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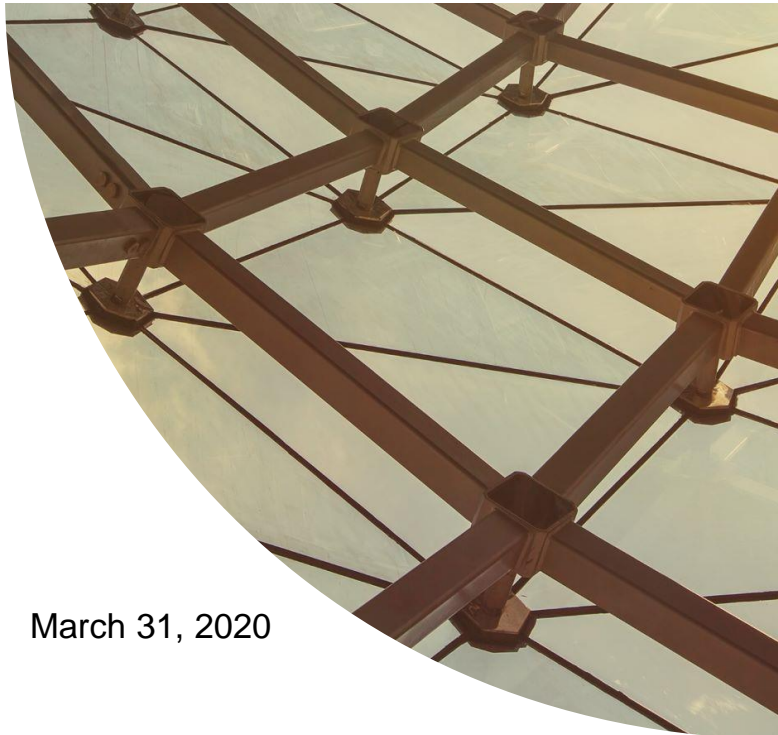


LINCOLN
INTERNATIONAL

Fair Value Analysis of Duraco, Inc.

Valuation as of
December 31, 2019

March 31, 2020



Disclaimer and Confidentiality Statement

This report (“Report”) has been prepared by Lincoln Partners Advisors LLC (“Lincoln” or “we”) from materials and information supplied (whether orally or in writing) by or on behalf of OpenGate Capital (collectively with its subsidiaries and affiliates, “OGC”) as well as publicly available data and information. This Report is delivered subject to the conditions, scope of engagement, limitations and understandings set forth herein and in our engagement letter dated November 17, 2016. The valuations herein shall represent the findings of Lincoln based solely upon the information furnished by or on behalf of OGC, and other publicly accessible sources, and shall be considered advisory in nature only.

In arriving at the valuations herein, Lincoln has relied upon and assumed the accuracy and completeness of the financial information supplied to us and considered in our analysis, and we do not assume any responsibility for independent verification of such information. The valuations herein assume that information and representations made by management regarding the portfolio companies are accurate in all material respects. For those cases in which information was not available as of the valuation date, Lincoln assumed that there was no material change between the date of the most current information provided to us and the valuation date.

Our valuations herein are based on a limited scope analysis, primarily based on information provided by OGC and discussions with the management of OGC. Lincoln has not made any independent valuation or appraisal of the assets and liabilities of any portfolio company, has not visited or made any physical inspection of the portfolio companies and has not interviewed the management of the portfolio companies.

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We have acted as an independent financial advisor to the management of OGC and will receive a customary fee from OGC for our services. Our fees are not contingent upon the valuations provided herein, and neither Lincoln nor any of its employees have a present or intended financial interest in OGC or the portfolio companies unless otherwise disclosed to OGC. We may have rendered in the past or may render in the future certain financial advisory services to the portfolio companies or parties involved in transactions with the portfolio companies.

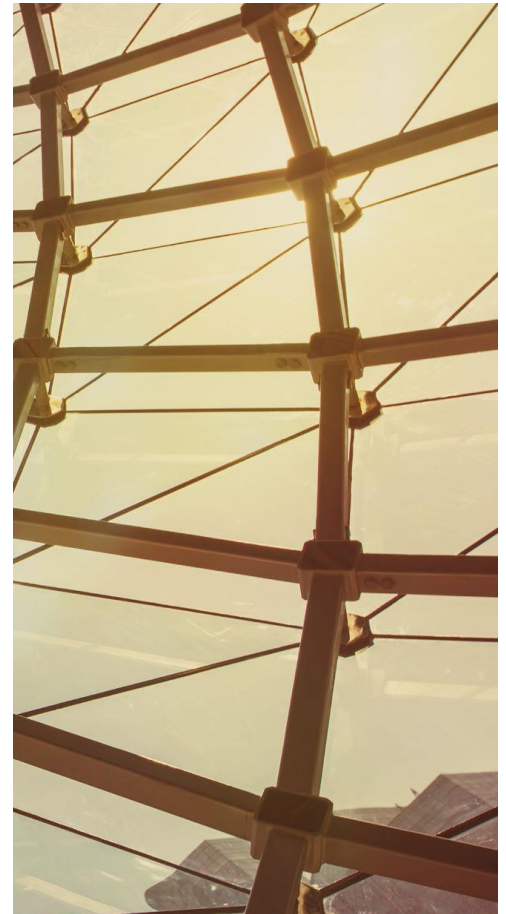
We have not been engaged to identify prospective purchasers or to ascertain the actual prices at which and terms on which each of the portfolio companies could currently be sold. No opinion, counsel or interpretation is intended for use in matters that require legal, accounting, tax or other professional advice. It is assumed that such opinions, counsel or interpretations have been or will be obtained from the appropriate professional sources.

Table of Contents

Section 1	Executive Summary	5
Section 2	Duraco, Inc.	8
Appendix A	Summary of Valuation Methodologies	22
Appendix B	Certifications	25

Executive Summary

Section 1



Executive Summary

Terms of Engagement

- Lincoln Partners Advisors LLC (“Lincoln”) has been retained by OpenGate Capital (“OGC”) as an independent financial advisor for the purpose of providing written valuations (each, a “Valuation”) as of December 31, 2019 (the “Valuation Date”) of certain control, affiliate and non-control/non-affiliate investments of preferred stock, common stock, membership interests and warrants (individually, the “Investment”; collectively, the “Investments”). The portfolio company in which OGC owns an Investment is herein referred to as the “Portfolio Company.” The Valuation will be used by OGC to assist with its determination of the fair value of the Investment in accordance with the fair measurement principles of Accounting Standards Codification Topic 820, Fair Value Measurements and Disclosure (ASC 820), issued by the Financial Accounting Standards Board (FASB).

