

Hufcor, Inc. Monthly Operating Review

Month Ended April 30, 2020

May 26, 2020

1. The Hufcor team has continued to respond to the COVID-19 disruptions, managing through a very challenging environment. The business has been positioned to control costs & conserve cash through April & May with a strong commercial push going forward
2. In April, the primary challenge in the U.S. was meeting our customers' demand amidst required production cuts in Janesville to abide by social distancing requirements on the factor floor. Janesville reverted back to full production schedule effective 5/18/20, with a focus to add production capacity to second shift by the end of Q2
3. Hufcor financial performance was meaningfully impacted by COVID-19 in April
 - Net Revenue of \$8.9 mm vs AOP of \$13.8 mm, however \$0.9 mm of product produced & not shipped
 - Bank EBITDA of (\$0.1) mm vs AOP of \$1.3
 - **Early estimates were for a Bank EBITDA loss of (\$0.3) mm, which the team was able to mitigate through cost controls**

PRIMARY DEVELOPMENTS SINCE OUR LAST MOR

Domestic Overview

- No confirmed cases of COVID-19 domestically
- Production Ramp Up in Janesville launched 5/18/20
- 2 new supervisors in Janesville, upgrading the level of talent & driving change, led by Wayne Schwanke
- Significant focus on increasing backlog to take advantage of increased capacity in Janesville

International Overview

- Australia saw the first Hufcor employee test positive for COVID-19 (week ended 5/16)
- While all international locations have seen a drop in securements (given government-forced shut-downs), operators have performed well – particularly in Europe & Australia
- Significant focus on increasing backlog

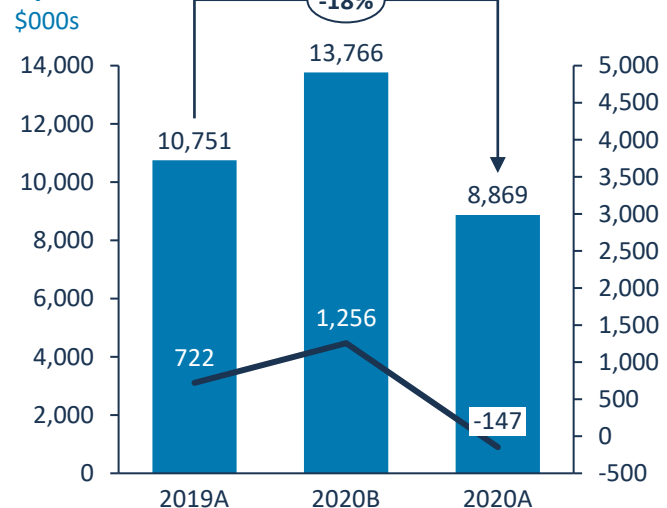
Admin / Back-Office Overview

- Cost controls enacted in all areas in light of production / revenue declines
- Furloughs winding down end of May / beginning of June to support increased operations & commercial activity
- New Director of FP&A (Joe Vacarro) hired and joined 5/11/20
- New Director of Supply Chain (Greg Leonhardt) accepted offer to join effective 5/26/20

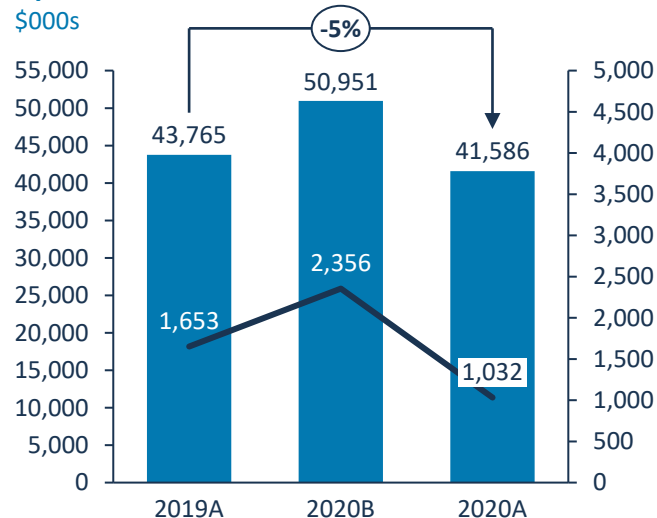
HUFCOR Monthly financial metrics

Not management's current forecast. \$9,057 represents 4 months actual + 8 months AOP

