109 % | 20,011 | 14.8 % | 42.6 % | 41.7 % | 36,630 | 47,502 | 86 % | 40,994 | -10.6 % | 41.4 % | 42.1 % |
| Continental Identification Products (POP) | 21,897 | 9,499 | 231 % | 9,606 | 127.9 % | 56.2 % | 50.6 % | 22,397 | 15,077 | 104 % | 15,672 | 42.9 % | 56.1 % | 51.0 % |
| ATLANTIC PACKAGING (Distribution) | 21,871 | 26,449 | 83 % | 24,725 | -11.5 % | 72.1 % | 77.8 % | 30,934 | 47,697 | 92 % | 43,903 | -29.5 % | 72.1 % | 74.1 % |
| Chief Container (POP) | 20,605 | 5,176 | 398 % | 4,574 | 350.5 % | 68.3 % | 86.1 % | 21,859 | 13,458 | 102 % | 13,729 | 59.2 % | 69.2 % | 85.4 % |
| PRESSURE SENSITIVE NETWORK (POP) | 20,114 | 10,350 | 194 % | 12,251 | 64.2 % | 60.7 % | 61.9 % | 38,002 | 19,665 | 222 % | 43,682 | -13.0 % | 61.9 % | 53.0 % |
| Adams Magnetic Products Company (POP) | 19,998 | 0 | Infinity | 0 | Infinity | 71.6 % | NaN | 19,998 | 0 | NaN | 0 | Infinity | 71.6 % | NaN |
| SAFTI SEAL (Industrial) | 18,853 | 10,195 | 185 % | 4,562 | 313.3 % | 73.2 % | 75.8 % | 27,608 | 17,275 | 98 % | 16,885 | 63.5 % | 74.9 % | 74.5 % |
| Bernard Group (POP) | 18,355 | 15,984 | 115 % | 17,897 | 2.6 % | 75.2 % | 76.3 % | 30,638 | 31,968 | 102 % | 32,605 | -6.0 % | 76.8 % | 77.6 % |
| Central Package & Display (POP) | 18,224 | 0 | Infinity | 0 | Infinity | 72.9 % | NaN | 18,224 | 0 | NaN | 0 | Infinity | 72.9 % | NaN |
| Innomark (POP) | 17,426 | 20,000 | 87 % | 19,774 | -11.9 % | 76.6 % | 73.9 % | 37,179 | 45,000 | 145 % | 65,315 | -43.1 % | 76.1 % | 76.3 % |
| SCHNEIDER ELECTRIC MEXICO S.A. de C.V. (Industrial) | 15,897 | 17,711 | 90 % | 20,607 | -22.9 % | 63.8 % | 61.6 % | 38,599 | 39,849 | 87 % | 34,605 | 11.5 % | 63.8 % | 62.3 % |
| Formtech Enterprises Inc (POP) | 15,824 | 11,837 | 134 % | 11,970 | 32.2 % | 61.8 % | 54.3 % | 22,640 | 21,725 | 105 % | 22,722 | -0.4 % | 64.8 % | 59.6 % |
| Stevenson Paper Company (POP) | 15,810 | 18,596 | 85 % | 18,806 | -15.9 % | 97.3 % | 97.3 % | 22,005 | 31,211 | 104 % | 32,523 | -32.3 % | 97.3 % | 97.3 % |
| Extang Corp (Automotive & Transport) | 15,669 | 10,416 | 150 % | 10,388 | 50.8 % | 69.5 % | 63.2 % | 21,231 | 26,040 | 98 % | 25,600 | -17.1 % | 69.4 % | 65.1 % |
| Bay Cities Container Corporation (POP) | 15,487 | 14,336 | 108 % | 12,124 | 27.7 % | 87.7 % | 85.9 % | 27,644 | 28,672 | 88 % | 25,103 | 10.1 % | 85.0 % | 84.6 % |
| Rapid Display (POP) | 15,321 | 39,090 | 39 % | 37,456 | -59.1 % | 82.4 % | 71.8 % | 40,120 | 69,950 | 94 % | 65,612 | -38.9 % | 80.7 % | 75.3 % |
| Total | 3,141,032 | 3,231,026 | 97 % | 3,130,763 | 0.3 % | 71.4 % | 70.3 % | 6,591,028 | 6,520,959 | 100 % | 6,528,878 | 1.0 % | 70.7 % | 70.1 % |

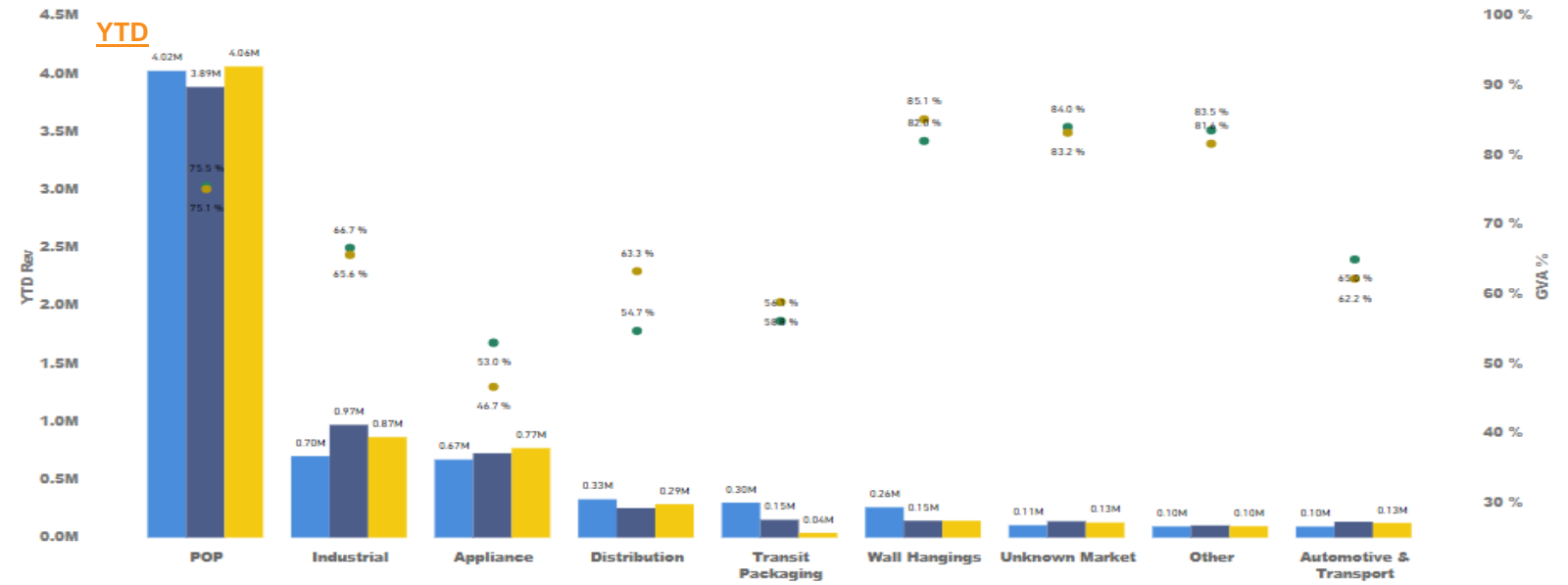
Revenue by Customer Segment

NET REVENUE CURRENT YEAR VS PREVIOUS YEAR

February



YTD



Management Discussion:

Transit Packaging driven by Ampac, they are growing

- TMS orders out of cycle, bounced back in March, working with Georgia Pacific – open facility in AZ to support Amazon Mailer
- Continue to build business with El Paso Paper Box

Wall Hanging bounced back in February

- Mixtiles placed 2 orders - \$200k February, \$210k March
- PlanetArt placed small order, working on new customer – Adventa

POP segment off \$20k to plan for the month, up \$138k to YTD Plan

- Top 20 accounts mixed – WestRock, Lauren Plastics, RR Donnelley are positive, Menasha, Imagine Print, Freeman are down
- Key growth accounts, Flower City, Quad Graphics, Stumps Shindigz

Whirlpool decline continue to effect overall Appliance segment

- Whirlpool finished down 15%, changing our coverage model from Rep to Key Account Manager to drive better coverage and specifications
- GE Appliance placed demand on DHB, expecting sales to begin April

Industrial down 28% to plan, losing \$30 per month for Paroc

- Spent 3 days training Outside/Inside Sales teams on industrial products
- BD Mgr – focused on driving regional coverage of industrial business

Distribution down \$21k to Plan, up \$75 to YTD Plan

- Essentra off, timing of orders and revenue recognition
- Month effected by one-time orders from Uline, Just Tape, HBM

Revenue by Region

NET REVENUE CURRENT YEAR VS PREVIOUS YEAR



Management Discussion:

Central down 17% to plan, down 3% to YTD Plan

- Broad softening across the region – Imagine Print, Rapid Displays Menasha
- TMS – missed an order cycle

East Central up 27% to Plan, Transit Packaging driving majority of growth

- Broad strength in the month – POP, Transit Packaging, Auto

Whirlpool, Tiers and RV starting off down 9% to Plan

- WP still see market softening, slowing down production
- Focused initiative on the RV/Trailer segment, performed L&L with potential channel partner in Elkhart, IN

Southeast up 4.3% to Plan, down 2.5% to YTD Plan

- Strong month with large accounts – WestRock, Circle Graphics, Chief Container, Formtech

West down \$11k to Plan, up 13% to YTD Plan

- Good orders from broad customers base – PSN, Safti Seal, Bay Cities Container
- Georgia Pacific working on project to support Amazon mailer

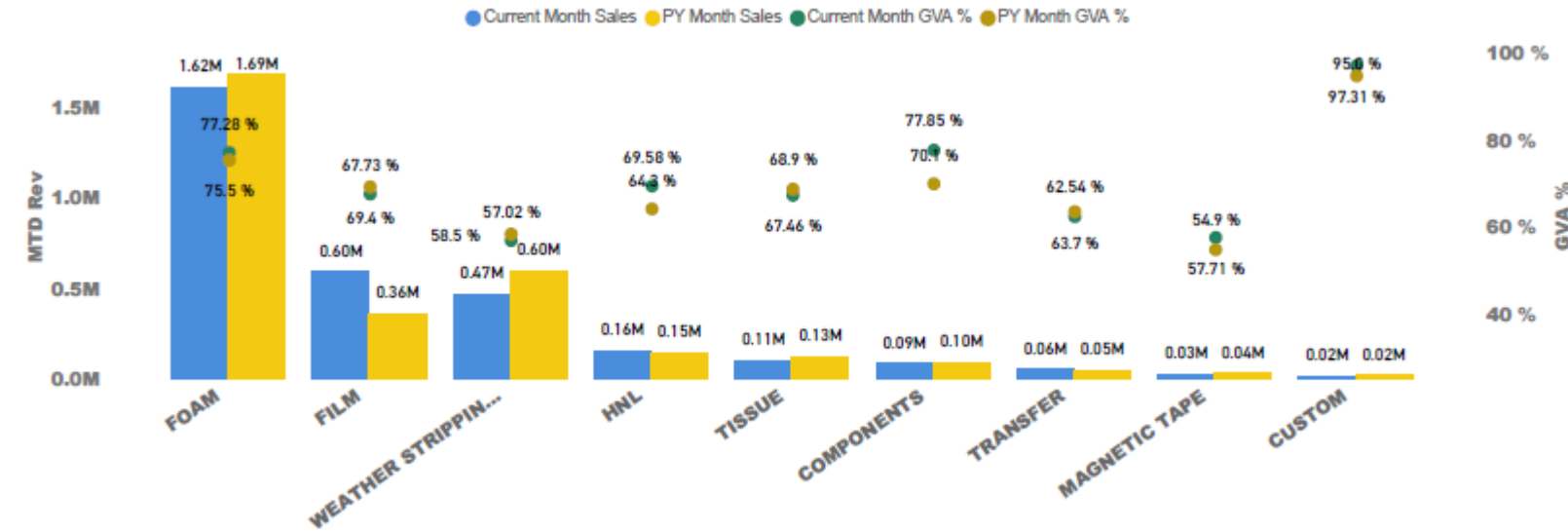
Southwest down 17% to Plan, Nick Darling in region

- Nick actively calling customers, Phil Lajcar taking IS sales responsibilities

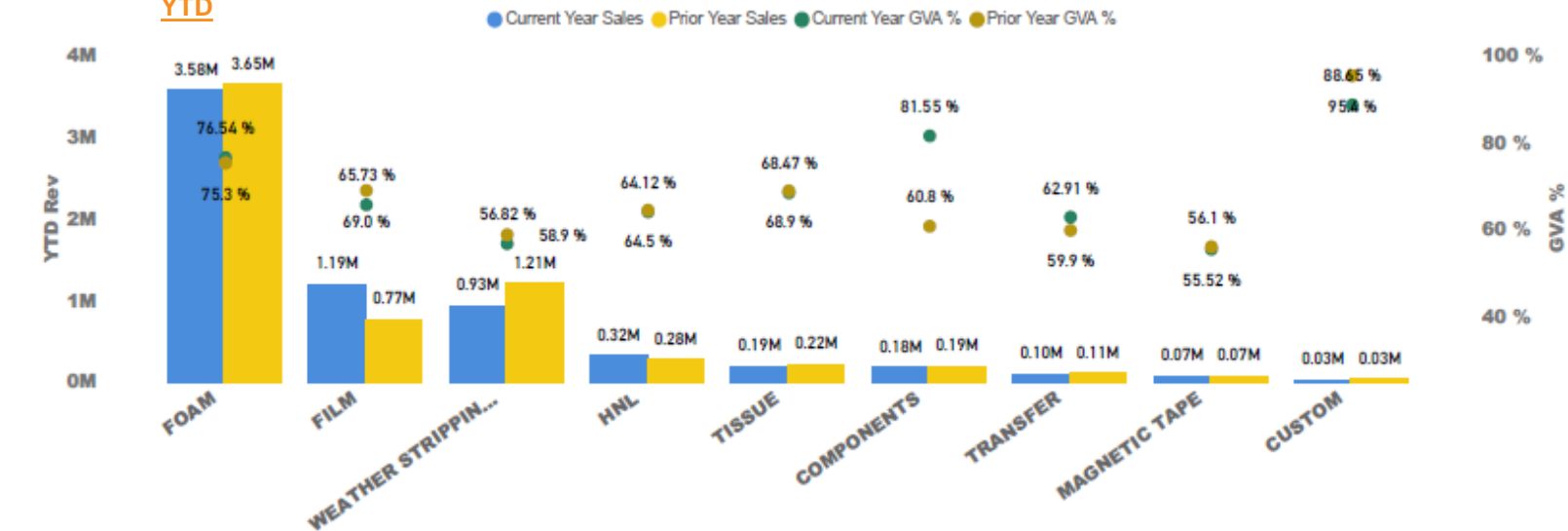
Revenue by Product Category

NET REVENUE CURRENT YEAR VS PREVIOUS YEAR

February



YTD



Management Discussion:

Film continues to show the largest revenue growth, MoM, with a n increase of \$234k. This was led by:

- DK Film – Up \$56k
- 4481 – Up \$54k
- Remo One Film – Up \$29K

This line is seeing growth because of the Transit Packaging initiative and being led by Ampac.

The Foam line, MoM, dropped down \$75k. Declines were led by :

- Twin Stick - Down \$65k
- Remo Two – Down \$60K
- Thick Twin Stick – Down \$30k

- On the positive side we have seen growth in:

- Remo One – Up \$120k
- Thick Remo One – Up \$16k
- Thick Remo Two – Up 5k

In these numbers you can see growth in the removable product lines, which are suppliers are seeing in their product lines, too. This is leading us to develop marketing strategies based on these lines to further ramp up this growth.

Weather Stripping & Gasket continues its slide, being down \$1128k, MoM. This is being led by:

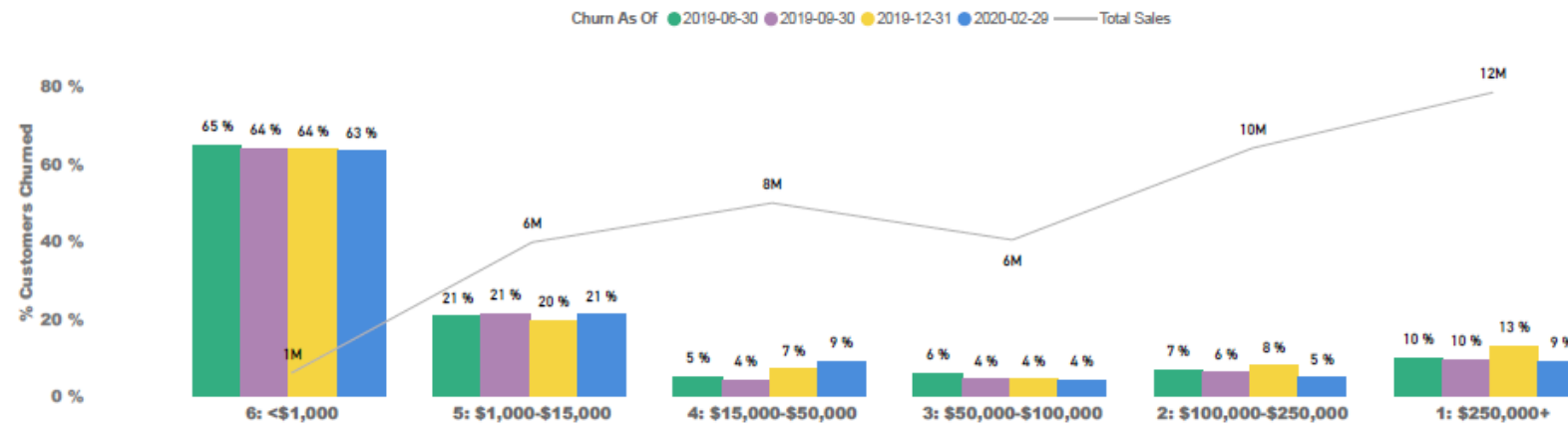
- Polyethylene – Down \$51k
- Neoprene Nitrile PVC– Down \$25k
- VNN – Down \$24k

During week of 3/9 entire Outside Sales team was brought in for additional training on this line, along with Inside Sales.

Customer Churn

Defined as customers with a trailing 12-month product revenue is less than 10% of the 12-24 month product revenue, excluding Teachers Tapes (B2C channel)

% of Customers Churned



Management Discussion:

Strategic initiative, working to improve churn rate for <\$50k accounts

- Duraco to improve our online ordering process with a new website
- Marketing building reengagement campaign to incent customers back to Duraco, through combination of digital and direct mail campaigns
- Inside Sales to directly engage with Churn accounts (307) and build program to win back business
- Outside sales to support Inside Sales when larger opportunities are identified, or to win back customers
- Tracking month activities (Bowler)

Details:

Customers \$250k+ (2 accounts)

- Chung Lam had end of life part for Target Store
- Essentra Nottingham ceased operations end of 2019

Customers \$100k - \$250k (3 accounts)

- Halstead: Lack of programs and low demand for their decorative wall planks
- Undercover – Foam tape business lost to competitor
- Menasha Hartford = account now bills to Neenah location

Customers \$50k - \$100k (4 accounts)

- ARI Packaging – Glue dot project for Nestle did not repeat
- MD Building Products – requires a sales call. Reps have been notified.
- Robin Enterprises Company – RSM is actively engaged
- Summit Manufacturing = RSM is actively engaged

Customers \$15k - \$50k (25 accounts)

- All churn customers \$1-50k are sent to inside sales for immediate action. This is now actively managed on the new executive and sales report

Customers \$1k - \$15k (298 accounts)

- All churn customers \$1-50k are sent to inside sales for immediate action. This is now actively managed on the new executive and sales report

Customers under \$1k (2823 accounts)

- Churn is relatively flat and will reduced with focused digital marketing campaigns and user-friendly website

2020 Commercial KPIs

Sales Dashboard

Date Range

1/1/2020

2/29/2020

Industry

All

Territory

All

Sales Tier

All

Account Classification

All

| As of | % of Month | MTD Sales | PY MTD Sales | Month Plan | YTD Sales | PY YTD Sales | YTD Plan |
|-------|------------|-----------|--------------|------------|-----------|--------------|----------|
| 02/29 | 100% | \$3.14M | \$3.13M | \$3.23M | \$6.59M | \$6.53M | \$6.52M |
| | | | 0.3% | -2.8% | | 1.0% | 1.1% |

Segment

| Industry | MTD Sales | Month Plan | MTD Plan Δ % | PY MTD Sales | MTD Δ % | YTD Sales |
|------------------------|-----------------------|--------------------|--------------|-----------------------|-------------|-----------------------|
| POP | \$1,920,393.16 | \$1,929,830 | -0.5% | \$1,972,442.85 | -2.6% | \$4,023,736.10 |
| Industrial | \$333,212.96 | \$490,350 | -32.0% | \$431,064.33 | -22.7% | \$702,963.00 |
| Appliance | \$302,904.40 | \$349,263 | -13.3% | \$351,912.47 | -13.9% | \$673,056.50 |
| Wall Hangings | \$220,679.13 | \$56,937 | 287.6% | \$35,182.04 | 527.2% | \$261,886.00 |
| Transit Packaging | \$121,947.55 | \$80,582 | 51.3% | \$18,117.39 | 573.1% | \$301,182.60 |
| Distribution | \$121,841.07 | \$148,637 | -18.0% | \$157,258.31 | -22.5% | \$330,261.90 |
| Unknown Market | \$55,682.11 | \$65,353 | -14.8% | \$58,403.54 | -4.7% | \$106,601.80 |
| Other | \$40,852.02 | \$110,074 | -62.9% | \$53,112.23 | -23.1% | \$96,080.70 |
| Automotive & Transport | \$23,520.05 | Infinity | | \$46,192.90 | -49.1% | \$95,259.00 |
| Total | \$3,141,032.45 | \$3,231,026 | -2.8% | \$3,130,762.78 | 0.3% | \$6,591,027.90 |

Territory

| Territory | MTD Sales | Month Plan | MTD Plan Δ % | PY MTD Sales | MTD Δ % |
|------------------|-----------------------|--------------------|--------------|-----------------------|-------------|
| Appliance and RV | \$325,471.41 | \$358,196 | -9.1% | \$360,182.90 | -9.0% |
| Canada | \$57,115.53 | \$102,687 | -44.4% | \$96,184.05 | -40.0% |
| Central | \$698,069.43 | \$845,315 | -17.4% | \$817,883.13 | -14.0% |
| East Central | \$619,902.80 | \$487,614 | 27.1% | \$453,084.30 | 36.8% |
| GE Appliances | \$14,146.82 | \$15,051 | -6.0% | \$13,187.35 | 7.2% |
| House | \$290,193.09 | \$184,009 | 57.7% | \$170,106.94 | 70.0% |
| Mexico | \$18,865.26 | \$19,977 | -5.6% | \$27,571.02 | -31.0% |
| Northeast | \$250,823.77 | \$311,559 | -19.5% | \$305,505.74 | -17.9% |
| Southeast | \$406,074.85 | \$389,266 | 4.3% | \$373,665.31 | 8.7% |
| Total | \$3,141,032.45 | \$3,231,026 | -2.8% | \$3,130,762.78 | 0.3% |

Customers

| Customer Name | Acct Number | MTD Sales | Month Plan | MTD Plan Δ % |
|---------------------------------|--------------|-----------------------|--------------------|--------------|
| Whirlpool Corporation - Clyde | 1 | \$104,528.17 | \$103,245 | 1.2% |
| Whirlpool Corporation - Marion | 1 | \$49,997.94 | \$70,956 | -29.5% |
| Imagine Print Solutions | 1 | \$24,225.08 | \$59,728 | -59.4% |
| Hennessy Industries - Bada | 1 | \$63,671.85 | \$41,673 | 52.8% |
| Westrock Merchandising Displays | 2 | \$114,018.49 | \$41,610 | 174.0% |
| Ampac | 3 | \$85,678.89 | \$38,500 | 122.5% |
| MixTiles | 1 | \$7,270.06 | \$37,760 | -80.7% |
| Total | 31668 | \$3,141,032.45 | \$3,231,026 | -2.8% |

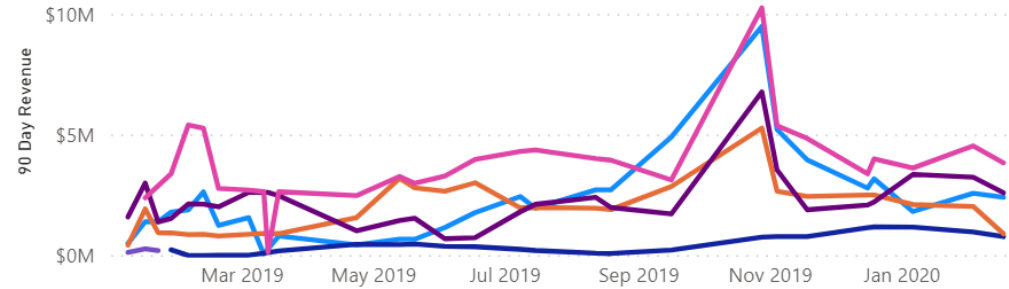
Products

| Product Family | MTD Sales | PY MTD | MTD Δ % | YTD |
|----------------------------|-----------------------|-----------------------|-------------|-----------------------|
| FOAM | \$1,617,882.65 | \$1,693,313.10 | -4.5% | \$3,577,200.81 |
| FILM | \$595,445.97 | \$361,506.32 | 64.7% | \$1,194,868.63 |
| WEATHER STRIPPING & GASKET | \$472,325.61 | \$599,907.21 | -21.3% | \$931,171.86 |
| HNL | \$157,423.36 | \$147,668.53 | 6.6% | \$324,754.00 |
| TISSUE | \$106,257.08 | \$125,567.23 | -15.4% | \$191,714.02 |
| COMPONENTS | \$89,933.94 | \$95,207.65 | -5.5% | \$177,337.04 |
| TRANSFER | \$56,744.85 | \$47,469.46 | 19.5% | \$96,370.56 |
| MAGNETIC TAPE | \$20,208.70 | \$36,575.38 | -20.1% | \$60,873.62 |
| Total | \$3,141,032.45 | \$3,130,762.78 | 0.3% | \$6,591,027.90 |

DURACO Historical Pipeline Analysis

90 Day Revenue by Date and Opp Owner

Opp Owner ● Greg Precup ● Jake Schoch ● Kevin Fierro ● Rick Mucino ● Todd Compton ● Walter Klein



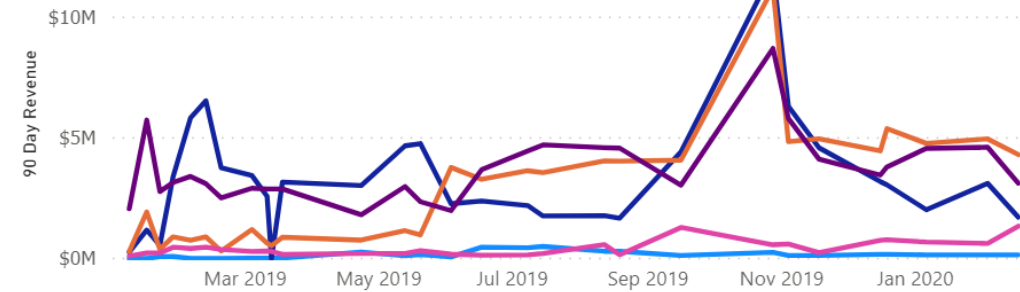
Date Range

1/1/2019

2/29/2020

90 Day Revenue by Date and Stage

Stage ● 1 - Definition ● 2 - Proposition ● 3 - Presentation & Refine ● 4 - Commercial Quot... ● 5 - Implementati...