Scope of Analysis

- In connection with Lincoln’s activities on behalf of OGC and the performance of its services hereunder, we have, among other things:
- Reviewed credit agreements and amendments for debt when available;
- Reviewed audited and/or unaudited financial statements when available, as well as internal financial statements as provided by OGC, for the most current period prior to the close of the quarter;
- Reviewed certain business, financial and other information relating to the Portfolio Company, including financial budgets or forecasts prepared by management of the Portfolio Company;
- Reviewed investment report memoranda prepared on the Investment by OGC;
- Discussed with OGC the investment thesis and business, financial outlook and prospects of the Portfolio Company;
- Reviewed certain financial and other information for the Portfolio Company and compared that data and information with certain stock trading and corresponding data and information for companies with publicly traded securities that we deemed relevant; and
- Considered such other information, financial studies, analyses and investigations and financial, economic and market criteria that we deemed relevant.

Summary of Conclusions

Summary Conclusions - Duraco

	Weighting	Fair Value		
		Low	Mid	High
Enterprise Value Indications:				
Market Approach:				
Selected Public Companies Analysis	25.0%	\$ 76,296	\$ 81,003	\$ 85,711
Precedent Transactions Analysis	25.0%	77,085	82,059	87,032
Income Approach:				
Discounted Cash Flow Analysis	50.0%	74,856	79,788	84,913
Indicated Enterprise Value		\$ 75,773	\$ 80,659	\$ 85,642
Add: Excess Cash ⁽¹⁾		\$ -	\$ -	\$ -
Less: Total Debt ⁽²⁾		(41,099)	(41,099)	(41,099)
Indicated Total Equity Value		\$ 34,674	\$ 39,560	\$ 44,543

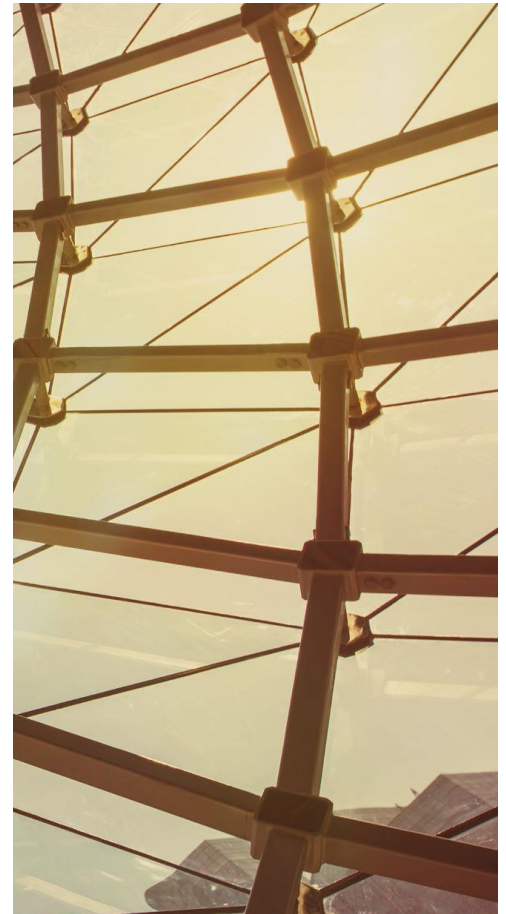
Security	12/31/2019 Cost Basis	Fair Value			Fair Value as % Cost		
		Low	Mid	High	Low	Mid	High
OGC Share of Class A Units	\$ 38,500	TBD	TBD	TBD	TBD	TBD	TBD
Class B Units	n/a	TBD	TBD	TBD	TBD	TBD	TBD
Class C Units	n/a	TBD	TBD	TBD	TBD	TBD	TBD
Participation Plan	n/a	TBD	TBD	TBD	TBD	TBD	TBD

(1) Cash is assumed to be operational in nature

(2) Total debt provided by Duraco management as of December 31, 2019

Duraco, Inc.

Section 2



Duraco, Inc. (“Duraco”)

Industry: Tape/Adhesives

Initial Investment: June 28, 2019

Valuation Date:	Initial Investment	Current Period			Change
	June 28, 2019	December 31, 2019			
Fair Value Conclusion	<u>Purchase Price</u>	<u>Low</u>	<u>Mid</u>	<u>High</u>	<u>Mid</u>
Enterprise Value	\$ 79,800	\$ 75,773	\$ 80,659	\$ 85,642	\$ 859
Selected Public Companies Analysis		76,296	81,003	85,711	
Precedent Transactions Analysis		77,085	82,059	87,032	
Discounted Cash Flow Analysis		74,856	79,788	84,913	
Indicated Total Equity Value	\$ 38,500	34,674	39,560	44,543	
Financial Metrics	<u>As of December 2018</u>	<u>As of December 2019</u>			<u>Amount</u> <u>%</u>
LTM Revenue	\$ 43,600	\$ 41,728			\$ (1,872) (4.3%)
LTM EBITDA	9,700	9,947			247 2.5%
% Margin	22.2%	23.8%			
NCY Revenue	\$ 43,200	\$ 43,358			\$ 158 0.4%
NCY EBITDA	9,600	8,883			(717) (7.5%)
% Margin	22.2%	20.5%			
Total Net Leverage	4.3x	4.1x			-0.1x
Total Net Debt	\$ 41,300	\$ 41,099			\$ (201)
Implied Multiples	<u>Purchase Multiples</u>	<u>Low</u>	<u>Mid</u>	<u>High</u>	<u>Mid</u>
Implied LTM Revenue Multiple	1.8x	1.8x	1.9x	2.1x	0.1x
Implied LTM EBITDA Multiple	8.2x	7.6x	8.1x	8.6x	(0.1x)
Implied NCY Revenue Multiple	1.8x	1.7x	1.9x	2.0x	0.0x
Implied NCY EBITDA Multiple	8.3x	8.5x	9.1x	9.6x	0.8x

Overview of Valuation Assumptions and Conclusions

Financial Metrics and Company Valuation	Lincoln Valuation Assumptions	Fair Value Conclusion
<ul style="list-style-type: none">▪ LTM EBITDA of \$9.9 million on an adjusted basis was above the December 2018 LTM EBITDA of \$9.7 million used at close; the company improved gross margins from 39.9% in 2018 to 42.5% in 2019▪ Forecast revised downwards from base case used at underwriting, with FYE 2020 and 2021 Revenue lower than previously anticipated, but exceeding base case revenue by 2022 through 2024; projected EBITDA is lower for every year for the updated projections as compared to the base case▪ LTM EBITDA used as Valuation Driver in the current period analysis given it reflects the best approximation of run-rate EBITDA, additionally NCY EBITDA is being utilized for the market multiple trading approach given EBITDA is expected to decrease in 2020	<ul style="list-style-type: none">▪ LTM EBITDA multiple conclusion for the selected public companies' analysis based on the initial purchase price and the movement in trading multiples of the selected public companies; selected LTM and NCY EBITDA multiples have been maintained since close based on minimal change in the selected public companies' LTM and NCY multiples▪ Selected LTM EBITDA multiple in the precedent transaction analysis based on the initial purchase price and identified M&A transactions▪ DCF exit multiple has been maintained since close	<ul style="list-style-type: none">▪ Estimated enterprise value is approximately in-line with the purchase price given stable financial performance since close▪ Total implied equity value is 2.8% above cost at the midpoint given the short time since close, 2.5% increase in EBITDA, and broad stability of the selected public companies' multiples as of the Valuation Date