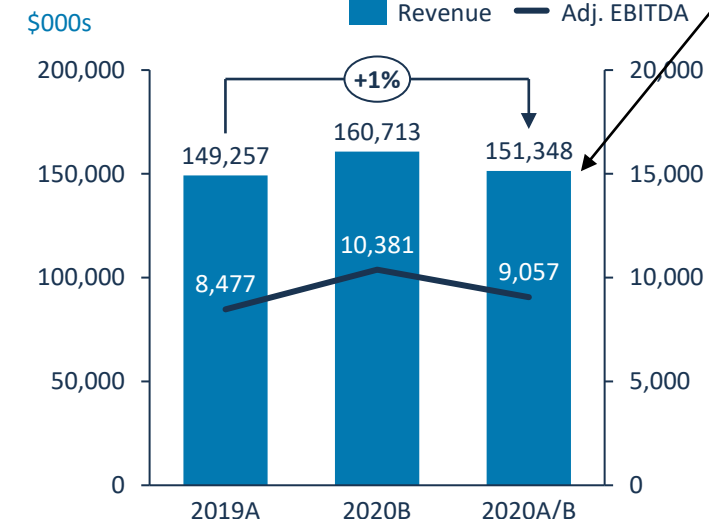
April MTD



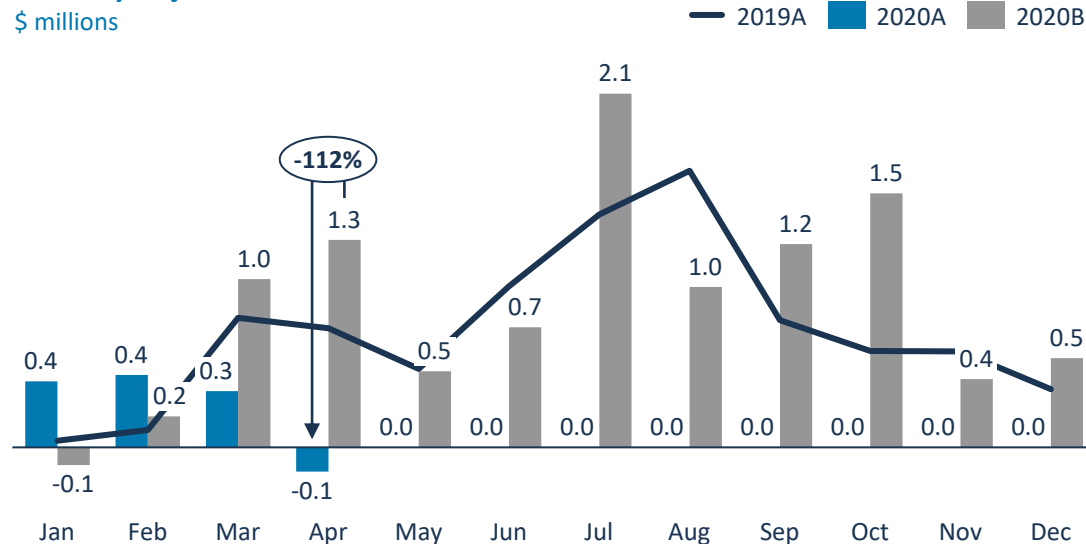
April YTD



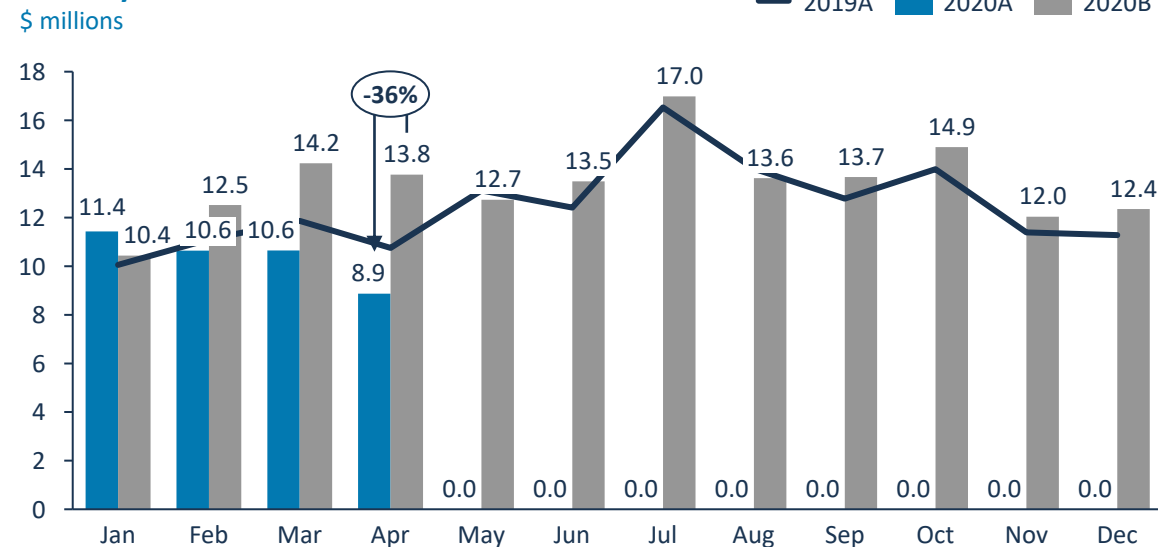
Full Year Forecast



Monthly Adjusted EBITDA



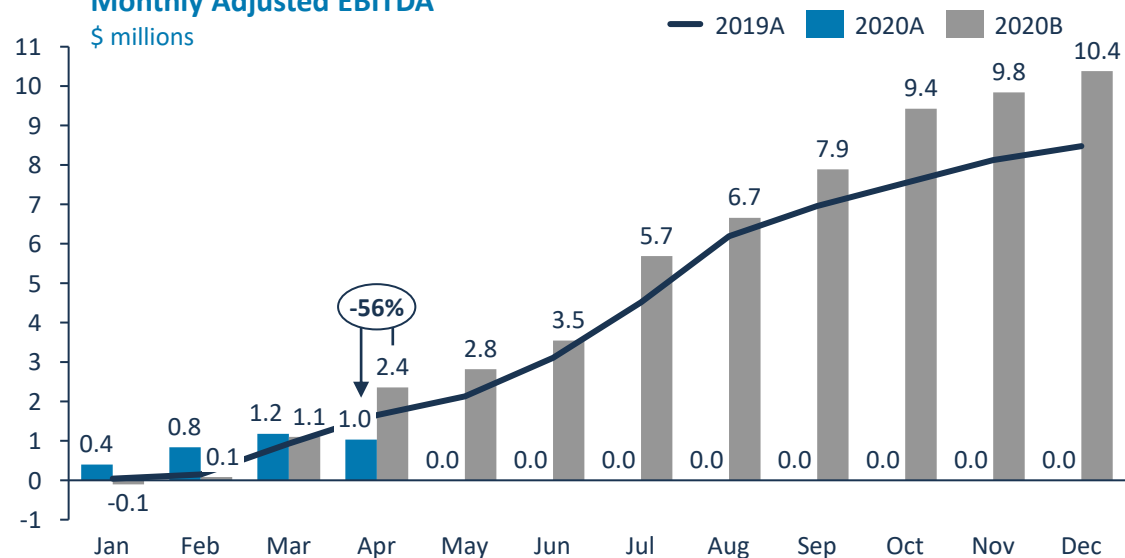
Monthly Net Revenue



HUFCOR Monthly financial metrics

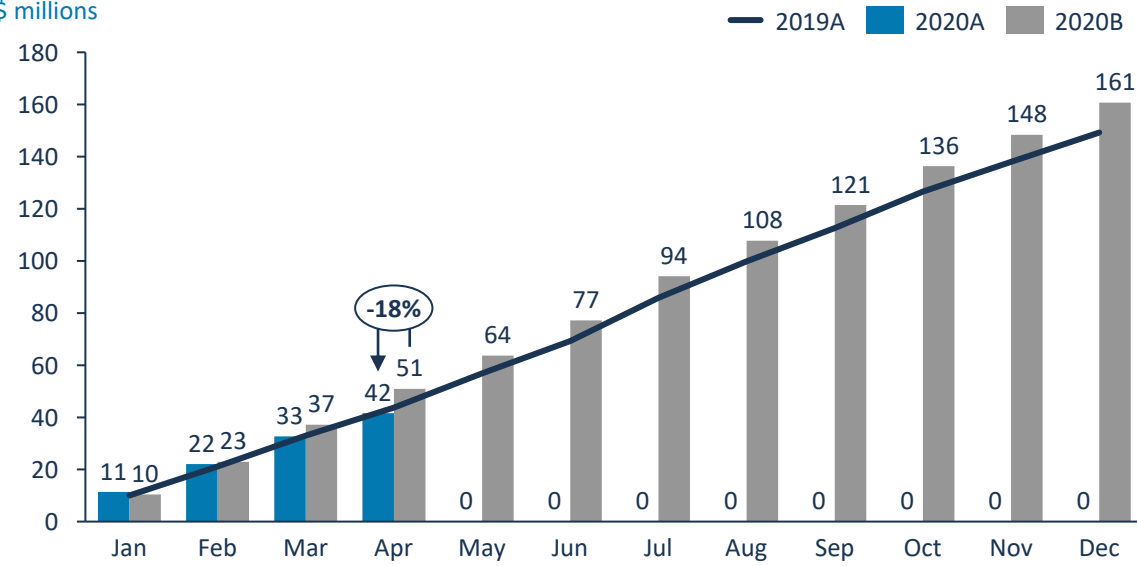
Monthly Adjusted EBITDA

\$ millions



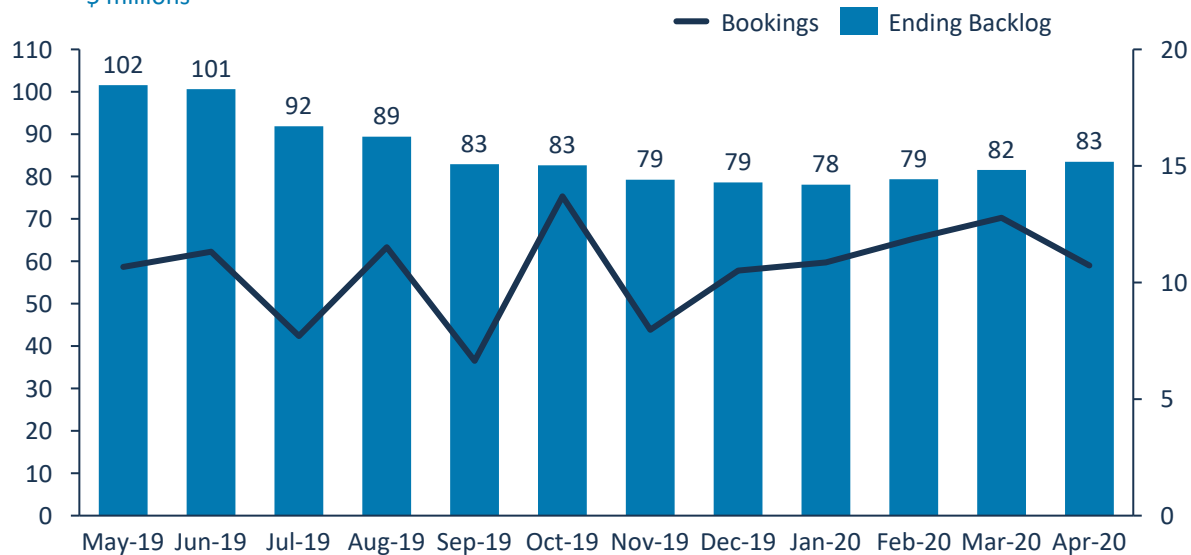
Monthly Net Revenue

\$ millions



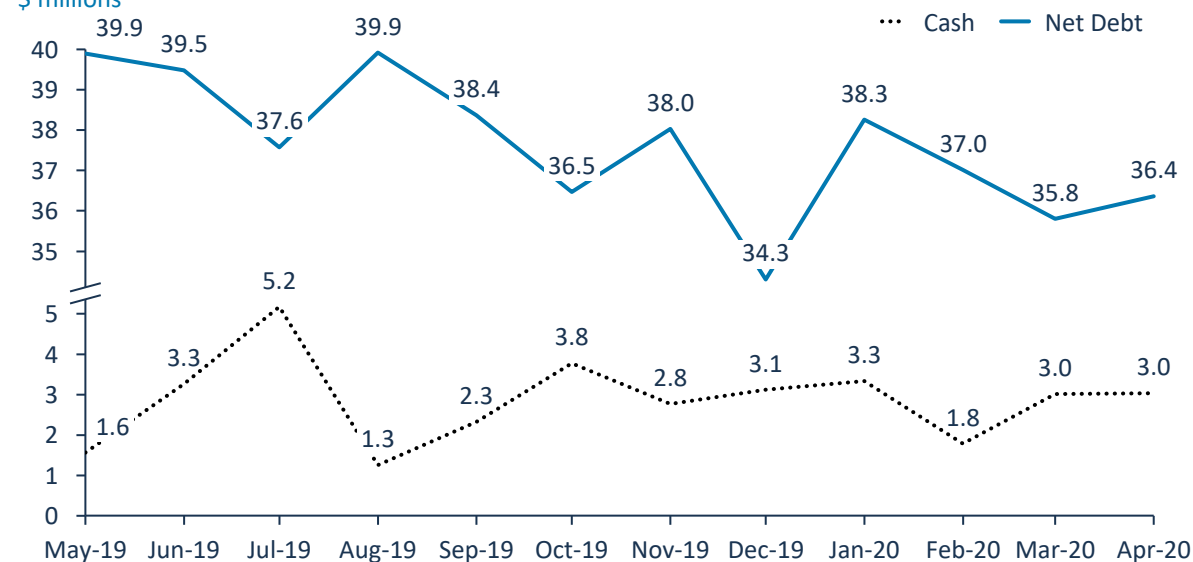
Order Intake

\$ millions



Liquidity

\$ millions



Month 4

Financials – April 2020

HUFCOR April P&L Performance

\$'000	MTD		Variance		PY MTD	Variance		YTD	Variance	PY YTD	Variance	
	Act	Bud	\$	%		Act	\$					%
Net Revenue	8,869	13,766	(4,896)	(35.6%)	10,751	(1,882)	(17.5%)	41,586	50,951	(18.4%)	43,765	(5.0%)
Material	3,064	4,759	(1,695)	(35.6%)	3,056	8	0.3%	14,280	18,050	(20.9%)	14,131	1.1%
Labor	3,031	3,844	(813)	(21.1%)	3,255	(225)	(6.9%)	13,262	14,921	(11.1%)	13,784	(3.8%)
Other COGS	796	1,236	(440)	(35.6%)	981	(184)	(18.8%)	4,191	4,968	(15.6%)	4,564	(8.2%)
Total COGS	6,891	9,839	(2,948)	(30.0%)	7,292	(401)	(5.5%)	31,734	37,940	(16.4%)	32,479	(2.3%)
Gross Margin	1,978	3,926	(1,948)	(49.6%)	3,459	(1,481)	(42.8%)	9,852	13,011	(24.3%)	11,286	(12.7%)
Gross Margin %	22.3%	28.5%			32.2%			23.7%	25.5%		25.8%	
R&D	—	—	—	N/A	—	—	N/A	—	—	N/A	—	N/A
Sales & Marketing	1,030	1,372	(342)	(24.9%)	1,192	(162)	(13.6%)	4,514	5,209	(13.4%)	4,373	3.2%
Administrative	1,551	1,728	(176)	(10.2%)	1,063	489	46.0%	6,112	7,396	(17.4%)	4,645	31.6%
Other Opex	(98)	(8)	(90)	1152.2%	(39)	(58)	148.3%	(145)	(30)	381.3%	(133)	8.9%
Total Opex	2,483	3,092	(608)	(19.7%)	2,215	268	12.1%	10,480	12,575	(16.7%)	8,884	18.0%
EBITDA	(505)	835	(1,340)	160.5%	1,244	(1,749)	(140.6%)	(628)	437	243.9%	2,402	(126.2%)
EBITDA %	(5.7%)	6.1%			11.6%			(1.5%)	0.9%		5.5%	
Adj. EBITDA	(147)	1,256	(1,403)	(111.7%)	722	(869)	(120.3%)	1,032	2,356	(56.2%)	1,653	(37.6%)
Adj. EBITDA %	(1.7%)	9.1%			6.7%			2.5%	4.6%		3.8%	
Net Income (Loss)	\$ (1,170)	\$ (151)	\$ (1,019)	(677.1%)	\$ 37	\$ (1,207)	3247.5%	\$ (3,271)	\$ (2,968)	(10.2%)	\$ (1,719)	(90.3%)

	MTD		Variance		PY MTD	Variance		YTD			PY YTD	
	Act	Bud	\$	%	Act	\$	%	Act	Bud	%	Act	%
Opex Overview:												
Payroll	\$ 1,191	\$ 1,257	\$ (66)	(5.2%)	\$ 863	\$ 328	38.0%	\$ 4,512	\$ 4,761	(5.2%)	\$ 3,947	14.3%
Benefits	247	302	(55)	(18.2%)	247	0	0.2%	895	1,044	(14.3%)	431	107.5%
Bonus	11	168	(157)	(93.7%)	139	(128)	(92.3%)	(6)	666	(100.9%)	424	(101.4%)
Marketing	22	51	(29)	(56.8%)	56	(34)	(60.3%)	84	206	(59.2%)	7	1029.3%
Commissions	179	271	(92)	(33.8%)	174	5	2.7%	728	947	(23.1%)	654	11.3%
Travel and Entertainment	40	179	(139)	(77.8%)	120	(81)	(67.0%)	450	723	(37.8%)	368	22.4%
Rent and Facilities	74	73	1	2.0%	75	(1)	(1.9%)	287	291	(1.4%)	280	2.4%
Insurance	51	57	(6)	(11.0%)	35	16	43.9%	264	229	15.0%	149	77.2%
Professional Fees	89	85	4	5.3%	100	(11)	(11.2%)	444	367	20.9%	364	21.9%
Utl., Repair, Maint., & Sec.	30	37	(7)	(18.9%)	38	(8)	(20.6%)	130	151	(14.0%)	142	(8.6%)
Office Expenses	4	6	(2)	(31.6%)	8	(4)	(48.2%)	23	26	(11.2%)	22	4.0%
IT	75	91	(15)	(17.0%)	91	(16)	(17.5%)	276	303	(9.0%)	262	5.1%
Bad Debts	(26)	36	(62)	(173.3%)	78	(104)	(133.9%)	(19)	128	(114.6%)	1,059	(101.8%)
Supplies	10	18	(8)	(45.2%)	17	(7)	(42.2%)	59	70	(16.9%)	69	(15.7%)
FX	—	—		N/A	—	—	N/A	—	—	N/A	—	N/A
Other Expenses	486	461	25	5.4%	172	314	182.9%	2,354	2,663	(11.6%)	705	234.2%
Total Opex	\$ 2,483	\$ 3,092	\$ (608)	(19.7%)	\$ 2,215	\$ 268	12.1%	\$10,480	\$12,575	(16.7%)	\$ 8,884	18.0%