| Date | Greg Precup | Jake Schoch | Kevin Fierro | Rick Mucino | Todd Compton | Walter Klein | Total |
|--------------|------------------------|------------------------|------------------------|------------------------|-------------------------|---------------------|-------------------------|
| 1/7/19 | \$522,648.00 | | \$448,000.00 | \$1,620,000.00 | | \$147,400.00 | \$2,738,048.00 |
| 1/15/19 | \$1,415,648.00 | | \$1,948,000.00 | \$3,020,000.00 | \$2,409,000.00 | \$294,800.00 | \$9,087,448.00 |
| 1/21/19 | \$1,418,748.00 | | \$964,000.00 | \$1,410,000.00 | | \$222,400.00 | \$4,015,148.00 |
| 1/27/19 | \$1,816,968.00 | \$254,000.00 | \$954,000.00 | \$1,555,000.00 | \$3,405,500.00 | | \$7,985,468.00 |
| 2/4/19 | \$1,915,575.00 | \$18,000.00 | \$889,000.00 | \$2,155,000.00 | \$5,430,000.00 | | \$10,407,575.00 |
| 2/11/19 | \$2,658,891.00 | \$18,000.00 | \$899,000.00 | \$2,148,000.00 | \$5,300,000.00 | | \$11,023,891.00 |
| 2/18/19 | \$1,268,866.00 | \$26,000.00 | \$830,000.00 | \$2,035,000.00 | \$2,800,000.00 | | \$6,959,866.00 |
| 3/4/19 | \$1,589,964.00 | \$26,000.00 | \$896,000.00 | \$2,634,500.00 | \$2,725,500.00 | | \$7,871,964.00 |
| 3/11/19 | \$79,465.00 | \$116,000.00 | \$934,000.00 | \$2,634,500.00 | \$2,665,000.00 | | \$6,428,965.00 |
| 3/13/19 | | | \$919,000.00 | \$2,634,500.00 | \$165,000.00 | | \$3,718,500.00 |
| 3/18/19 | \$830,041.00 | \$206,500.00 | \$928,000.00 | \$2,496,500.00 | \$2,665,000.00 | | \$7,126,041.00 |
| 4/23/19 | \$458,783.00 | \$484,500.00 | \$1,592,000.00 | \$1,045,000.00 | \$2,500,000.00 | | \$6,080,283.00 |
| 5/13/19 | \$694,390.00 | \$474,500.00 | \$3,213,000.00 | \$1,465,000.00 | \$3,293,830.00 | | \$9,140,720.00 |
| Total | \$64,840,955.00 | \$11,600,500.00 | \$55,359,000.00 | \$65,933,000.00 | \$103,631,250.60 | \$664,600.00 | \$302,029,305.60 |



Inside Sales: Manager Report

Date Range

1/1/2020

2/29/2020

Inside Sales Rep

All

Avg Customer Actions

33.5

Target: 50/week

% Outbound Actions

51.1%

Target: 50%

Avg Samples Sent

3.8

Target: 3/week

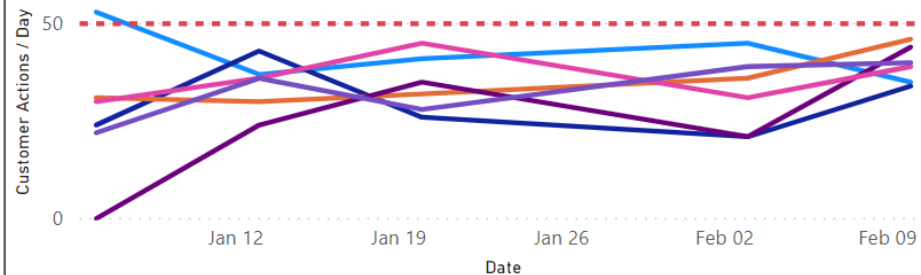
Avg RSM Engagements

1.4

Target: 1/week

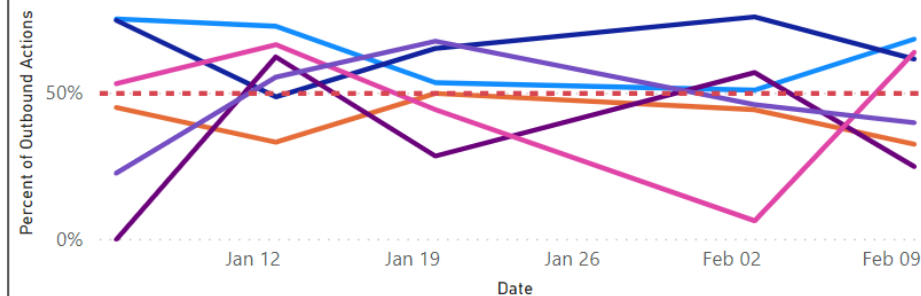
Customer Actions

Team_Member ● Elena ● Joe ● Rachel ● Renee ● Rob ● Walt



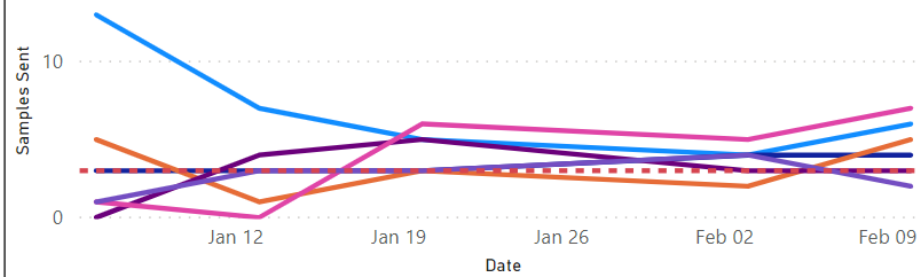
Percent of Outbound Actions

Team_Member ● Elena ● Joe ● Rachel ● Renee ● Rob ● Walt



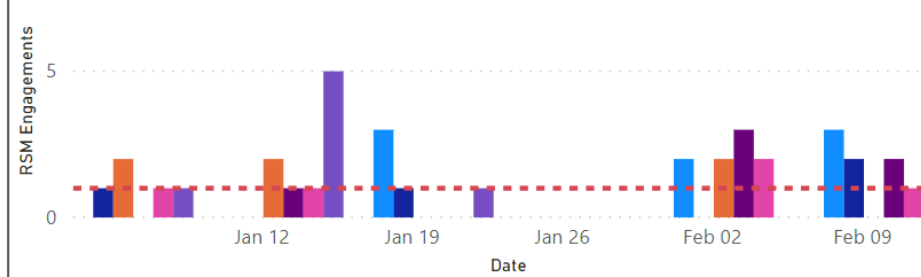
Samples Sent

Team_Member ● Elena ● Joe ● Rachel ● Renee ● Rob ● Walt



RSM Engagements

Team_Member ● Elena ● Joe ● Rachel ● Renee ● Rob ● Walt





Inside Sales: Executive Summary

Date Range

1/1/2020

2/10/2020

Avg Customer Actions

33.5

Target: 50/week

% Outbound Actions

51.1%

Target: 50%

Avg Samples Sent

3.8

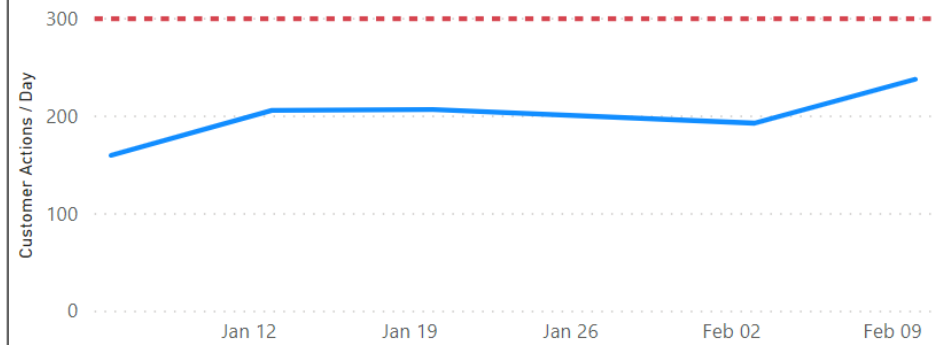
Target: 3/week

Avg RSM Engagements

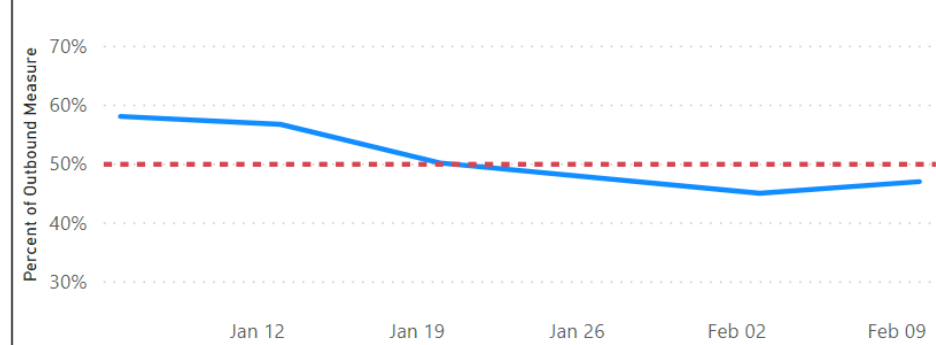
1.4

Target: 1/week

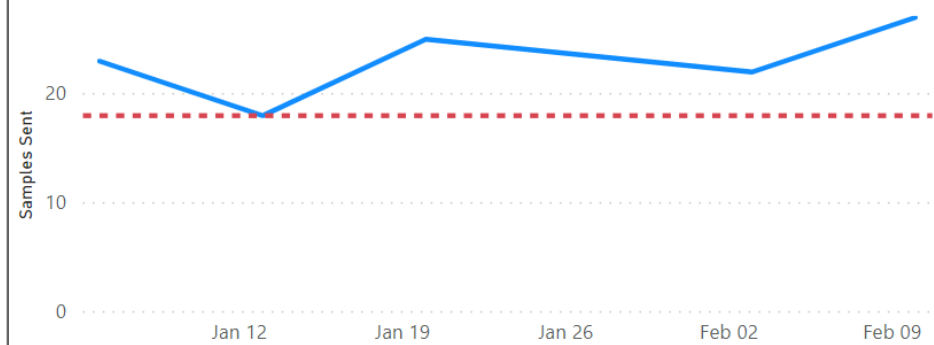
Customer Actions



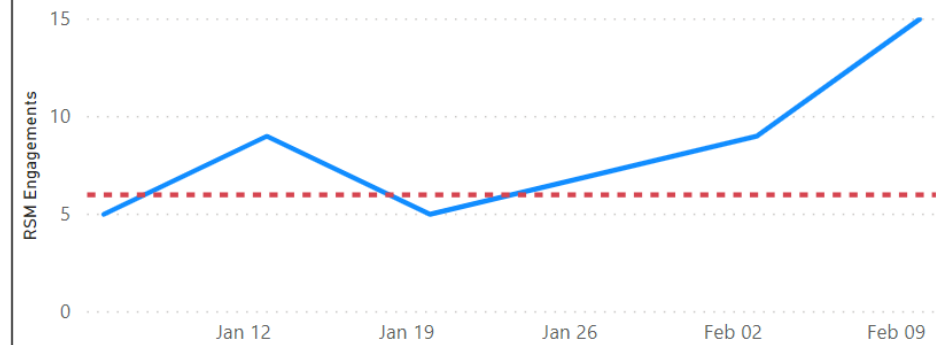
Percent Outbound Actions



Samples Sent



RSM Engagements





Churned Customers

Date Range

1/1/2020

2/29/2020

Industry

All

Territory

All

Sales Tier

All

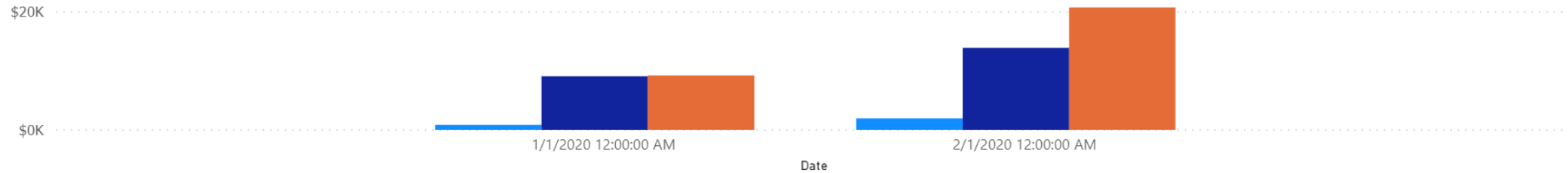
Account Classification

All

| | | | | | | | | |
|-------|------------------|------------------|------------|------------|--------------------|-------------|------------|------------------|
| As of | MTD All Churners | YTD All Churners | 2019 Sales | 2018 Sales | 2019 Churned Sales | 2020 Target | 2020 Quota | Savings to Quota |
| 02/29 | \$20.77K | \$30.01K | \$16.96K | \$1.56M | (\$1.54M) | \$140K | \$157K | (\$127K) |

Sales From Churners

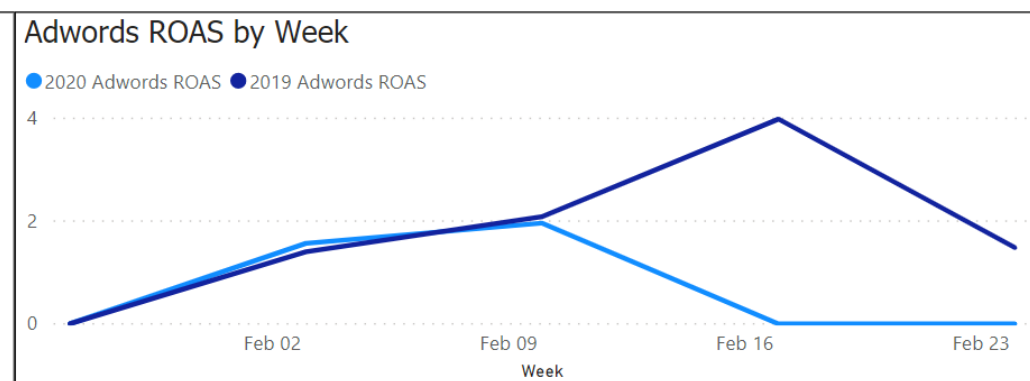
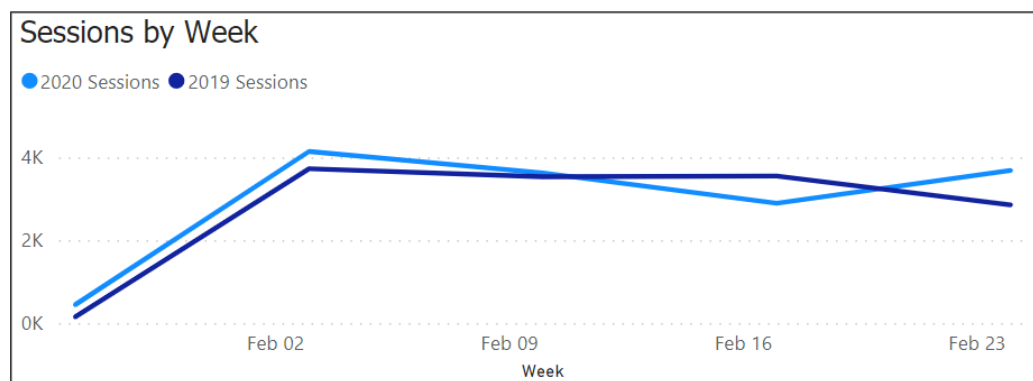
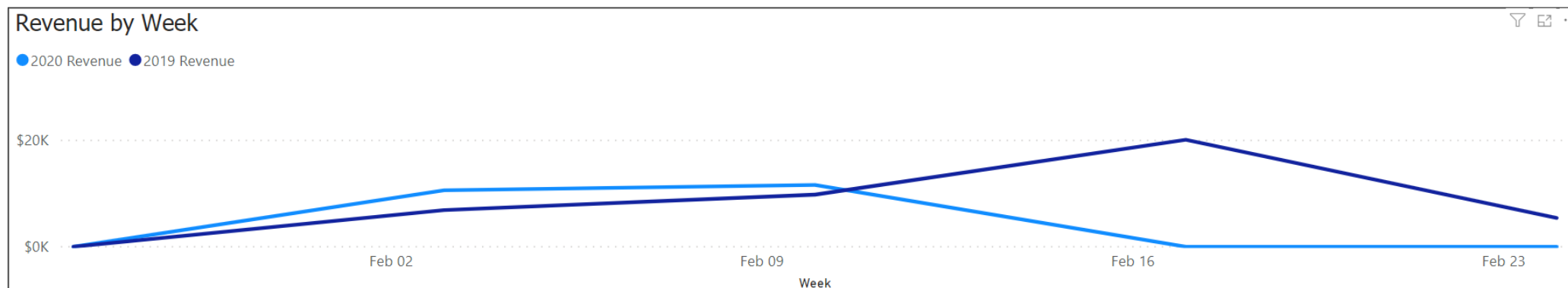
● 2019 Sales from Churned List ● 2020 Sales from Churned List ● 2020 Sales All Churners



| Churn Cohort | Customer Name | Acct Number | Previous Sales Tier | 2020 Sales | 2019 Churned Sales | 2019 Sales | 2018 Sales | 2017 Sales |
|--------------|---|-------------|----------------------|-------------|--------------------|--------------|----------------|----------------|
| Feb | WESTROCK MERCHANDISING DISPLAYS | 61002791 | 4: \$15,000-\$50,000 | | (\$89,266.26) | | \$89,266.26 | \$421,053.08 |
| Dec | Sunbelt Plastic Extrusions Incorporated | 61000078 | 4: \$15,000-\$50,000 | | (\$49,672.51) | | \$49,672.51 | \$152,672.39 |
| Dec | LBP MANUFACTURING INC | 61003784 | 4: \$15,000-\$50,000 | | (\$47,655.40) | \$675.97 | \$48,331.37 | \$0.00 |
| Dec | Adams Mc Clure Lp | 61000677 | 4: \$15,000-\$50,000 | \$2,279.93 | (\$40,936.75) | \$4,256.05 | \$45,192.80 | \$20,631.76 |
| Dec | GERRITY | 61003122 | 4: \$15,000-\$50,000 | | (\$40,449.84) | \$0.00 | \$40,449.84 | \$12,940.79 |
| Jan | DATA COMMUNICATIONS MANAGEMENT | 454365 | 4: \$15,000-\$50,000 | | (\$39,741.21) | \$2,455.02 | \$42,196.23 | \$571.54 |
| Feb | Wilbert Plastic Services | 61000385 | 4: \$15,000-\$50,000 | | (\$39,206.96) | | \$39,206.96 | \$223,540.95 |
| Dec | Baesman Group Inc. | 61005497 | 4: \$15,000-\$50,000 | | (\$38,740.09) | \$1,330.88 | \$40,070.97 | \$23,968.58 |
| Dec | Romo Incorporated | 61001162 | 4: \$15,000-\$50,000 | | (\$37,229.19) | \$2,307.70 | \$39,536.89 | \$44,108.58 |
| Total | | 24826153509 | | \$30,005.82 | (\$1,793,321.75) | \$245,859.34 | \$2,039,181.09 | \$2,582,251.65 |



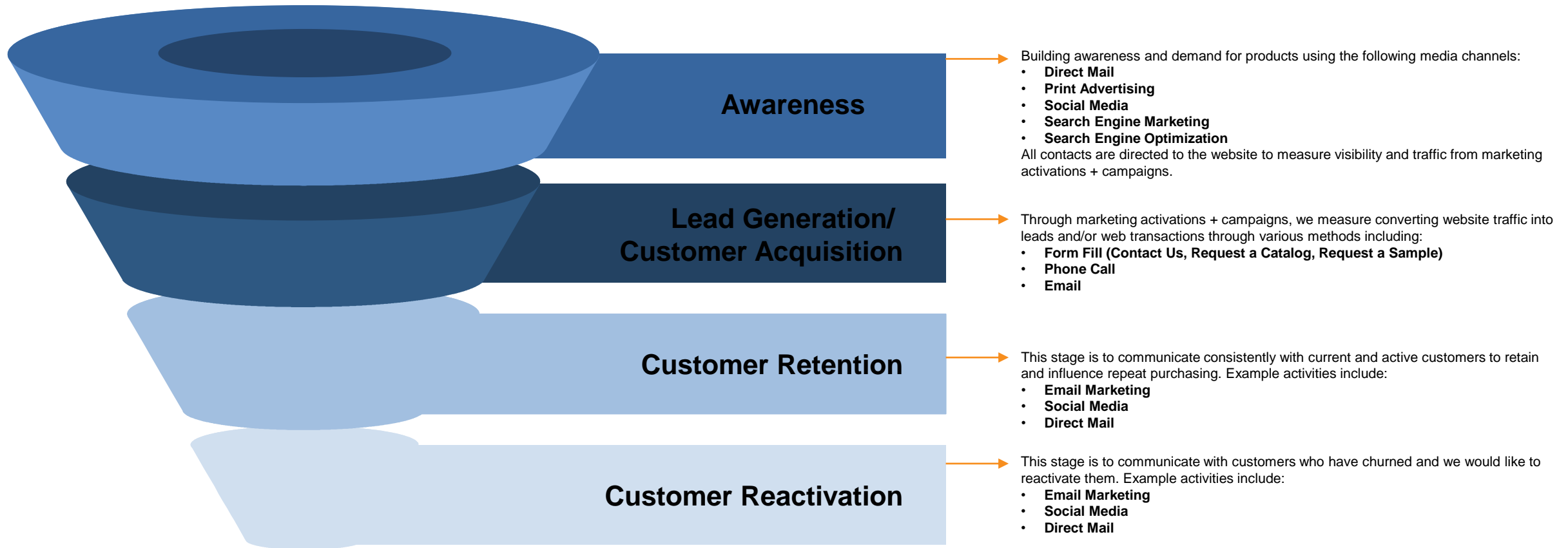
| As of | MTD Sales | PY MTD Sales | YTD Sales | PY YTD Sales | MTD Adwords Spend | PY MTD Adwords | ROAS | PY ROAS |
|-------|-----------|--------------|-----------|--------------|-------------------|----------------|------|---------|
| 02/29 | \$22.24K | \$45.6K | \$74.26K | \$110.15K | \$21.72K | \$21.26K | 1.04 | 2.21 |
| | | -51% | | -33% | | 2% | | -53% |



Marketing & Product Management Overview

MARKETING IMPACT

KEY STAGES WHERE MARKETING HELPS TO DRIVE BUSINESS GROWTH



Marketing Measurement

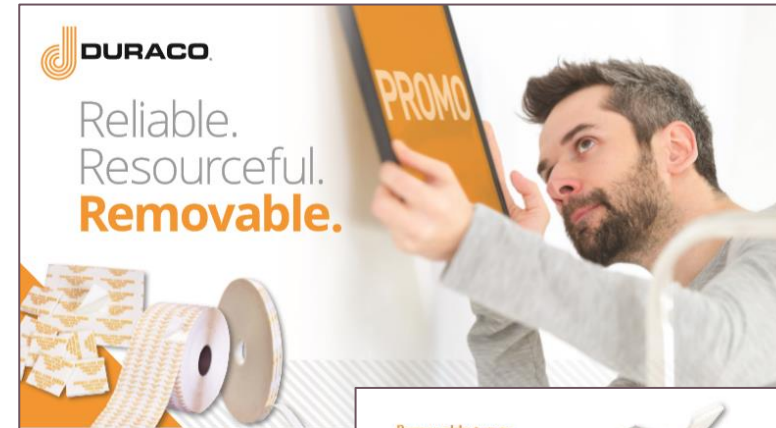
KEY ELEMENTS/STAGES WHERE MARKETING HELPS TO DRIVE BUSINESS/REVENUE

| KPI | | JAN | FEB | MAR | APR | MAY | JUN | JUL | AUG | SEP | OCT | NOV | DEC | YTD |
|--------------------------------------|----------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------|
| Awareness | | | | | | | | | | | | | | |
| Total Website Visitors | PY | 12,767 | 11,645 | 12,418 | 12,118 | 13,021 | 13,560 | 13,040 | 12,110 | 11,160 | 11,867 | 11,478 | 10,000 | 145,184 |
| | Fcst/Act | 10,885 | 12,144 | 12,418 | 12,118 | 13,021 | 13,560 | 13,040 | 12,110 | 11,160 | 11,867 | 11,478 | 10,000 | 143,469 |
| New Website Users | PY | 11,863 | 10,645 | 11,380 | 11,150 | 12,031 | 12,691 | 12,190 | 11,159 | 10,249 | 10,902 | 10,696 | 5,869 | 130,825 |
| | Fcst/Act | 9,545 | 11,275 | 11,380 | 11,150 | 12,031 | 12,691 | 12,190 | 11,159 | 10,249 | 10,902 | 10,696 | 5,869 | 129,141 |
| Web Pages Visited Per Session | PY | 3.73 | 3.66 | 3.87 | 3.76 | 3.79 | 3.37 | 3.63 | 3.77 | 3.76 | 3.98 | 3.37 | 3.98 | 3.72 |
| | Fcst/Act | 4 | 3.70 | 3.87 | 3.76 | 3.79 | 3.37 | 3.63 | 3.77 | 3.76 | 3.98 | 3.37 | 3.98 | 3.73 |
| Average Website Session | PY | 113.00 | 124.00 | 113.00 | 108.00 | 111.00 | 100.00 | 105.00 | 110.00 | 116.00 | 123.00 | 100.00 | 132.00 | 112.91 |
| | Fcst/Act | 120 | 109.00 | 113.00 | 108.00 | 111.00 | 100.00 | 105.00 | 110.00 | 116.00 | 123.00 | 100.00 | 132.00 | 111.45 |
| Website Bounce Rate | PY | 51.36% | 47.06% | 47.76% | 47.54% | 44.81% | 49.78% | 47.38% | 45.58% | 51.37% | 49.38% | 54.56% | 49.39% | 49% |
| | Fcst/Act | 51.36% | 54.42% | 47.76% | 47.54% | 44.81% | 49.78% | 47.38% | 45.58% | 51.37% | 49.38% | 54.56% | 49.39% | 49% |
| Website Abandoned Cart Rate | PY | 74.00% | 75.00% | 71.00% | 72.00% | 72.00% | 71.00% | 76.00% | 74.00% | 74.00% | 83.00% | 71.00% | 73.00% | 74% |
| | Fcst/Act | 72.44% | 70.00% | 71.00% | 72.00% | 72.00% | 71.00% | 76.00% | 74.00% | 74.00% | 83.00% | 71.00% | 73.00% | 74% |
| Lead Generation/Customer Acquisition | | | | | | | | | | | | | | |
| CTR (Impressions/Clicks) | PY | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| | Fcst/Act | 4% | 4% | | | | | | | | | | | |
| Total Leads | PY | 154 | 117 | 155 | 218 | 289 | 198 | 57 | 28 | 32 | 75 | 59 | 90 | 1,472 |
| | Plan | 162 | 123 | 163 | 229 | 303 | 208 | 60 | 29 | 34 | 79 | 62 | 95 | 1,546 |
| | Fcst/Act | 118 | 55 | 163 | 229 | 303 | 208 | 60 | 29 | 34 | 79 | 62 | 95 | 1,426 |
| Total Prospects | Avg. | 6.0% | 6.0% | 6.0% | 6.0% | 6.0% | 6.0% | 6.0% | 6.0% | 6.0% | 6.0% | 6.0% | 6.0% | 6.0% |
| | Plan | 7.14 | 2.76 | 9.765 | 13.734 | 18.207 | 12.474 | 3.591 | 1.764 | 2.016 | 4.725 | 3.717 | 5.67 | 86 |
| | Fcst/Act | 2 | 4 | | | | | | | | | | | 6 |
| Total New Customers Acquired | PY | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A | N/A |
| | Plan | 1.43 | 0.55 | 1.95 | 2.75 | 3.64 | 2.49 | 0.72 | 0.35 | 0.40 | 0.95 | 0.74 | 1.13 | |
| | Fcst/Act | 0 | 0 | | | | | | | | | | | |
| ROAS (GOOGLE ADS ONLY) | PY | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Fcst/Act | 0 | 0 | | | | | | | | | | | |
| Customer Reactivation | | | | | | | | | | | | | | |
| Customers Emailed (Churn) | PY | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Fcst/Act | 0 | 0 | 1,074 | 1,074 | 1,074 | 1,074 | 1,074 | 1,074 | 1,074 | 1,074 | 1,074 | 1,074 | 1,074 |
| 1K - 50K Customer Actions (Churn) | PY | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Plan | 0 | 0 | | | | | | | | | | | |
| | Fcst/Act | 0 | 0 | | | | | | | | | | | |

Removable Products Campaign

OVERVIEW OF CAMPAIGN

- **Goal:** To drive product awareness and demand for our removable tapes.
- **Product Focus:**
 - Remo One® Plus, Remo One®, Thick Remo One®, Remo Two®, Thick Remo Two®, Remo Two® Clear, Remo One® Film, Metal Shelf Tape, 4181/4081, DKOF
- **Market Focus:** POP, Exhibit, Print/Signage
- **Timeline:** March 2020 – April 2020
- **Marketing Activities/Assets:**
 - Direct Mail
 - Email Blast
 - Digital Advertising
 - Shop!
 - Facebook Sponsored
 - LinkedIn Sponsored
 - InfoUSA Programmatic Display
 - Design:Retail Step Social Program
 - Print Advertising
 - Creative Magazine
 - Retail Environments Print Ad
 - Landing Page



Removable tapes are ideal for:

- TEMPORARY SIGNS
- PRICE CHANNEL MOLDINGS
- NAMEPLATES
- POINT OF PURCHASE DISPLAYS
- METAL SHELVING
- MERCHANDISING RACKS
- SHELF DIVIDERS

Tape that doesn't leave a trace. That's the beauty of Duraco's family of removable tapes. Whether you're trying to hold your exhibit together or your beautifully designed product display, using removable tape offers a superior hold while allowing for a cost effective and efficient way to change up messaging or graphics without leaving the dreaded foam residue behind.