Business and Transaction Overview

Initial Transaction

	6/28/2019 Amount	Multiple of EBITDA	Cumulative Multiple	% of EV
Revolver ⁽¹⁾	100	0.0x	0.0x	0.1%
First Lien Term Loan	41,200	4.2x	4.3x	51.6%
Total Debt	\$ 41,300	4.3x	4.3x	51.8%
Less: Cash	-	0.0x	4.3x	0.0%
Net Debt	\$ 41,300	4.3x	4.3x	51.8%
Total Equity	\$ 38,500	4.0x	8.2x	48.2%
Enterprise Value	\$ 79,800	8.2x	8.2x	100.0%
LTM December 2018 Adj. EBITDA	\$ 9,700			

Source: Project D12 - IC Deck_v31

(1) \$7.0 million total commitment

Business and Transaction Overview

- Duraco is a manufacturer of specialty tape, adhesives, and gaskets that was previously part of Essentra, a UK based diversified industrial company. Duraco produces specialty tapes and adhesives used primarily in point of purchase retail displays (70% of sales) and industrial applications/appliances (30% of sales).
- On June 28, 2019, OpenGate Capital (“OGC”) purchased Duraco for \$79.8 million (including fees and expenses), or 8.2x LTM December 2018 EBITDA of \$9.7 million. The transaction was financed with \$100 thousand draw on the Revolver (total commitment of \$7.0 million), a \$41.2 million of Term Debt, and \$38.5 million of equity.

Underwriting Considerations

- Duraco is the market leader in the North American point of purchase retail adhesive tape space with 30% of the market.
- Diverse, long-term customer base totaling 6,800 customers with the top 10 accounting for only 27% of revenue.
- Owned, US-located manufacturing facility decreases tariff risks and provides optionality in the form of potential sale-leaseback transactions.
- Large universe of possible add-on targets increases flexibility and allows for rollup strategy/multiple arbitrage.
- Additional price increases possible based on broad customer acceptance of 3% price increase in February 2019 (first increase since 2014).

Note: Lincoln included transaction expenses of \$3.9 million in enterprise value at close.

Financial Overview

Underwriting Forecast vs. Actual / Valuation Date Forecast

	Actual 12/31/2018	Actual 12/31/2019	Revised 12/31/2020	Revised 12/31/2021	Revised 12/31/2022	Revised 12/31/2023	Revised 12/31/2024
Revenue							
Underwriting Projections	\$ 43,600	\$ 43,200	\$ 46,300	\$ 47,700	\$ 48,800	\$ 49,800	\$ 51,100
January 2020 Projections	43,600	41,827	43,358	46,235	49,206	52,017	54,424
Actual Results / Revised Forecast	43,600	41,728	43,358	46,235	49,206	52,017	54,424
Over (Under) Underwriting Projections	\$ -	\$ (1,472)	\$ (2,942)	\$ (1,465)	\$ 406	\$ 2,217	\$ 3,324
	-	(3.4%)	(6.4%)	(3.1%)	0.8%	4.5%	6.5%
Adjusted EBITDA							
Underwriting Projections	\$ 9,700	\$ 9,600	\$ 10,700	\$ 11,600	\$ 12,100	\$ 12,700	\$ 13,300
January 2020 Projections	9,700	9,947	8,883	9,590	10,814	12,009	12,935
Actual Results / Revised Forecast	9,700	9,947	8,883	9,590	10,814	12,009	12,935
Over (Under) Underwriting Projections	\$ -	\$ 347	\$ (1,817)	\$ (2,010)	\$ (1,286)	\$ (691)	\$ (365)
	-	3.6%	(17.0%)	(17.3%)	(10.6%)	(5.4%)	(2.7%)

Summary Historical Operating Results

	Fiscal Year Ended		NCY
	12/31/2018	12/31/2019	12/31/2020
Revenue	\$ 43,600	\$ 41,728	\$ 43,358
% Growth	n/a	(4.3%)	3.9%
Gross Profit	\$ 17,400	\$ 17,670	\$ 18,395
% Margin	39.9%	42.3%	42.4%
EBITDA	\$ 9,700	\$ 10,878	\$ 8,796
% Margin	22.2%	26.1%	20.3%
Adjustments	\$ -	\$ (931)	\$ 87
Adjusted EBITDA	\$ 9,700	\$ 9,947	\$ 8,883
% Margin	22.2%	23.8%	20.5%
CapEx	n/a	\$ 1,218	\$ 1,265

Commentary

- Lincoln was provided updated financial projections with lower EBITDA for the entire projection period as compared to the base case projections included in the investment committee memo. Revenue was also lower in the updated projections for 2020 and 2021, though revenue exceeds the original estimates after 2022.

Source: Project D12 - IC Deck_v31, Duraco Financial Projections 2020-2024 (Jan 2020)

Market Approach – Selected Public Companies Analysis

	Weighting	Selected Multiples		Duraco Financial Statistic	Enterprise Value				
		Low	High		Low	Mid	High		
Last Twelve Months:									
Enterprise Value / EBITDA	50.0%	7.75x	8.75x	\$ 9,947	\$ 77,085	\$ 82,059	\$ 87,032		
Next Calendar Year:									
Enterprise Value / EBITDA	50.0%	8.50x	9.50x	8,883	75,507	79,948	84,390		
Selected Public Companies Analysis Indication of Value					\$ 76,296	\$ 81,003	\$ 85,711		

Commentary

- Lincoln concluded a valuation multiple range of **7.75x to 8.75x LTM EBITDA** and **8.50x to 9.50x NCY EBITDA**. Lincoln considered the NCY period in its selected public companies analysis given the projected decrease in EBITDA as compared to the LTM levels. The midpoint of the concluded multiple range for the NCY period was selected to approximate enterprise value at close while the concluded LTM EBITDA multiple range was maintained from close.
- In concluding on its valuation multiple range, Lincoln considered the following:
 - Lincoln selected six public companies in the adhesives and tape industries that serve similar end markets and experience similar supply and demand economics as Duraco. The selected companies provide a general proxy for market movements and represent industry multiples as a whole.
 - Lincoln selected its LTM and NCY EBITDA multiple ranges with consideration to the enterprise value of Duraco at close and the selected public companies' adjusted mean multiples of 10.9x for LTM EBITDA and 10.4x for NCY EBITDA. Lincoln considers the 24.0% discount to the adjusted mean of the selected public companies' LTM EBITDA multiple and 13.8% discount to the Adjusted Mean of the selected public companies' NCY EBITDA multiple reasonable given the smaller size of Duraco.
 - Additionally, Lincoln considered the Adjusted Mean LTM and NCY size and profitability adjusted valuation multiples of 7.4x and 6.9x, respectively, when concluding to the LTM and NCY multiple ranges for Duraco. The premium above the size and profitability adjusted multiples was deemed reasonable due to Duraco's significantly above market EBITDA margins.