(\$301k) EBITDA Loss forecasted at the end of Q1, thus \$154k ahead of forecast

Management Discussion:

Revenue

- Approximately \$4.9 mm below plan (\$8.9 mm actual vs \$13.8 mm budget) driven by lower production both domestically and internationally.
 - Domestic Revenue short of budget by \$3.7 mm, with \$0.9 mm of finished goods shipping delayed / not yet invoiced
 - International Revenue short of budget by \$1.2 mm, impacted by closures in Malaysia/NZ and overall market conditions abroad

Gross Margin

- Impacted by production slow down in Janesville
 - Variance primarily due to Janesville production at 70% of Jan/Feb output
 - Labor costs came in 6% unfavorable, driven by Janesville (\$375k inefficiency in the month)
 - Labor includes costs associated with finished goods ready to ship but not yet invoiced (particularly Texas jobs)

OPEX

- Favorable OPEX costs were a result of the following cost controls implemented in April
 - Salaries / furloughs
 - Consultant expense
 - Travel & Entertainment expense

EBITDA

- (\$505k) of Reported EBITDA vs. \$835k Budgeted EBITDA
 - International = \$142k vs \$345k Budget
 - Domestic = (\$648k) vs (\$489k) Budget
- Bank EBITDA of (\$147k) vs. \$1,256k Budget
 - Adjusted EBITDA loss of (\$147k) compares favorably to initial forecasted loss of (\$301k), in the amount of \$154k

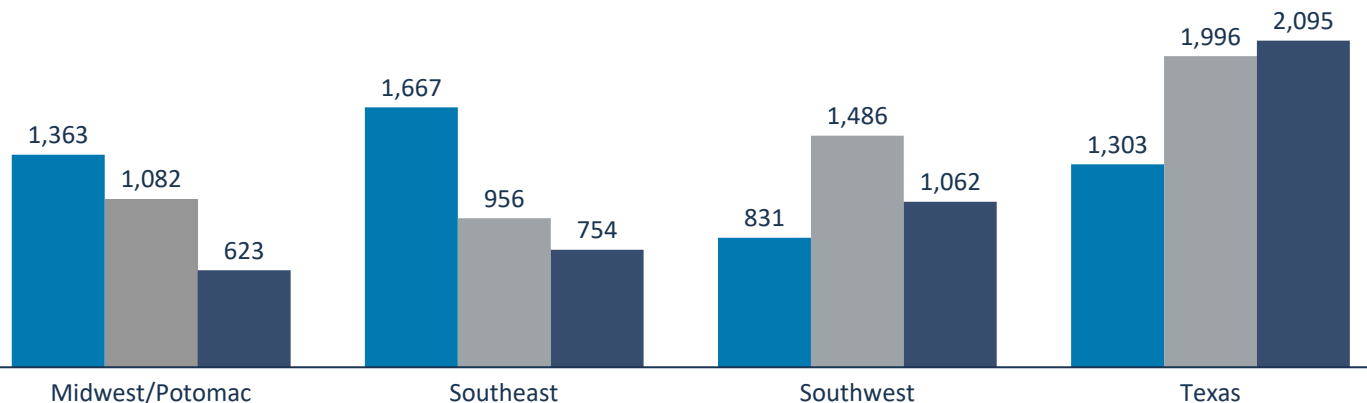
HUFCOR™ Hufcor Domestic Office Contribution Detail

Total Net Revenue – Field Offices

By location, in \$ '000

■ Feb-20 ■ Mar-20 ■ Apr-20

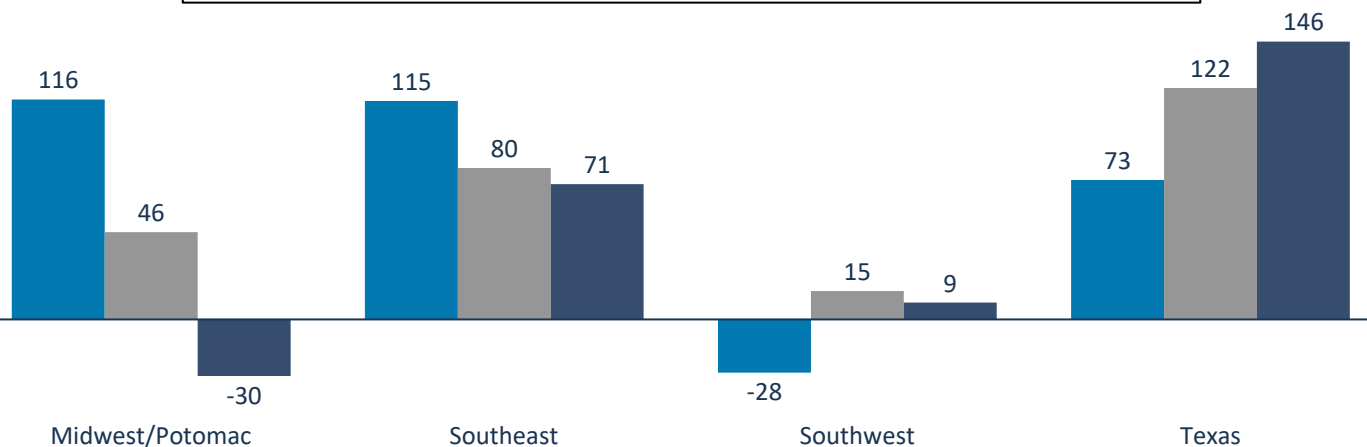
April 2020 Actual = \$4.535MM AOP = \$6.575MM Forecast= \$5.380MM



Total EBITDA

By location, in \$ '000

April 2020 Actual = \$0.197MM AOP = \$0.453MM Forecast= \$0.188MM



Management Discussion:

- April 2020 service center Revenue of \$4.535 mm vs budget of \$6.575 mm. EBITDA of \$0.197 mm missed budget by \$0.256 mm.
- Forecasted revenue missed actual by \$0.845 mm. Main driver was \$0.872 mm pushing out of April in Texas.
 - Missed 4/28 ship date for Walker panels \$0.661 mm
 - Majority of Texas revenue that pushed out of April went into May.
- Forecasted EBITDA slightly exceeded actual by \$0.009mm.
 - Main driver for EBITDA gain was SW & MW beating forecasted amount by \$0.055 mm
- Southeast had a light month revenue wise, but able to produce strong EBITDA \$71k (9.5%).
 - Driven by large service project OCCC
- Furloughs and cost control measures were in full effect the entire month. Significant decrease in OPEX for domestic field offices.
- Candidate selected for sales rep replacement in Chicago.
- WI Sales Office has secured 3 projects and has a healthy quote log.

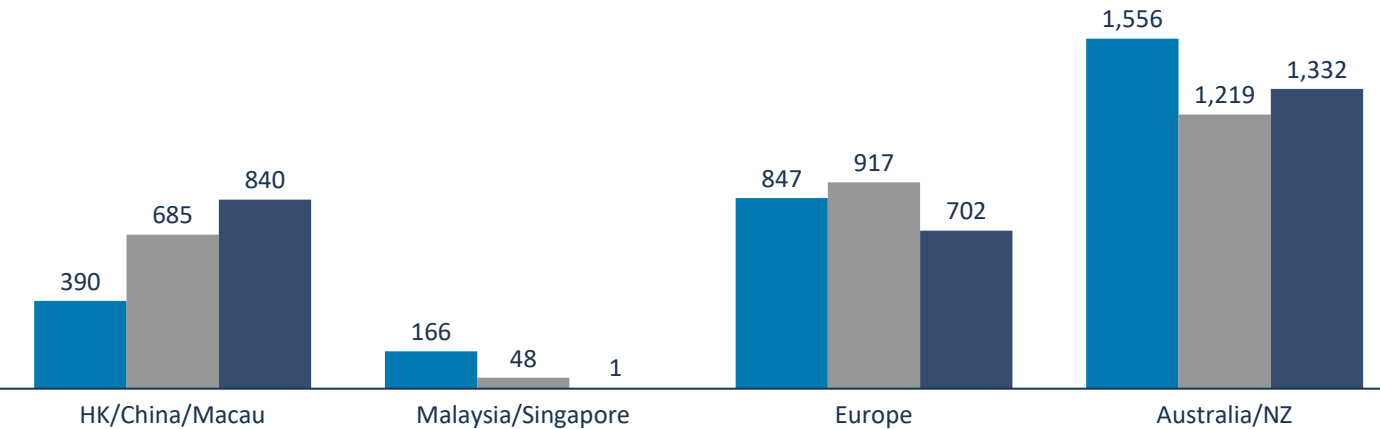
HUF COR™ Hufcor International Office Contribution Detail

Total Net Revenue

By location, in \$ '000

■ Feb-20 ■ Mar-20 ■ Apr-20

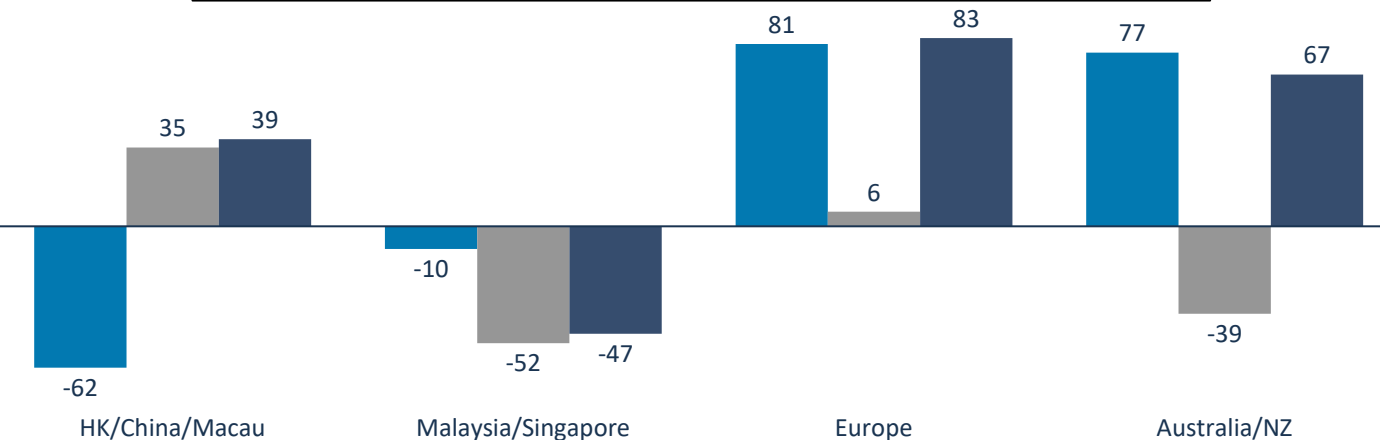
April 2020 Actual = \$2.875MM AOP = \$4.239MM Forecast= \$3.029MM



Total EBITDA

By location, in \$ '000

April 2020 Actual = \$0.141MM AOP = \$0.345MM Forecast= \$0.031MM



Management Discussion:

- April Revenue was 68% of AOP. Malaysia and New Zealand were both closed for the majority of April.
- April EBITDA was at 41% of AOP. Driven by favorable material in Australia and Europe.
- Hong Kong revenue was at 57% of plan, EBITDA was at 20%. Continuing with strong cost controls to manage the low Revenue.
- China was at 85% of AOP revenue and 71% of EBITDA. Area has continued to rebound.
- Malaysia was closed during the month of April. Stretched all payments as we could to conserve cash.
- Australia was at 77% of revenue and at 36% of EBITDA. New Zealand was closed until the last week in April. Australia also had some work push out into further months.
- Europe was at 77% of revenue but significantly outperformed on EBITDA. Favorable material costs, (35% against a budget of 47%) and lower manufacturing overhead (7% against a budget of 14%) are the biggest driving factors. Also benefited from adjustments to bad debt & warranty accruals.