MEET THE REMOVABLE LINEUP

| | | |
|-----------------|-----------------|------------------------|
| Remo One® Plus | Remo Two® | Metal Shelf Tape (MST) |
| Remo One® | Thick Remo Two® | 4181/4081 |
| Thick Remo One® | Remo Two® Clear | DKOF |
| | Remo One® Film | |

For samples visit: <https://bit.ly/2TtH7Kt>

Joe Oaks
901 Matthews Street
Sterling, IL 61081

duraco.com | 866 800 0775

Reliable. Resourceful. Removable.

Ideal for:

- TEMPORARY SIGNS
- PRICE CHANNEL MOLDINGS
- NAMEPLATES
- POINT OF PURCHASE DISPLAYS
- METAL SHELVING
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| Remo One® | Thick Remo Two® | 4181/4081 |
| Thick Remo One® | Remo Two® Clear | DKOF |
| | Remo One® Film | |

For samples visit: <https://bit.ly/3abZEyY>

duraco.com | 866 800 0775

DURACO.

Reliable. Resourceful. Removable.

SEE OUR FULL LINEUP OF REMOVABLE TAPES

Reliable. Resourceful. Removable.

DURACO.

DURACO.

Reliable. Resourceful. Removable.

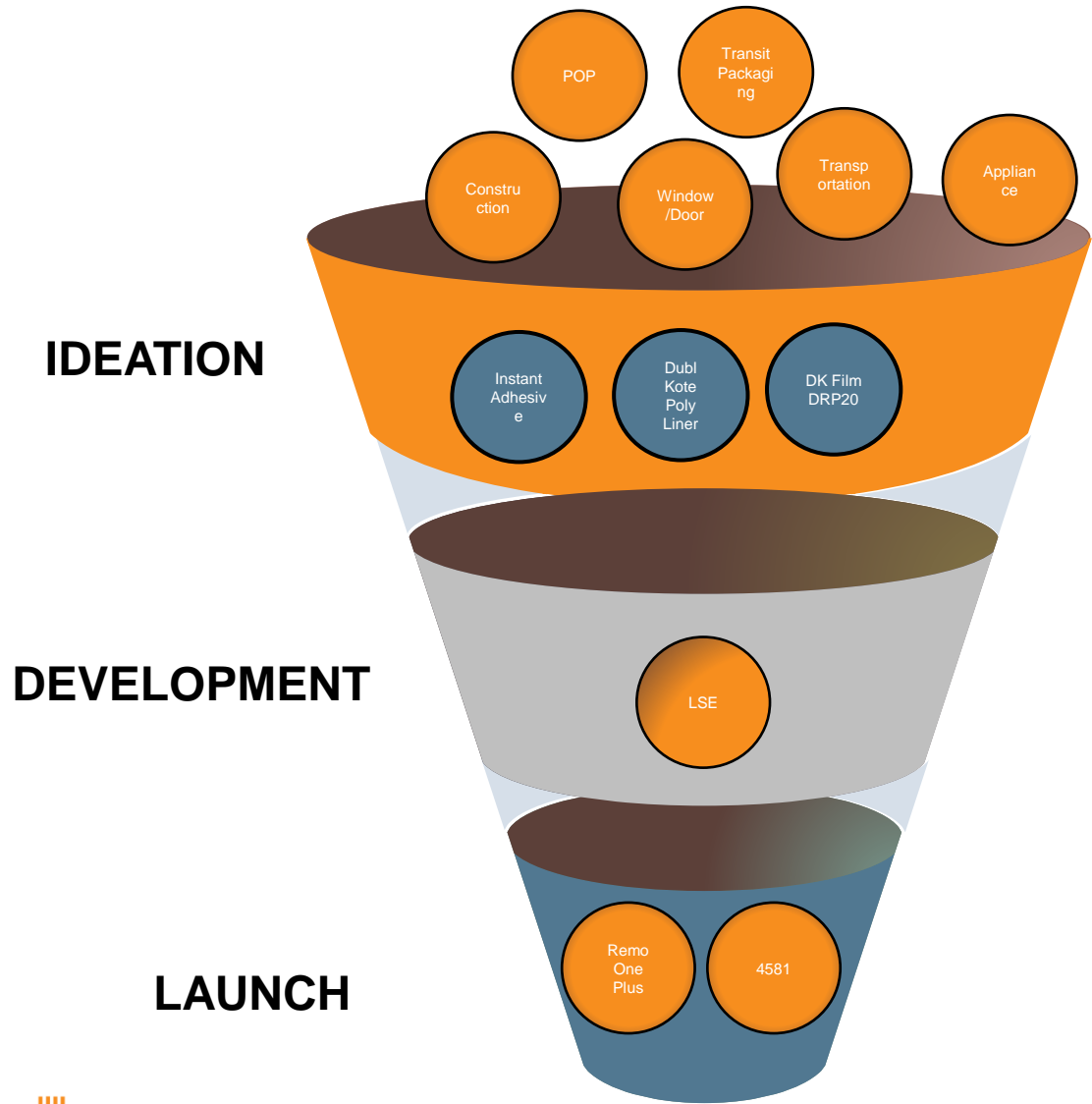
SEE OUR FULL LINEUP OF REMOVABLE TAPES

Q2 Marketing Calendar

OVERVIEW OF MARKETING COMMUNICATIONS + MEDIA MIX

| Market | Product/Event Focus | Media Mix | | |
|---------------------------|---|---|--|---|
| Prospects | | April 2020 | May 2020 | June 2020 |
| POP | <ul style="list-style-type: none"> Removable Products (Apr) Twin Stick/Dubl Kote (M, J) Global Shop 2020 (M, J) Instant Adhesives (TBD) | <ul style="list-style-type: none"> InfoUSA Email (2) InfoUSA Banner Ad Shop! Newsletter Banner Google + Bing Ads Sponsored Social Media (FB + LI) Creative Magazine | <ul style="list-style-type: none"> Design:Retail Newsletter Banner Shop! Newsletter Banner Retail Environments Print Ad Sponsored Social Media (FB + LI) | <ul style="list-style-type: none"> GlobalShop 2020 Design:Retail Newsletter Banner Shop! Newsletter Banner Sponsored Social Media (FB + LI) Creative Magazine |
| Print | <ul style="list-style-type: none"> Removable Products (Apr) Fingerlift Tape (May, June) | <ul style="list-style-type: none"> Printing Impressions Sponsored Social Media (FB + LI) Google + Bing Ads | <ul style="list-style-type: none"> Printing Impressions Sponsored Social Media (FB + LI) Google + Bing Ads | <ul style="list-style-type: none"> Printing Impressions Sponsored Social Media (FB + LI) Google + Bing Ads |
| Industrial (Trailer + RV) | <ul style="list-style-type: none"> DHB (Cargo Trailers , Specialty Trailers, Work Truck, RV) Gasket + Weather Stripping (Cargo Trailers, Specialty Trailers, Work Trucks, Semi Trailers, RV) Dubl Kote (Also include on both sell sheets | <ul style="list-style-type: none"> Sponsored Social Media (FB + LI) Google + Bing Ads Other Truck + Trailer | <ul style="list-style-type: none"> Sponsored Social Media (FB + LI) Google + Bing Ads Other Truck + Trailer | <ul style="list-style-type: none"> Direct Mail InfoUSA Email InfoUSA Banner Ad Sponsored Social Media (FB + LI) Google + Bing Ads Other Truck + Trailer |
| Transit Packaging | <ul style="list-style-type: none"> TBD | <ul style="list-style-type: none"> Packaging Impressions Sponsored Social Media (FB + LI) Google + Bing Ads | <ul style="list-style-type: none"> Packaging Impressions Sponsored Social Media (FB + LI) Google + Bing Ads AIC Boxscore | <ul style="list-style-type: none"> Packaging Impressions Sponsored Social Media (FB + LI) Google + Bing Ads AIC Boxscore |
| Exhibit | <ul style="list-style-type: none"> Remo One®, Remo One® Plus, Remo Two®, Remo One® Film, Duraco® Hook and Loop, Duraco® Hook and Loop Low Profile | <ul style="list-style-type: none"> Sponsored Social Media (FB + LI) Google + Bing Ads | <ul style="list-style-type: none"> Sponsored Social Media (FB + LI) Google + Bing Ads | <ul style="list-style-type: none"> Sponsored Social Media (FB + LI) Google + Bing Ads |
| Customers | | | | |
| All Customers | <ul style="list-style-type: none"> Removable Products VoC Customers (POP) | <ul style="list-style-type: none"> Email Marketing | Email Marketing | Email Marketing |

Product Development



REMOVED

Printing

HVAC

| MARKETS | POTENTIAL NEW PRODUCTS | EXPECTED REVENUE | LAUNCH |
|--------------------------------|---|--|----------------|
| Transit Packaging | Tamper Proof Tape | TBD | TBD |
| Appliance | Aluminum Foil Tape, EPDM, Fiberglass, various | TBD | TBD |
| HVAC | Aluminum Foil Tape, Butyl Tape | TBD | TBD |
| Window / Door | Glazing Tape, Aluminum Foil Tape, Butyl Tape | TBD | TBD |
| Construction | Butyl Tape, Foil Tape, Various single sided | TBD | TBD |
| Transportation | Foil Tape, Insulation | TBD | TBD |
| Printing | Banner Tape, Wide Format | TBD | TBD |
| PRODUCTS | DESCRIPTION | MARKETS / USAGE | |
| Instant Adhesives | Cyanoacrylate adhesive that is bottled – similar to Krazy Glue or Loctite. | POP industry – For assembly of plastic parts where a tape is not practical. | |
| Dubl Kote Poly Liner | Our standard Dubl Kote product line, provided with a Polypropylene or Polyethylene liner. | POP / Window – Replacing our paper protective liner with a plastic film that allows for easier release, without tearing. | |
| DK Film DRP20 – 4.5 mils thick | DK Film with a hi-tack acrylic adhesive. | Industrial – Competing against 3M 200 and 300 adhesives. | |

Operations and Manufacturing

Operations Dashboard

| | PRIORITY | UOM | | JAN | FEB | MAR | APR | MAY | JUN | JUL | AUG | SEP | OCT | NOV | DEC | YTD | Comments |
|---------|---|-----|-----------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|----------|---|
| Safety | Total Recordable Incident Rate (TRIR Rolling 12M) | # | PY | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.83 | 1.66 | 1.66 | 1.66 | 2.8 | 2.8 | Went 11 months in 2018, this would challenge us to be at 23 months straight |
| | | | Plan | 2.3 | 2.3 | 2.3 | 2.3 | 2.3 | 2.3 | 2.3 | 1.66 | 0.83 | 0.83 | 0.83 | 0.83 | 0.83 | |
| | | | Actual | 2.3 | 2.3 | 0 | 0 | 2.3 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| | | | | | | | | | | | | | | | | | |
| | DART Score | # | PY | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| | | | Plan | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0 | |
| | | | Actual | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| | Step Completion % | % | PY | 81% | 80% | 94% | 96% | 93% | 94% | 93% | 93% | 92% | 93% | 92% | 94% | 91% | 2018 actuals 89%, 2019 91% actual , |
| | | | Plan | 92% | 92% | 92% | 92% | 92% | 92% | 92% | 92% | 92% | 92% | 92% | 92% | 92% | |
| | | | Actual | 93% | 94% | | | | | | | | | | | 94% | |
| | Landfill Diversion % | % | PY | 53% | 80% | 45% | 46% | 33% | 51% | 54% | 43% | 38% | 36% | 27% | 67% | 48% | Avg. 26% for 2018- 2017 Goal was at 15%, 2019 Avg. 48%- Push goal of 50% |
| | | | Plan | 50% | 50% | 50% | 50% | 50% | 50% | 50% | 50% | 50% | 50% | 50% | 50% | 50% | |
| Actual | | | 37% | 73% | | | | | | | | | | | 55% | | |
| Quality | Customer EQDs | # | Reference | | | | | | | | | | | | | | 144 Complaints in 2019 |
| | | | Actual | 23 | 13 | | | | | | | | | | | 36 | |
| | Percentage of EQDs/Lines shipped | # | PY | 0.28% | 0.22% | 0.31% | 0.30% | 0.18% | 0.28% | 0.25% | 0.28% | 0.47% | 0.43% | 0.30% | 0.40% | 0.31% | 2016 avg: 0.79%, 2017 avg: 0.53, 2018 avg: 0.26%, 2019 0.31% |
| | | | Plan | 0.30% | 0.30% | 0.30% | 0.30% | 0.30% | 0.30% | 0.30% | 0.30% | 0.30% | 0.30% | 0.30% | 0.30% | 0.30% | |
| | | | Actual | 0.63% | 0.39% | | | | | | | | | | | | |
| | Cost of Poor Quality (COPQ) | \$ | PY | \$40.82 | \$51.77 | \$42.99 | \$46.85 | \$35.23 | \$33.49 | \$47.88 | \$36.13 | \$48.33 | \$44.43 | \$35.43 | \$32.02 | \$495.37 | \$470.6, represents 5% reduction from 2019 |
| | | | Plan | \$38.77 | \$49.18 | \$40.84 | \$44.51 | \$33.47 | \$31.82 | \$45.49 | \$34.33 | \$45.91 | \$42.21 | \$33.66 | \$30.42 | \$470.60 | |
| Actual | | | \$26.13 | \$37.55 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | 63.67 | |

Operations Dashboard Cont.

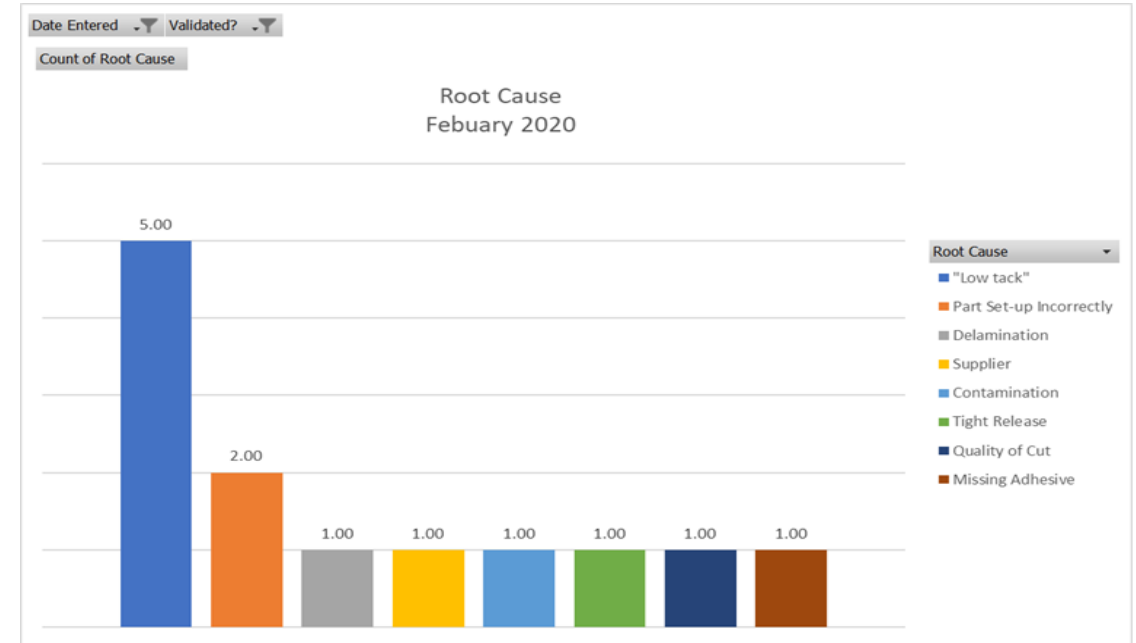
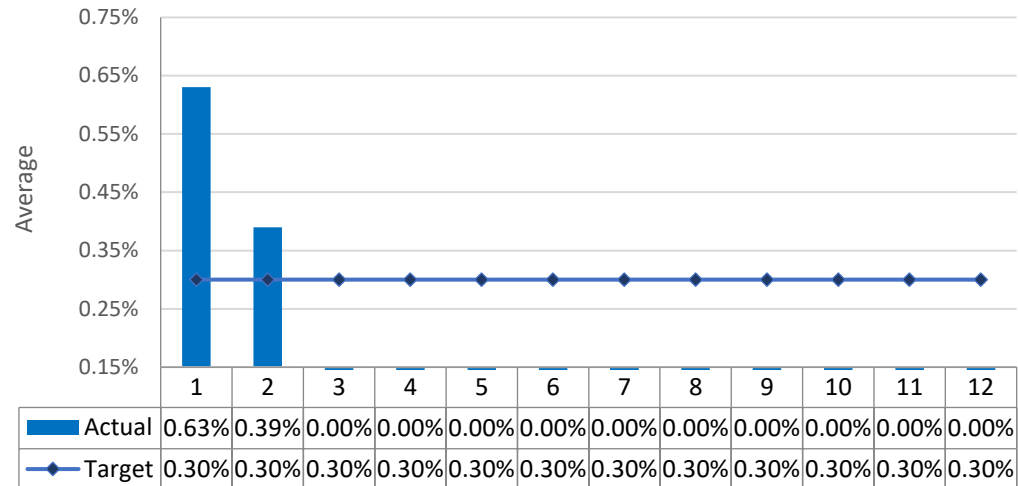
| | PRIORITY | UOM | | JAN | FEB | MAR | APR | MAY | JUN | JUL | AUG | SEP | OCT | NOV | DEC | YTD | Comments |
|----------|--|---------|--------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|-----------|---|
| Delivery | Shipments Specialty Tapes (Consolidated) | \$ | PY | \$3,320 | \$3,081 | \$3,255 | \$4,065 | \$3,154 | \$3,218 | \$3,710 | \$3,460 | \$3,503 | \$4,961 | \$3,119 | \$2,897 | \$41,743 | Based on Plan |
| | | | Plan | \$3,290 | \$3,222 | \$3,365 | \$4,321 | \$3,289 | \$3,487 | \$3,774 | \$3,605 | \$3,627 | \$4,643 | \$3,452 | \$3,293 | \$43,368 | |
| | | | Actual | \$3,387 | \$3,143 | | | | | | | | | | | \$6,530 | |
| | Production Efficiency | % | PY | 87.0% | 89.9% | 89.8% | 90.6% | 91.1% | 89.6% | 89.2% | 89.0% | 90.0% | 92.0% | 91.2% | 87.3% | 89.7% | 2017=86%, 2018=90% |
| | | | Plan | 90.0% | 90.0% | 90.0% | 90.0% | 90.0% | 90.0% | 91.0% | 91.0% | 91.0% | 91.0% | 91.0% | 91.0% | 91.0% | |
| | | | Actual | 90.2% | 90.1% | | | | | | | | | | | | |
| | OTDIF | % | PY | 98.8% | 98.8% | 99.0% | 98.5% | 98.8% | 98.2% | 95.3% | 98.3% | 97.6% | 98.7% | 98.1% | 98.3% | 98.2% | 2018 98% actual plan of 96% 2019 98.2 actual to a 98% plan |
| | | | Plan | 98.2% | 98.2% | 98.2% | 98.2% | 98.2% | 98.2% | 98.2% | 98.2% | 98.2% | 98.2% | 98.2% | 98.2% | 98.2% | |
| | | | Actual | 99.1% | 98.6% | | | | | | | | | | | | |
| Cost | Cost Savings(w/o SmartVentures) | \$ | PY | \$49,556 | \$44,479 | \$35,811 | \$25,633 | \$57,198 | \$72,371 | \$56,044 | \$49,032 | \$52,425 | \$51,570 | \$44,949 | \$43,444 | 582,512 | |
| | | | Plan | \$51,079 | \$53,239 | \$44,233 | \$44,606 | \$30,242 | \$30,242 | \$38,773 | \$34,232 | \$23,058 | \$21,512 | \$27,506 | \$27,506 | \$426,230 | |
| | | | Actual | \$51,469 | \$50,772 | | | | | | | | | | | \$102,241 | |
| | Consolidated Gross Inventory Dollars | \$000's | PY | \$6,460 | \$6,540 | \$6,458 | \$6,235 | \$6,079 | \$5,932 | \$5,942 | \$5,920 | \$5,649 | \$5,869 | \$5,796 | \$6,198 | \$6,198 | 4.4% reduction in total inv. Value from 2019. |
| | | | Plan | \$6,176 | \$6,253 | \$6,174 | \$5,961 | \$5,811 | \$5,671 | \$5,680 | \$5,659 | \$5,401 | \$5,611 | \$5,541 | \$5,925 | \$5,822 | |
| | | | Actual | \$6,377 | \$6,179 | | | | | | | | | | | \$0 | |
| | Reported EBITDA | \$000's | PY | \$714 | \$836 | \$1,048 | \$1,168 | \$886 | \$996 | -\$1,351 | \$784 | \$600 | \$1,407 | \$779 | \$319 | \$8,186 | |
| | | | Plan | \$424 | \$583 | \$697 | \$982 | \$594 | \$675 | \$699 | \$854 | \$849 | \$1,205 | \$762 | \$475 | \$8,799 | |
| | | | Actual | \$638 | \$734 | | | | | | | | | | | \$1,372 | |
| HC | Total Production Headcount | # | PY | 78 | 78 | 78 | 78 | 78 | 78 | 78 | 78 | 78 | 78 | 78 | 78 | 78 | several people retiring this year and no plans to replace all of them do to process/production improvements |
| | | | Plan | 78 | 78 | 78 | 78 | 77 | 77 | 76 | 76 | 76 | 76 | 76 | 76 | 76 | |
| | | | Actual | 75 | 76 | | | | | | | | | | | 76 | |

Quality

EQD % OF LINES SHIPPED

Defective order lines as % of total order lines

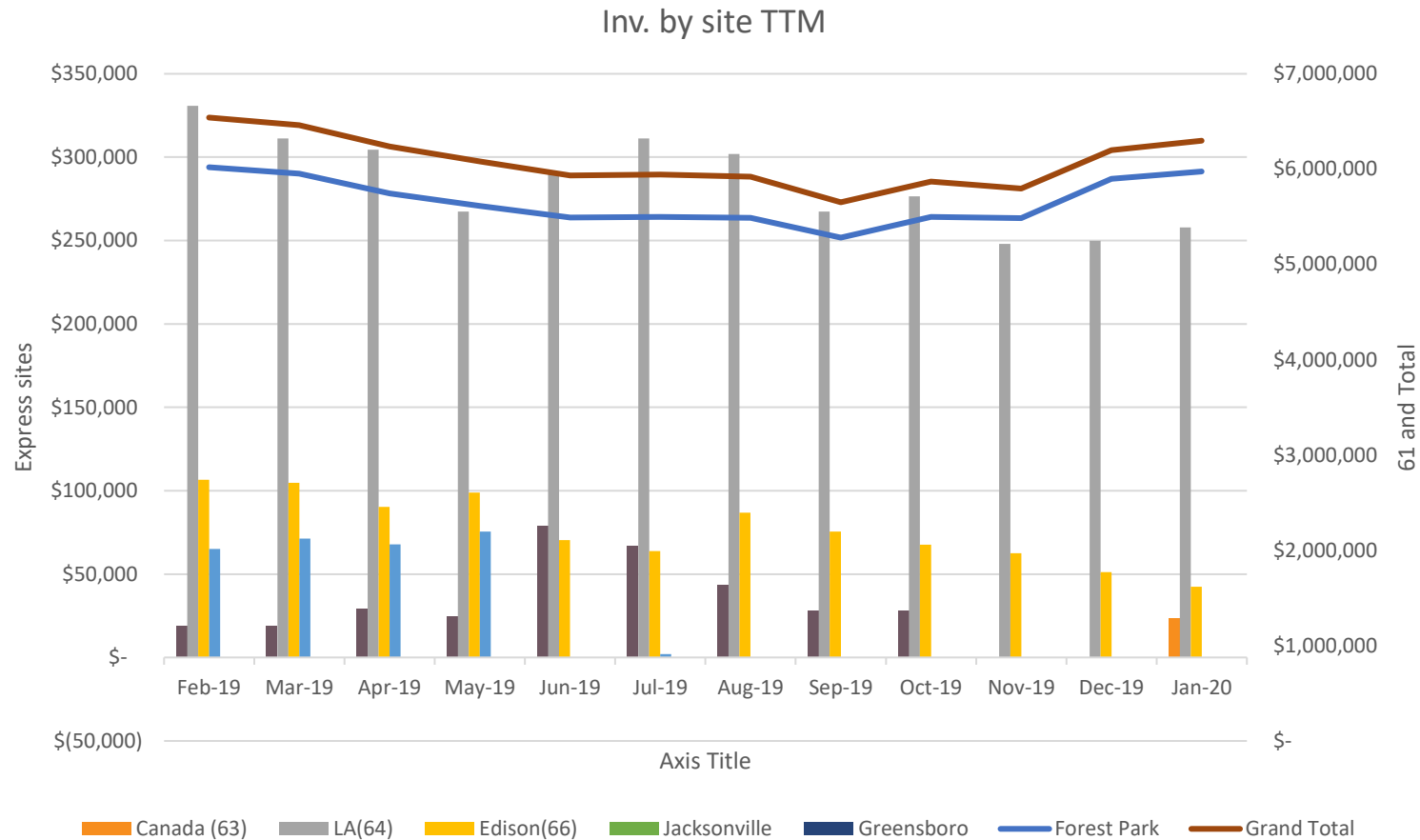
KPI #3A - EQD/lines shipped %
Goal unchanged from 2019



Management Discussion:

- EQD%: Main driver "Low Tack"
 1. We currently have outside testing going on to try and quantify "Low Tack", current testing methods don't show a difference.
- COPQ: Feb. Goal > \$49K, Actual \$38K.