Market Approach – Selected Public Companies Analysis (continued)

Company Name	Stock Price	% of 52 Week High	Market Capitalization	Enterprise Value	Net Debt / EBITDA	LTM			3-Year CAGR		NCY Projected Growth	
						Revenue	EBITDA	EBITDA Margin	Revenue	EBITDA	Revenue	EBITDA
3M Company	\$ 176.42	80.3%	\$ 101,450	\$ 114,150	1.6x	\$ 31,970	\$ 7,920	24.8%	2.1%	(2.8%)	1.4%	4.3%
Avery Dennison Corporation	130.82	97.2%	10,924	12,812	1.9x	7,066	974	13.8%	5.7%	11.2%	0.8%	4.3%
Henkel AG & Co. KGaA	103.47	94.3%	42,543	44,214	0.4x	21,863	4,265	19.5%	2.2%	4.0%	0.5%	(2.4%)
Huntsman Corporation	24.16	94.2%	5,447	7,908	2.2x	8,736	1,048	12.0%	3.2%	3.8%	(13.9%)	(18.9%)
H.B. Fuller Company	51.57	98.4%	2,629	4,632	4.9x	2,926	406	13.9%	12.3%	14.5%	(1.1%)	7.0%
Intertape Polymer Group Inc.	12.81	83.2%	754	1,324	3.5x	1,155	156	13.5%	13.3%	16.8%	6.3%	14.5%
Mean		91.3%	\$ 27,291	\$ 30,840	2.4x	\$ 12,286	\$ 2,461	16.2%	6.4%	7.9%	(1.0%)	1.5%
Adjusted Mean		92.2%	15,386	17,391	2.3x	10,148	1,673	15.2%	5.8%	8.4%	0.4%	3.3%
Median		94.2%	8,186	10,360	2.1x	7,901	1,011	13.8%	4.4%	7.6%	0.6%	4.3%
Duraco					4.1x	\$ 42	\$ 10	23.8%	n/a	n/a	3.9%	(10.7)%

Company Name	EV / LTM Revenue		EV / LTM EBITDA		EV / NCY EBITDA		3-Year Average EV / LTM	
	6/28/2019	12/31/2019	6/28/2019	12/31/2019	6/28/2019	12/31/2019	Revenue	EBITDA
3M Company	3.5x	3.6x	13.9x	14.4x	13.1x	12.6x	4.0x	15.1x
Avery Dennison Corporation	1.7x	1.8x	12.3x	13.2x	11.6x	12.2x	1.6x	12.1x
Henkel AG & Co. KGaA	1.9x	2.0x	9.9x	10.4x	9.5x	10.5x	2.3x	11.7x
Huntsman Corporation	0.8x	0.9x	6.3x	7.5x	6.0x	8.9x	1.0x	7.5x
H.B. Fuller Company	1.5x	1.6x	10.9x	11.4x	9.8x	9.9x	1.6x	12.9x
Intertape Polymer Group Inc.	1.3x	1.1x	9.8x	8.5x	8.5x	7.4x	1.3x	10.1x
Mean	1.8x	1.8x	10.5x	10.9x	9.8x	10.2x	2.0x	11.6x
Adjusted Mean	1.6x	1.6x	10.7x	10.9x	9.9x	10.4x	1.7x	11.7x
Median	1.6x	1.7x	10.4x	10.9x	9.7x	10.2x	1.6x	11.9x

Company Name	Raw Valuation Multiples						Size and Profitability Adjusted Valuation Multiples					
	EV / LTM		EV / NCY		3-Yr Average EV / LTM		EV / LTM		EV / NCY		3-Yr Average EV / LTM	
	Revenue	EBITDA	Revenue	EBITDA	Revenue	EBITDA	Revenue	EBITDA	Revenue	EBITDA	Revenue	EBITDA
3M Company	3.6x	14.4x	3.4x	12.6x	4.0x	15.1x	2.8x	7.6x	2.7x	7.1x	3.1x	7.8x
Avery Dennison Corporation	1.8x	13.2x	1.8x	12.2x	1.6x	12.1x	2.9x	8.6x	2.8x	8.2x	2.6x	8.1x
Henkel AG & Co. KGaA	2.0x	10.4x	1.9x	10.5x	2.3x	11.7x	2.2x	6.4x	2.1x	6.5x	2.5x	6.9x
Huntsman Corporation	0.9x	7.5x	1.1x	8.9x	1.0x	7.5x	1.7x	5.7x	2.2x	6.5x	1.9x	5.7x
H.B. Fuller Company	1.6x	11.4x	1.6x	9.9x	1.6x	12.9x	2.6x	8.3x	2.5x	7.4x	2.6x	9.1x
Intertape Polymer Group Inc.	1.1x	8.5x	1.1x	7.4x	1.3x	10.1x	2.0x	7.1x	1.9x	6.4x	2.3x	8.3x
Mean	1.8x	10.9x	1.8x	10.2x	2.0x	11.6x	2.4x	7.3x	2.4x	7.0x	2.5x	7.7x
Adjusted Mean	1.6x	10.9x	1.6x	10.4x	1.7x	11.7x	2.4x	7.4x	2.4x	6.9x	2.5x	7.8x
Median	1.7x	10.9x	1.7x	10.2x	1.6x	11.9x	2.4x	7.4x	2.4x	6.8x	2.5x	8.0x

Source: Capital IQ and company filings
Note: USD in millions; Adjusted Mean removes the highest and lowest values of data set

Market Approach – Selected Public Companies Descriptions

Company Name	Ticker	Description
3M Company	NYSE:MMM	3M Company develops, manufactures, and markets various products worldwide.
Avery Dennison Corporation	NYSE:AVY	Avery Dennison Corporation produces and sells pressure-sensitive materials worldwide.
Henkel AG & Co. KGaA	XTRA:HEN3	Henkel AG & Co. KGaA, together with its subsidiaries, engages in adhesive technologies, beauty care, and laundry and home care businesses worldwide.
Huntsman Corporation	NYSE:HUN	Huntsman Corporation manufactures and sells differentiated organic chemical products worldwide.
H.B. Fuller Company	NYSE:FUL	H.B. Fuller Company, together with its subsidiaries, formulates, manufactures, and markets adhesives, sealants, coatings, polymers, tapes, encapsulants, and other specialty chemical products worldwide.
Intertape Polymer Group Inc.	TSX:ITP	Intertape Polymer Group Inc., together with its subsidiaries, operates in the packaging industry in Canada, the United States, and internationally.

Source: Capital IQ and company filings

Market Approach – Precedent Transactions Analysis

	Selected Multiples		Duraco Financial Statistic	Enterprise Value						
	Low	High		Low	Mid	High				
Last Twelve Months:										
Enterprise Value / EBITDA	7.75x	8.75x	\$	9,947	\$	77,085	\$	82,059	\$	87,032
Precedent Transactions Analysis Indication of Value					\$	77,085	\$	82,059	\$	87,032

Commentary

- Lincoln concluded a valuation multiple range of **7.75x to 8.75x LTM EBITDA**.
- In concluding its valuation multiple range, Lincoln considered the following:
 - Lincoln referenced the initial purchase price and multiple of 8.2x at close of the June 2019 transaction and the identified transactions in the adhesives/tape and broader thin film/packaging industries, as detailed below:
 - Lincoln identified M&A transactions with publicly disclosed metrics. The identified transactions have an Adjusted Mean LTM EBITDA multiple of 9.8x. Of the identified transactions, Lincoln noted the June 2017 acquisition of Yongle Tape Co., Ltd (“Yongle”) by Avery Dennison (one of the selected public companies) for 1.5x LTM Sales as the most comparable given the business similarities to Duraco. For comparison, Duraco’s enterprise value to LTM revenue at close was 1.8x.
 - Additionally, Lincoln identified one transaction in which Lincoln acted as an advisor in the deal (details are not disclosed for confidentiality purposes). The LTM EBITDA multiple of the transactions was 9.6x.