HUFCOR Covenant Compliance - Last Twelve Months

Covenant Analysis- JPMC and LBC Credit Partners												
	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20
\$'000	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual
Fixed Charge Coverage Ratio (JP Morgan Chase- Monthly and LBC Credit Partners- Quarterly)												
Net Income (Loss)	\$ (381)	\$ 215	\$ 634	\$ 680	\$ (3,773)	\$ 351	\$ (297)	\$ (499)	\$ (845)	\$ (705)	\$ (552)	\$ (1,170)
Bank EBITDA Calculation:												
Interest Expense	98	655	356	355	362	342	344	323	327	326	288	271
Income and Franchise Tax Expense	88	36	146	85	99	94	75	785	(14)	23	(13)	18
Depreciation and Amortization Expense	507	507	510	510	240	239	240	249	257	279	261	272
Losses (Gains) from Dispositions	-	-	-	10	1	-	64	(10)	-	-	4	-
Management Agreement fees and expenses	-	-	-	250	-	250	-	-	250	-	-	83
Losses (Gains) from Discontinued Operations	-	-	-	-	-	17	17	117	17	30	-	-
Non-cash FX, transaction, translation losses (gains)	58	(44)	61	6	60	(65)	91	52	16	(12)	(9)	19
Severance costs, subject to ABL	-	423	-	-	732	-	(139)	-	-	-	62	128
Any Extraordinary charges, subject to ABL	-	-	-	-	-	-	-	-	-	-	5	-
Other non-cash charges or non-cash gains	-	-	-	-	-	-	-	374	-	-	-	(0)
Other non-recurring fees and expenses - Consultants	61	79	20	218	331	390	414	780	391	392	248	326
Other non-recurring fees and expenses - All Other	-	-	-	-	7	47	-	189	-	105	46	39
Non-recurring inventory write-offs < \$320k in total	-	-	-	-	498	-	-	(178)	-	-	-	-
Non-recurring A/R write-offs < \$1.3mm in total	-	(233)	-	-	1,737	(31)	(98)	(879)	-	-	-	(63)
Non-recurring warranty claim payments: Mystic Lake < 400k	-	-	-	-	75	-	-	-	-	-	-	-
Non-recurring warranty claim payments: Non- Mystic Lake < 625k	108	(92)	(421)	(37)	686	(2)	(59)	(147)	-	-	-	(70)
Less Extraordinary gains and non-cash income	-	-	-	-	-	-	-	(412)	-	-	-	-
Bank EBITDA	\$ 541	\$ 1,545	\$ 1,306	\$ 2,079	\$ 1,055	\$ 1,633	\$ 653	\$ 743	\$ 400	\$ 439	\$ 340	\$ (147)
Less:												
Unfinanced CAPEX	117	125	289	91	134	132	51	80	219	121	30	23
Cash income and franchise taxes	20	-	-	-	-	4	1	187	-	-	-	-
Cash Monitoring fees (including expenses)	32	117	29	115	184	160	278	346	347	412	42	1,554
Numerator	\$ 371	\$ 1,304	\$ 987	\$ 1,873	\$ 737	\$ 1,337	\$ 323	\$ 129	\$ (167)	\$ (94)	\$ 268	\$ (1,724)
Fixed Charges:												
Cash Interest	48	605	306	301	308	289	291	269	272	271	233	249
Regularly scheduled principal payments	-	-	209	-	-	209	-	-	292	-	-	(292)
Capital Lease payments	-	-	-	-	-	-	-	-	-	-	-	-
Total Fixed Charges	\$ 48	\$ 605	\$ 515	\$ 301	\$ 308	\$ 497	\$ 291	\$ 269	\$ 565	\$ 271	\$ 233	\$ (44)
TTM Numerator	8,157	6,766	7,668	8,445	8,147	8,903	8,913	9,056	8,909	8,799	8,050	5,345
TTM Fixed Charges	4,292	4,633	4,663	4,675	4,710	4,558	4,537	4,476	4,529	4,496	4,415	3,860
Fixed Charge Covenant Ratio	1.90	1.46	1.64	1.81	1.73	1.95	1.96	2.02	1.97	1.96	1.82	1.38
Required Fixed Charge Covenant Ratio	1.15								1.15 x			
Leverage Ratio (LBC Credit Partners- Quarterly)												
Total Debt for Leverage Calculation	\$ 41,456	\$ 42,743	\$ 42,745	\$ 41,174	\$ 40,689	\$ 40,241	\$ 40,794	\$ 37,418	\$ 41,594	\$ 38,799	\$ 38,813	\$ 39,392
TTM Bank EBITDA	\$ 11,005	\$ 9,738	\$ 10,608	\$ 11,459	\$ 11,467	\$ 11,881	\$ 11,873	\$ 12,518	\$ 12,699	\$ 12,866	\$ 12,013	\$ 10,585
Leverage Ratio	3.77	4.39	4.03	3.59	3.55	3.39	3.44	2.99	3.28	3.02	3.23	3.72
Required Leverage Ratio	4.75								4.25 x			

Management Discussion:

Covenant Compliance thru 2020

- Leverage covenant accounts for 3rd party consultants as add-back.
- Fixed charge coverage ratio incorporates the cash consultant costs, in process of reviewing for accuracy.
- Current forecasts anticipate covenant issues in Q2 given depressed output & restrictions from COVID-19.
 - Combined May & June of 2019 accounted for > \$2.0 mm of Bank EBITDA
 - Forecast for May/June of 2020 for < \$0.5 mm of Bank EBITDA

HUFCOR[™] Forecasted 13-Week Cashflow

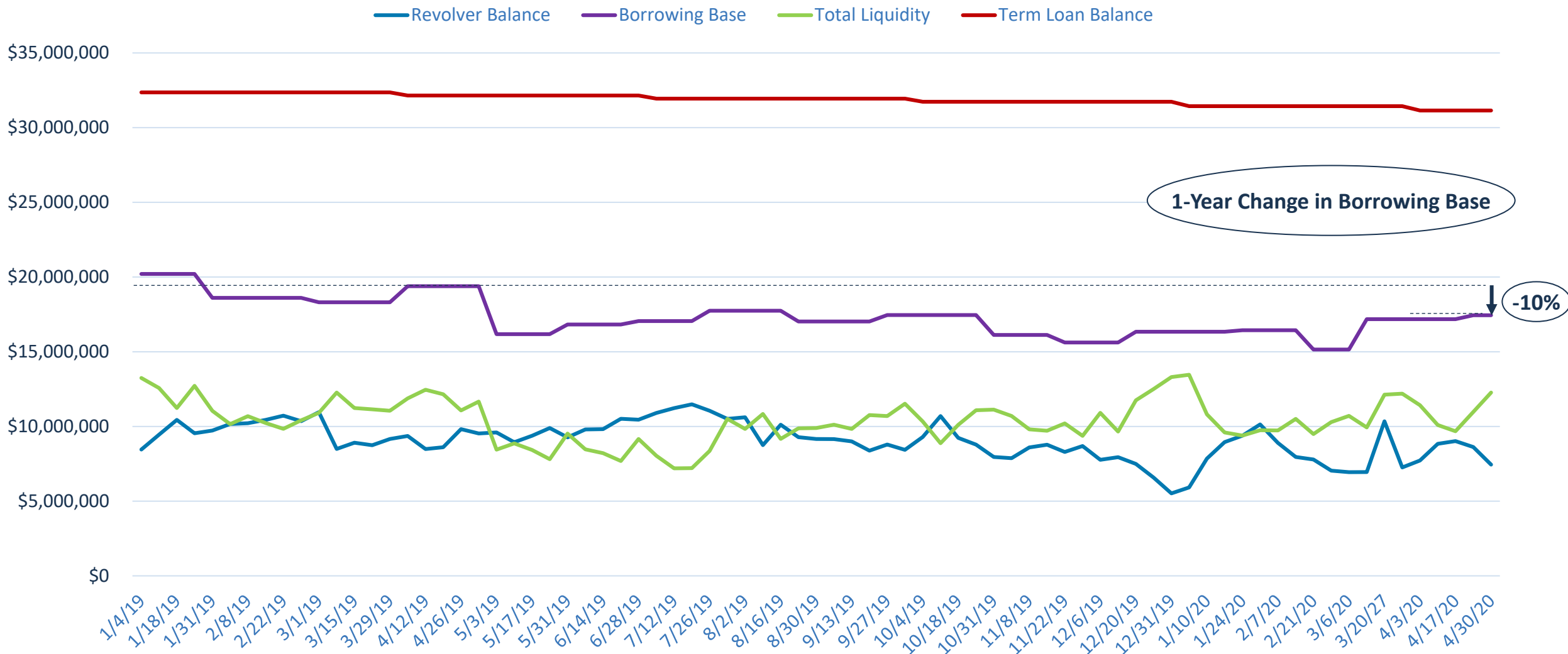
Cumulative Operating Cashflow forecast at -\$965k through next 13 weeks. OCF & liquidity decline impacted by the production ramp-up in Janesville, but we still forecast > \$6 mm of liquidity into Q3.