Inventory

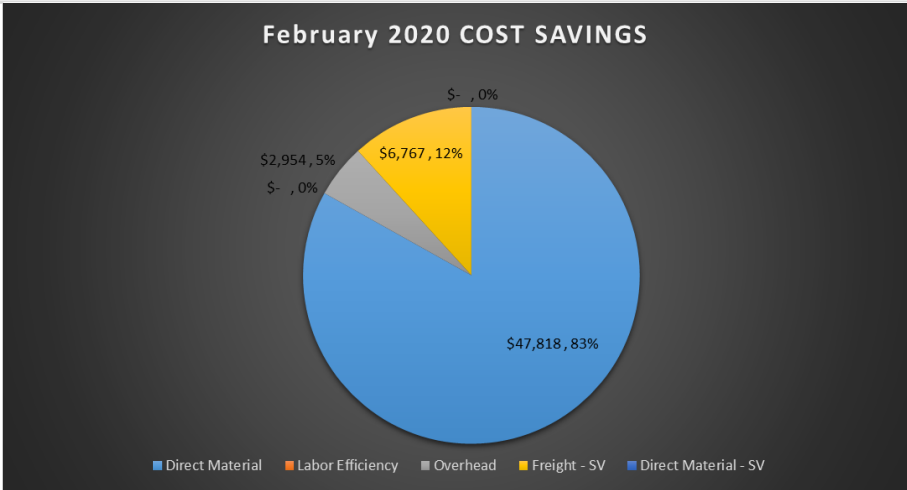
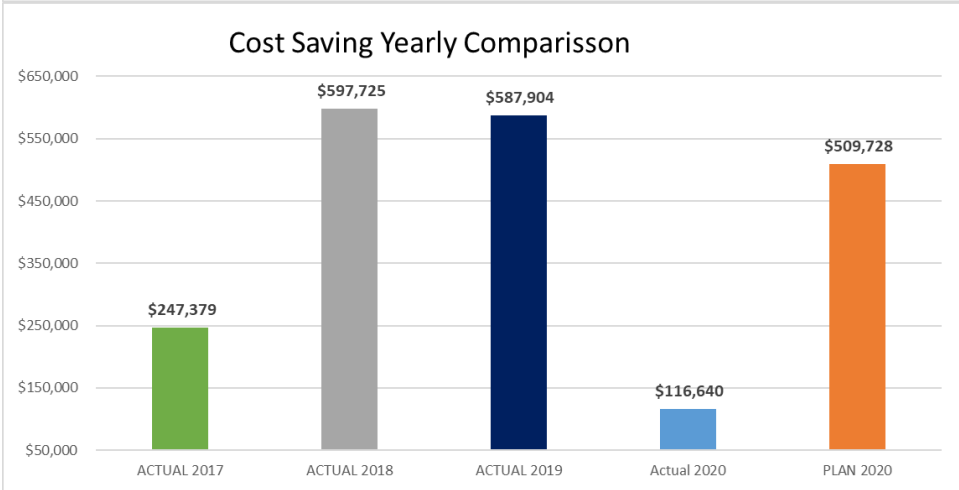
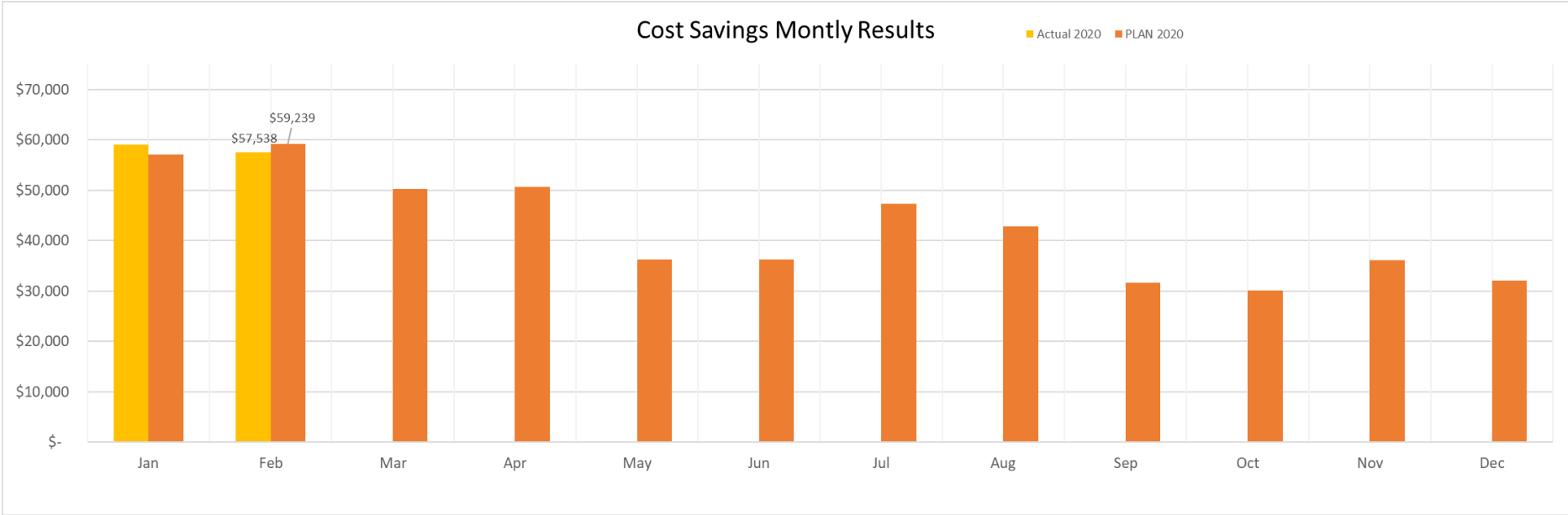


Management Discussion:

- Currently a Greenbelt project is in place to look at optimizing WIP and Raw materials
- We have met with IMEC, they are going to provide us a Inventory expert to work with us, focus on demand planning.
- Inventory up, Main drivers:
 - \$51K- Should have been backed out but wasn't
 - 22K Increase in demand on this product- Mixtiles?
 - Ampac-\$44k, to support increase in forecast.
 - GE-\$36k, preparation for launch

| Part | Change | Reason |
|---------|--------|---|
| ZZL017 | \$51K | Brought in Old PO balance will use up 10 wks |
| ZZFT196 | \$32K | New Product Development will use up 8 wks |
| ZZFT175 | \$27K | Container Delivery/High Volume will use up in 6 wks |
| ZZL003 | \$22k | Demand Increase by 33% will use up in 2 wks |
| ZZA052 | \$17K | New Product Development -Forecasted Demand |
| ZZA051 | \$15K | Start Production with Domestic Source |

Duraco Cost Savings 2020 – Actuals







February 2020 Cost Saving Initiatives

STATUS UPDATE: PROJECT DETAILS

| Target to Improve (TTI) | Category | Plan/Actual | January | February |
|---|------------------|------------------------|----------|----------|
| 10" Multi-Stage Hybrid Rotary - Circle Graphics - Labor (EFF) | Labor Efficiency | Actual | \$842 | \$0 |
| | | Plan | \$1,500 | \$1,500 |
| ST-LKIT In house | Overhead | Actual | \$3,023 | \$2,117 |
| | | Plan | \$1,864 | \$1,491 |
| 5256 Yield Improvement | Direct Material | Actual | \$19,189 | \$21,016 |
| | | Plan | \$15,000 | \$15,000 |
| IMP01 Adhesive Material Replacement (5256) | Direct Material | Actual | \$19,683 | \$19,685 |
| | | Plan | \$15,000 | \$15,000 |
| Mondi SC03 replacing HP228 | Direct Material | Actual | \$5,828 | \$3,948 |
| | | Plan | \$8,720 | \$8,720 |
| Amber Liner Savings | Direct Material | Actual | \$0 | \$0 |
| | | Plan | \$1,495 | \$1,495 |
| Avery Denison Adhesive vs. Pafra (Water Base Adhesive) | Direct Material | Actual | \$920 | \$3,169 |
| | | Plan | \$3,000 | \$3,000 |
| Switch from Q liner to BB liner NS | Direct Material | Actual | \$1,182 | \$0 |
| | | Plan | \$1,000 | \$1,000 |
| Switch from Voltek to JSP (only black) | Direct Material | Actual | \$0 | |
| | | Plan | \$600 | |
| New Trash Vendor | Overhead | Actual | \$802 | \$836 |
| | | Plan | \$1,000 | \$1,000 |
| | | | | |
| ZZI006, ZZI007, ZZI008, from Rogers Corp vs. ElastaPro | Direct Material | Actual | | |
| | | Plan | \$1,600 | \$1,600 |
| ZZL012_Mylar_Pricing Matrix | Direct Material | Actual | | |
| | | Plan | | \$1,833 |
| Freight Saving-LTL-Sutton | Freight - SV | Actual | \$6,211 | \$4,760 |
| | | Plan | \$2,000 | \$2,000 |
| Freight Saving-LTL-AAA Cooper | Freight - SV | Actual | \$1,422 | \$2,007 |
| | | Plan | \$2,000 | \$2,000 |
| Freight Saving-LTL-Fusion (change to SP) | Freight - SV | Actual | \$0 | \$0 |
| | | Plan | \$2,000 | \$2,000 |
| 5256 line Speed improvements | Labor Efficiency | Actual | | |
| | | Plan | \$300 | \$400 |
| Ampac- Eff. Gains with 4:1 liner | Labor Efficiency | Actual | | \$0 |
| | | Plan | | \$200 |
| Ampac liner savings 80# Vs 65# | Direct Material | Actual | | \$0 |
| | | Plan | | \$1,000 |
| TOTAL P&L Savings 2020 | | Actual Savings(all) | \$59,102 | \$57,538 |
| | | Plan | \$57,079 | \$59,239 |
| | | Budget | \$57,079 | \$59,239 |
| | | Actual Savings(W/O SV) | \$51,469 | \$50,772 |
| | | Plan w/o SmartVenture | \$51,079 | \$53,239 |

3PL Services in Los Angeles

STATUS UPDATE: PROJECT DETAILS

| PROJECT | STATUS | CURRENT STATUS & NEXT STEPS | TIMING | Annualized EBITDA Impact (\$MM) | |
|---------|--|--|-------------------|---------------------------------|--------|
| | | | | Projected | Actual |
| Phase 1 |  | <ul style="list-style-type: none"> Brad S. - Review and Sign Fusion Transport 3PL Pricing Agreement Andrew Shallcross - Send Data File to Fusion Transport utilizing Fusion's Template – By: 03/18/2020 Fusion Transport - Completes Duraco's Data Dump / Creates License Plates / Adjusts Racking Andrew S./Steven S. - Enters DRP order for top 25% SKU's being held at Fusion Transport | By: 03/27/2020 | N/A | N/A |
| Phase 2 |  | <ul style="list-style-type: none"> Brad - 30 Day Notice Issued to Essentra DRP Order (Top 25% SKU's) Shipped to Fusion Transport 3PL for Stocking Start Filtering Inventory against Set Parameters - (2017 Inventory (Dispose), 2018 (Bring Back to Duraco), 2019 to Present (Ship to Fusion Transport) | By: 04/03/2020 | N/A | N/A |
| Phase 3 |  | <ul style="list-style-type: none"> Go Live with Top 25% SKU's @ Fusion Transport 3PL Run Down Current Inventory Levels @ Essentra Site – Through April 24, 2020 Andrew S./Steven S. - Enter Next DRP Order for Fusion Transport | By: 04/24/2020 | N/A | N/A |
| Phase 4 |  | <ul style="list-style-type: none"> Essentra - Finishes Palletizing Remaining Inventory; Sends Steven S. & Brian M. Final Inventory List Steven S. – Will Arrange LTL Shipments for Inventory (Going to Fusion & Coming Back to Duraco) Duraco Goes Live with the Remaining SKU's (75%) with Fusion on May 11, 2020 (From May 1st – May 10th these SKU's will Ship Out of Forest Park, IL) | By: 04/30/2020 | N/A | N/A |

 Complete
  Just started
  On Track
  At Risk
  Behind Schedule

Contingency Planning by Level

| LEVEL | DESCRIPTION | GENERAL ACTIONS |
|----------------------|---|--|
| Level One-Minor | <ul style="list-style-type: none"> • CDC/WHO or local health agencies has identified that there is a risk of an outbreak in the area. • There is <10%, effect on employees being able to come to work. • No disruption to customers' orders or lead times. • No Supply disruptions | <ul style="list-style-type: none"> • Preventative Actions around communications • Adjust work force to cover for employee that are out. • Step up Disinfecting schedule • Discussion around should be happening if this should move to a Level 2. |
| Level Two-Major | <ul style="list-style-type: none"> • Disruption to the work force greater than 10% to 30% being seen • a person has been tested positive for the Pandemic i.e.Covid -19. • CDC has declared a Pandemic • States and/or local townships are putting in place "shelter in place" criteria. • No interruption to supply chain | <ul style="list-style-type: none"> • Daily meeting to discuss appropriate communication • Enforced of Social Distances best practices • Additional steps taken on Disinfecting • CDC advises: Notify our local public health agency's regarding next steps. • Notify Employee's that there has been an exposure, includes visitors and employees • Identify the risk of the infection. • Operation Planning -Evaluate resources needed to keep Supply-OT, 2nd sourcing, lead times and set priorities • Discussion around should be happening if this should move to a Level 3. |
| Level Three-Critical | <ul style="list-style-type: none"> • Disruption to the work force >30% or > 2 people have been tested positive for the pandemic i.e. Covid -19 • Vender disruption in supply • A complete shutdown of manufacturing for an extended time. | <ul style="list-style-type: none"> • Daily management meeting to discuss appropriate Communication-Employees and Customers. • Operation Planning -Recovery Planning • Set priorities on products and evaluate lead times based on demand and vendor able to supply. |

Financial Review

Summary P&L – Feb 2020

| \$'000 | MTD | | Var (Bud MTD) | | PY MTD | | Var (PY) | | YTD | | Var (Bud YTD) | | PY YTD | | Var (PY YTD) | |
|---------------------------------|----------|----------|---------------|---------|----------|------------|----------|----------|------------|--------|---------------|----------|------------|----------|--------------|---|
| | Act | Bud | \$ | % | Act | \$ | % | Act | Bud | \$ | % | Act | \$ | % | \$ | % |
| | | | | | | | | | | | | | | | | |
| Gross Revenue | \$ 3,143 | \$ 3,231 | \$ (88) | (2.7%) | \$ 3,191 | \$ (48) | (1.5%) | \$ 6,594 | \$ 6,521 | \$ 73 | 1.1% | \$ 6,640 | \$ (45) | (0.7%) | | |
| Net Revenue | 3,139 | 3,222 | (83) | (2.6%) | 3,172 | (33) | (1.0%) | 6,583 | 6,501 | 81 | 1.3% | 6,576 | 7 | 0.1% | | |
| Material | 949 | 1,024 | 75 | 7.3% | 1,095 | 147 | 13.4% | 2,098 | 2,097 | (1) | (0.1%) | 2,278 | (180) | (7.9%) | | |
| DM % | 30.2% | 31.8% | | | 34.5% | | | 31.9% | 32.3% | | | 34.6% | | | | |
| Labor | 369 | 409 | 40 | 9.7% | 365 | (5) | (1.3%) | 824 | 878 | 55 | 6.2% | 823 | 1 | 0.1% | | |
| DL % | 11.8% | 12.7% | | | 11.5% | | | 12.5% | 13.5% | | | 12.5% | | | | |
| Other COGS | 469 | 461 | (8) | (1.8%) | 387 | (82) | (21.1%) | 974 | 946 | (28) | (2.9%) | 807 | 166 | 20.6% | | |
| Total COGS | 1,787 | 1,893 | 106 | 5.6% | 1,847 | 60 | 3.3% | 3,895 | 3,921 | 25 | 0.6% | 3,908 | (13) | (0.3%) | | |
| Gross Margin | 1,352 | 1,328 | 24 | 1.8% | 1,325 | 27 | 2.0% | 2,687 | 2,581 | 107 | 4.1% | 2,668 | 20 | 0.7% | | |
| Gross Margin % | 43.1% | 41.2% | | | 41.8% | | | 40.8% | 39.7% | | | 40.6% | | | | |
| R&D | 13 | 34 | 22 | 63.5% | 22 | (9) | (43.1%) | 39 | 72 | 33 | 45.8% | 54 | (15) | (27.9%) | | |
| Sales & Marketing | 328 | 370 | 42 | 11.2% | 311 | 17 | 5.6% | 663 | 766 | 104 | 13.5% | 738 | (75) | (10.2%) | | |
| Administrative | 279 | 341 | 62 | 18.3% | 156 | 123 | 78.5% | 615 | 739 | 124 | 16.7% | 326 | 289 | 88.8% | | |
| Other Opex | (2) | — | 2 | 0 | — | (2) | 0 | (2) | — | 2 | | — | (2) | N/A | | |
| Total Opex | 618 | 745 | 128 | 17.1% | 489 | 128 | 26.3% | 1,315 | 1,577 | 262 | 16.6% | 1,118 | 197 | 17.6% | | |
| EBITDA | 734 | 583 | 151 | 26.0% | 836 | (101) | (12.1%) | 1,373 | 1,004 | 369 | 36.8% | 1,550 | (177) | (11.4%) | | |
| EBITDA % | 23.4% | 18.1% | | | 26.3% | | | 20.9% | 15.4% | | | 23.6% | | | | |
| Bank allowable EBITDA add-backs | 20 | 23 | (3) | (13.6%) | (210) | 230 | | 29 | 50 | (22) | (43.0%) | (403) | 432 | (107.1%) | | |
| Bank EBITDA | 754 | 606 | 148 | 24.5% | 626 | 128 | 20.5% | 1,401 | 1,054 | 347 | 33.0% | 1,147 | 255 | 0 | | |
| | 24.0% | 18.8% | | | 19.7% | | | 21.3% | | | | 17.4% | | | | |
| (Standalone Costs) | (149) | (27) | (122) | 450.9% | (66) | (83) | (0) | (278) | (58) | (220) | 379.9% | 155 | (433) | (3) | | |
| PF Adjusted EBITDA | 605 | 579 | 26 | 4.6% | 560 | 45 | 8.0% | 1,123 | 996 | 127 | 12.8% | 992 | 131 | 13.3% | | |
| Indicative % | 19.3% | 18.0% | | | 17.7% | | | 17.1% | 15.3% | | | 15.1% | | | | |
| Net Income (Loss) | \$ (539) | \$ (555) | \$ 16 | (2.9%) | \$ 575 | \$ (1,114) | 193.7% | \$ (989) | \$ (1,166) | \$ 177 | (15.2%) | \$ 875 | \$ (1,865) | 213.0% | | |

| \$'000 | MTD | | Var (Bud) | | PY MTD | | Variance | | YTD | | Var (Bud) | | PY YTD | | Variance | |
|--|--------|--------|-----------|----------|--------|--------|----------|----------|----------|--------|-----------|----------|--------|---------|----------|---|
| | Act | Fcst | \$ | % | Act | \$ | % | Act | Bud | \$ | % | Act | \$ | % | \$ | % |
| | | | | | | | | | | | | | | | | |
| Opex Overview: | | | | | | | | | | | | | | | | |
| Payroll (Payroll, OT, SS & Taxes, Temp Labor, Share Options) | \$ 266 | \$ 315 | 49 | 15.5% | \$ 203 | \$ 62 | 30.7% | \$ 566 | \$ 664 | \$ 98 | 14.8% | \$ 468 | \$ 98 | 21.0% | | |
| Benefits (Medical, Dental, Life, AD&D & 401K) | 45 | 46 | 1 | 1.8% | 34 | 11 | 32.4% | 89 | 100 | \$ 11 | 11.2% | 76 | 12 | 16.1% | | |
| Bonus | 86 | 86 | 0 | 0.0% | 38 | 48 | 125.3% | 172 | 172 | \$ 0 | 0.0% | 83 | 89 | 107.4% | | |
| Marketing | 79 | 79 | 0 | 0.0% | 65 | 15 | 22.8% | 159 | 159 | \$ 0 | 0.0% | 181 | (22) | (12.3%) | | |
| Commissions | 2 | 2 | 0 | 0.0% | 8 | (6) | (77.7%) | 4 | 4 | \$ (0) | (0.0%) | 19 | (15) | (78.6%) | | |
| Travel and Entertainment | 7 | 24 | 17 | 70.1% | 20 | (13) | (63.6%) | 29 | 54 | \$ 25 | 45.9% | 32 | (2) | (7.3%) | | |
| Rent and Facilities | 1 | 6 | 5 | 85.2% | 17 | (16) | (94.8%) | 2 | 10 | \$ 8 | 82.1% | 37 | (35) | (95.3%) | | |
| Insurance | 14 | 14 | (0) | (0.0%) | 4 | 10 | 290.9% | 31 | 31 | \$ (0) | (0.0%) | 7 | 24 | 339.8% | | |
| Professional Fees | 31 | 36 | 5 | 14.4% | 7 | 24 | 356.0% | 51 | 80 | \$ 29 | 36.0% | 12 | 39 | 312.6% | | |
| Utilities, Repairs, Maint. & Security | 0 | 3 | 2 | 96.6% | 7 | (7) | (98.7%) | 3 | 6 | \$ 3 | 52.9% | 13 | (10) | (79.3%) | | |
| Office Supplies | 2 | 1 | (1) | (135.1%) | 3 | (0) | (4.2%) | 6 | 2 | \$ (4) | (171.3%) | 12 | (5) | (46.0%) | | |
| IT | 36 | 78 | 42 | 53.8% | 41 | (5) | (12.0%) | 76 | 170 | \$ 94 | 55.4% | 60 | 16 | 26.4% | | |
| Bad Debt | (3) | 3 | 6 | 185.5% | 2 | (5) | (216.8%) | 9 | 8 | \$ (1) | (14.9%) | 13 | (4) | (30.5%) | | |
| Real Estate Taxes | 13 | 13 | 0 | 0.0% | 13 | 1 | 4.4% | 29 | 29 | \$ 0 | 0.0% | 28 | 1 | 4.4% | | |
| Other Expenses | 38 | 40 | 2 | 4.6% | 29 | 9 | 32.0% | 89 | 88 | \$ (1) | (0.7%) | 77 | 11 | 14.7% | | |
| Total Opex | \$ 618 | \$ 745 | \$ 128 | 17.1% | \$ 489 | \$ 128 | 26.3% | \$ 1,315 | \$ 1,577 | \$ 262 | 16.6% | \$ 1,118 | \$ 197 | 17.6% | | |

Management Discussion:

COGS

- DM % improved vs. plan due to a strong mix in the month as a result of the \$200k mix tiles order.
- Direct labor costs were favorable to budget due to lower payroll taxes, favorable mix, and lower headcount.
- Other COGS are \$8k higher than plan due to higher freight costs as a result of the timing of invoices.

OPEX

- OPEX is favorable to plan due largely to timing of headcount additions, IT expenses, and recruitment fees.

ADD-BACKS

- Add-backs relate to some acquisition related travel, and the LBC bank admin fees.

Pro Forma Adjusted EBITDA

- PF Adj EBITDA is favorable to plan due to higher gross margin.

Balance Sheet

| | Feb-20 | Feb-20 | Variance | | Jan-20 | Variance | | PY | Variance | |
|---|------------------|------------------|-----------------|--------------|------------------|-----------------|---------------|------------------|------------------|----------------|
| \$'000 | Act | Bud | \$ | % | Act | \$ | % | Act | \$ | % |
| Current Assets | | | | | | | | | | |
| Cash and cash equivalents | \$ 1,445 | \$ 1,031 | \$ 414 | 40.1% | \$ 2,078 | \$ (633) | (30.5%) | \$ 2,848 | \$ (1,403) | (49.3%) |
| Short term investments | — | — | — | 0 | — | — | 0 | — | — | 0 |
| Accounts receivable, gross | 5,594 | 5,394 | 200 | 3.7% | 5,654 | (60) | (1.1%) | 5,320 | 275 | 5.2% |
| Accounts receivable, reserves | (118) | (108) | (10) | 9.4% | (121) | 3 | (2.1%) | (77) | (41) | 53.7% |
| Accounts receivable, net | 5,476 | 5,286 | 190 | 3.6% | 5,533 | (57) | (1.0%) | 5,243 | 234 | 4.5% |
| Inventory, gross | 6,179 | 6,079 | 100 | 1.7% | 6,377 | (198) | (3.1%) | 6,540 | (361) | (5.5%) |
| Inventory, reserves | (1,026) | (993) | (34) | 3.4% | (1,017) | (9) | 0.9% | (944) | (82) | 8.7% |
| Inventory, net | 5,153 | 5,086 | 67 | 1.3% | 5,360 | (207) | (3.9%) | 5,596 | (443) | (7.9%) |
| Prepaid expenses and other current assets | 340 | 325 | 15 | 4.6% | 425 | (85) | (20.0%) | 149 | 191 | 128.2% |
| Current portion of deferred taxes | — | — | — | 0 | — | — | 0 | — | — | 0 |
| Other current assets | — | — | — | 0 | — | — | 0 | 3,788 | (3,788) | (100.0%) |
| Total Current Assets | 12,414 | 11,729 | 685 | 5.8% | 13,397 | (983) | (7.3%) | 17,624 | (5,209) | (29.6%) |
| Non-Current Assets | | | | | | | | | | |
| Property, plant & equipment, gross | 12,575 | 12,783 | (209) | (1.6%) | 12,251 | 323 | 2.6% | 21,898 | (9,323) | (42.6%) |
| Accumulated depreciation | (589) | (592) | 3 | (0.4%) | (516) | (73) | 14.3% | (9,001) | 8,412 | (93.5%) |
| Property, plant & equipment, net | 11,986 | 12,192 | (206) | (1.7%) | 11,736 | 250 | 2.1% | 12,896 | (911) | (7.1%) |
| Identifiable intangible assets, gross | — | — | — | 0 | — | — | 0 | — | — | 0 |
| Accumulated amortization | (3,831) | (3,831) | — | 0.0% | (3,352) | (479) | 14.3% | (16,510) | 12,679 | (76.8%) |
| Identifiable intangible assets, net | 53,639 | 53,639 | — | 0.0% | 54,118 | (479) | (0.9%) | 35,984 | 17,655 | 49.1% |
| Deferred financing cost | — | — | — | 0 | — | — | 0 | — | — | 0 |
| Other non-current assets | 5,234 | — | 5,234 | 0 | — | 5,234 | 0 | — | 5,234 | 0 |
| Total Non-Current Assets | 70,859 | 65,831 | 5,028 | 7.6% | 65,853 | 5,005 | 7.6% | 48,880 | 21,978 | 45.0% |
| Total Assets | \$ 83,273 | \$ 77,559 | \$ 5,714 | 7.4% | \$ 79,250 | \$ 4,023 | 5.1% | \$ 66,504 | \$ 16,769 | 25.2% |
| Current Liabilities | | | | | | | | | | |
| Current portion of long-term debt | 1,462 | \$ 1,039 | \$ 423 | 40.7% | \$ 1,462 | \$ — | 0.0% | \$ — | \$ 1,462 | 0 |
| Notes Payable | 518 | 531 | (13) | (2.5%) | 261 | 256 | 98.0% | — | 518 | 0 |
| Accounts payable | 1,979 | 1,926 | 53 | 2.7% | 2,320 | (341) | (14.7%) | 1,866 | 113 | 6.1% |
| Accrued liabilities | 2,426 | 2,004 | 421 | 21.0% | 2,536 | (110) | (4.3%) | 1,604 | 822 | 51.2% |
| Accrued compensation | — | — | — | 0 | — | — | 0 | — | — | 0 |
| Income taxes payable | 0 | (8) | 8 | (102.1%) | 0 | — | 0.0% | 6,200 | (6,200) | (100.0%) |
| Other current liabilities | (247) | (233) | (14) | 6.1% | (233) | (14) | 6.1% | — | (247) | 0 |
| Total Current Liabilities | 6,137 | 5,260 | 878 | 16.7% | 6,346 | (209) | (3.3%) | 9,669 | (3,532) | (36.5%) |
| Long-term liabilities | | | | | | | | | | |
| Long-term debt less current maturities | 44,438 | 40,061 | 4,377 | 10.9% | 39,638 | 4,800 | 12.1% | — | 44,438 | 0 |
| Deferred income taxes | — | — | — | 0 | — | — | 0 | — | — | 0 |
| Other non-current liabilities | (823) | (775) | (47) | 6.1% | (795) | (28) | 3.5% | — | (823) | 0 |
| Total Long-Term Liabilities | 43,615 | 39,285 | 4,330 | 11.0% | 38,843 | 4,772 | 12.3% | — | 43,615 | 0 |
| Total Liabilities | 49,752 | 44,545 | 5,207 | 11.7% | 45,189 | 4,563 | 10.1% | 9,669 | 40,083 | 414.5% |
| Shareholders' Equity | | | | | | | | | | |
| Common stock | 39,001 | 39,001 | — | 0.0% | 39,001 | — | 0.0% | — | 39,001 | 0 |
| Capital in excess of stated value | — | — | — | 0 | — | — | 0 | — | — | 0 |
| Retained earnings | (5,480) | (5,987) | 507 | (8.5%) | (4,940) | (539) | 10.9% | 56,835 | (62,314) | (109.6%) |
| Accumulated other comprehensive income | — | — | — | 0 | — | — | 0 | — | — | 0 |
| Other equity transactions | — | — | — | 0 | — | — | 0 | — | — | 0 |
| Total Shareholders' Equity | 33,522 | 33,014 | 507 | 1.5% | 34,061 | (539) | (1.6%) | 56,835 | (23,313) | (41.0%) |
| Total Liabilities and Shareholders' Equity | \$ 83,274 | \$ 77,559 | \$ 5,715 | 7.4% | \$ 79,250 | \$ 4,024 | 5.1% | \$ 66,504 | \$ 16,770 | 25.2% |

Management Discussion:

- This balance sheet excludes the Infinity Opening balance sheet.
- Cash is higher than budget due to higher EBITDA in and lower restructuring costs YTD (timing).
- Inventory is higher than plan, but will decline in the coming months as higher inventory positions taken in December and January due to supplier shutdowns unwind.
- Accrued Liabilities is higher than plan due to higher accrued marketing costs (timing), and higher accruals related to restructuring costs.
- Debt increased due to the Infinity acquisition on the last day of the month.

OPEX Detail

\$'000

| | YTD | | | Explanation of Variance | | | | Variance Impact | | |
|--|--------------|--------------|---------------------|-----------------------------|------------|-----------------------|----------|---------------------------|-----------------------|------------------------------|
| | Act | Bud | Variance B / (W) | One-Time / Non-recurring | Timing | Change in Run-rate | Other | Total Variance B / (W) | YoY Impact B / (W) | Annualized Impact B / (W) |
| Payroll (Payroll, OT, SS & Taxes, Temp Labor, Share Options) | 566 | 664 | 98 | | 98 | | | 98 | - | - |
| Benefits (Medical, Dental, Life, AD&D & 401K) | 89 | 100 | 11 | | | | | - | - | - |
| Bonus | 172 | 172 | 0 | | | | | - | - | - |
| Marketing | 159 | 159 | 0 | | | | | - | - | - |
| Commissions | 4 | 4 | (0) | | | | | - | - | - |
| Travel and Entertainment | 29 | 54 | 25 | | 25 | | | 25 | - | - |
| Rent and Facilities | 2 | 10 | 8 | | | | | - | - | - |
| Insurance | 31 | 31 | (0) | | | | | - | - | - |
| Professional Fees | 51 | 80 | 29 | | 29 | | | 29 | 29 | 173 |
| Utilities, Repairs, Maint. & Security | 3 | 6 | 3 | | | | | - | - | - |
| Office Supplies | 6 | 2 | (4) | | | | | - | - | - |
| IT | 76 | 170 | 94 | | 94 | | | 94 | 94 | 565 |
| Bad Debt | 9 | 8 | (1) | | | | | - | - | - |
| Real Estate Taxes | 29 | 29 | 0 | | | | | - | - | - |
| Other Expenses | 89 | 88 | (1) | | | | | - | - | - |
| Total Opex | 1,315 | 1,577 | 262 | - | 246 | - | - | 246 | 123 | 738 |

Management Discussion:

- Payroll: Have not hired VP of Sales and other open positions.
- Travel & Entertainment: Lower than plan due to lower headcount.
- Professional Fees: Recruiting fees for positions that have not been hired.
- IT: most IT costs are delayed due to the delayed network separation. This will begin to ramp in March.