Source: Capital IQ and company filings; GF Data
 Note: USD in millions; Adjusted Mean removes the highest and lowest values of data set

Market Approach – Precedent Transactions Analysis (continued)

Closed Date	Target	Acquirer	Target Description	Enterprise Value	Enterprise Value / LTM		EBITDA Margin
					Sales	EBITDA	
Oct-19	LORD Corporation	Parker-Hannifin Corporation	LORD Corporation develops, manufactures, and markets adhesives, coatings, motion management devices, and sensing technologies.	\$ 3,675	3.6x	16.5x	22.1%
Aug-19	Three Flexible Packaging Plants in the United Kingdom and Ireland of	Nelipak Corporation	As of August 8, 2019, Three Flexible Packaging Plants in the United Kingdom and Ireland of Amcor plc were acquired by Nelipak Corporation.	\$ 394	2.3x	n/a	n/a
Jun-19	Bemis Company, Inc.	Amcor Limited (nka:Amcor plc)	Bemis Company, Inc. manufactures and sells packaging products in the United States, Brazil, other Americas, Europe, and the Asia-Pacific.	\$ 6,683	1.6x	11.6x	14.2%
May-19	MPM Holdings Inc.	KCC Corporation; Wonik QnC Corporation; SJL Partners	MPM Holdings Inc., through its subsidiaries, produces and sells silicones and silicone derivatives worldwide.	\$ 2,621	1.0x	6.9x	14.1%
Feb-19	Caraustar Industries, Inc.	Greif Packaging LLC	Caraustar Industries, Inc. manufactures and supplies recycled paperboard and converted paperboard products.	\$ 1,800	1.3x	10.3x	12.6%
Nov-18	KapStone Paper and Packaging Corporation	WestRock Company	KapStone Paper and Packaging Corporation produces and sells a range of containerboards, corrugated products, and specialty paper products in the United States and internationally.	\$ 4,678	1.4x	8.6x	15.7%
Aug-18	A. Schulman, Inc.	LyondellBasell Industries N.V.	A. Schulman, Inc. manufactures and supplies plastic compounds and resins.	\$ 2,239	0.8x	11.9x	7.0%
Oct-17	Sacramento Container Corporation and Northern Sheets, LLC and Central	Packaging Corporation of America	Sacramento Container Corporation and Northern Sheets, LLC and Central California Sheets, LLC represent the combined operations of Sacramento Container Corporation, Northern Sheets, LLC, and Central California Sheets, LLC in their sale to Packaging Corporation of America.	\$ 265	n/a	5.0x	n/a
Jul-17	Grace Darex Packaging Technologies	Henkel AG & Co. KGaA	Grace Darex Packaging Technologies manufactures and supplies sealants and coatings for cans and closures to packaged food and beverage industries in the United States and internationally.	\$ 1,050	3.5x	n/a	n/a
Jun-17	Yongle Tape Co.,Ltd	Avery Dennison Corporation	Yongle Tape Co.,Ltd. manufactures PVC films, PSA products, tapes, and tape manufacturing equipments.	\$ 245	1.5x	n/a	n/a
Jun-17	Multi Packaging Solutions International Limited	WestRock Company	Multi Packaging Solutions International Limited prints, manufactures, and sells paperboard, paper, and plastic packaging products in North America, Europe, and Asia.	\$ 2,258	1.5x	10.8x	13.5%
Jun-16	Alusa S.A.	Amcor Limited (nka:Amcor plc)	Alusa S.A. manufactures plastic and paper packaging products.	\$ 435	1.2x	8.5x	13.6%
Mean				\$ 2,195	1.8x	10.0x	14.1%
Adjusted Mean				1,941	1.7x	9.8x	14.0%
Median				2,019	1.5x	10.3x	13.9%
Jun-19	Duraco	OpenGate		\$ 80	1.8x	8.2x	22.2%

Source: Capital IQ and company filings

Note: USD in millions; Adjusted Mean removes the highest and lowest values of data set

Income Method – Discounted Cash Flow Analysis

Terminal Multiple Discount Rate	7.50x			8.00x			8.50x		
	13.50%	13.00%	12.50%	13.50%	13.00%	12.50%	13.50%	13.00%	12.50%
	Low			Mid			High		
Present Value of Discrete Cash Flows	\$ 23,334	\$ 23,605	\$ 23,881	\$ 23,334	\$ 23,605	\$ 23,881	\$ 23,334	\$ 23,605	\$ 23,881
Present Value of Terminal Cash Flow	51,522	52,671	53,852	54,957	56,183	57,442	58,392	59,694	61,032
Total Enterprise Value	\$ 74,856	\$ 76,276	\$ 77,732	\$ 78,291	\$ 79,788	\$ 81,322	\$ 81,726	\$ 83,299	\$ 84,913
Enterprise Value / LTM Adjusted EBITDA	7.5x	7.7x	7.8x	7.9x	8.0x	8.2x	8.2x	8.4x	8.5x
Terminal Value as a % of Total Value	68.8%	69.1%	69.3%	70.2%	70.4%	70.6%	71.4%	71.7%	71.9%
Implied Value at Exit	\$ 97,014	\$ 97,014	\$ 97,014	\$ 103,482	\$ 103,482	\$ 103,482	\$ 109,950	\$ 109,950	\$ 109,950
Implied Perpetual Growth Rate	4.5%	4.1%	3.6%	5.1%	4.6%	4.1%	5.5%	5.1%	4.6%

Commentary

- Lincoln sensitized the selected discount rate of 13.00% by +/- 50 bps and the exit multiple of 8.00x by +/- 0.5x. The concluded exit multiple was determined based on OGC's underwriting expectations surrounding an exit and the public company and precedent transaction analyses, as discussed earlier in the report, and was maintained from the prior period.
- The discounted cash flow analysis results in an enterprise value range of \$74.9 million to \$84.9 million. This range of enterprise values implied multiples of **7.5x to 8.5x LTM EBITDA**.