Week #:	20	21	22	23	24	25	26	27	28	29	30	31	32	33
Week Ending Friday:	15-May	22-May	29-May	5-Jun	12-Jun	19-Jun	26-Jun	3-Jul	10-Jul	17-Jul	24-Jul	31-Jul	7-Aug	14-Aug
13-WEEK CASHFLOW FORECAST	ACTUAL	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Collections from Hufcor Entities	-	16	-	129	-	-	-	129	-	-	-	-	-	-
Collections from Non-Hufcor Entities	2,530	1,975	1,995	1,933	2,044	2,060	1,939	1,949	2,033	2,044	2,048	2,024	2,027	2,085
Royalties	-	-	-	23	-	-	-	23	-	-	-	-	-	-
All other inflows	22	-	-	-	-	13	22	-	-	-	22	17	-	-
Total Operating Inflows	2,552	1,991	1,995	2,085	2,044	2,073	1,961	2,101	2,033	2,044	2,070	2,040	2,027	2,085
Materials - Disb. To Hufcor Entity	-	17	-	128	6	-	-	128	-	-	-	128	-	-
Materials - Disb. To Non-Hufcor Entity	1,252	960	1,014	1,040	914	907	1,007	965	897	869	837	1,052	945	808
Hourly / Salary Payroll	379	803	300	795	646	810	343	1,013	470	1,107	218	1,098	409	431
Commissions	-	100	18	17	-	83	38	23	-	17	-	108	-	17
Benefits	79	162	160	160	164	192	160	160	160	160	160	160	160	192
Building Rent	-	60	40	57	7	44	32	80	5	2	45	38	62	-
All Other	473	148	340	162	642	157	339	162	330	157	328	154	344	150
Total Operating Outflows	2,182	2,248	1,871	2,358	2,378	2,192	1,919	2,530	1,863	2,311	1,588	2,738	1,920	1,596
Weekly Net Operating Cashflow	369	(258)	123	(273)	(335)	(119)	42	(430)	170	(268)	483	(697)	108	488
Cumulative Net Operating Cashflow for next 13 Weeks		(258)	(135)	(408)	(742)	(861)	(819)	(1,249)	(1,079)	(1,346)	(864)	(1,561)	(1,453)	(965)
Interest Expense / Debt Service/Principal	-	1,658	-	25	-	-	-	25	-	-	-	-	25	-
Taxes	9	19	90	-	1	21	138	-	22	21	98	-	-	-
CapEx	1	-	-	-	-	-	43	-	-	-	-	-	-	-
All Non-Operating Outflows		5	5	5	5	5	5	5	5	5	5	5	1	1
Total Non-Operating Outflows	10	1,681	95	30	6	26	186	30	27	26	103	5	26	1
Weekly Net Cashflow	359	(1,939)	28	(303)	(340)	(145)	(143)	(459)	143	(294)	380	(702)	82	487
Cumulative Net Cashflow for next 13 Weeks		(1,939)	(1,911)	(2,213)	(2,554)	(2,699)	(2,842)	(3,302)	(3,159)	(3,453)	(3,073)	(3,774)	(3,693)	(3,206)
Borrowing Base Estimate	17,444	16,181	16,181	16,181	16,181	16,181	16,000	16,000	16,000	16,000	17,100	17,100	17,100	17,100
Revolver Estimate	7,745	9,685	9,656	9,959	10,299	10,444	10,588	11,047	10,904	11,198	10,818	11,520	11,438	10,951
Availability Estimate	9,699	6,496	6,525	6,222	5,882	5,737	5,412	4,953	5,096	4,802	6,282	5,580	5,662	6,149
Cash Balance Estimate	2,111	2,111	2,111	2,111	2,111	2,111	2,111	2,111	2,111	2,111	2,111	2,111	2,111	2,111
Net Liquidity Estimate	11,810	8,608	8,636	8,333	7,993	7,848	7,523	7,064	7,207	6,913	8,393	7,691	7,773	8,260
Term Loan Balance Estimate	31,145	30,190	30,190	30,190	30,190	30,190	30,190	30,190	30,190	30,190	30,190	30,190	30,190	30,190
Total External Debt Estimate	38,890	39,875	39,846	40,149	40,489	40,634	40,778	41,237	41,094	41,388	41,008	41,710	41,628	41,141

Principal paydown of
term loan based upon
ECF negotiation with LBC

HUFCOR Treasury & Liquidity

Total liquidity (availability + cash) recovered in December with more aggressive AP management at year end, which we continued at March / April month end as well. Discussions with field auditors to revalue inventory to include a conversion analysis in the event additional liquidity is required, but no immediate change.



Status Update

Cyber Security
Janesville Automation
Janesville Production
Commercial Updates

- Risk Assessment (Duff & Phelps)
 - Business Continuity & Disaster Recovery
 - Hard Drive Encryption
 - Vulnerability Testing
 - Cyber Security Training
- Security Hardening / Corrective Actions
 - Infrastructure Age & Support
 - Network Access Controls
 - System & License Audits
- Campaigns / Continuous Improvement
 - Internal Control Procedure
 - ThreatSim Training
 - PhishAlarm Reporting
 - O365 & ProofPoint Policies
- Cyber Insurance Coverages
 - Funds Transfer Fraud
 - Breach Response
 - Cyber Extortion

Configure anti-malware policy

for malware protection

Protection from known malware threats using anti-malware engines and Office 365 file reputation

52

phishing messages detected

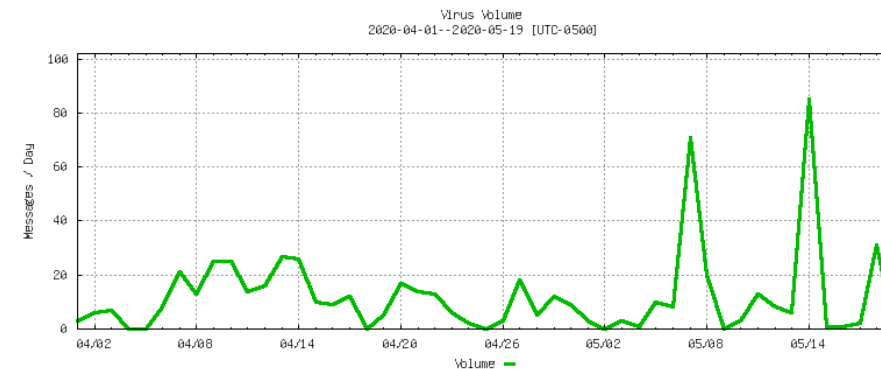
Protection from phishing threats using anti-spam filters, anti-spoofing and Office 365 URL reputation lists

2

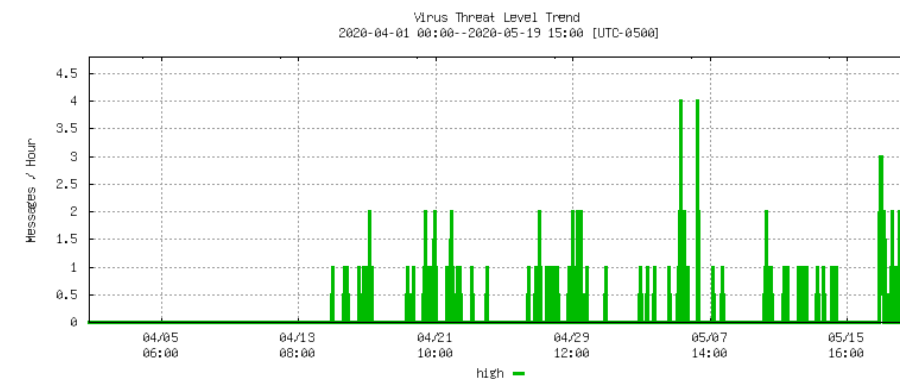
messages reported by users

Messages reported as junk, not junk, phish by users in your organisation

Virus Volume Trends

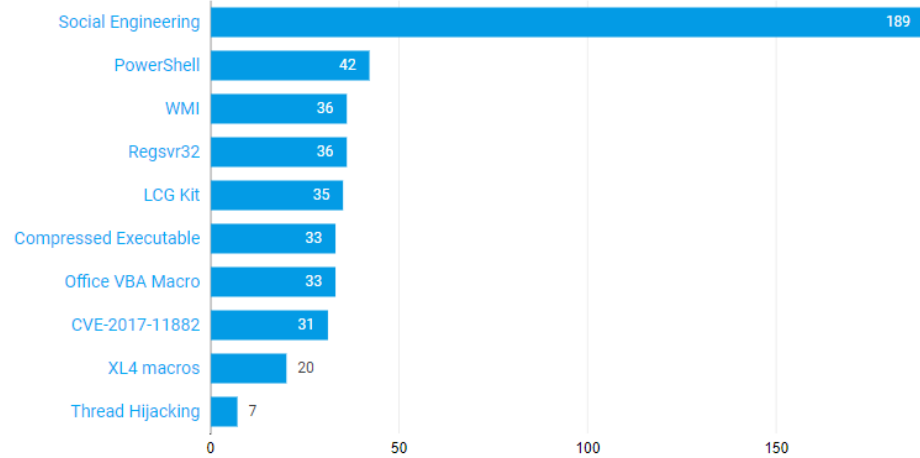


Zero-Hour Threat Levels Trends



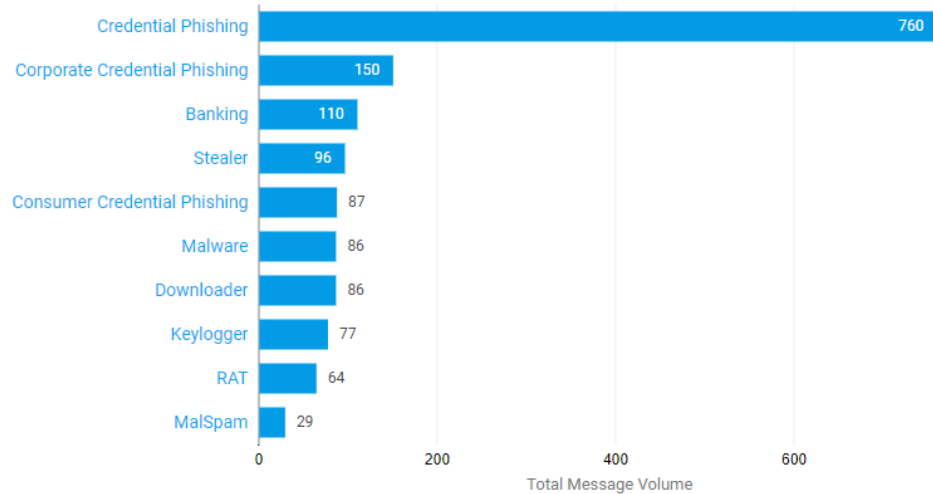
Top 10 Techniques

by Volume

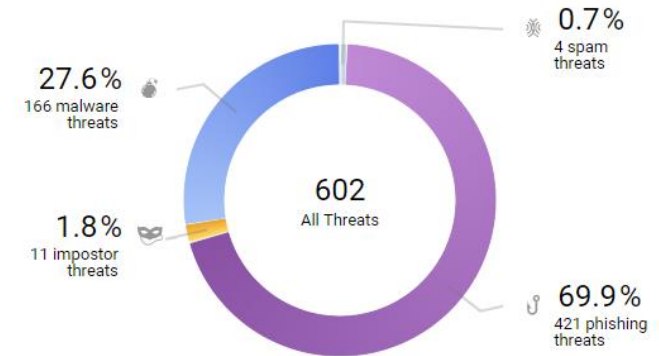


Top 10 Families

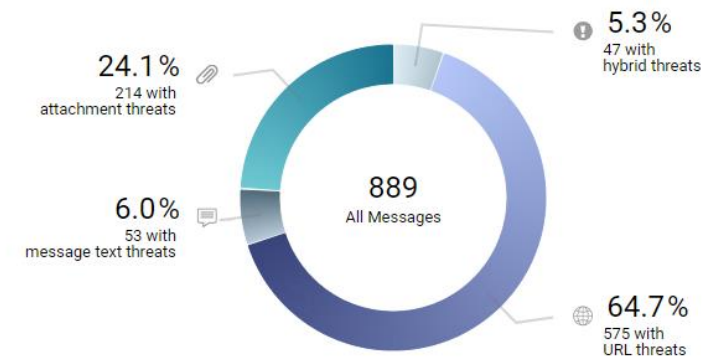
by Volume



Threat Categories



Threat Types by Message Volume



Last 30 Days
2020/04/22 - 2020/05/21



People Reports 2020/04/22 - 2020/05/21

Very Attacked People

You have 36 VAPs that are over 2.3x more attacked than the average person in your organization.