One- time costs

\$'000

| | | | | Explanation of Variance | | | | | | | | |
|--------------------------------------|------------------------|-----------------------|-------------------|-----------------------------|---------------|-----------------------|-------------|----------------------------------|---------------------------------|-------------------------|---------------------|----------------------------|
| | Act (06/19 - 02/20) | Fcst (06/19-02/20) | Variance F/(U) | One-Time / Non-recurring | Timing | Change in Run-rate | Other | Original Fcst (06/19 - 06/20) | Updated Fcst (06/19 - 06/20) | Total Variance F/(U) | YoY Impact F/(U) | Annualized Impact F/(U) |
| Transaction Services Agreement (TSA) | \$ 766 | \$ 685 | \$ (82) | | \$ (82) | \$ | | \$ 791 | \$ 973 | \$ (182) | \$ (182) | \$ (1,092.00) |
| Opening Balance Sheet audit | 4 | 5 | 1 | | \$ 1 | - | | 12 | 8 | 4 | 4 | 24 |
| Asset Valuation Report | 34 | 40 | 6 | | \$ 6 | - | | 40 | 30 | 10 | 10 | 60 |
| ERP Implementation | 89 | 330 | 241 | | \$ 241 | - | | 550 | 490 | 60 | 60 | 360 |
| Website Build | 170 | 190 | 20 | | \$ 20 | - | | 350 | 350 | - | - | - |
| Data Analytics Platform | 86 | 160 | 74 | | \$ 74 | | | 160 | 106 | 54 | | |
| IT System Upgrade | 25 | 250 | 225 | | \$ 225 | - | | 300 | 352 | (52) | (52) | (312) |
| Supply Chain Specialist | 60 | 60 | - | | \$ - | - | | 60 | 60 | - | - | (60) |
| Pricing Specialist | - | | - | | \$ - | - | | | | - | - | - |
| Sales Force Efficiency Specialist | 139 | 120 | (19) | | \$ (19) | - | | 134 | 119 | 15 | 15 | 90 |
| MOR Setup | 37 | 65 | 28 | | \$ 28 | - | | 40 | 37 | 3 | 3 | 18 |
| HR Specialist | 117 | 200 | 83 | | \$ 83 | - | | 147 | 122 | 25 | 25 | 150 |
| Interim CFO Support Services | 171 | 187 | 15 | | \$ 15 | | | 171 | 171 | - | | |
| IT Specialist | 91 | 70 | (21) | | \$ (21) | - | | 126 | 156 | (30) | (30) | (180) |
| Recruitment of new personnel | - | 243 | 243 | | | 243 | | - | | - | - | - |
| Marketing/product roadmap study | 36 | - | (36) | | \$ (36) | - | | - | 70 | (70) | (70) | (420) |
| Rebranding | 33 | 100 | 67 | | \$ 67 | - | | 75 | 50 | 25 | 25 | 150 |
| Ceridian Implementation | 1 | | (1) | | \$ (1) | - | | | 25 | (25) | | |
| Mercer | 20 | | (20) | | \$ (20) | - | | | | - | | |
| Growth & Strategy (Beckway) | 82 | | (82) | | \$ (82) | - | | | | - | | |
| Other | 5 | - | (5) | | \$ (5) | - | | 5 | | 5 | 5 | 30 |
| Total 1x Costs | \$ 1,966 | \$ 2,704 | \$ 738 | \$ - | \$ 495 | \$ 243 | \$ - | \$ 2,961 | \$ 3,119 | \$ (158) | \$ (187) | \$ (1,182) |

Management Discussion:

- Current forecast for first year spend is higher than bank allowable \$3m, will flex with CAPEX (ERP, Website, IT Upgrades) and other add back categories.

Cashflow Statement

| \$'000 | MTD | | Variance | | PY-MTD | | Variance | |
|--|-------------------|-----------------|-------------------|----------------|-----------------|-------------------|--------------------|--|
| | Act | Bud | \$ | % | Act | \$ | % | |
| Cash flow from operations | | | | | | | | |
| Net Income (Loss) | \$ (539) | \$ (555) | 16 | (2.9%) | \$ — | \$ (539) | 0 | |
| Depreciation, amortization and other | 552 | 554 | (2) | (0.3%) | — | 552 | 0 | |
| Capitalized fees & expenses | 21 | 19 | 1 | 6.1% | — | 21 | 0 | |
| Gain (loss) on sale of fixed assets | 8 | — | 8 | | — | 8 | 0 | |
| Non-cash interest expense | 256 | 257 | (1) | (0.2%) | 4 | 252 | 5866.9% | |
| Non-cash dividends | — | — | — | | 21 | (21) | (100.0%) | |
| Deferred income tax | — | — | — | | — | — | | |
| <i>Change in operating assets and liabilities:</i> | | | | | | | | |
| Accounts receivable | 57 | (8) | 65 | (817.2%) | 34 | 23 | 66.1% | |
| Inventory | 207 | 165 | 42 | 25.5% | 82 | 125 | 152.4% | |
| Prepaid expenses and other current assets | 85 | 92 | (7) | (7.9%) | (421) | 506 | (120.2%) | |
| Accounts payable | (341) | (133) | (208) | 156.4% | 15 | (356) | (2333.5%) | |
| Accrued expenses | (110) | (53) | (57) | 107.2% | (303) | 192 | (63.6%) | |
| Accrued income taxes | — | (160) | 160 | (100.0%) | (308) | 308 | (100.0%) | |
| Other changes in operating assets and liabilities | (63) | — | (63) | | — | (63) | | |
| Other cash flow from operations | (2) | — | (2) | | — | (2) | | |
| Total Cash Flow from Operations | \$ 131 | \$ 178 | \$ (47) | (26.3%) | \$ 404 | \$ (273) | (67.5%) | |
| Cash flow from investing | | | | | | | | |
| Additions to property, plant and equipment | \$ (330) | \$ (486) | \$ 156 | (32.0%) | \$ 2 | \$ (333) | (13979.3%) | |
| Acquisitions of companies, net of cash acquired | (5,234) | — | (5,234) | | — | (5,234) | | |
| Investment in intangibles | — | — | — | | — | — | | |
| Earnout payments | — | — | — | | — | — | | |
| Other cash flow from investing (goodwill) | — | — | — | | — | — | | |
| Total Cash Flow from Investing | \$ (5,565) | \$ (486) | \$ (5,079) | | \$ 2 | \$ (5,567) | (233863.1%) | |
| Cash flow from financing | | | | | | | | |
| Proceeds from the issuance (repayment) of ST | \$ — | \$ — | \$ — | | \$ — | \$ — | | |
| Proceeds from the issuance of debt | 4,800 | — | 4,800 | | — | 4,800 | | |
| Repayment of debt | — | — | — | | — | — | | |
| Capital lease | — | — | — | | — | — | | |
| Common stock issued (repurchased) | — | — | — | | — | — | | |
| Common stock cash dividends paid | — | — | — | | — | — | | |
| Preferred stock issued (repurchased) | — | — | — | | — | — | | |
| Other cash flow from financing costs | — | — | — | | — | — | | |
| Total Cash Flow from Financing | \$ 4,800 | \$ — | \$ 4,800 | | \$ — | \$ 4,800 | | |
| Effect of FX rates on cash and cash equivalents | \$ — | \$ — | \$ — | | \$ — | \$ — | | |
| Net change in cash | \$ (633) | \$ (308) | \$ (326) | 105.9% | \$ 406 | \$ (1,040) | (255.9%) | |
| Beginning cash | 2,078 | 1,339 | 740 | 55.3% | 2,848 | (770) | (27.0%) | |
| Change in cash | (633) | (308) | (326) | 105.9% | 406 | (1,040) | (255.9%) | |
| Ending cash | \$ 1,445 | \$ 1,031 | \$ 414 | 40.1% | \$ 3,254 | \$ (1,810) | (55.6%) | |

Management Discussion:

- Operating cashflow in the month is better than plan due to improvements in A/R and Inventory as well as not accruing income tax expenses.
- Receivables declined due to lower revenue
- A/P decreased largely due to the timing of the final January A/P run which was delayed by the shared service center at Essentra.

Debt Leverage Ratios – February 2019

Jul 19 Aug 19 Sep 19 Oct 19 Nov 19 Dec 19 Jan 20 Feb 20

| | | | | | | | | |
|--------------------|--------------|----------------|--------------|----------------|--------------|--------------|--------------|--------------|
| Bank EBITDA | \$906 | \$1,008 | \$901 | \$1,445 | \$819 | \$561 | \$645 | \$753 |
| TTM Bank EBITDA | \$9,848 | \$9,939 | \$10,029 | \$10,270 | \$10,169 | \$9,946 | \$10,071 | \$10,198 |

Fixed Charge Coverage Ratio (Section 6.1)

| | | | | | | | | | |
|-------|--|------------|------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | Bank EBITDA | \$906 | \$1,008 | \$901 | \$1,445 | \$819 | \$561 | \$645 | \$753 |
| i - | Unfinanced Capital Expenditures | \$ - | \$ - | \$ 49 | \$ 66 | \$ 228 | \$ 46 | \$ 25 | \$ 330 |
| ii - | Management Fees paid or incurred | \$ 83 | \$ 83 | \$ 83 | \$ 83 | \$ 83 | \$ 83 | \$ 83 | \$ 83 |
| iii - | Income/franchise taxes paid or incurred | - | - | - | - | - | - | - | - |
| iv - | Restricted Distributions paid in cash | - | - | - | - | - | - | - | - |
| v - | Contingent Purchase Price Obligations paid in cash | - | - | - | - | - | - | - | - |
| | Operating Cash Flow (Numerator) | \$822 | \$925 | \$769 | \$1,296 | \$508 | \$431 | \$537 | \$339 |
| | Interest Expense | \$ 270 | \$ 270 | \$ 270 | \$ 270 | \$ 270 | \$ 270 | \$ 270 | \$ 270 |
| | Less: Interest Received | - | - | - | - | - | - | - | - |
| a | Net Cash Interest | \$ 270 | \$ 270 | \$ 270 | \$ 270 | \$ 270 | \$ 270 | \$ 270 | \$ 270 |
| b | Regularly scheduled principal payments | \$ - | \$ - | \$ - | \$ 265 | \$ - | \$ 265 | \$ - | \$ - |
| | Fixed Charges (Denominator) | \$ 270 | \$ 270 | \$ 270 | \$ 535 | \$ 270 | \$ 535 | \$ 270 | \$ 270 |
| | TTM Numerator | \$ 8,246 | \$ 8,380 | \$ 8,464 | \$ 8,682 | \$ 8,396 | \$ 8,170 | \$ 8,357 | \$ 8,242 |
| | TTM Denominator | \$ 4,032 | \$ 4,032 | \$ 4,032 | \$ 4,297 | \$ 4,297 | \$ 4,297 | \$ 4,297 | \$ 4,297 |
| | Fixed Charge Coverage Ratio | N/A | N/A | 2.10 | 2.02 | 1.95 | 1.90 | 1.95 | 1.92 |
| | Covenant | | | 1.10 | | | 1.10 | 1.10 | 1.10 |
| | Status | | | Pass | | | Pass | Pass | Pass |

Total Debt to EBITDA Ratio (Section 6.2)

| | | | | | | | | | |
|---|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| + | Outstanding amount of Revolving Loans | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| + | Outstanding Principal Balance - Term Loan | \$42,474 | \$42,474 | \$42,474 | \$41,359 | \$41,359 | \$41,099 | \$41,099 | \$41,099 |
| + | Outstanding Principal Balance - Other Debt | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| - | Qualified Cash | (1,366) | (1,922) | (2,353) | (1,165) | (1,528) | (1,609) | (2,078) | (1,445) |
| | Bank Debt | \$41,108 | \$40,552 | \$40,121 | \$40,194 | \$39,831 | \$39,490 | \$39,021 | \$39,655 |
| | TTM Bank EBITDA | \$9,848 | \$9,939 | \$10,029 | \$10,270 | \$10,169 | \$9,946 | \$10,071 | \$10,198 |
| | Leverage Ratio | 4.17 | 4.08 | 4.00 | 3.91 | 3.92 | 3.97 | 3.87 | 3.89 |
| | Maximum Permitted Total Debt to EBITDA Ratio for the defined period. | | | 6.25 | | | 6.25 | 6.25 | 6.25 |
| | Status | | | Pass | | | Pass | Pass | Pass |

Management Discussion:

- Duraco is well within all covenants.
- The line items have been annualized per page 10 of Exhibit C of the credit agreement.
 - Interest Payments
 - Scheduled payments of principal
 - Management Fees
 - Cash Taxes paid
- This excludes the impact of the \$2.8m revolver draw and \$2m increase in the term loan.

13 Week Cash Forecast



13 Week Cash Flow Forecast

| | W/E | 3/7/20 | Act 3/7/20 | 3/14/20 | 3/21/20 | 3/28/20 | 4/4/20 | 4/11/20 | 4/18/20 | 4/25/20 | 5/2/20 | 5/9/20 | 5/16/20 | 5/23/20 | 5/30/20 | 6/6/20 |
|--------------------------------------|-----|-----------|------------|-----------|-----------|-----------|-------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Beginning Cash Balance | | 1,815,967 | 1,815,967 | 1,676,448 | 1,306,739 | 1,310,421 | 1,259,850 | (49,327) | 147,043 | 72,407 | 427,079 | 593,588 | 929,725 | 1,043,062 | 1,412,398 | 1,295,401 |
| Total Cash Inflow | | 461,358 | 533,017 | 1,100,565 | 772,332 | 582,013 | 754,102 | 747,120 | 683,614 | 902,522 | 1,056,593 | 835,087 | 835,087 | 835,087 | 835,087 | 855,647 |
| Cash Outflow | | | | | | | | | | | | | | | | |
| Accounts Payable | | 370,200 | 104,713 | 333,014 | 337,000 | 339,500 | 370,200 | 362,000 | 337,000 | 337,000 | 337,000 | 370,200 | 337,000 | 337,000 | 337,000 | 362,000 |
| Payroll | | 310,000 | 267,546 | 620,000 | 300,000 | 70,000 | 300,000 | 70,000 | 300,000 | 70,000 | 300,000 | 70,000 | 300,000 | 70,000 | 300,000 | 70,000 |
| Union Benefits | | - | 19,338 | - | - | 62,000 | - | - | - | 62,000 | - | - | - | - | 62,000 | - |
| Non-Union Benefits | | 12,553 | 82,850 | - | - | - | - | - | - | - | 66,000 | - | - | - | 66,000 | - |
| 401K | | 25,000 | 24,759 | 25,000 | 26,000 | - | 26,000 | - | 26,000 | - | 26,000 | - | 26,000 | - | 26,000 | - |
| Taxes | | 162,151 | 162,151 | - | - | - | - | - | - | - | - | - | - | - | - | - |
| CAPEX | | - | - | 11,510 | 46,900 | - | - | 60,000 | 36,500 | 20,100 | - | - | - | - | - | - |
| Term Loan Interest Payments | | - | - | - | - | - | 782,329 | - | - | - | - | - | - | - | - | - |
| Term Loan Payments | | - | - | 422,000 | - | - | 265,000 | - | - | - | - | - | - | - | - | - |
| Revolver Interest Payments | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Revolver Payments | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Unused Line Fee Payments | | - | - | - | - | - | 11,000 | - | - | - | - | - | - | - | - | - |
| OGC Quarterly Management Fee Payment | | - | - | - | - | - | 250,000 | - | - | - | - | - | - | - | - | - |
| One Time Costs | | 58,750 | 11,179 | 58,750 | 58,750 | 161,084 | 58,750 | 58,750 | 58,750 | 58,750 | 161,084 | 58,750 | 58,750 | 58,750 | 161,084 | 58,750 |
| Total Cash Outflow | | 938,654 | 672,536 | 1,470,274 | 768,650 | 632,584 | 2,063,279 | 550,750 | 758,250 | 547,850 | 890,084 | 498,950 | 721,750 | 465,750 | 952,084 | 490,750 |
| Weekly Cash Inflow/(Outflow) | | (477,296) | (139,519) | (369,709) | 3,682 | (50,571) | (1,309,177) | 196,370 | (74,636) | 354,672 | 166,509 | 336,137 | 113,337 | 369,337 | (116,997) | 364,897 |
| Ending Cash Balance | | 1,338,671 | 1,676,448 | 1,306,739 | 1,310,421 | 1,259,850 | (49,327) | 147,043 | 72,407 | 427,079 | 593,588 | 929,725 | 1,043,062 | 1,412,398 | 1,295,401 | 1,660,298 |
| Outstanding Checks | | (460,000) | (574,569) | (460,000) | (460,000) | (460,000) | (460,000) | (460,000) | (460,000) | (460,000) | (460,000) | (460,000) | (460,000) | (460,000) | (460,000) | (460,000) |
| Net Available Cash | | 878,671 | 1,101,879 | 846,739 | 850,421 | 799,850 | (509,327) | (312,957) | (387,593) | (32,921) | 133,588 | 469,725 | 583,062 | 952,398 | 835,401 | 1,200,298 |

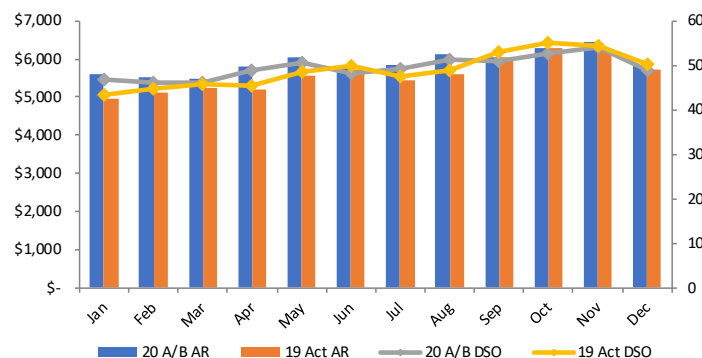
MANAGEMENT DISCUSSION

- (w/e 3/7) Real Estate Tax Payment \$162K.
- (w/e 3/14) Bonus payments.
- (w/e 3/21) Capex - Modification to 10" Rotary
- (w/e 3/28) TSA Payment - \$102K
- (w/e 4/4) Loan Payment - Principle & Interest. \$1,058K
- (w/e 4/4) Quarterly Management Fee - \$250K
- (w/e 4/11) Capex - Butt Splicer #1 Spooler - Initial payment .

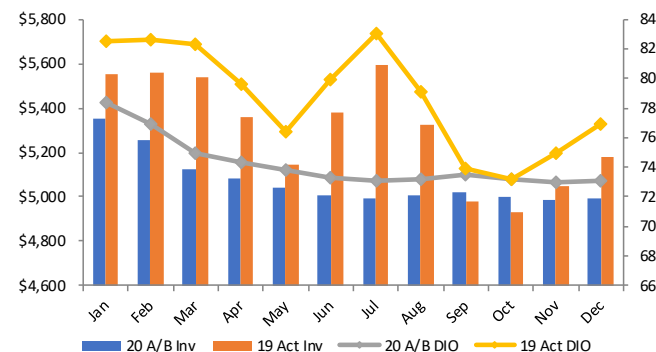


Working Capital and Cash Conversion Cycle

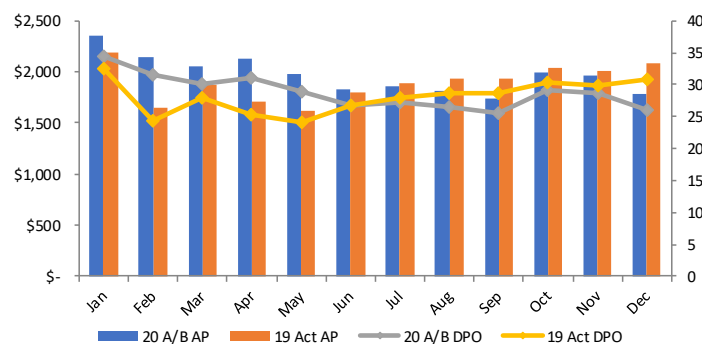
Accounts receivable, net



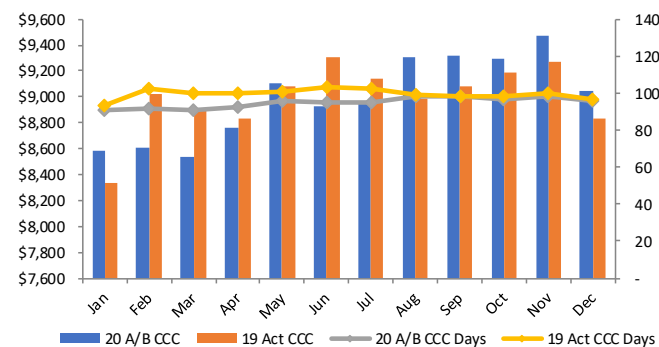
Inventory, net



Accounts Payable, net



Cash Conversion Cycle



Management Discussion:

- 20 CCC days have improved compared to PY due largely to lower inventory balances and higher A/P partially offset by higher A/R.
- 20 A/P is higher than 19 due largely to restructuring costs.
- Inventory has outperformed 2019 due to improvements in the stock model and an increased focus on reducing inventory.

Information Systems and Technology

Status of Key IT Initiatives

STATUS UPDATE: PROJECT DETAILS

| PROJECT | STATUS | CURRENT STATUS & NEXT STEPS | TIMING | Annualized EBITDA Impact (\$MM) | |
|--|--------|---|----------|---------------------------------|--------|
| | | | | Projected | Actual |
| Infrastructure | ● | <ul style="list-style-type: none"> After talking Richard Cammish; Essentra has been more responsive to ticket requests. Network and hardware migration scheduled to start this Friday 3/13. Replacement workstations and phones to be replaced in the coming 1-3 months. | Q1 20120 | N/A | N/A |
| ERP | ● | <ul style="list-style-type: none"> Project in process. Design workshops are underway, training is progressing, initial data migration extractions have been completed. Next milestone is the 2nd Conference Room Pilot. | Q2 2020 | N/A | N/A |
| Enterprise applications (other than ERP) | ● | <ul style="list-style-type: none"> Bartender is installed as of 3/8; will test print once a printer is available. After a successful test print; will need integrated with Infor. CRM on hold until ERP further along. | Q2 2020 | N/A | N/A |
| Telephony | ● | <ul style="list-style-type: none"> Contract has been signed and implementation project will kick off at the end of March. | Q1 2020 | N/A | N/A |
| End-points | ● | <ul style="list-style-type: none"> We have 6 laptops and 6 desktops in house. 6 other laptops are on backorder due to the Intel shortage and COVID-19 outbreak. Will be deploying on a prioritized basis once network migration is complete and stable. | Q1 2020 | N/A | N/A |

● Complete
 ● Just started
 ● On Track
 ● At Risk
 ● Behind Schedule

Acquisitions and Other Transactions

M&A Pipeline Update

The opportunities below have emerged following a detailed review with Duraco MGMT and a highly coordinated outreach effort with buy-side advisor Mesirow Financial

| Name | Geography | Primary Products | Est. Revenue | Est. EBITDA | Status |
|---|-----------|---|--------------|-------------|---|
| Near Term Opportunities | | | | | |
| Infinity Tapes | US | Double Coated, Transfer, Tamper Evident Tapes | \$10M | \$1m | Working towards a Feb 14 th close. |
| Early Stage Opportunities | | | | | |
| IDI Fabrication | US | Tapes, Rigid, Flexible, Converting, Custom Fabrication, Fiberglass Reinforced Polyester | \$22M | NA | Have a signed NDA in place and beginning preliminary diligence |
| Advantage Adhesives | US | Pressure Sensitive, Transfer, Finger-lift | \$10M | NA | David is trying to connect with owner |
| Pres-On | US | Tape and Cap Liner | \$15M | NA | Trying to contact owner |
| Champion Tape | US | Silicone Adhesives Manufacturer | NA | NA | Working to schedule a call with owner. He may be interested. |
| Declined or Deferred Opportunities | | | | | |
| Can-Do Tapes | US | Converter /Distributor | \$22M | \$3M | Declined: Duraco management passed due to lack of synergies |
| Zone Enterprises | US | Converter | \$25M | \$3M | Deferred: Owner wants to complete an acquisition prior to selling |
| Diga | Mexico | Foam Gaskets, Molded Polyethylene | \$22M | \$2M | Duraco deferred: Not pursuing at this time |
| Project Connect (ITW) | Global | Seals, Gaskets, Films | \$200M | \$36M | NDA Signed |
| Tekra | US | Converter | \$100M | \$15M | Teaser received, waiting for CIM |

Management Discussion of Near Term Opportunities:

Infinity Tapes

- Under exclusivity, working toward completion in mid February.

IDI Fabrication

- Have received signed NDA, beginning to ask questions.
- Business is an ESOP.
- Has locations in IL, IN, Austria, Mexico, and India.

Champion Tape

- Manufacturer of silicone adhesive products.
- Owner may be interested in selling and staying with the business.
- Believes they have proprietary products; wants to be careful about whom he shows the business to.
- Scheduling a phone call with David and Brad.

Management Discussion of Declined or Deferred Opportunities:

Can-Do Tapes

- Duraco management visited Can Do in Nashville at the beginning of October.
- Decided to not proceed with the investment due to lack of synergies, over exposure to automotive market.