Income Method – Discounted Cash Flow Analysis (continued)

	12 Mo. Ending		Projected Year Ending,			Projected
	12/31/2020	12/31/2021	12/31/2022	12/31/2023	12/31/2024	CAGR ⁽¹⁾
Revenue	\$ 43,358	\$ 46,235	\$ 49,206	\$ 52,017	\$ 54,424	5.5%
% Growth	3.9%	6.6%	6.4%	5.7%	4.6%	
Adjusted EBITDA	\$ 8,883	\$ 9,590	\$ 10,814	\$ 12,009	\$ 12,935	5.4%
% Growth	(10.7%)	8.0%	12.8%	11.0%	7.7%	
% Margin	20.5%	20.7%	22.0%	23.1%	23.8%	
Operating Income	\$ 7,812	\$ 8,515	\$ 9,780	\$ 10,966	\$ 11,893	6.2%
% Margin	18.0%	18.4%	19.9%	21.1%	21.9%	
Less: Taxes @ 25.0%	(1,953)	(2,129)	(2,445)	(2,742)	(2,973)	
Tax-effected EBIT (NOPLAT)	\$ 5,859	\$ 6,386	\$ 7,335	\$ 8,225	\$ 8,920	
Plus: Depreciation	1,071	1,075	1,034	1,043	1,043	
Plus: Amortization	-	-	-	-	-	
Gross Cash Flow	\$ 6,930	\$ 7,461	\$ 8,369	\$ 9,267	\$ 9,962	
Less: Increase in Working Capital	\$ 200	\$ (155)	\$ (136)	\$ (131)	\$ (471)	
Less: Restructuring & Other Admin	(2,100)	(200)	(100)	(100)	(100)	
Less: Capital Expenditures	(1,265)	(1,150)	(1,180)	(1,080)	(1,080)	
Unlevered Free Cash Flow	\$ 3,765	\$ 5,956	\$ 6,953	\$ 7,956	\$ 8,311	
Unlevered Free Cash Flow Growth Rate	(42.4%)	51.5%	16.7%	14.4%	4.5%	
Partial Period Factor	1.00	1.00	1.00	1.00	1.00	
Discount Period	0.50	1.50	2.50	3.50	4.50	
Discount Factor	13.0% 0.9407	0.8324	0.7367	0.6520	0.5771	
Present Value of Unlevered Cash Flows	\$ 3,542	\$ 4,957	\$ 5,122	\$ 5,187	\$ 4,796	
				Terminal EBITDA	\$ 12,935	
				Terminal Multiple	8.00x	
				Value at Exit	\$ 103,482	
				Discount Factor	0.5429	
				Present Value of Terminal Value	\$ 56,183	

Present Value of Discrete Period Cash Flows	\$ 23,605
Present Value of Terminal Value	56,183
Indicated Enterprise Value	\$ 79,788

Source: Forecast provided by OGC
(1) Projected CAGR from FY 2018A to FY 2023E

Income Method – Discounted Cash Flow Analysis (continued)

Company Name	Total Debt	Preferred Equity	Market Capitalization	Total Capital	Debt to Equity	Debt to Total Capital (Wd)	Effective Income Tax Rate	2-Yr Weekly Levered Beta	2-Yr Weekly Unlevered Beta (Bu)
3M Company	\$ 20,399	\$ -	\$ 101,450	\$ 121,849	20.1%	16.7%	20.2%	1.25	1.08
Avery Dennison Corporation	2,143	-	10,924	13,067	19.6%	16.4%	25.0%	1.12	0.98
Henkel AG & Co. KGaA	5,360	-	42,543	47,903	12.6%	11.2%	23.8%	0.58	0.53
Huntsman Corporation	2,723	-	5,447	8,170	50.0%	33.3%	30.7%	1.44	1.07
H.B. Fuller Company	2,122	-	2,629	4,751	80.7%	44.7%	23.2%	1.43	0.88
Intertape Polymer Group Inc.	560	-	754	1,314	74.2%	42.6%	26.7%	0.54	0.35
Mean	\$ 5,551	\$ -	\$ 27,291	\$ 32,843	42.9%	27.5%	25.0%	1.06	0.81
Adjusted Mean	3,087	-	15,386	18,473	41.0%	27.3%	24.7%	1.09	0.86
Median	2,433	-	8,186	10,619	35.0%	25.0%	24.4%	1.19	0.93
Selected as Most Comparable to Duraco					66.7%	40.0%	25.0%		0.85

Cost of Equity		Current Period	Notes
Risk-Free Rate (Rf)		2.3%	Long-term (20-year) U.S. government debt yield
Plus Equity Premiums:			
Equity Risk Premium (ERP)		6.1%	2019 Valuation Handbook: Long-horizon expected equity risk premium (supply-side)
Relevered Equity Beta (BI)		1.28	Levered betas above per CapIQ; $BI = Bu \times [1 + (Wd / We) \times (1 - T)]$
Industry Adjusted Equity Risk Premium		7.8%	$BI \times ERP$
Size Premium (SP)		5.2%	2019 Valuation Handbook: CRSP Decile 10
Company Specific Risk		3.0%	Calculated based on enterprise value at close
Cost of Equity (COE)		18.3%	$COE = Rf + (BI \times ERP) + SP + CRP$
Cost of Debt			
Pre-Tax Cost of Debt		7.1%	Based on the Lincoln's observed cost of debt capital rates for similar sized companies
Estimated Tax Rate		25.0%	
After-Tax Cost of Debt (COD)		5.3%	$COD = \text{Pre-Tax Cost of Debt} \times (1 - T)$
Weighted Average Cost Of Capital			
Debt % of Capital (Wd)		40.0%	
Cost of Debt (COD)		5.3%	
Weighted Cost of Debt		2.1%	$Wd \times COD$
Equity % of Capital (We)		60.0%	
Cost of Equity (COE)		18.3%	
Weighted Cost of Equity		11.0%	$We \times COE$
Weighted Average Cost of Capital (Rounded)		13.0%	

Source: Capital IQ and company filings
Note: USD in millions; Adjusted Mean removes the highest and lowest values of data set

Equity Valuation Summary

Enterprise Value Waterfall				
	Low		Mid	High
December 2019 Adj. LTM EBITDA	\$	9,947	\$	9,947
Implied EBITDA Multiple		7.6x		8.6x
Concluded Enterprise Value	\$	75,773	\$	85,642
Plus: Cash ⁽¹⁾		-		-
Available for Paydown	\$	75,773	\$	85,642
Less: Capital Leases		-		-
Less: Revolver		-		-
Less: First Lien Term Loan		(41,099)		(41,099)
Implied Equity Value	\$	34,674	\$	44,543