SHOW CHART ▾

Rows per page: 20 ▾ 1-20 of 36 < >

Person	Attack Index	Breakdown by Threat Family
1 hufcor@hufcor.com.hk —	5,018	
2 info@hufcor.com —	3,489	
3 tgioia@hufcor.com —	2,692	
4 stinworth@hufcor.com —	2,553	
5 aloysiusng@hufcor.com.hk —	2,441	
6 lamyatnam@hufcor.com.hk —	2,331	
7 ipaterson@hufcorfl.com —		
8 richbjorkman@hufcor.com —		
9 sasales@hufcor.com.au —		
10 aloysiusng@hufcor.com —		
11 kcshiu@hufcor.com.hk —		

tgioia@hufcor.com

Threats ⓘ

Messages

Delivered Messages with URLs

Clicks on Rewritten URLs

2,692

Attack Index



Max Threat Severity

49

Distinct Threats

2

Blocked

0

Delivered

0

Replied

0

Rewritten

0

Not Rewritten

0

Blocked

0

Permitted

Coalition – Cyber Insurance Limits

THIRD PARTY LIABILITY COVERAGES

Insuring Agreement	Limit/Sub-Limit	Retention/Sub-Retention
A. NETWORK AND INFORMATION SECURITY LIABILITY	\$5,000,000	\$15,000
B. REGULATORY DEFENSE AND PENALTIES	\$5,000,000	\$15,000
C. MULTIMEDIA CONTENT LIABILITY	\$5,000,000	\$15,000
D. PCI FINES AND ASSESSMENTS	\$5,000,000	\$15,000

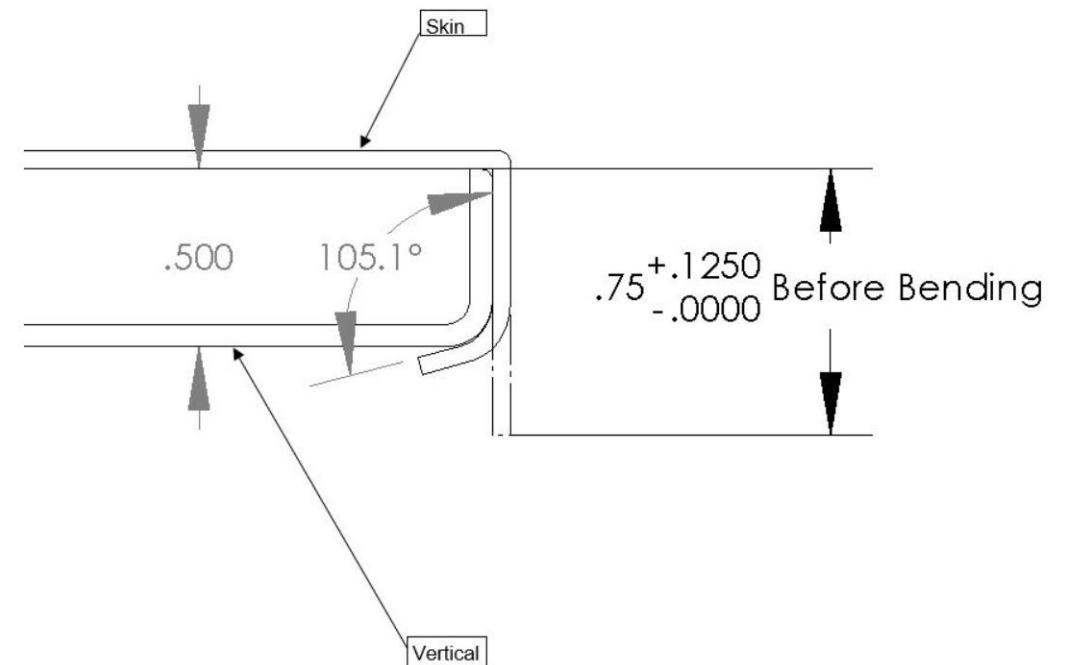
FIRST PARTY LIABILITY COVERAGES

Insuring Agreement	Limit/Sub-Limit	Retention/Sub-Retention
E. BREACH RESPONSE	\$5,000,000	\$15,000
F. CRISIS MANAGEMENT AND PUBLIC RELATIONS	\$5,000,000	\$15,000
G. CYBER EXTORTION	\$5,000,000	\$15,000
H. BUSINESS INTERRUPTION AND EXTRA EXPENSES	\$5,000,000	\$15,000 i. Waiting period: 8 hours ii. Enhanced waiting period: 8 hours
I. DIGITAL ASSET RESTORATION	\$5,000,000	\$15,000
J. FUNDS TRANSFER FRAUD	\$500,000	\$25,000

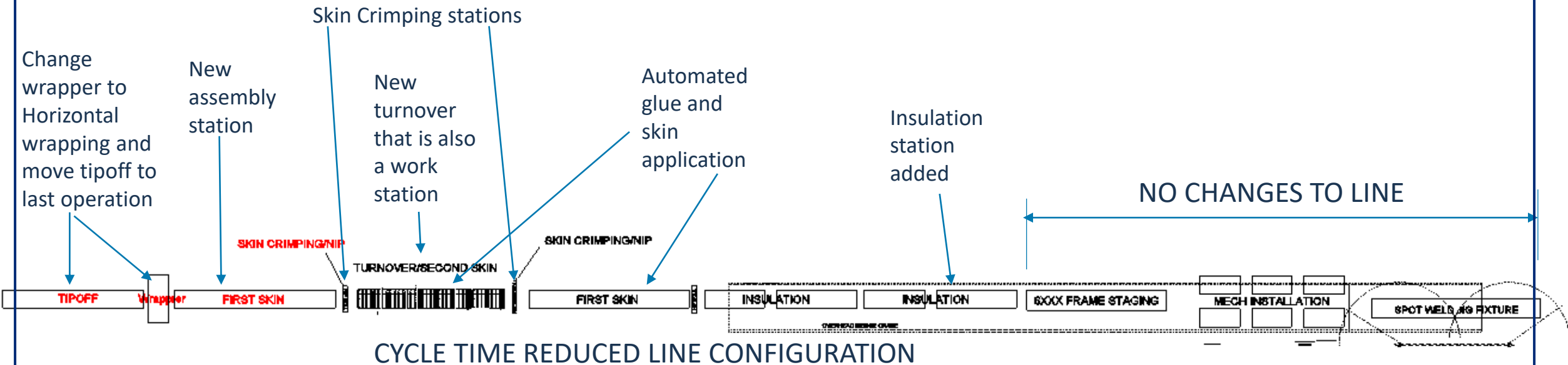
600 Line Cycle Time Reduction – Concept

1. Crimp steel skin to frame eliminating punching holes, inserting rivets and popping rivets.
2. Eliminating reports (8 vinyl seals at the top and bottom edges of the panels.
3. Add turnover that is a workstation (like 601/602 lines have. Saves line space for second gyp workstation
4. Add second gyp workstation (conveyor)
5. Add second assembly station before wrapper.
6. Wrap panels horizontally and tipoff after wrapping. (saves line space for second assembly station)
7. Maximum cycle time goal for 8 ' MH – 15' MH Basic panels = 240 Seconds.

Crimping illustration



600 Line Cycle Time Reduction – Line Changes





HUF COR Janesville Automation: 600 Line Cycle Time Reduction (cont.)

<u>Scope/Outputs</u>	<u>Project Investments/Cost</u>	<u>Schedule</u>	<u>Concerns to Address</u>
<p>Crimp steel skin to frame eliminating punching holes, inserting rivets and popping rivets.</p> <p>Eliminate vinyl seals at top and bottom of lead and trail ends of panel (8 seals)</p> <p>Reduce cycle time at each work station to 4 minutes (12 ft MH Panel).</p> <p>Reduce 2 people from the assembly line.</p>	<p>Capex = \$1,563,000</p> <p>Expensed = \$40,000</p> <p>Total: \$1,603,000</p>	<p>Line Complete: 8/2/2021</p>	<p>CAPEX Cost vs. other plant needs</p> <p>Have Kaizen events achieved needed takt times customer requires.</p> <p>Time panel is on the line is shorter than glue cure time.</p> <p>Investment also required in China to build with same process.</p> <p>Does current backlog of Design, Tooling and Mfg. engineering projects have greater priority.</p>

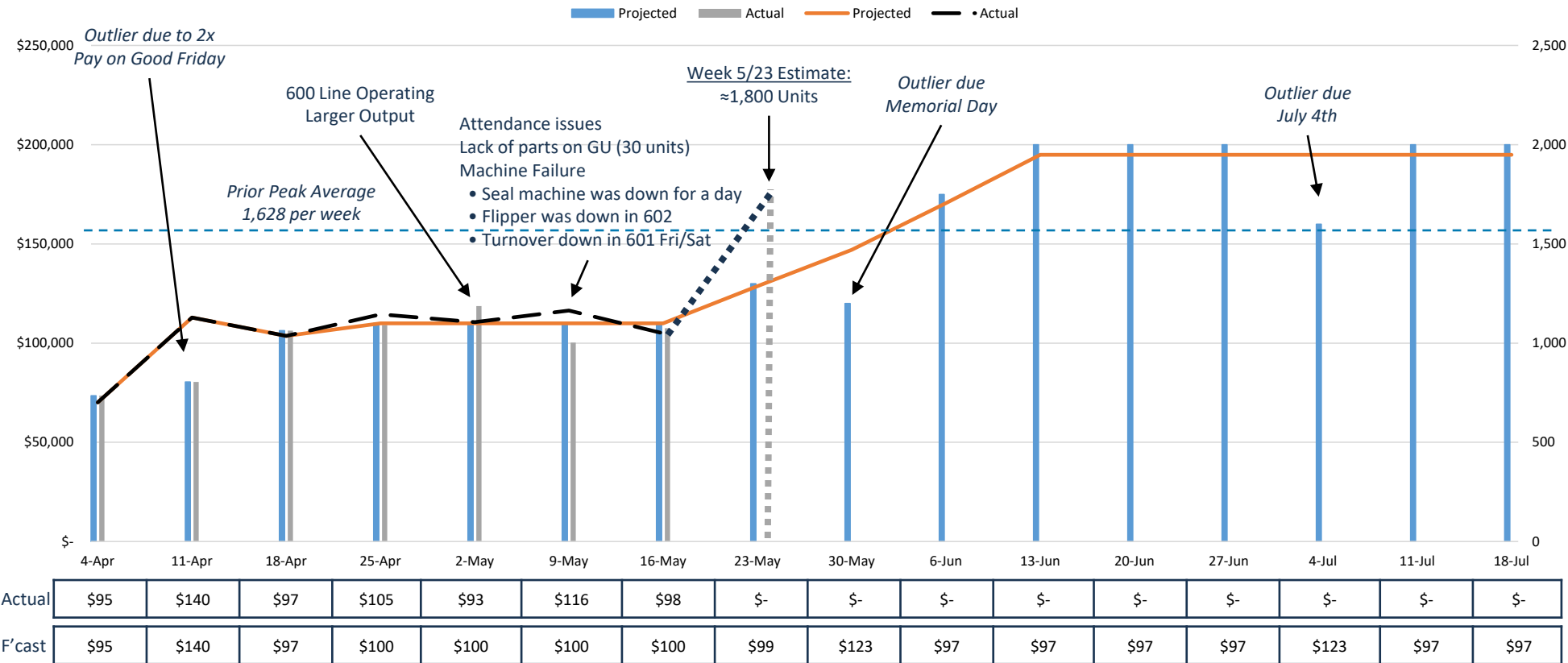


Janesville Automation: 600 Line Cycle Time Reduction - Project Cost Detail

Item	Location	Assest Description	Cost	Qty.	Total	
1	600 Line	Gyp Station Assy Conveyor	\$5k	1	\$5k	
2	600 Line	Automated Glue Application (Skin 1)	\$50k	1	\$50k	
3	600 Line	Automated Skin Application (Skin 1)	\$250k	1	\$250k	
4	600 Line	Turn Over - Conveyor Type	\$300k	1	\$300k	
5	600 Line	Automated Skin/Glue Application	\$400k	1	\$400k	
6	600 Line	Automated Nip/Face Crimp Station	\$100k	2	\$200k	
7	600 Line	Convert Wrapper to Horizontal wrapping	\$10k	1	\$10k	
8	600 Line	Convert tipoff for panel to van rack move	\$10k	1	\$10k	
9	Tool Design	Outside design of all equipment	\$50k	1	\$50k	
10	Equipment Install	Outside install of all equipment (daily cost)	\$4.4k	20	\$88k	
11	(1 piece of equip)	Skin Lamination	Goose Refurbish - Capacity/Quality	\$75k	1	\$75k
		Panel Former (Skins)	New Rolls - Increase Lip on Skin for crimping	\$100k	1	\$100k
		Skin Hinge Punching	Tooling to eliminate line drilling	\$25k	1	\$25k
12	Design	Engineering / Testing Materials	\$15k	1	\$15k	
Estimated Investment					\$1.6 million	