Zone Enterprises

- Owner wants to complete an acquisition before he sells.
- Initial meeting with Scott Zone, President & CEO in Forest Park, IL
- Converter with manufacturing in St. Louis, MO & Monterrey, MX
- Distribution locations throughout USA, Mexico, and Canada
- Owner interested in rolling stake and gaining scale beyond what he can do organically

Diga

- Will likely not pursue right now.
- Initial call held and high level financial information received from Seller
- Concentration in auto 54% (30% Valeo), Mexican footprint and low gross margin (23%) may be perceived as value destructive

Management and Governance

Governance Organization

Board of Managers

- Andrew Nikou
- Paul Bridwell
- Matthias Gundlach
- David Danelz

Audit Committee

- Shawn Haghighi
- Paul Bridwell
- Brad Schechtman

2019 Auditors

- Baker Tilly
 - Yunis Altahami - Partner

Anonymous Hotline

- Navex is live via [Duraco.ethicspoint.com](https://duraco.ethicspoint.com)

| | | |
|----|--|------|
| A) | Requests for waivers or out-of-the-ordinary course approvals under the Internal Control and Corporate Governance Matrix, Code of Ethics or any internal control: | None |
| B) | Any conflicts of interest or the appearance of any such conflict or potential conflict: | None |
| C) | Any actual or apparent weakness or inadequacy in the Company's policies of internal controls and financial reporting: | None |
| D) | Any reports or complaints regarding accounting, internal accounting controls or auditing matters. | None |

Appendix

Sales Breakdown by Industry

Sales by Industry

| sales_tier | Appliance | Distribution | Industrial | Other | POP | Transit Packaging | Unknown Market | Wall Hangings | Total |
|---------------------------|----------------|----------------|----------------|----------------|------------------|-------------------|----------------|---------------|------------------|
| 1: >\$250,000 | 315.91K | 160.47K | 45.28K | 63.67K | 797.65K | 103.98K | 4.32K | 23.32K | 1,514.60K |
| 2: \$100,000 - \$250,000 | 29.97K | 9.15K | 66.30K | 5.56K | 251.40K | | | 17.89K | 380.27K |
| 3: \$50,000 - \$100,000 | 9.31K | 6.12K | 87.91K | 24.37K | 276.00K | | | | 403.72K |
| 4: \$15,000 - \$50,000 | 13.20K | 9.75K | 88.80K | 2.17K | 337.99K | | | | 451.92K |
| 5: <\$1,000 - \$15,000 | 0.30K | 23.11K | 60.61K | 16.37K | 344.17K | 0.35K | 10.02K | | 454.93K |
| 6: <\$1,000 | | 1.24K | 9.86K | 7.97K | 61.40K | | 15.65K | | 96.13K |
| 7: New Customer Last Year | 1.46K | 1.31K | 5.85K | | 7.49K | 70.17K | 50.82K | | 137.11K |
| 8: New Customer This Year | | | | | | | 37.29K | | 37.29K |
| Total | 370.15K | 211.15K | 364.62K | 120.12K | 2,076.11K | 174.50K | 118.10K | 41.21K | 3,475.96K |

% of Sales by Industry

| sales_tier | Appliance | Distribution | Industrial | Other | POP | Transit Packaging | Unknown Market | Wall Hangings | Total |
|---------------------------|--------------|--------------|--------------|-------------|--------------|-------------------|----------------|---------------|---------------|
| 1: >\$250,000 | 9.1% | 4.6% | 1.3% | 1.8% | 22.9% | 3.0% | 0.1% | 0.7% | 43.6% |
| 2: \$100,000 - \$250,000 | 0.9% | 0.3% | 1.9% | 0.2% | 7.2% | | | 0.5% | 10.9% |
| 3: \$50,000 - \$100,000 | 0.3% | 0.2% | 2.5% | 0.7% | 7.9% | | | | 11.6% |
| 4: \$15,000 - \$50,000 | 0.4% | 0.3% | 2.6% | 0.1% | 9.7% | | | | 13.0% |
| 5: <\$1,000 - \$15,000 | 0.0% | 0.7% | 1.7% | 0.5% | 9.9% | 0.0% | 0.3% | | 13.1% |
| 6: <\$1,000 | | 0.0% | 0.3% | 0.2% | 1.8% | | 0.5% | | 2.8% |
| 7: New Customer Last Year | 0.0% | 0.0% | 0.2% | | 0.2% | 2.0% | 1.5% | | 3.9% |
| 8: New Customer This Year | | | | | | | 1.1% | | 1.1% |
| Total | 10.6% | 6.1% | 10.5% | 3.5% | 59.7% | 5.0% | 3.4% | 1.2% | 100.0% |



Management Discussion:

YTD Growth by Tier and Industry

YoY Change in Net Sales

| sales_tier | Appliance | Distribution | Industrial | Other | POP | Transit Packaging | Unknown Market | Wall Hangings | Total |
|---------------------------|-------------|--------------|-------------|-----------|-----------|-------------------|----------------|---------------|------------|
| 1: >\$250,000 | -15K | 35K | -2K | 9K | 161K | 82K | 2K | -38K | 235K |
| 2: \$100,000 - \$250,000 | -8K | -8K | -33K | -10K | -30K | | | -31K | -120K |
| 3: \$50,000 - \$100,000 | 3K | -1K | 1K | 4K | -34K | | | | -27K |
| 4: \$15,000 - \$50,000 | -25K | 7K | -23K | -7K | -47K | | | | -95K |
| 5: <\$1,000 - \$15,000 | -6K | 9K | -23K | 8K | -80K | 0K | -20K | | -111K |
| 6: <\$1,000 | | 1K | 3K | -1K | 23K | | -1K | | 25K |
| 7: New Customer Last Year | 1K | 1K | 6K | | 7K | 70K | 22K | | 108K |
| 8: New Customer This Year | | | | | | | 37K | | 37K |
| Total | -49K | 45K | -71K | 4K | 0K | 152K | 40K | -69K | 52K |

YoY % Growth

| sales_tier | Appliance | Distribution | Industrial | Other | POP | Transit Packaging | Unknown Market | Wall Hangings | Total |
|---------------------------|--------------|--------------|--------------|------------|-------------|-------------------|----------------|---------------|------------|
| 1: >\$250,000 | -5 % | 33 % | -3 % | 17 % | 25 % | 377 % | 102 % | -62 % | 19 % |
| 2: \$100,000 - \$250,000 | -22 % | -45 % | -33 % | -63 % | -11 % | | | -64 % | -24 % |
| 3: \$50,000 - \$100,000 | 50 % | -17 % | 1 % | 21 % | -11 % | | | | -6 % |
| 4: \$15,000 - \$50,000 | -65 % | 255 % | -21 % | -76 % | -12 % | | | | -18 % |
| 5: <\$1,000 - \$15,000 | -95 % | 62 % | -27 % | 92 % | -19 % | 19 % | -67 % | | -20 % |
| 6: <\$1,000 | | Infinity | 49 % | -12 % | 58 % | | -6 % | | 35 % |
| 7: New Customer Last Year | Infinity | Infinity | Infinity | | 9502 % | Infinity | 76 % | | 373 % |
| 8: New Customer This Year | | | | | | | Infinity | | Infinity |
| Total | -12 % | 30 % | -16 % | 3 % | -0 % | 690 % | 52 % | -63 % | 2 % |

Management Discussion:

GVA Growth by Tier and Industry

YoY Change in GVA

| sales_tier | Appliance | Distribution | Industrial | Other | POP | Transit Packaging | Unknown Market | Wall Hangings | Total |
|---------------------------|-----------|--------------|------------|-------|------|-------------------|----------------|---------------|-------|
| 1: >\$250,000 | 31K | 8K | 1K | 6K | 132K | 46K | -2K | -32K | 192K |
| 2: \$100,000 - \$250,000 | -5K | | -20K | -6K | -21K | | | -28K | -82K |
| 3: \$50,000 - \$100,000 | 2K | -1K | 1K | 4K | -24K | 2K | | | -15K |
| 4: \$15,000 - \$50,000 | -20K | 5K | -14K | -4K | -34K | | | | -68K |
| 5: <\$1,000 - \$15,000 | -4K | 5K | -19K | 7K | -56K | 0K | -20K | | -87K |
| 6: <\$1,000 | | 1K | 3K | -1K | 19K | | -2K | | 20K |
| 7: New Customer Last Year | 1K | 9K | 8K | 1K | 8K | 34K | -8K | | 52K |
| 8: New Customer This Year | | | | 5K | 11K | | 16K | | 32K |
| Total | 5K | 28K | -40K | 11K | 35K | 83K | -16K | -60K | 45K |

YoY % Growth by GVA

| sales_tier | Appliance | Distribution | Industrial | Other | POP | Transit Packaging | Unknown Market | Wall Hangings | Total |
|---------------------------|-----------|--------------|------------|----------|----------|-------------------|----------------|---------------|----------|
| 1: >\$250,000 | 23 % | 14 % | 5 % | 18 % | 28 % | 393 % | -100 % | -63 % | 24 % |
| 2: \$100,000 - \$250,000 | -26 % | | -32 % | -62 % | -10 % | | | -64 % | -23 % |
| 3: \$50,000 - \$100,000 | 56 % | -13 % | 2 % | 24 % | -11 % | Infinity | | | -5 % |
| 4: \$15,000 - \$50,000 | -68 % | 241 % | -18 % | -66 % | -12 % | | | | -16 % |
| 5: <\$1,000 - \$15,000 | -95 % | 44 % | -29 % | 103 % | -17 % | 83 % | -82 % | | -19 % |
| 6: <\$1,000 | | Infinity | 47 % | -12 % | 59 % | | -14 % | | 33 % |
| 7: New Customer Last Year | Infinity | Infinity | Infinity | Infinity | 469 % | Infinity | -37 % | | 213 % |
| 8: New Customer This Year | | | | Infinity | Infinity | | Infinity | | Infinity |
| Total | 3 % | 36 % | -14 % | 13 % | 2 % | 688 % | -26 % | -63 % | 2 % |

Management Discussion:

2020 Sales Restructuring

Additional Commercial Headcount

INVESTING IN HC TODAY TO CHANGE THE GROWTH TRAJECTORY

| ROLES | 2019 | 2020 | 2020 HC CHANGES |
|---------------------------------|-----------|-----------|-----------------|
| Vice President of Sales | 0 | 1 | 1 |
| Outside Sales | 4 | 6 | 2 |
| Rep Agencies | 2 | 1 | -1 |
| Inside Sales Manager | 0 | 1 | 1 |
| Inside Sales | 6 | 6 | 0 |
| Business Development Manager | 1 | 2 | 1 |
| Customer Service Manager | 0 | 1 | 1 |
| Customer Service Representative | 6 | 6 | 0 |
| Sales / Ops Manager | 1 | 1 | 0 |
| Commercial Support Manager | 1 | 0 | -1 |
| Marketing | 2 | 2 | 0 |
| Product Management | 1 | 2 | 1 |
| TOTAL | 24 | 29 | 5 |

Management Discussion:

Customer Engagement Focus

- All aspects of the Customer engagement model needs more cohesion and structured with defined roles and responsibilities. A more overarching Customer engagement model needs to be established and implemented. The new Inside Sales team with new leadership (now in place) should help drive Customer engagement.
- Marketing efforts are becoming more coordinated; however without a CRM it is difficult to measure direct Customer on-boarding impact.

Commercial Headcount for 2020

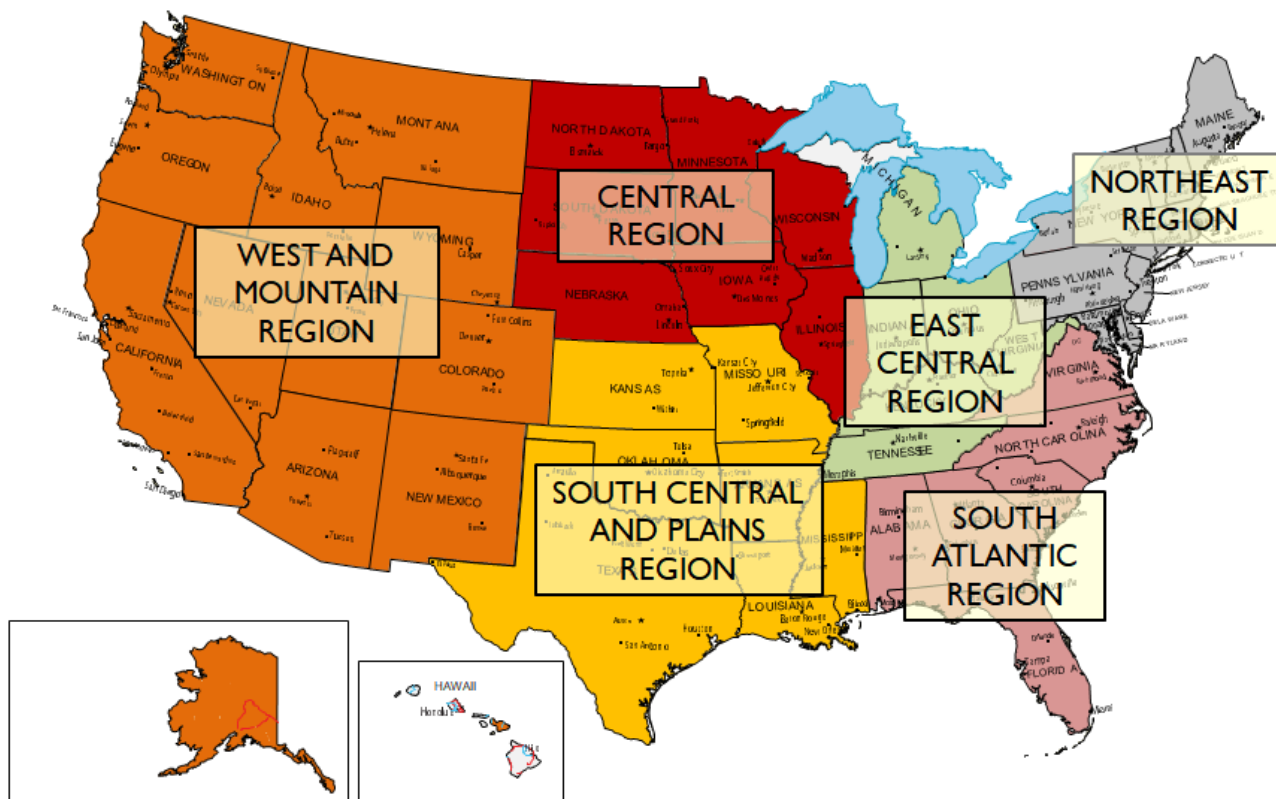
- Hiring New Vice President of Sales
- 6 regions will be covered with 5 Regional Sale Managers
- Hired Phil Lejcar in December, manage Inside Sales Team
- Jake moving to Whirlpool Appliance Role, Kevin Philips retiring
- Move Rick Mucino from RSM to BD Manager role
- Hiring a Customer Service Supervisor role
- Greg Zyck hiring an Associate Product Manager role
- Pat Downs retiring in July

Customer Classification

| CLASS | CRITERIA | SALES EXPECTATIONS | MARKETING EXPECTATIONS |
|-------|--|---|--|
| A | <ul style="list-style-type: none"> \$100k+ EAU actual or potential | <ul style="list-style-type: none"> Business Development Manager own senior level relationship RSM primary owner of the local relationship <ul style="list-style-type: none"> F2F visits per year – 4 Monthly contact Inside Sales support as needed Customer Service – “Just say Yes” | <ul style="list-style-type: none"> Customer Council Involvement (gathering feedback to discuss price, product, user experience, customer experience) the main reasons for customer churn ABM + Customer Marketing Campaigns Customer Newsletter + Increased Email Blasts Customer Heartbeat Emails (NPS Surveys) |
| B | <ul style="list-style-type: none"> \$50k – \$100k EAU actual or potential Outside influencer/driver of significant business Significant competitor pressure | <ul style="list-style-type: none"> RSM primary owner of the local relationship <ul style="list-style-type: none"> F2F visits per year – 2 Monthly contact as need to support customer needs Inside Sales support as needed Customer Service – focus on meeting customers needs | <ul style="list-style-type: none"> Same as CLASS A classification |
| C | <ul style="list-style-type: none"> \$15k – \$50k EAU actual or potential Significant POP or Print segments | <ul style="list-style-type: none"> Inside Sales primary owner of the relationship <ul style="list-style-type: none"> Quarterly contacts or as needed to support current customer needs RSM involvement as need by Inside Sales – F2F visit If POP / Print ensure Design contact Customer Service – support per standard T&C | <ul style="list-style-type: none"> Customer Newsletter + Increased Email Blasts Customer Heartbeat Emails |
| D | <ul style="list-style-type: none"> \$1k – \$15k EAU No known potential to achieve above \$15k EAU Not POP or Print segments | <ul style="list-style-type: none"> Inside Sales primary owner of the relationship <ul style="list-style-type: none"> Annual or bi-Annual contact Customer Service – support per standard T&C | <ul style="list-style-type: none"> Customer Newsletter + Increased Email Blasts Website redesign – make it easy to do business |
| E | <ul style="list-style-type: none"> <\$1k No potential Not POP or Print segments | <ul style="list-style-type: none"> Communication is through Marketing No active pursuit Customer Service – support per standard T&C | <ul style="list-style-type: none"> Same as CLASS D classification |

2020 Sales Alignment, Growth Program & Commercial KPIs

New Territory Alignment



Management Discussion:

Organize Sales Regions based on:

- Existing customers and potential new customers
- Using the Fredonia Report to understand past volume of Tape / Gaskets
- Geographic footprint and logical travel patterns for better account coverage
- Regional Sales Manager owns all accounts within the region
- Each Region (except NE) will have an outside & inside sales person

Regional Sales Teams:

- Northeast – Todd Compton, Robert Burke
- E. Central & Canada – Todd Compton, Walter Klein
- Central – Rick Mucino, Rachel Engram
- Southeast – Open, Renee Owens
- Southwest – Nick Darling, Elena Esparza
- West – Kevin Fierro, Joe Morrison

Business Develop Team

- Move Rick and Greg P into Business Development Manager roles
 - Own the greater strategic growth of their segments
 - Manage and own the relationships with key account's senior leadership
 - Support local RSM's in critical applications and closing business
- Rick Mucino – POP, Transit Packaging, & Wall Hangings
- Greg Precup – Appliance & Industrial
- Jake Schoch – Segment Account Manager, Appliance & RV/Trailer segment
- Doug Mulay – Mulay Sales, responsible for GE Appliance

Duraco 2020 Growth Program

THE BELOW ACTIVITIES – ORIENTED AROUND BUILDING THE DURACO SALES ENGINE - ARE OCCURRING OVER THE NEXT QUARTER TO IMPROVE OUR SALES CAPABILITIES

| | Phase I: Territory Re-alignment & New Compensation Model | Phase II: Territory Education & Coverage Transition | Phase III: Regional Territory Planning | Phase IV+: Increased Salesforce Effectiveness |
|-------------------|--|---|--|---|
| Objective | Institute regional focus and incentivize salesforce with new 'favorable' comp model (downside protection + upside carrot) | Enable RSMs to develop understanding and relationships of new territories | Translate new coverage model into tangible, granular growth plans / go-do's by region | Increase effectiveness of salesforce (i.e., larger pipelines, higher win rate, etc.) |
| Key Activities | <ul style="list-style-type: none"> • Implementation of new comp model • Implementation of new coverage model | <ul style="list-style-type: none"> • Complete visits to new accounts and/or transitioned accounts • Complete Industrial training to 'learn to sell' to industrial accounts (for legacy PoP reps) • Leverage new sales tools that bring account-level visibility into new territories | <ul style="list-style-type: none"> • Develop highly granular / actionable account-level territory growth plans (w/external support) | <ul style="list-style-type: none"> • Sales process training? • Sales coaching / Ride-alongs? • Increased sales tools? • Sales motivations / contests? |
| Owner | David Danelz | David Danelz | Matt Venezia | Matt Venezia |
| Timing | February 2020 | March 2020 | April 2020 | June 2020+ |
| Outside Resources | SmartVentures | TBD | BeckWay Group (TBD) | BeckWay Group (TBD), Sales Training Consultants e.g., Miller-Heiman |

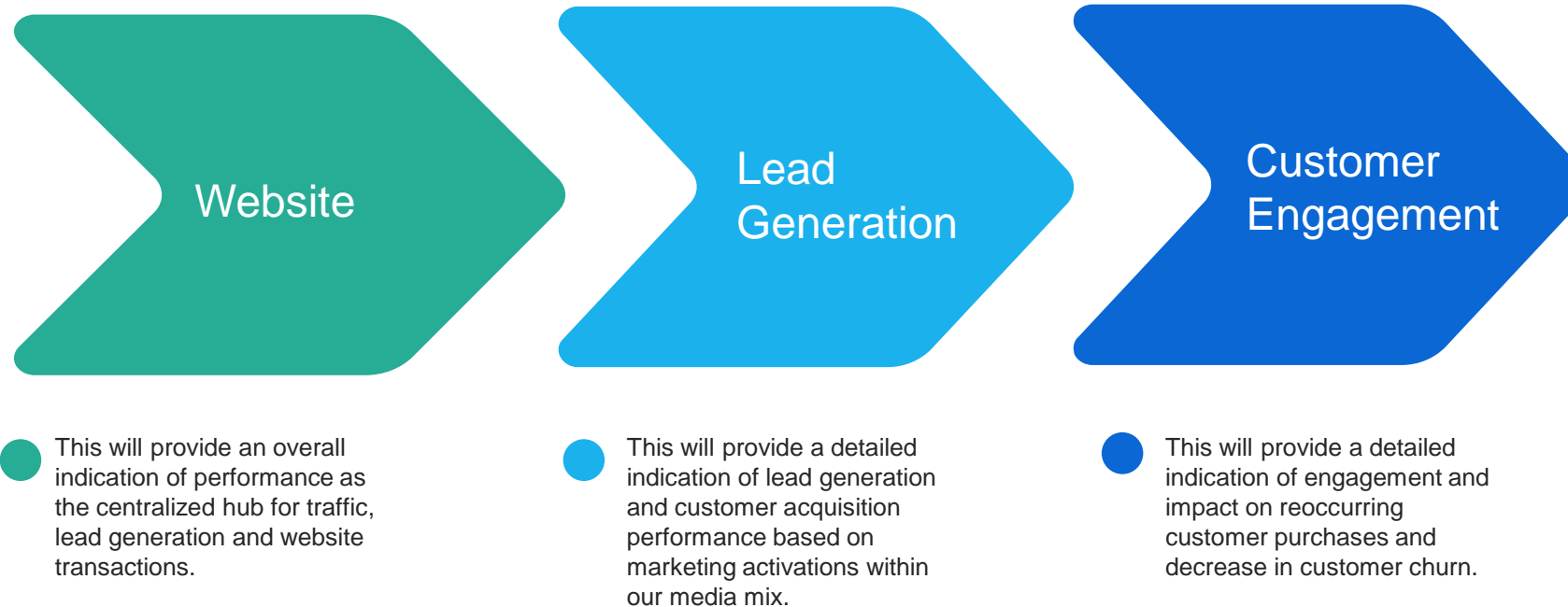
Duraco 2020 Growth Program

IN PARALLEL, WE ARE PURSUING MULTIPLE STRATEGIC INITIATIVES TO DRIVE IMPROVED SALES

| 2020 PRIORITY OBJECTIVES | KEY INITIATIVES | KPIS |
|-------------------------------------|---|---|
| Lead Generation | <ul style="list-style-type: none">• Digital / traditional marketing• Outbound calling | <ul style="list-style-type: none">• MQLs/SQLs• # of new accounts• Revenue from new accounts• ROAS |
| Churn Reduction | <ul style="list-style-type: none">• Digital / traditional marketing• Outbound calling focused on 290 customers | <ul style="list-style-type: none">• Churn %• TTM Revenue from 290 customer hit list over time |
| Customer Engagement (SOW Expansion) | <ul style="list-style-type: none">• Outbound calling• RSM visits• Increased marketing | <ul style="list-style-type: none">• Growth of PY / previous month new accounts |
| New Market | <ul style="list-style-type: none">• Transportation (RV/Trailer)• Window• Construction (Wall Hanging) | <ul style="list-style-type: none">• RSM weekly call log• # of New Products Developed• IS - # of engagements |

Overview

A LOOK AT KPI'S FOR THE FOLLOWING MARKETING INITIATIVES THAT HAVE THE BIGGEST IMPACT ON THE BUSINESS



Marketing Communications Matrix

OVERVIEW OF MARKETING ACTIVATIONS

- The chart to the right represents the framework for lead generation and new customer acquisition on a monthly/quarterly basis
- This is our Integrated marketing communications calendar to promote our products and brand which includes product focus, messaging and the marketing activations deployed each month through a variety of media outlets

| Vertical | Product Focus | Product Messaging | Media Mix | |
|-------------------|---|---|--|--|
| | | | February | March |
| POP | <ul style="list-style-type: none"> 4581 Removable Products | <ul style="list-style-type: none"> Product Messaging: Tape that doesn't leave a trace when it comes to your display or exhibit Tagline: Reliable, Resourceful, Removable. | <ul style="list-style-type: none"> Direct Mail Ad Shop! (Print ad, Sponsored Webinar. In-Email Ad) Google AdWords Social Media (Facebook, Instagram, LinkedIn) Facebook Sponsored Ad LinkedIn Sponsored Ad Creative Magazine Infogroup Display Programmatic Infogroup Email Blast | <ul style="list-style-type: none"> Direct Mail Ad Shop! (Print ad, Sponsored Webinar. In-Email Ad) Google AdWords Social Media (Facebook, Instagram, LinkedIn) Facebook Sponsored Ad LinkedIn Sponsored Ad |
| Print | <ul style="list-style-type: none"> 4581 Fingerlift Removable Products | <ul style="list-style-type: none"> Product Messaging: use our tape to hold up your signage, reliability Tagline: Strength Reengineered | <ul style="list-style-type: none"> Direct Mail Ad Shop! (Print ad, Sponsored Webinar. In-Email Ad) Google AdWords Social Media (Facebook, Instagram, LinkedIn) Facebook Sponsored Ad LinkedIn Sponsored Ad Printing Impressions | <ul style="list-style-type: none"> Direct Mail Ad Shop! (Print ad, Sponsored Webinar. In-Email Ad) Google AdWords Social Media (Facebook, Instagram, LinkedIn) Facebook Sponsored Ad LinkedIn Sponsored Ad Printing Impressions |
| Transit Packaging | <ul style="list-style-type: none"> 4581 Dry Edge | <ul style="list-style-type: none"> Product Messaging: Strength, Optimization, Seal Reliability Tagline: Strength Reengineered | <ul style="list-style-type: none"> Google AdWords Social Media (Facebook, Instagram, LinkedIn) AICC Boxscore (Digital banners, In-email ad) Facebook Sponsored Ad LinkedIn Sponsored Ad Live Intent (In-Email Ad) Packaging Impressions | <ul style="list-style-type: none"> Google AdWords Social Media (Facebook, Instagram, LinkedIn) AICC Boxscore (Digital banners, In-email ad) Facebook Sponsored Ad LinkedIn Sponsored Ad Live Intent (In-Email Ad) Packaging Impressions |
| Industrial | <ul style="list-style-type: none"> Duraco High Bond | <ul style="list-style-type: none"> Product Messaging: Replacing screws, fasteners with DHB. Tagline: Many Applications. One Solutions | <ul style="list-style-type: none"> Google AdWords Social Media (Facebook, Instagram, LinkedIn) LinkedIn Sponsored Ad Facebook Sponsored Ad | <ul style="list-style-type: none"> Google AdWords Social Media (Facebook, Instagram, LinkedIn) LinkedIn Sponsored Ad Facebook Sponsored Ad |
| Exhibit | <ul style="list-style-type: none"> Remo One, Remo Two, Remo One Plus, Twin Stick, DHB, Hook and Loop | <ul style="list-style-type: none"> Product Messaging: User our tapes to secure your display or booth whether it's temporary or permanent Tagline: Secure Your Exhibit Environment | <ul style="list-style-type: none"> Social Media (Facebook, Instagram, LinkedIn) Google AdWords Facebook Sponsored Ad LinkedIn Sponsored Ad | <ul style="list-style-type: none"> Social Media (Facebook, Instagram, LinkedIn) Google AdWords Facebook Sponsored Ad LinkedIn Sponsored Ad |

Full year outlook and consolidated P&L

| \$'000 | YTD | | Variance | | FY | PY | Variance | | TTM |
|--------------------------------|----------|------------|----------|---------|----------|-----------|-------------|----------|------------|
| | Act | Bud | \$ | % | | | \$ | % | |
| Gross Revenue | \$ 6,594 | \$ 6,521 | \$ 73 | 1.1% | \$ 6,594 | \$ 41,856 | \$ (35,261) | (84.2%) | \$ 41,810 |
| Net Revenue | 6,583 | 6,501 | 81 | 1.3% | 6,583 | 41,728 | (35,145) | (84.2%) | 41,735 |
| Material | 2,098 | 2,097 | (1) | (0.1%) | 2,098 | 14,403 | (12,304) | (85.4%) | 14,223 |
| | 31.9% | 32.3% | 0 | 1.2% | 31.9% | 34.5% | | | 34.1% |
| Labor | 824 | 878 | 55 | 6.2% | 824 | 4,822 | (3,999) | (82.9%) | 4,823 |
| | 12.5% | 13.5% | 0 | 7.4% | 12.5% | 11.6% | | | 11.6% |
| Other COGS | 974 | 946 | (28) | (2.9%) | 974 | 5,356 | (4,382) | (81.8%) | 5,522 |
| Total COGS | 3,895 | 3,921 | 25 | 0.6% | 3,895 | 24,581 | (20,685) | (84.2%) | 24,568 |
| Gross Margin | 2,687 | 2,581 | 107 | 4.1% | 2,687 | 17,147 | (14,460) | (84.3%) | 17,167 |
| Gross Margin % | 40.8% | 39.7% | | | 40.8% | 41.1% | | | 41.1% |
| R&D | 39 | 72 | 33 | 45.8% | 39 | 313 | (273) | (87.5%) | 297 |
| Sales & Marketing | 663 | 766 | 104 | 13.5% | 663 | 4,078 | (3,416) | (83.8%) | 4,003 |
| Administrative | 615 | 739 | 124 | 16.7% | 615 | 4,539 | (3,924) | (86.5%) | 4,828 |
| Other Opex | (2) | — | 2 | 0 | (2) | 31 | (33) | (106.9%) | 29 |
| Total Opex | 1,315 | 1,577 | 262 | 16.6% | 1,315 | 8,961 | (7,646) | (85.3%) | 9,158 |
| EBITDA | 1,373 | 1,004 | 369 | 36.8% | 1,373 | 8,186 | (6,814) | (83.2%) | 8,009 |
| EBITDA % | 20.9% | 15.4% | | | 20.9% | 19.6% | | | 19.2% |
| Bank allowable EBITDA add-back | 29 | 50 | (22) | (43.0%) | 29 | 1,761 | (1,732) | (98.4%) | 2,193 |
| Bank EBITDA | 1,401 | 1,054 | 347 | 33.0% | 1,401 | 9,947 | (8,546) | (85.9%) | 10,202 |
| (Standalone Costs) | (278) | (58) | (220) | (20.2%) | (278) | (1,471) | 1,193 | (81.1%) | 1,594 |
| PF Adjusted EBITDA | 1,123 | 996 | 127 | 13% | 1,123 | 8,476 | (7,353) | (86.8%) | 8,608 |
| Indicative % | | | | | | | | | |
| Net Income (Loss) | \$ (989) | \$ (1,166) | \$ 177 | (15.2%) | \$ (989) | \$ (328) | \$ (662) | 201.7% | \$ (2,193) |

| \$'000 | YTD | | Variance | | | PY | Variance | | TTM |
|--|-----------------|-----------------|---------------|--------------|-----------------|-----------------|-------------------|----------------|-----------------|
| | Act | Bud | \$ | % | Bud | Act | \$ | % | |
| Opex Overview: | | | | | | | | | |
| Payroll (Payroll, OT, SS & Taxes, \$ | 566 | 664 | 98 | 14.8% | \$ 566 | \$ 3,032 | \$ (2,466) | (81.3%) | \$ 3,131 |
| Benefits (Medical, Dental, Life, & Health Insurance) | 89 | 100 | 11 | 11.2% | 89 | 487 | (399) | (81.8%) | 500 |
| Bonus | 172 | 172 | 0 | 0.0% | 172 | 548 | (376) | (68.6%) | 637 |
| Marketing | 159 | 159 | 0 | 0.0% | 159 | 875 | (716) | (81.9%) | 853 |
| Commissions | 4 | 4 | (0) | (0.0%) | 4 | 97 | (93) | (95.8%) | 82 |
| Travel and Entertainment | 29 | 10 | (20) | (200.4%) | 2 | 221 | (220) | (99.2%) | 214 |
| Rent and Facilities | 2 | 54 | 52 | 96.8% | 29 | 106 | (77) | (72.3%) | 76 |
| Insurance | 31 | 31 | (0) | (0.0%) | 31 | 114 | (83) | (72.7%) | 138 |
| Professional Fees | 51 | 80 | 29 | 36.0% | 51 | 241 | (189) | (78.6%) | 280 |
| Utilities, Repairs, Maint. & Security | 3 | 6 | 3 | 52.9% | 3 | 42 | (39) | (93.5%) | 31 |
| Office Supplies | 6 | 2 | (4) | (171.3%) | 6 | 70 | (64) | (90.9%) | 65 |
| IT | 76 | 170 | 94 | 55.4% | 76 | 318 | (242) | (76.2%) | 334 |
| Bad Debt | 9 | 8 | (1) | (14.9%) | 9 | 51 | (43) | (82.9%) | 47 |
| Real Estate Taxes | 29 | 29 | 0 | 0.0% | 29 | 163 | (133) | (81.9%) | 164 |
| Other Expenses | 89 | 88 | (1) | (0.7%) | 89 | 2,595 | (2,507) | (96.6%) | 2,607 |
| Total Opex | \$ 1,315 | \$ 1,577 | \$ 262 | 16.6% | \$ 1,315 | \$ 8,961 | \$ (7,646) | (85.3%) | \$ 9,158 |