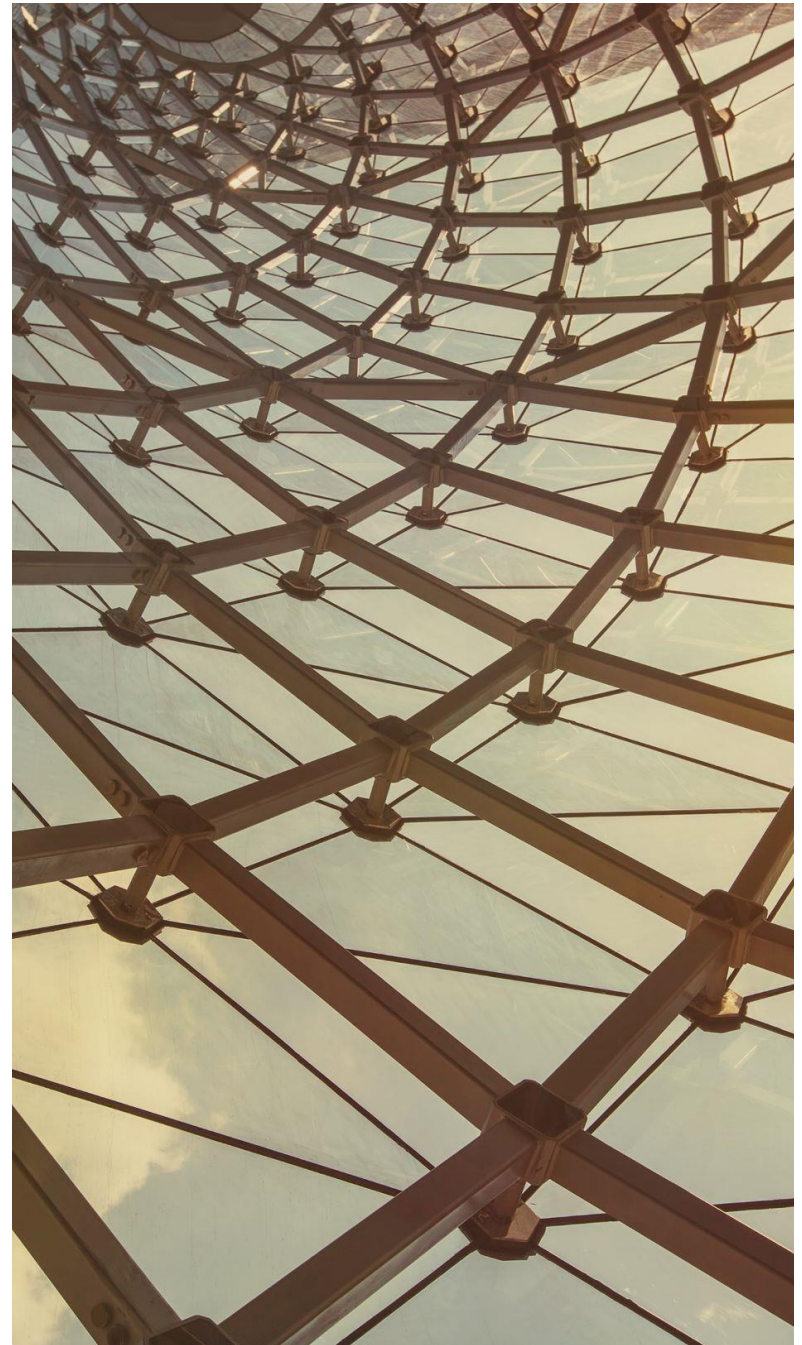
Commentary

- Based on the analysis conducted herein, Lincoln concluded an enterprise value range of \$75.8 million to \$85.6 million.
- As shown above, Lincoln determined the implied equity value as of the Valuation Date of Duraco to be **\$34.7 million to \$44.5 million**.

(1) Cash is assumed to be operational

Summary of Valuation Methodologies

Appendix A



Valuation Methodology and Key Assumptions

Overview

- Lincoln utilizes several methodologies to estimate the fair value of the Investments. Lincoln's fair value estimates are generally expressed as a range and are considered by the Client in its determination of a single estimate of fair value for each individual security.

Definition of Fair Value

- The valuations presented herein reflect the ASC-820-20 definition of "fair value" defined as "the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date."
- The valuation method for each Portfolio Company varies depending upon industry and company specific considerations. We generally perform a fundamental analysis to establish a risk profile for each company in addition to the application of one or more of the following: (i) market method; (ii) income method; and (iii) enterprise valuation waterfall method.

Fundamental Analysis

- A fundamental analysis of each Portfolio Company considers such factors as major developments affecting the business, financial outlook, industry dynamics, overall risk profile and other qualitative factors impacting valuation. These considerations are discussed throughout the Report.

Valuation Methodology and Key Assumptions

Market Method

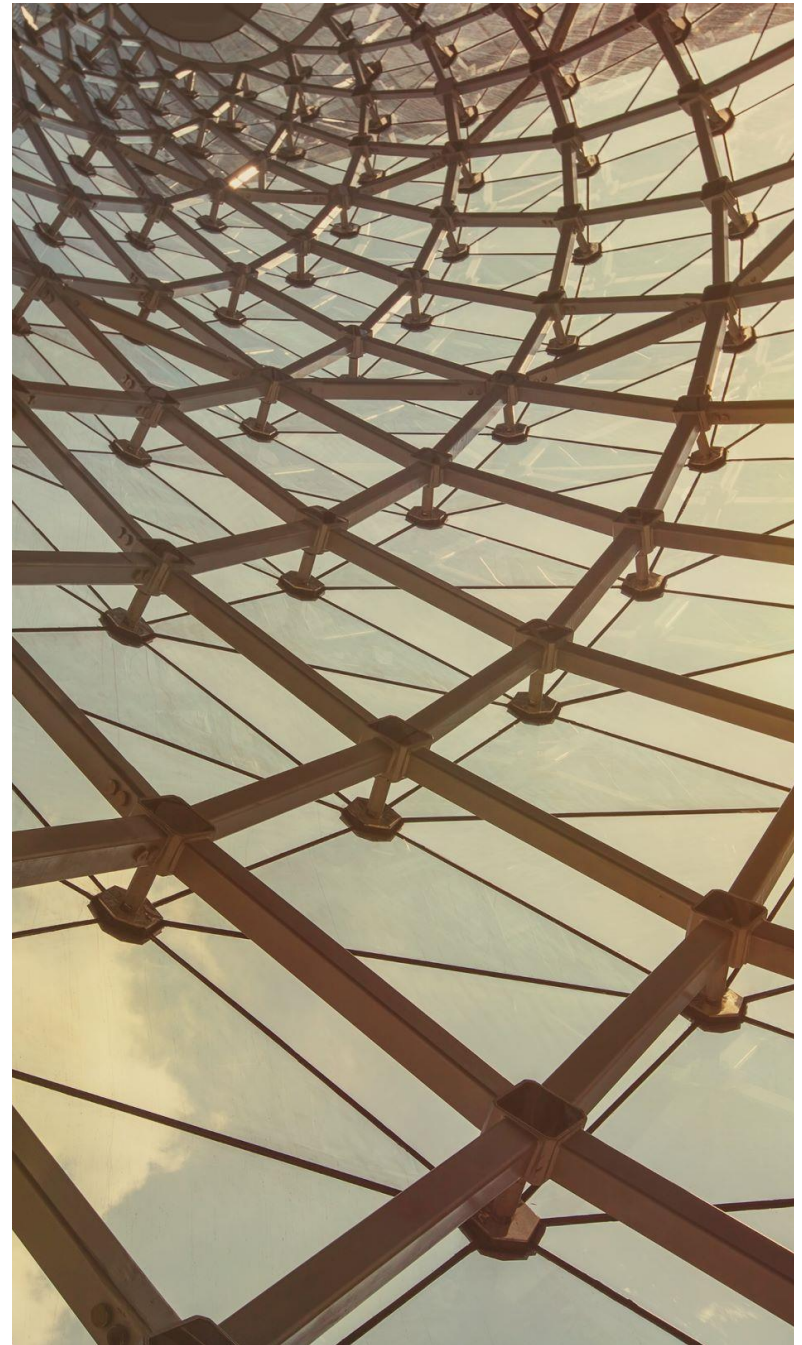
- The market method values the enterprise value of each Portfolio Company based on the observable prices of similar companies. We consider comparable public companies and precedent M&A transactions for both public and private companies, if available. Lincoln also draws on its institutional knowledge of private middle-market M&A valuations.
- The Market Method involves the determination of representative levels of earnings or other operating metrics, such as operating income (EBIT) and earnings, before interest, taxes, depreciation and amortization (EBITDA). Normalizing adjustments may be made based upon the facts and circumstances such as add-backs to EBITDA for non-recurring items. Lincoln selects an appropriate range of market multiples based on analysis of comparable public companies and/or M&A transactions as of the measurement date. We then apply the selected market multiples to the Portfolio Company to determine its enterprise value.
- Because many of the Portfolio Companies are often smaller than larger, publicly-traded companies, the private company M&A metrics may be used.