HUFCOR Operations Update: Janesville Ramp-Up Plan

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



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

Last 4 weeks ≈ \$103 vs forecast of \$100 (outlier week ended 5/9)

Management Discussion:

Go-Live: Monday, May 18

Implementation Period: May 18 - Jun 5

- Week 1 of “new normal” (Week ended 5/23) exceeding plan and expectations for unit output
- Actively analyzing summer demand vs. need for temporary ramp for second shift production (est. 30-60 incremental headcount)
 - Recent productivity gains may eliminate need to open a more robust second shift
- GU (Glass-Ultra) productivity +5% since Apr 1; ME Team working to increase capacity by 50-75% by mid-June
- Areas beyond final assembly in focus to ensure bottlenecks do not arise elsewhere
 - Purchasing / Order Entry
 - Metals
 - Cut-and-Punch
 - Pass-door
 - Track & Stack
 - Closures
 - Van Racks

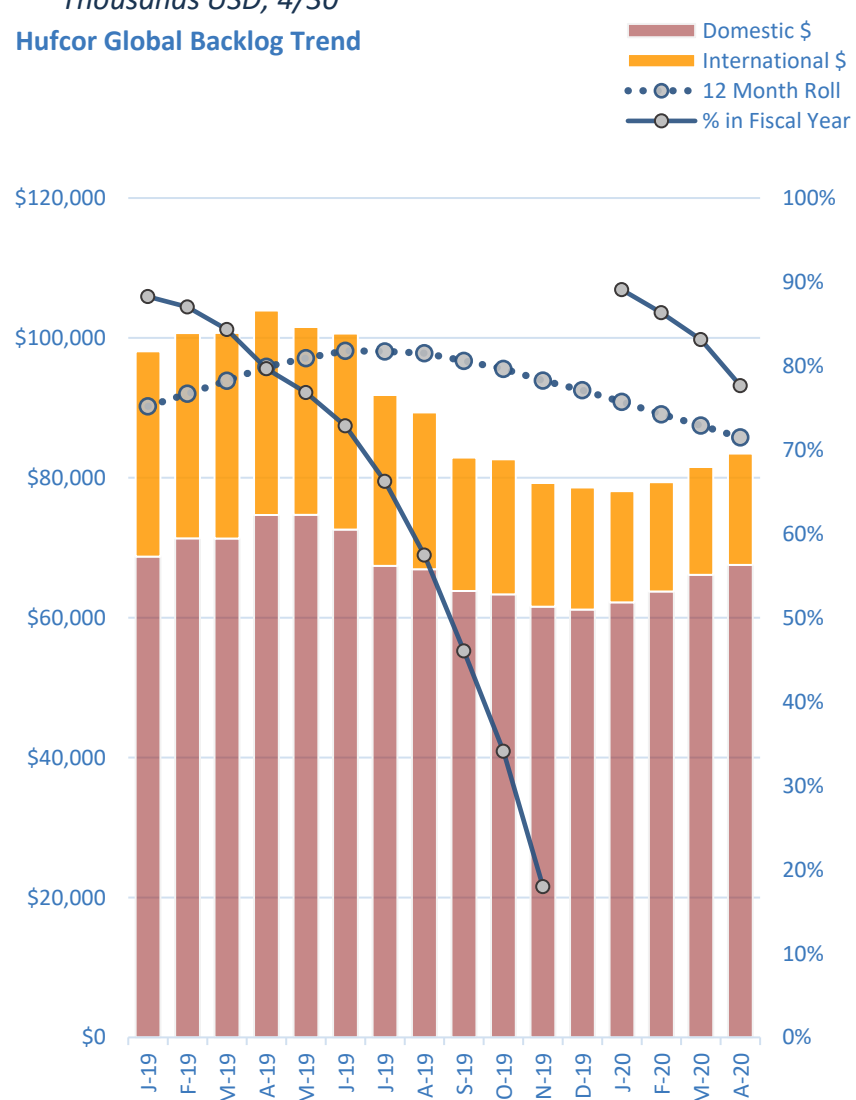
HUFCOR Commercial Update: Hufcor Global Backlog

Overall, the 04/30/20 backlog increased by \$1,917K from March 31, 2020

Historical backlog

Thousands USD; 4/30

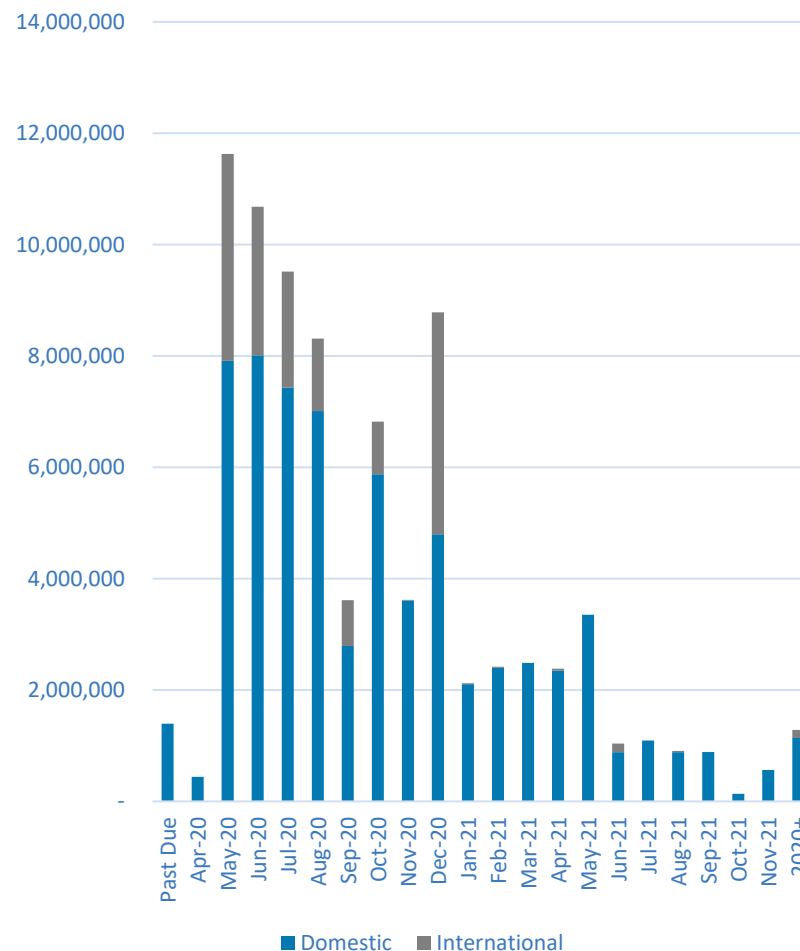
Hufcor Global Backlog Trend



Backlog roll-off

Millions USD; 4/30

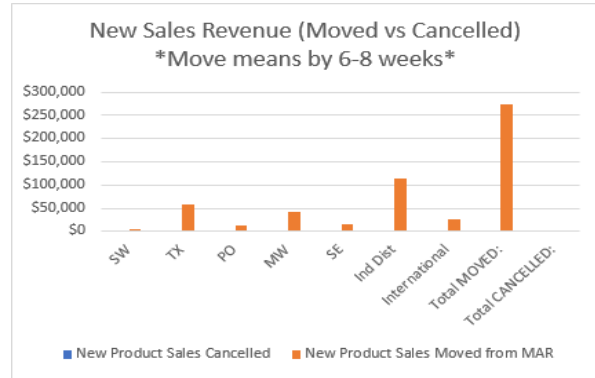
Total Backlog Depletion



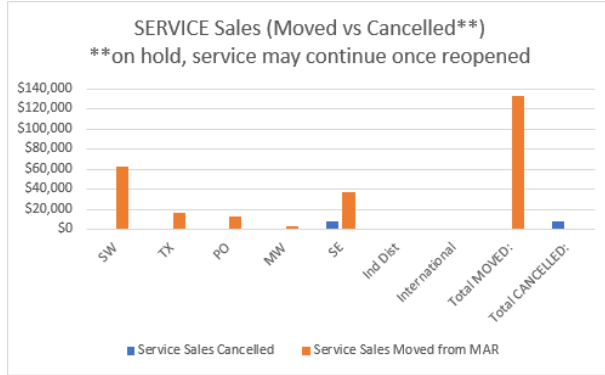
Management Discussion:

- Domestic backlog increased by \$1,412k, even as Building & Construction industry has seen some slowing (primarily delayed bidding) but minimal cancellations to date.
- Hufcor Sales Offices remain strong in April in both pipeline activity and securements.
- Independent Distributors experiencing a reduction in quoting opportunities – primarily in regions of the U.S. where more restrictive shut down/stay at home orders were enacted.
- Major Projects remained strong in April with slight weakening in activity late in the month.
- International backlog increased by \$505k, and generally seeing largest impact within Hufcor from government shutdowns due to COVID-19. Beginning to see activity/growth in China and Malaysia as shelter in place restrictions are lifted.