Monthly P&L

| \$'000 | 20-Jan | 20-Feb | 20-Mar | 20-Apr | 20-May | 20-Jun | 20-Jul | 20-Aug | 20-Sep | 20-Oct | 20-Nov | 20-Dec | FY (11+1) | | FY | Var | |
|---------------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|------------|------------|------------|---------|---------|
| | Act | Act | Bud | Bud | Bud | Bud | Bud | Bud | Bud | Bud | Bud | Bud | Act | Fcst (RFC) | Bud | \$ | % |
| Gross Revenue | \$ 3,451 | \$ 3,143 | \$ 3,374 | \$ 4,332 | \$ 3,298 | \$ 3,496 | \$ 3,784 | \$ 3,614 | \$ 3,637 | \$ 4,654 | \$ 3,461 | \$ 3,302 | \$ 43,547 | \$ - | \$ 43,473 | \$ 73 | 0.2% |
| Net Revenue | 3,444 | 3,139 | 3,365 | 4,321 | 3,289 | 3,487 | 3,774 | 3,605 | 3,627 | 4,643 | 3,452 | 3,293 | 43,440 | - | 43,358 | 81 | 0.2% |
| Material | 1,149 | 949 | 1,063 | 1,412 | 1,086 | 1,125 | 1,260 | 1,161 | 1,165 | 1,479 | 1,114 | 1,059 | 14,022 | - | 14,021 | 1 | 0.0% |
| | 33.4% | 30.2% | 31.6% | 32.7% | 33.0% | 32.3% | 33.4% | 32.2% | 32.1% | 31.8% | 32.3% | 32.2% | 32.3% | #DIV/0! | 32.3% | 1.8% | |
| Labor | 454 | 369 | 376 | 471 | 379 | 409 | 442 | 379 | 379 | 473 | 380 | 439 | 4,951 | - | 5,005 | (55) | (1.1%) |
| | 13.2% | 11.8% | 11.2% | 10.9% | 11.5% | 11.7% | 11.7% | 10.5% | 10.5% | 10.2% | 11.0% | 13.3% | 11.4% | #DIV/0! | 11.5% | (67.1%) | |
| Other COGS | 505 | 469 | 479 | 567 | 475 | 487 | 525 | 454 | 477 | 595 | 436 | 496 | 5,964 | - | 5,937 | 28 | 0.5% |
| Total COGS | 2,109 | 1,787 | 1,919 | 2,450 | 1,940 | 2,021 | 2,228 | 1,995 | 2,022 | 2,547 | 1,930 | 1,994 | 24,942 | - | 24,962 | (20) | (0.1%) |
| Gross Margin | 1,335 | 1,352 | 1,446 | 1,871 | 1,348 | 1,466 | 1,546 | 1,610 | 1,606 | 2,097 | 1,522 | 1,299 | 18,497 | - | 18,396 | 101 | 0.6% |
| Gross Margin % | 38.8% | 43.1% | 43.0% | 43.3% | 41.0% | 42.0% | 41.0% | 44.7% | 44.3% | 45.2% | 44.1% | 39.4% | 42.6% | #DIV/0! | 42.4% | | |
| R&D | 27 | 13 | 33 | 37 | 35 | 32 | 35 | 30 | 31 | 37 | 30 | 35 | 374 | - | 407 | (33) | (8.1%) |
| Sales & Marketing | 334 | 328 | 388 | 477 | 396 | 420 | 440 | 397 | 398 | 465 | 398 | 434 | 4,875 | - | 4,979 | (104) | (2.1%) |
| Administrative | 336 | 279 | 328 | 375 | 324 | 339 | 372 | 330 | 328 | 390 | 333 | 355 | 4,090 | - | 4,214 | (124) | (2.9%) |
| Other Opex | - | (2) | - | - | - | - | - | - | - | - | - | - | (2) | - | - | (2) | |
| Total Opex | 697 | 618 | 750 | 889 | 755 | 791 | 847 | 756 | 757 | 892 | 761 | 824 | 9,338 | - | 9,600 | (262) | (2.7%) |
| EBITDA | 638 | 734 | 697 | 982 | 594 | 675 | 698 | 854 | 849 | 1,204 | 761 | 475 | 9,160 | - | 8,796 | 364 | 4.1% |
| EBITDA % | 18.5% | 23.4% | 20.7% | 22.7% | 18.1% | 19.3% | 18.5% | 23.7% | 23.4% | 25.9% | 22.0% | 14.4% | 21.1% | #DIV/0! | 20.3% | 0.8% | |
| Bank allowable EBITDA add-backs | 9 | 20 | 23 | 14 | - | - | - | - | - | - | - | - | 65 | - | 87 | (22) | (24.9%) |
| Bank EBITDA | 647 | 754 | 720 | 996 | 594 | 675 | 699 | 854 | 849 | 1,205 | 762 | 475 | 9,230 | - | 8,883 | 347 | 3.9% |
| (Standalone Costs) | (129) | (149) | 0 | 0 | 0 | (0) | 0 | 0 | 45 | (0) | 0 | 0 | (233) | - | (13) | (220) | 1703.1% |
| PF Adjusted EBITDA | 518 | 605 | 720 | 996 | 594 | 675 | 699 | 854 | 894 | 1,205 | 762 | 475 | 8,997 | - | 8,870 | 127 | 1.4% |
| Indicative % | | | | | | | | | | | | | | | | 0 | |
| Net Income (Loss) | \$ (450) | \$ (539) | \$ (489) | \$ (246) | \$ (350) | \$ (279) | \$ (549) | \$ (127) | \$ (83) | \$ 192 | \$ (136) | \$ (354) | \$ (3,411) | \$ - | \$ (3,588) | \$ 177 | (4.9%) |

| \$'000 | Jan-20 | Feb-20 | Mar-20 | Apr-20 | May-20 | Jun-20 | Jul-20 | Aug-20 | Sep-20 | Oct-20 | Nov-20 | Dec-20 | FY (11+1) | Fcst (RFC) | FY | Var | |
|--|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|-----------|------------|----------|----------|---------|
| | Act | Act | Act | Act | Act | Act | Act | Act | Act | Act | Act | Act | Act | Act | Bud | \$ | % |
| Opex Overview: | | | | | | | | | | | | | | | | | |
| Payroll (Payroll, OT, SS & Taxes, Temp | 300 | 266 | 323 | 425 | 340 | 377 | 391 | 339 | 339 | 425 | 339 | 405 | 4,270 | - | \$ 4,368 | \$ (98) | (2.2%) |
| Benefits (Medical, Dental, Life, AD&D | 43 | 45 | 51 | 65 | 52 | 55 | 64 | 56 | 56 | 70 | 56 | 59 | 672 | - | 684 | (11) | (1.6%) |
| Bonus | 86 | 86 | 86 | 86 | 86 | 86 | 86 | 86 | 86 | 86 | 86 | 86 | 1,031 | - | 1,031 | (0) | (0.0%) |
| Marketing | 79 | 79 | 79 | 79 | 79 | 79 | 79 | 79 | 79 | 79 | 79 | 79 | 953 | - | 953 | (0) | (0.0%) |
| Commissions | 2 | 2 | 2 | 7 | 5 | 5 | 7 | 5 | 5 | 7 | 5 | 5 | 59 | - | 59 | 0 | 0.0% |
| Travel and Entertainment | 22 | 7 | 30 | 37 | 32 | 29 | 37 | 28 | 29 | 39 | 32 | 28 | 351 | - | 112 | 239 | 214.6% |
| Rent and Facilities | 1 | 1 | 8 | 9 | 9 | 11 | 11 | 11 | 11 | 11 | 11 | 11 | 103 | - | 376 | (272) | (72.4%) |
| Insurance | 17 | 14 | 14 | 17 | 14 | 14 | 18 | 14 | 14 | 18 | 14 | 14 | 183 | - | 183 | 0 | 0.0% |
| Professional Fees | 21 | 31 | 36 | 31 | 13 | 13 | 17 | 13 | 13 | 17 | 13 | 13 | 231 | - | 260 | (29) | (11.1%) |
| Utilities, Repairs, Maint. & Security | 3 | 0 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 30 | - | 33 | (3) | (9.1%) |
| Office Supplies | 4 | 2 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 18 | - | 14 | 4 | 29.6% |
| IT | 40 | 36 | 60 | 60 | 63 | 63 | 64 | 63 | 63 | 67 | 64 | 64 | 707 | - | 801 | (94) | (11.7%) |
| Bad Debt | 12 | (3) | 3 | 4 | 3 | 3 | 4 | 3 | 3 | 4 | 3 | 3 | 45 | - | 44 | 1 | 2.6% |
| Real Estate Taxes | 16 | 13 | 13 | 16 | 13 | 13 | 16 | 13 | 13 | 16 | 13 | 13 | 170 | - | 170 | (0) | (0.0%) |
| Other Expenses | 51 | 38 | 40 | 48 | 41 | 39 | 48 | 41 | 39 | 48 | 40 | 39 | 514 | - | 513 | 1 | 0.1% |
| Total Opex | \$ 697 | \$ 618 | \$ 750 | \$ 889 | \$ 755 | \$ 791 | \$ 847 | \$ 756 | \$ 757 | \$ 892 | \$ 761 | \$ 824 | \$ 9,338 | \$ - | \$ 9,600 | \$ (262) | (2.7%) |



Monthly EBITDA to Net Income (Loss) Bridge

| \$'000 | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | FY | FY | Var | | PY | Var | |
|--------------------------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|----------------|-----------------|-----------------|-----------------|-------------------|-------------------|-----------------|----------------|-----------------|-------------------|---------------|
| | Act | Act | Bud | Bud | Bud | Bud | Bud | Bud | Bud | Bud | Bud | Bud | 2 m Act + 10 Bud | Bud | \$ | % | Act | \$ | % |
| EBITDA - as reported | \$ 638 | \$ 734 | \$ 697 | \$ 982 | \$ 594 | \$ 675 | \$ 699 | \$ 854 | \$ 849 | \$ 1,205 | \$ 762 | \$ 475 | \$ 9,165 | \$ 8,796 | \$ 369 | 4.2% | \$ 8,186 | \$ 979 | 12.0% |
| Depreciation and amortization | (553) | (552) | (554) | (554) | (554) | (554) | (554) | (554) | (554) | (554) | (554) | (554) | (6,644) | (6,647) | 3 | (0.0%) | (4,493) | (2,152) | 47.9% |
| Interest and amortization | (281) | (277) | (282) | (288) | (294) | (285) | (294) | (291) | (279) | (286) | (277) | (286) | (3,419) | (3,431) | 12 | (0.4%) | (1,784) | (1,634) | 91.6% |
| Other financial income/expense | (0) | (1) | — | — | — | — | — | — | — | — | — | — | (2) | — | (2) | N/A | 31 | (33) | (105.5%) |
| Non-financial income/expense | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | N/A | 15 | (15) | (100.0%) |
| Monitoring fees (including expenses) | (83) | (83) | (83) | (83) | (83) | (83) | (83) | (83) | (83) | (83) | (83) | (83) | (1,000) | (1,000) | 0 | (0.0%) | (500) | (500) | 100.0% |
| Restructuring costs | (171) | (360) | (405) | (361) | (105) | (100) | (474) | (71) | (19) | (1) | (4) | 1 | (2,069) | (2,203) | 134 | (6.1%) | (1,452) | (617) | 42.5% |
| Non-recurring items | — | — | — | — | — | — | — | — | — | — | — | — | — | (2,203) | 2,203 | (100.0%) | (0) | 0 | (100.0%) |
| Taxes | — | — | 138 | 57 | 92 | 68 | 158 | 17 | 3 | (89) | 20 | 93 | 558 | — | 558 | N/A | (330) | 888 | (268.8%) |
| GAAP Net Income (Loss) | \$ (450) | \$ (539) | \$ (489) | \$ (246) | \$ (350) | \$ (279) | \$ (549) | \$ (127) | \$ (83) | \$ 192 | \$ (136) | \$ (354) | \$ (3,411) | \$ (6,687) | \$ 3,276 | (49.0%) | \$ (328) | \$ (3,083) | 940.1% |

Management Discussion

Monthly Balance Sheet

| \$'000 | 20-Jan | 20-Feb | 20-Mar | 20-Apr | 20-May | 20-Jun | 20-Jul | 20-Aug | 20-Sep | 20-Oct | 20-Nov | 20-Dec | FY | PY |
|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | Act | Act | Bud | Bud | Bud | Bud | Bud | Bud | Bud | Bud | Bud | Bud | Bud | Act |
| Current Assets | | | | | | | | | | | | | | |
| Cash and cash equivalents | 2,078 | 1,445 | 442 | 90 | 209 | 92 | 87 | 94 | 710 | 412 | 1,050 | 1,736 | 1,736 | 1,528 |
| Short term investments | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| <i>Accounts receivable, gross</i> | 5,654 | 5,594 | 5,579 | 6,250 | 6,025 | 5,686 | 6,207 | 6,235 | 6,062 | 6,708 | 6,407 | 5,472 | 5,472 | 6,231 |
| <i>Accounts receivable, reserves</i> | (121) | (118) | (108) | (108) | (108) | (108) | (108) | (108) | (108) | (108) | (108) | (108) | (108) | (96) |
| Accounts receivable, net | 5,533 | 5,476 | 5,471 | 6,142 | 5,917 | 5,578 | 6,099 | 6,127 | 5,954 | 6,600 | 6,299 | 5,364 | 5,364 | 6,134 |
| <i>Inventory, gross</i> | 6,377 | 6,179 | 6,079 | 6,079 | 6,039 | 6,039 | 6,039 | 5,999 | 5,999 | 5,999 | 5,999 | 6,049 | 6,049 | 6,094 |
| <i>Inventory, reserves</i> | (1,017) | (1,026) | (988) | (1,008) | (1,023) | (1,038) | (1,058) | (973) | (988) | (1,008) | (1,023) | (1,033) | (1,033) | (1,074) |
| Inventory, net | 5,360 | 5,153 | 5,091 | 5,071 | 5,016 | 5,001 | 4,981 | 5,026 | 5,011 | 4,991 | 4,976 | 5,016 | 5,016 | 5,020 |
| Prepaid expenses and other current assets | 425 | 340 | 211 | 378 | 263 | 133 | 402 | 312 | 210 | 388 | 327 | 225 | 225 | 324 |
| Current portion of deferred taxes | 5,612 | 5,579 | 5,583 | 5,797 | 5,797 | 5,797 | 5,797 | 5,797 | 5,797 | 5,797 | 5,797 | 5,797 | 5,797 | — |
| Other current assets | 285 | 331 | 222 | — | — | — | — | — | — | — | — | — | — | — |
| Total Current Assets | 13,397 | 12,414 | 11,214 | 11,681 | 11,405 | 10,804 | 11,568 | 11,560 | 11,884 | 12,392 | 12,652 | 12,341 | 12,341 | 13,006 |
| Non-Current Assets | | | | | | | | | | | | | | |
| <i>Property, plant & equipment, gross</i> | 12,251 | 12,575 | 12,854 | 12,875 | 13,029 | 13,164 | 13,241 | 13,301 | 13,355 | 13,355 | 13,355 | 13,374 | 13,374 | 12,180 |
| <i>Accumulated depreciation</i> | (516) | (589) | (664) | (739) | (814) | (889) | (964) | (1,039) | (1,114) | (1,189) | (1,264) | (1,339) | (1,339) | (367) |
| Property, plant & equipment, net | 11,736 | 11,986 | 12,190 | 12,136 | 12,215 | 12,275 | 12,277 | 12,262 | 12,241 | 12,166 | 12,091 | 12,035 | 12,035 | 11,813 |
| <i>Identifiable intangible assets, gross</i> | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| <i>Accumulated amortization</i> | (3,352) | (3,831) | (4,310) | (4,789) | (5,268) | (5,747) | (6,226) | (6,705) | (7,184) | (7,663) | (8,142) | (8,621) | (8,621) | (2,395) |
| Identifiable intangible assets, net | 54,118 | 53,639 | 53,160 | 52,681 | 52,202 | 51,723 | 51,244 | 50,765 | 50,286 | 49,807 | 49,328 | 48,850 | 48,850 | 55,075 |
| Deferred financing cost | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Other non-current assets | — | 5,234 | — | — | — | — | — | — | — | — | — | — | — | — |
| Total Non-Current Assets | 65,853 | 70,859 | 65,350 | 64,816 | 64,417 | 63,998 | 63,522 | 63,028 | 62,527 | 61,973 | 61,419 | 60,884 | 60,884 | 66,889 |
| Total Assets | \$ 79,250 | \$ 83,273 | \$ 76,564 | \$ 76,497 | \$ 75,822 | \$ 74,803 | \$ 75,090 | \$ 74,587 | \$ 74,412 | \$ 74,366 | \$ 74,072 | \$ 73,226 | \$ 73,226 | \$ 79,895 |
| Current Liabilities | | | | | | | | | | | | | | |
| Current portion of long-term debt | 1,462 | 1,462 | 1,039 | 2,139 | 1,739 | 1,739 | 2,089 | 1,589 | 1,039 | 1,039 | 1,039 | 1,039 | 1,039 | 1,039 |
| Notes Payable | 261 | 518 | 794 | 268 | 542 | (0) | 275 | 547 | 806 | 266 | 524 | — | — | 545 |
| Accounts payable | 2,320 | 1,979 | 2,136 | 2,112 | 1,830 | 1,838 | 1,889 | 1,740 | 1,747 | 2,231 | 1,688 | 1,872 | 1,872 | 1,831 |
| Accrued liabilities | 2,536 | 2,426 | 1,563 | 1,489 | 1,644 | 1,747 | 2,046 | 2,046 | 2,220 | 2,188 | 2,317 | 2,498 | 2,498 | 1,955 |
| Accrued compensation | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Income taxes payable | 0 | 0 | (146) | (203) | (295) | (363) | (521) | (538) | (541) | (452) | (473) | (566) | (566) | 331 |
| Other current liabilities | (233) | (247) | (247) | (247) | (247) | (247) | (247) | (247) | (247) | (247) | (247) | (247) | (247) | (233) |
| Total Current Liabilities | 6,346 | 6,137 | 5,139 | 5,558 | 5,213 | 4,714 | 5,530 | 5,136 | 5,024 | 5,026 | 4,849 | 4,597 | 4,597 | 5,468 |
| Long-term liabilities | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Long-term debt less current maturities | 39,638 | 44,438 | 39,640 | 39,380 | 39,380 | 39,120 | 39,120 | 39,120 | 39,120 | 38,861 | 38,861 | 38,601 | 38,601 | 40,320 |
| Deferred income taxes | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Other non-current liabilities | (795) | (823) | (756) | (737) | (717) | (698) | (678) | (659) | (640) | (620) | (601) | (582) | (582) | (834) |
| Total Long-Term Liabilities | 38,843 | 43,615 | 38,884 | 38,643 | 38,663 | 38,423 | 38,442 | 38,461 | 38,481 | 38,240 | 38,260 | 38,020 | 38,020 | 39,487 |
| Total Liabilities | 45,189 | 49,752 | 44,022 | 44,201 | 43,876 | 43,136 | 43,972 | 43,597 | 43,504 | 43,266 | 43,109 | 42,616 | 42,616 | 44,955 |
| Shareholders' Equity | | | | | | | | | | | | | | |
| Common stock | 39,001 | 39,001 | 39,001 | 39,001 | 39,001 | 39,001 | 39,001 | 39,001 | 39,001 | 39,001 | 39,001 | 39,001 | 39,001 | 39,001 |
| Capital in excess of stated value | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Retained earnings | (4,940) | (5,480) | (5,969) | (6,215) | (6,565) | (6,845) | (7,393) | (7,521) | (7,603) | (7,411) | (7,548) | (7,901) | (7,901) | (4,062) |
| Accumulated other comprehensive income | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Other equity transactions | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Total Shareholders' Equity | 34,061 | 33,522 | 33,033 | 32,787 | 32,436 | 32,157 | 31,608 | 31,481 | 31,398 | 31,590 | 31,454 | 31,100 | 31,100 | 34,940 |
| Total Liabilities and Shareholders' Equity | \$ 79,250 | \$ 83,274 | \$ 77,055 | \$ 76,988 | \$ 76,312 | \$ 75,293 | \$ 75,580 | \$ 75,078 | \$ 74,902 | \$ 74,856 | \$ 74,562 | \$ 73,716 | \$ 73,716 | \$ 79,895 |

Balance Sheet – Year on Year Comparison

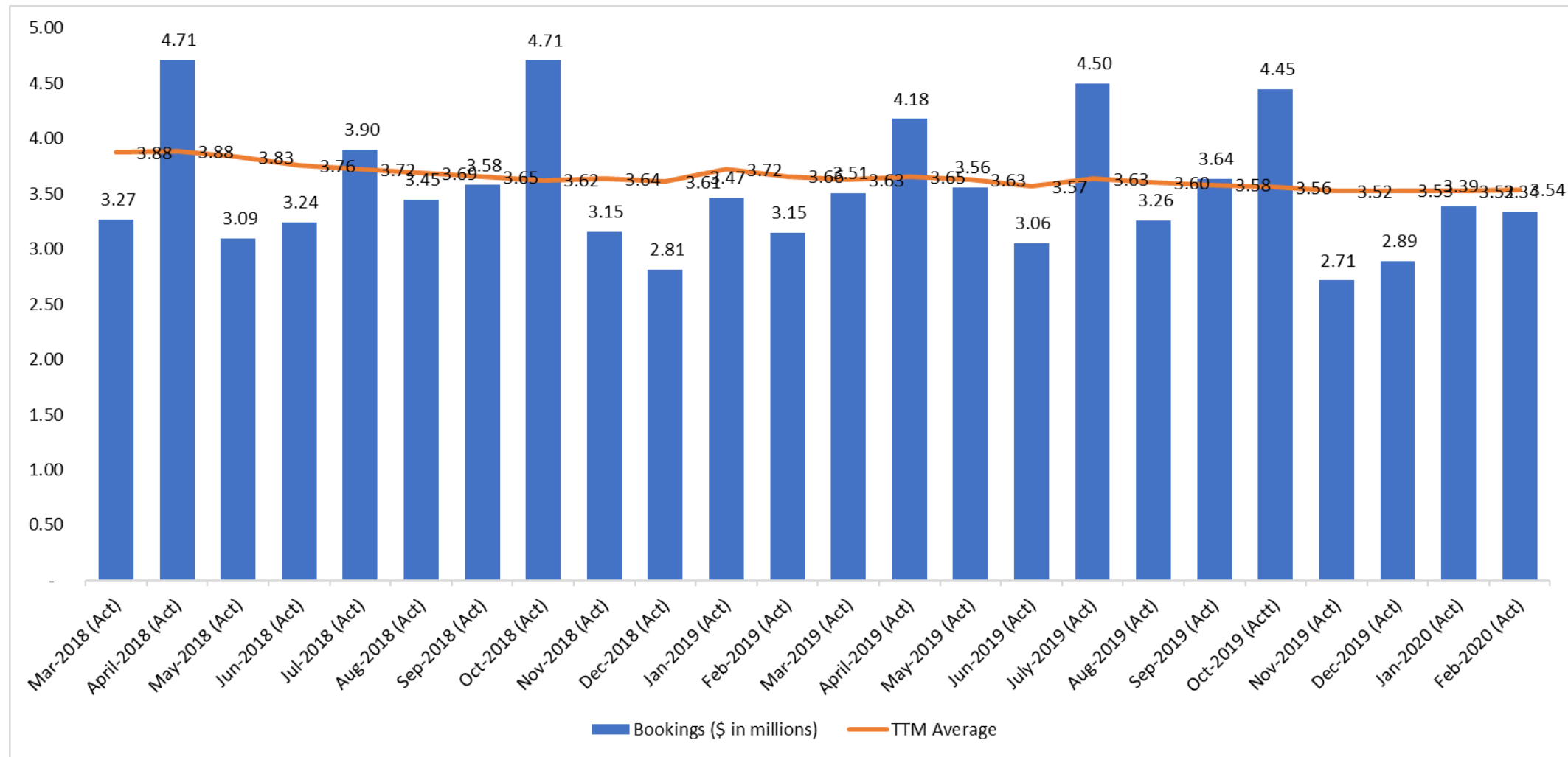
| \$'000 | YTD | | Variance | |
|---|------------------|------------------|-----------------|---------------|
| | CY | Dec-19 | \$ | % |
| Current Assets | | | | |
| Cash and cash equivalents | \$ 1,445 | \$ 1,528 | \$ (83) | (5.4%) |
| Short term investments | – | – | – | – |
| <i>Accounts receivable, gross</i> | 5,594 | 6,231 | (636) | (10.2%) |
| <i>Accounts receivable, reserves</i> | (118) | (96) | (22) | 22.5% |
| Accounts receivable, net | 5,476 | 6,134 | (658) | (10.7%) |
| <i>Inventory, gross</i> | 6,179 | 6,094 | 85 | 1.4% |
| <i>Inventory, reserves</i> | (1,026) | (1,074) | 48 | (4.4%) |
| Inventory, net | 5,153 | 5,020 | 133 | 2.6% |
| Prepaid expenses and other current assets | 340 | 324 | 16 | 4.9% |
| Current portion of deferred taxes | – | – | – | – |
| Other current assets | – | – | – | – |
| Total Current Assets | 12,414 | 13,006 | (592) | (4.6%) |
| Non-Current Assets | | | | |
| <i>Property, plant & equipment, gross</i> | 12,575 | 12,180 | 395 | 3.2% |
| <i>Accumulated depreciation</i> | (589) | (367) | (222) | 60.6% |
| Property, plant & equipment, net | 11,986 | 11,813 | 172 | 1.5% |
| <i>Identifiable intangible assets, gross</i> | – | – | – | – |
| <i>Accumulated amortization</i> | (3,831) | (2,395) | (1,437) | 60.0% |
| Identifiable intangible assets, net | 53,639 | 55,075 | (1,437) | (2.6%) |
| Deferred financing cost | – | – | – | – |
| Other non-current assets | 5,234 | – | 5,234 | – |
| Total Non-Current Assets | 70,859 | 66,889 | 3,970 | 5.9% |
| Total Assets | \$ 83,273 | \$ 79,895 | \$ 3,378 | 4.2% |
| Current Liabilities | | | | |
| Current portion of long-term debt | \$ 1,462 | \$ 1,039 | \$ 423 | 40.7% |
| Notes Payable | 518 | 545 | (27) | (5.0%) |
| Accounts payable | 1,979 | 1,831 | 148 | 8.1% |
| Accrued liabilities | 2,426 | 1,955 | 470 | 24.1% |
| Accrued compensation | – | – | – | – |
| Income taxes payable | 0 | 331 | (330) | (99.9%) |
| Other current liabilities | (247) | (233) | (14) | 6.1% |
| Total Current Liabilities | 6,137 | 5,468 | 669 | 12.2% |
| Long-term liabilities | | | | |
| Long-term debt less current maturities | 44,438 | 40,320 | 4,117 | 10.2% |
| Deferred income taxes | – | – | – | – |
| Other non-current liabilities | (823) | (834) | 11 | (1.3%) |
| Total Long-Term Liabilities | 43,615 | 39,487 | 4,128 | 10.5% |
| Total Liabilities | 49,752 | 44,955 | 4,797 | 10.7% |
| Shareholders' Equity | | | | |
| Common stock | 39,001 | 39,001 | – | 0.0% |
| Capital in excess of stated value | – | – | – | – |
| Retained earnings | (5,480) | (4,062) | (1,418) | 34.9% |
| Accumulated other comprehensive income | – | – | – | – |
| Other equity transactions | – | – | – | – |
| Total Shareholders' Equity | 33,522 | 34,940 | (1,418) | (4.1%) |
| Total Liabilities and Shareholders' Equity | \$ 83,274 | \$ 79,895 | \$ 3,379 | 4.2% |