Income Method

- The discounted cash flow method (DCF) estimates the present value of the projected cash flows to be generated by the subject company. In the DCF approach, a discount rate is applied to the projected future cash flows to arrive at its present value. The discount rate is intended to reflect all risks of ownership and the associated risks of realizing the stream of projected cash flows.
- Generally, multi-year forecasts for the Portfolio Companies are not available and, as such, the Income Method is used infrequently as a primary method to determine enterprise value. Lincoln may, however, corroborate the reasonableness of its determined multiples derived under the Market Method using the Income Method, based on various estimates and assumptions.
- Lincoln may also utilize a leverage buy-out (LBO) analysis to determine the enterprise value based on a third-party investor's required rate of return over a typical hold period.

Certifications

Appendix B



Certifications

Background of Patricia J. Luscombe, CFA

Patricia is currently a Managing Director and Co-Head of the Valuations & Opinions Group at Lincoln. Ms. Luscombe joined Lincoln in August 2007. She has more than 20 years experience in financial advisory and valuation services. She has delivered a broad range of corporate finance advice that resulted in the successful completion of corporate transactions and valuation and fairness opinions. Ms. Luscombe has advised portfolio companies of private equity firms and provided them with fairness opinions for transactions, including divestitures and recapitalizations, intra-fund transfer, and fair value accounting. Ms. Luscombe has also advised Boards of Directors of public companies and rendered fairness opinions in mergers and acquisitions and going private transactions. In addition, she has worked with the valuation of many closely held businesses for corporate transactions including acquisitions and divestitures, leveraged buyouts and restructuring/recapitalizations, ESOPs, and related party transactions, for general tax, accounting, litigation and regulatory purposes.

Previously, she spent 16 years at Duff & Phelps Corporation as a Managing Director in the firm's valuation and financial advisory business. Ms. Luscombe was a founding member and Managing Director at Duff & Phelps in a management led buyout which occurred in 1995. Prior to joining Duff & Phelps, Ms. Luscombe was an associate at Smith Barney, a division of Citigroup Global Markets, Inc. where she managed a variety of financial transactions, including mergers and acquisitions, leveraged buyouts and equity and debt financings.

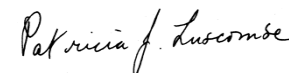
Ms. Luscombe is a member of the Chicago Chapter of the Association for Corporate Growth, the Chartered Financial Analyst Society of Chicago and a former president of the Chicago Finance Exchange.

Ms. Luscombe holds a Bachelor of Arts degree in economics from Stanford University, a Master's Degree in economics from the University of Chicago and a Master of Business Administration degree from the University of Chicago, Booth School of Business.

Certification

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct;
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, unbiased professional analyses, opinions, and conclusions;
- I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest with respect to the parties involved;
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment;
- My compensation is not contingent on an action or event resulting from the analyses, opinions, or conclusions in, or the use of, this report.



Patricia J. Luscombe, CFA

Certifications (continued)

Background of Michael R. Fisch, CPA

Michael is a Managing Director of Lincoln's Valuations & Opinions Group where he manages or participates in valuation assignments and markets the firm's services.

Prior to Lincoln International, Michael worked in the M&A department at RBC Capital Markets and spent five years at Ernst & Young LLP, primarily in the Transaction Services Group, providing due diligence and tax structuring services to private equity groups, and restructuring and bankruptcy advice to a variety of corporate clients.

Michael received a Masters of Business Administration degree with concentrations in Finance and Strategic Management from the University of Chicago, Booth School of Business, a Master of Business Taxation degree from the University of Southern California and Bachelor's Degree in Business Administration from California Polytechnic State University. Michael is also a Certified Public Accountant.

Certification

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct;
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, unbiased professional analyses, opinions, and conclusions;
- I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest with respect to the parties involved;
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment;
- My compensation is not contingent on an action or event resulting from the analyses, opinions, or conclusions in, or the use of, this report.



Michael R. Fisch, CPA

Certifications (continued)

Background of Larry Levine, CPA/ABV, ASA

Larry is a Managing Director of Lincoln's Valuations & Opinions Group where he manages or participates in valuation assignments and markets the firm's services. Prior to joining Lincoln International, Larry was a Partner in McGladrey LLP's Financial Advisory Services Group – Valuations and Corporate Finance Department.

Larry received a Masters of Business Administration degree with concentrations in Finance and Strategic Planning from the Wharton Graduate School of Business, University of Pennsylvania and a Bachelor's Degree in Accounting and Economics from the University of Albany. Larry is an accredited appraiser from both the American Society of Appraisers and American Institute of Certified Public Accountants, a Certified Public Accountant, on the National Roster of Commercial Arbitrators from the American Arbitration Association, including serving on their Alternative and Complex Investments Committee Advisory Group on Alternative and Complex Investments, and a Certified Licensing Professional from the Licensing Executives Society. He currently serves on committees for the American Society of Appraisers and International Valuation Standards Council.

He has been published or quoted in the following periodicals: Journal of Applied Finance, CNBC, The Washington Post, The New York Times, The Wall Street Journal, Bloomberg, The Deal, Fiduciary and Investment Risk Management Association magazine, Accountancy Age, Journal of Alternative Investments, Mergers & Acquisitions magazine, Valuation Strategies, CFO magazine and CFO.com. He has published three peer reviewed papers on the attributes of securities trading on the over-the-counter bulletin board stock market as well as a paper quantifying illiquidity discounts for stock options.

Certification

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct;
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, unbiased professional analyses, opinions, and conclusions;
- I have no present or prospective interest in the property that is the subject of this report, and I have no personal interest with respect to the parties involved;
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment;
- My compensation is not contingent on an action or event resulting from the analyses, opinions, or conclusions in, or the use of, this report.



Larry Levine