Monthly Cash Flow

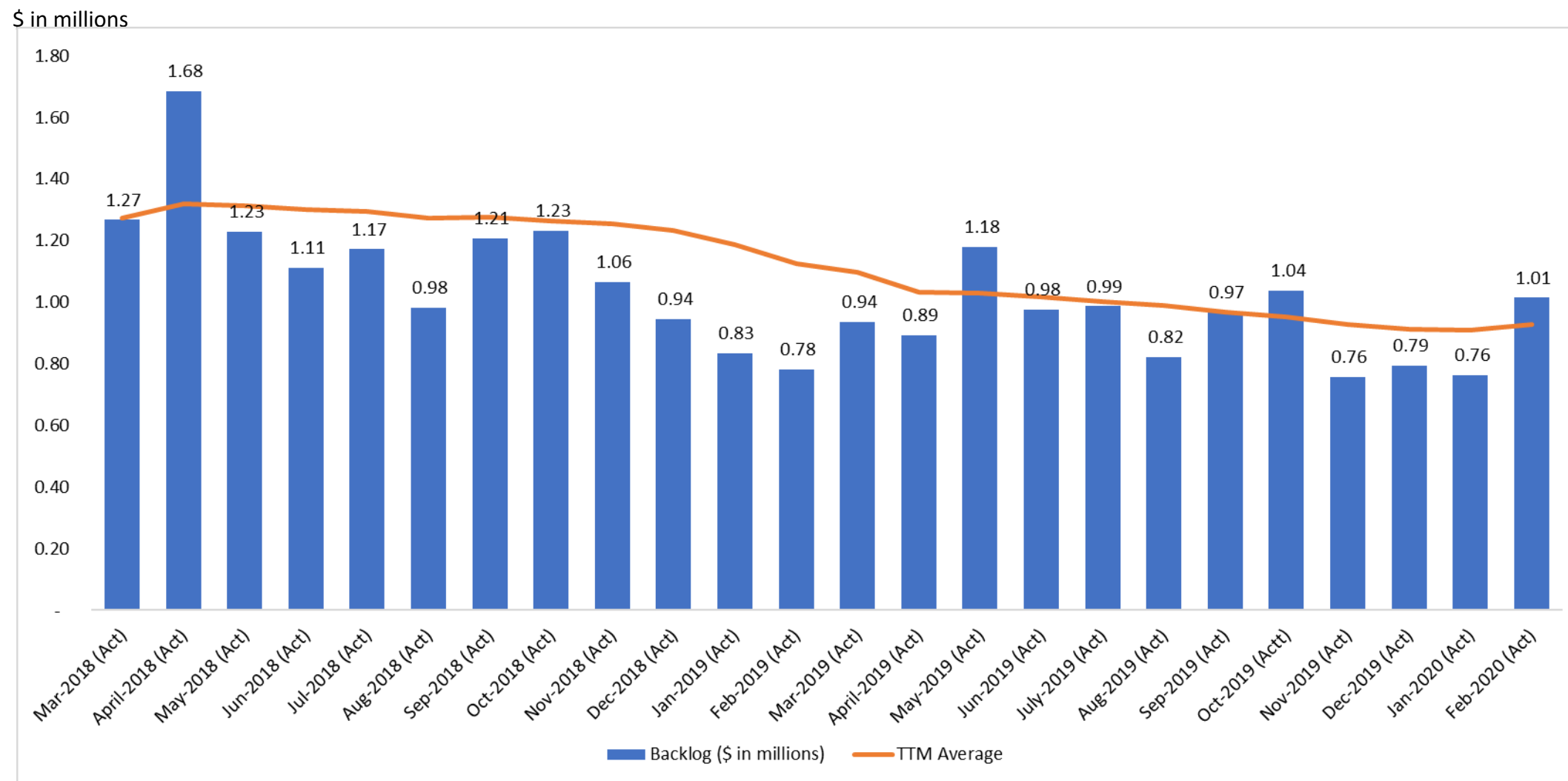
| \$'000 | 20-Jan | 20-Feb | 20-Mar | 20-Apr | 20-May | 20-Jun | 20-Jul | 20-Aug | 20-Sep | 20-Oct | 20-Nov | 20-Dec | FY (10+2) | FY | Variance | | PY |
|--|-----------------|-------------------|-------------------|-----------------|-----------------|-------------------|-----------------|-----------------|-----------------|-------------------|-----------------|-------------------|-------------------|-------------------|-------------------|-----------------|-----------------------|
| | Act | Act | Bud | Bud | Bud | Bud | Bud | Bud | Bud | Bud | Bud | Bud | Act | Bud | \$ | % | Act |
| Cash flow from operations | | | | | | | | | | | | | | | | | |
| Net Income (Loss) | \$ (450) | \$ (539) | \$ (489) | \$ (246) | \$ (350) | \$ (279) | \$ (549) | \$ (127) | \$ (83) | \$ 192 | \$ (136) | \$ (354) | \$ (3,411) | \$ (3,588) | \$ 177 | (4.9%) | \$ (758,854) |
| Depreciation, amortization and other | 553 | 552 | 554 | 554 | 554 | 554 | 554 | 554 | 554 | 554 | 554 | 554 | 6,644 | 6,647 | (3) | (0.0%) | 553,722 |
| Capitalized fees & expenses | 19 | 21 | 19 | 67 | 19 | 19 | 19 | 19 | 19 | 19 | 19 | 19 | 281 | 233 | 48 | 20.8% | 19,384 |
| Gain (loss) on sale of fixed assets | — | 8 | — | — | — | — | — | — | — | — | — | — | 8 | — | 8 | | — |
| Non-cash interest expense | 261 | 256 | 263 | 221 | 274 | 266 | 275 | 272 | 259 | 266 | 258 | 266 | 3,138 | 3,198 | (61) | (1.9%) | 246,325 |
| Non-cash dividends | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | | — |
| Deferred income tax | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | | — |
| Change in operating assets and liabilities: | | | | | | | | | | | | | | | | | \$ — |
| Accounts receivable | 106 | 57 | 6 | (672) | 225 | 339 | (520) | (29) | 174 | (647) | 302 | 934 | 275 | (36) | 311 | (864.4%) | 805,712 |
| Inventory | (15) | 207 | 62 | 20 | 55 | 15 | 20 | (45) | 15 | 20 | 15 | (40) | 329 | 329 | — | 0.0% | (325,272) |
| Prepaid expenses and other current assets | (188) | 85 | 130 | (167) | 115 | 130 | (269) | 90 | 103 | (179) | 61 | 103 | 13 | 13 | — | 0.0% | 87,106 |
| Accounts payable | (66) | (341) | 157 | (24) | (282) | 7 | 51 | (149) | 8 | 484 | (543) | 184 | (513) | (448) | (66) | 14.7% | 488,526 |
| Accrued expenses | 273 | (110) | (862) | (74) | 155 | 104 | 299 | 0 | 173 | (31) | 129 | 181 | 236 | 481 | (245) | (51.0%) | 62,337 |
| Accrued income taxes | — | — | (146) | (57) | (92) | (68) | (158) | (17) | (3) | 89 | (20) | (93) | (566) | (897) | 330 | (36.9%) | — |
| Other changes in operating assets and liabilities | — | (63) | — | — | — | — | — | — | — | — | — | — | (63) | — | (63) | | — |
| Other cash flow from operations | — | (2) | — | — | — | — | — | — | — | — | — | — | (2) | — | (2) | | — |
| Total Cash Flow from Operations | \$ 494 | \$ 131 | \$ (307) | \$ (379) | \$ 673 | \$ 1,086 | \$ (278) | \$ 567 | \$ 1,220 | \$ 768 | \$ 638 | \$ 1,755 | \$ 6,368 | \$ 5,932 | \$ 436 | 7.3% | \$ 1,178,986 |
| Cash flow from investing | | | | | | | | | | | | | | | | | |
| Additions to property, plant and equipment | \$ (25) | \$ (330) | \$ (280) | \$ (20) | \$ (154) | \$ (135) | \$ (77) | \$ (60) | \$ (54) | \$ — | \$ — | \$ (19) | \$ (1,154) | \$ (1,147) | \$ (7) | 0.6% | — |
| Acquisitions of companies, net of cash acquired | — | (5,234) | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Investment in intangibles | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Earnout payments | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Other cash flow from investing (goodwill) | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | (46,350) |
| Total Cash Flow from Investing | \$ (25) | \$ (5,565) | \$ (280) | \$ (20) | \$ (154) | \$ (135) | \$ (77) | \$ (60) | \$ (54) | \$ — | \$ — | \$ (19) | \$ (6,389) | \$ (1,147) | \$ (5,241) | 456.8% | \$ — |
| Cash flow from financing | | | | | | | | | | | | | | | | | |
| Proceeds from the issuance (repayment) of ST | \$ — | \$ — | \$ — | \$ 1,100 | \$ (400) | \$ — | \$ 350 | \$ (500) | \$ (550) | \$ — | \$ — | \$ — | \$ 0 | \$ 0 | \$ — | 0.0% | — |
| Proceeds from the issuance of debt | — | 4,800 | — | — | — | — | — | — | — | — | — | — | 4,800 | — | 4,800 | | — |
| Repayment of debt | — | — | (421) | (1,053) | — | (1,068) | — | — | — | (1,066) | — | (1,050) | (4,658) | (4,658) | — | 0.0% | (1,050,937) |
| Capital lease | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | | — |
| Common stock issued (repurchased) | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | | — |
| Common stock cash dividends paid | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | | — |
| Preferred stock issued (repurchased) | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | | — |
| Other cash flow from financing costs | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | | — |
| Total Cash Flow from Financing | \$ — | \$ 4,800 | \$ (421) | \$ 47 | \$ (400) | \$ (1,068) | \$ 350 | \$ (500) | \$ (550) | \$ (1,066) | \$ — | \$ (1,050) | \$ 142 | \$ (4,658) | \$ 4,800 | (103.1%) | \$ (1,050,937) |
| Effect of FX rates on cash and cash equivalents | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | | \$ — |
| Net change in cash | \$ 469 | \$ (633) | \$ (1,008) | \$ (352) | \$ 119 | \$ (117) | \$ (6) | \$ 7 | \$ 616 | \$ (298) | \$ 638 | \$ 686 | \$ 121 | \$ 127 | \$ (6) | (4.4%) | \$ 81,699 |
| Beginning cash | 1,609 | 2,078 | 1,445 | 437 | 84 | 203 | 86 | 81 | 88 | 704 | 407 | 1,045 | 1,609 | 7,164 | (5,555) | (77.5%) | 1,527,587 |
| Change in cash | 469 | (633) | (1,008) | (352) | 119 | (117) | (6) | 7 | 616 | (298) | 638 | 686 | 121 | 127 | (6) | (4.4%) | 81,699 |
| Ending cash | \$ 2,078 | \$ 1,445 | \$ 437 | \$ 84 | \$ 203 | \$ 86 | \$ 81 | \$ 88 | \$ 704 | \$ 407 | \$ 1,045 | \$ 1,731 | \$ 1,731 | \$ 7,291 | \$ (5,560) | (76.3%) | \$ 1,609,286 |

Trended Monthly Bookings (24 month act)

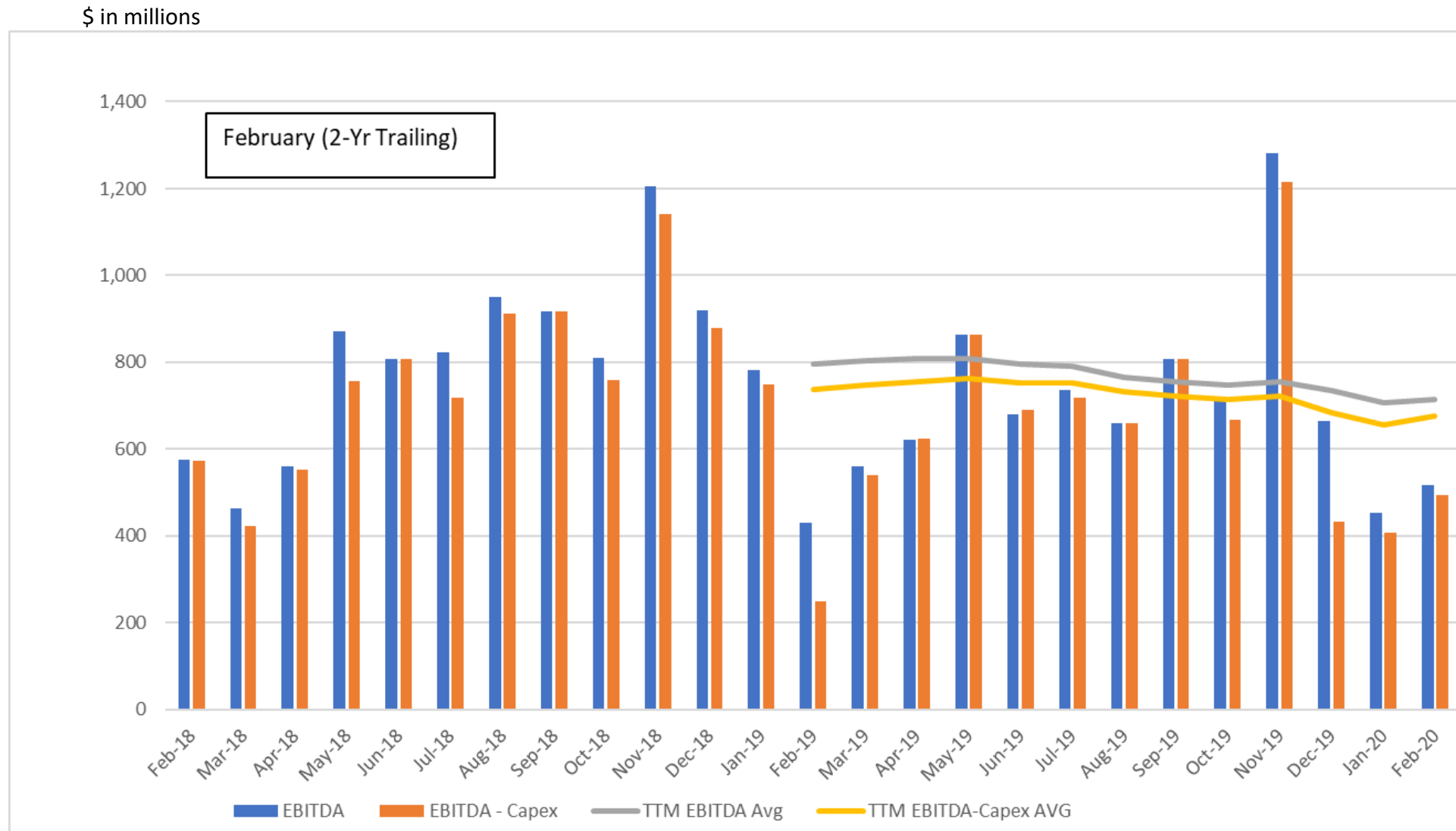
\$ in millions



Trended Monthly Backlog (24 month actual)

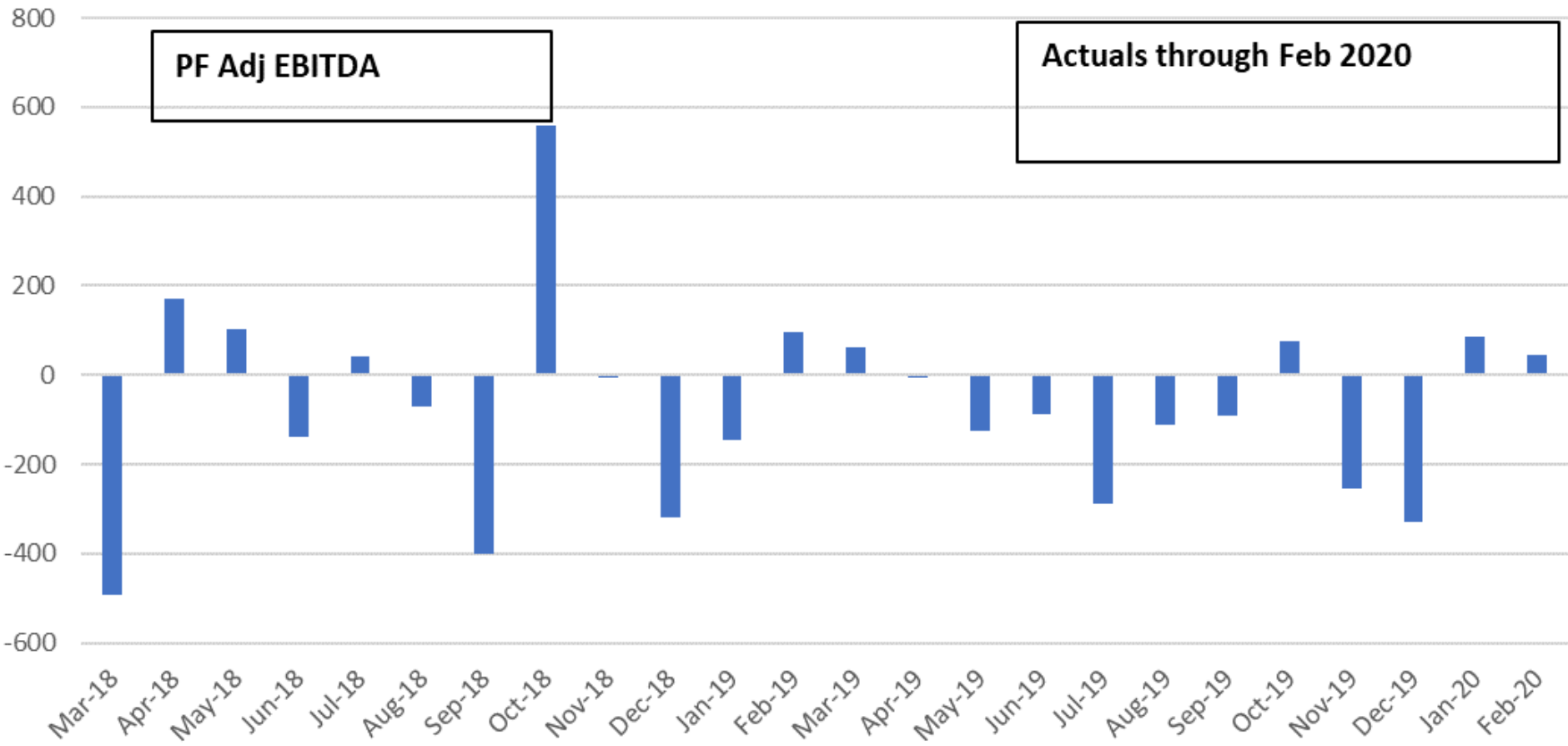


EBITDA and EBITDA-CapEx



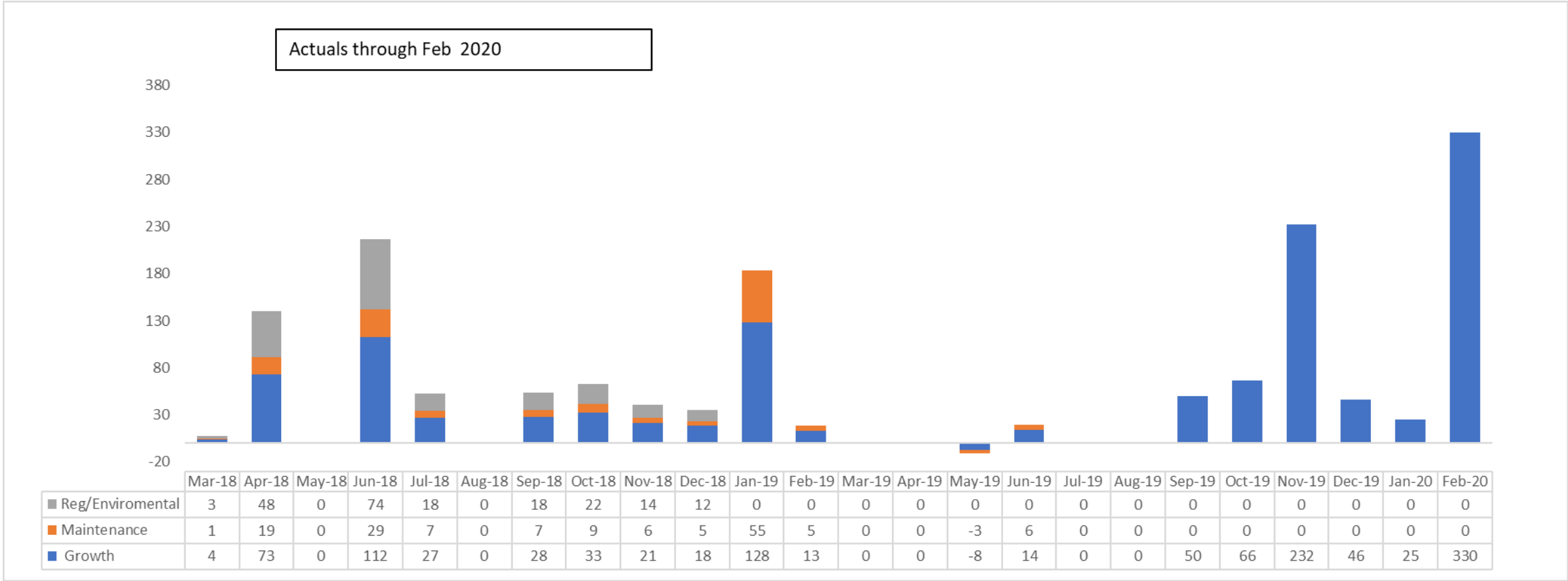
Y-o-Y \$ EBITDA Change

\$ in thousands



Capital Expenditures

\$ in thousands



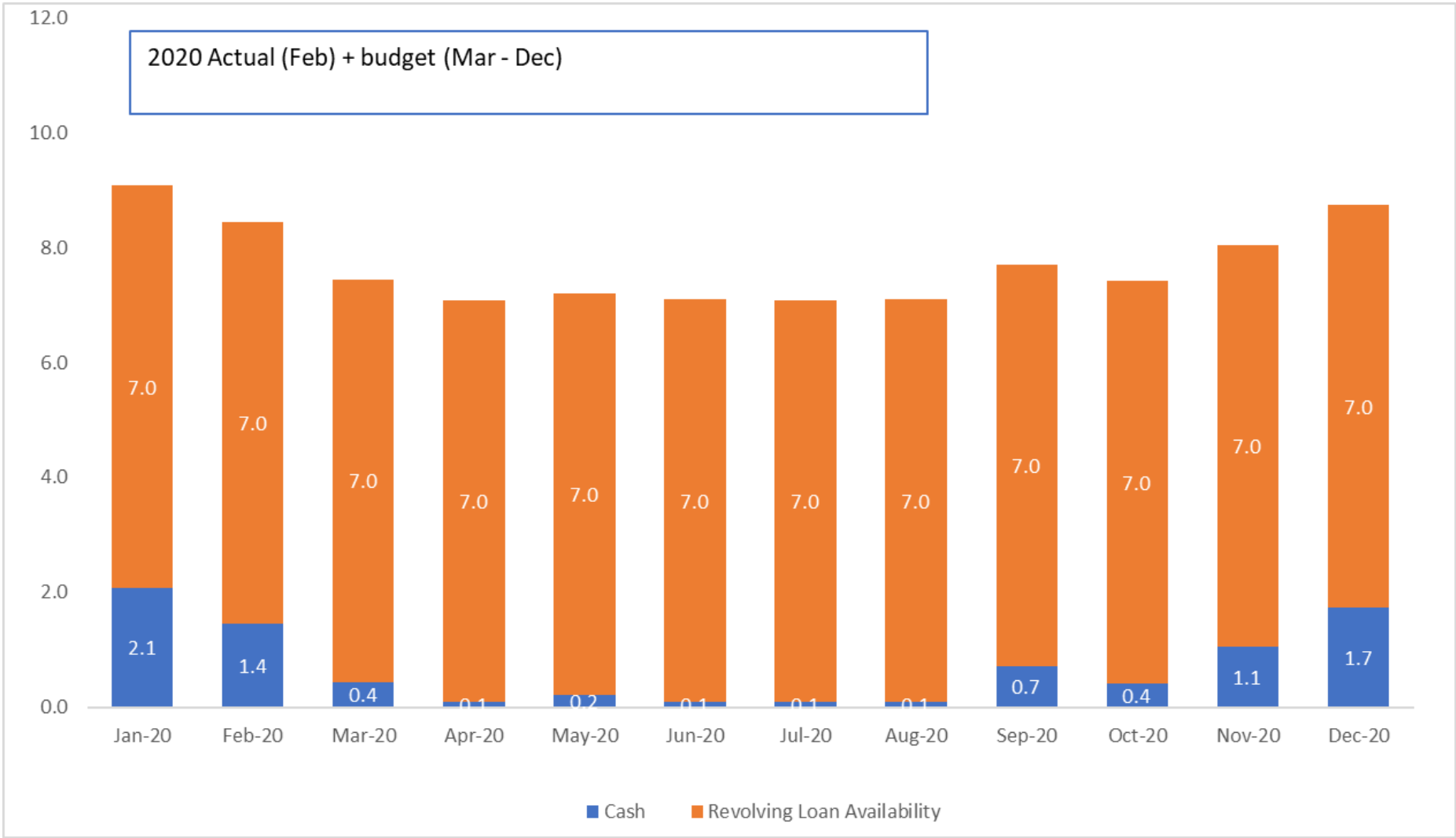
Headcount Hires & Attrition

| FUNCTIONAL AREA | START OF MONTH | HIRES | INVOLUNTARY TERM | VOLUNTARY TERM | END OF MONTH |
|------------------------|----------------|----------|------------------|----------------|--------------|
| Direct Labor | 75 | 1 | - | 1 | 75 |
| Operations - Hourly | 7 | - | - | - | 7 |
| Operations - Salary | 20 | - | - | - | 20 |
| Research & Development | 2 | - | - | - | 2 |
| Sales & Marketing | 23 | 1 | - | 1 | 23 |
| Administrative | 11 | 1 | - | - | 12 |
| Other | - | - | - | - | - |
| Agency FTE & Temps | - | 1 | - | - | 1 |
| Total Headcount | 138 | 4 | - | 2 | 140 |

NOTE: Turnover trend remains below monthly target of 1%

Liquidity Forecast

\$ in millions



Headcount Trending by Month

| | Feb-19 | Mar-19 | Apr-19 | May-19 | Jun-19 | Jul-19 | Aug-19 | Sep-19 | Oct-19 | Nov-19 | Dec-19 | Jan-20 | Feb-20 |
|------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Direct Labor | 78 | 77 | 77 | 78 | 78 | 78 | 78 | 77 | 78 | 77 | 76 | 75 | 75 |
| Operations - Hourly | 6 | 6 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 |
| Operations - Salary | 18 | 18 | 18 | 19 | 19 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 |
| Research & Development | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Sales & Marketing | 22 | 23 | 23 | 24 | 23 | 24 | 24 | 26 | 27 | 23 | 23 | 23 | 23 |
| Administrative | 7 | 7 | 7 | 7 | 7 | 7 | 8 | 10 | 10 | 10 | 11 | 11 | 12 |
| Other | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Agency FTE & Temps | - | - | 1 | 1 | 1 | 1 | - | - | - | - | - | - | 1 |
| Total Headcount | 133 | 133 | 135 | 138 | 137 | 139 | 139 | 142 | 144 | 139 | 139 | 138 | 140 |

Management Discussion

Current Open Roles:

- Sales: Regional Sales Manager (2), AP & AR Specialists
- Roles on Hold: Customer Service Supervisor, Material Scientist, Associate Product Manager, Senior Process Engineer, Machine Op (2)



Thank You