Project Impact as of Feb MOR

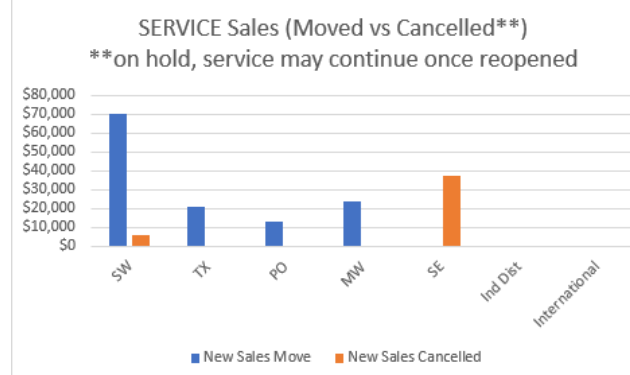
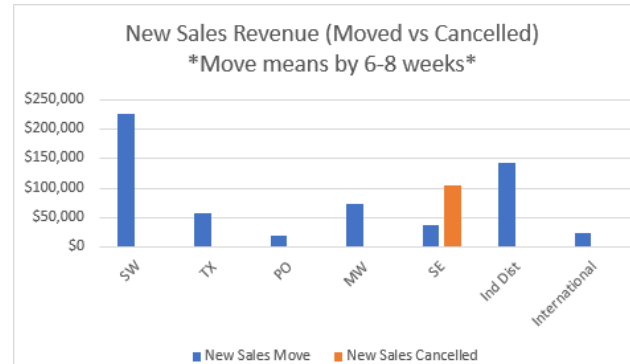


\$108K Cancelled
\$583K moved

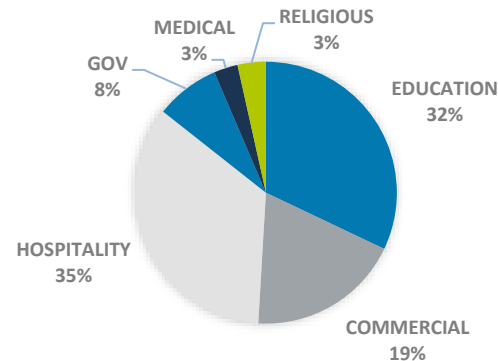


\$43K Cancelled
\$128K moved

Project Impact as of Today



BACKLOG BY MARKET SEGMENT



Management Discussion:

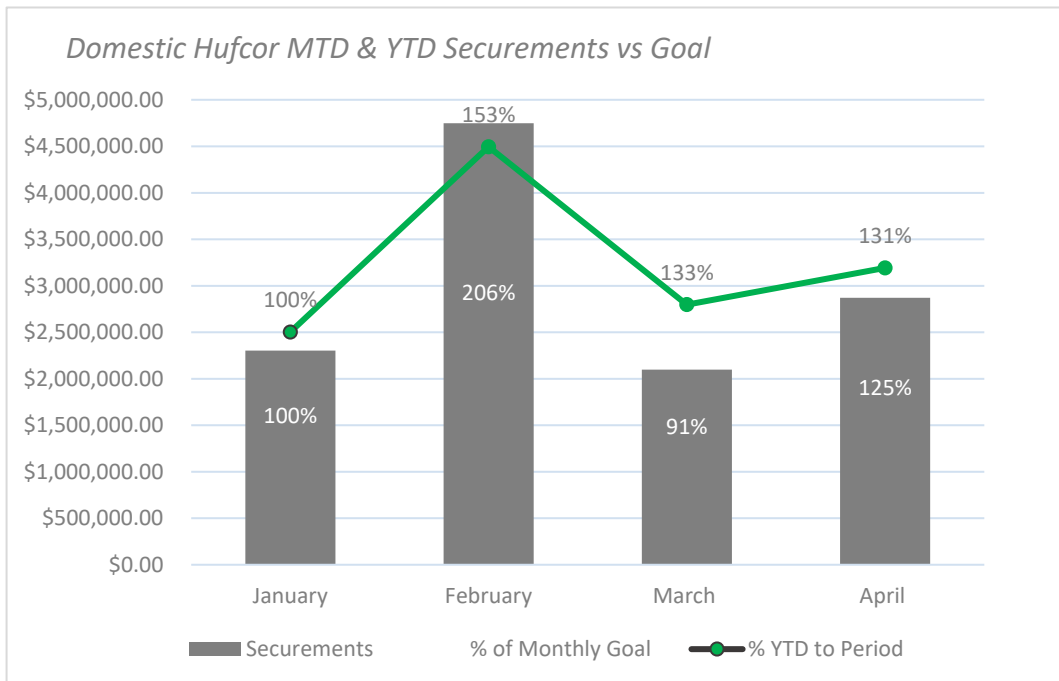
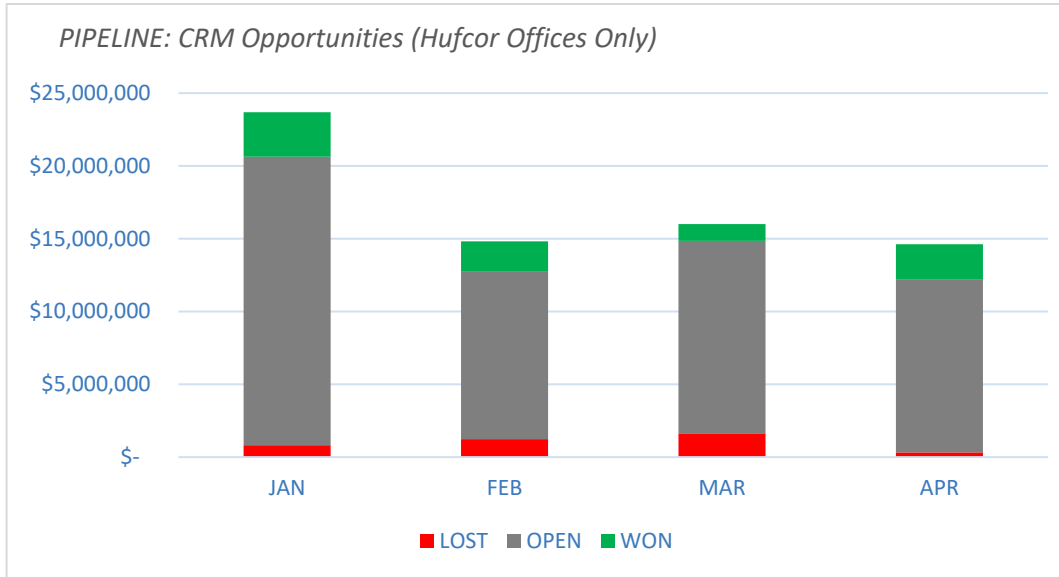
Effects from COVID-19 have still remained minimal as B&C Industry is considered an essential business in all but six states (WA, MI, NY, NJ, VT, PA)

Movement:

- 86 Projects (New Sales / Service) have been impacted (increase of 5 projects in April)
- Only 1 New Project was cancelled (increase of \$2,904)
- 11 Service opportunities were cancelled (increase of \$6,125)
- All others have been moved out 6-8 weeks (Increase of \$54K)

Market Diversity:

- Top three market segments of participation are:
 - Hospitality at 35% increase due to 2 additional projects
 - Westin Southlake – TX \$316,022
 - OWCM – FL \$314,819
 - Education at 32%
 - Commercial at 19%



Management Discussion:

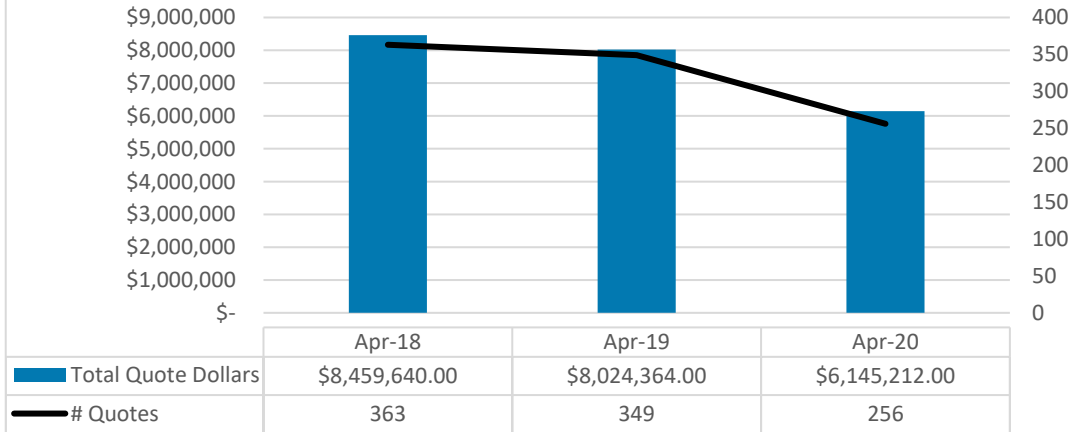
Pipeline:

- Opportunities Hufcor Sales Offices within stages of Qualified/Develop/Negotiate
 - (Represents 50% of Domestic Market)
- After a strong January, Feb – Apr remained consistent with no major drop in activity.
- Focus is on \$30MM in quote activity currently open.
- Industry continues forward with some bidding delays, however, construction is one of first to re-start in many shelter-in-place states.

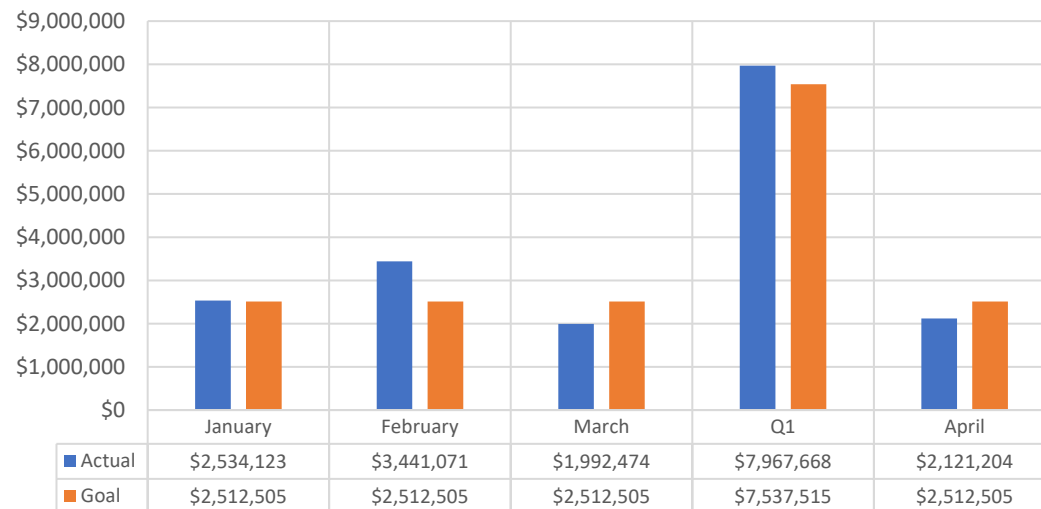
Securements:

- April witnessed a nice increase over March in new securements, adding \$2.8M to the backlog.
- April – Hufcor offices are at 131% of goal for the year to date period.
- Number of projects in April '20 vs '19 were 90 vs 91 respectively.
- Experiencing some slowing with respect to securements in May. As of 5/20/20, May is at 45% of goal.
- Any significant decrease in securements typically results in lower revenue 6+ months out (Q4 2020 to 2021 impact).

Independent Distributors Quote Log - April



Independent Distributor Securements



Management Discussion:

Quote Activity Slowing Down:

- Quote Activity for April 2020 declined by 23% in dollars quoted and 27% for number of quotes for same period in 2019.
- Majority of the slow down is from regions where more restrictive shut down/stay at home orders were enacted by Governors and areas which are slower to come out of these restrictions.
 - Northern California, Michigan, NY and specifically NYC, New Jersey, Connecticut, Vermont, (New England/North East) Pennsylvania, South Carolina

Securements Outpaced Expectations pre-COVID-19:

- Finished April at 84% of securement goal.
- YTD Securement Goal thru April at 100%.
- Aggressively pursuing quote log follow up and opportunities to purchase for backlog and specifically 2019 secure and release to production.

Major Projects Activity:

Strong Project Pipeline Opportunities:

	<u>2019 Jan-Apr</u>	<u>2020 Jan-Apr</u>	<u>Total YTD April</u>
# Projects	45	42	87
\$\$ (MM)	\$57.7	\$37.5	\$95.2

Bookings Remain Strong:

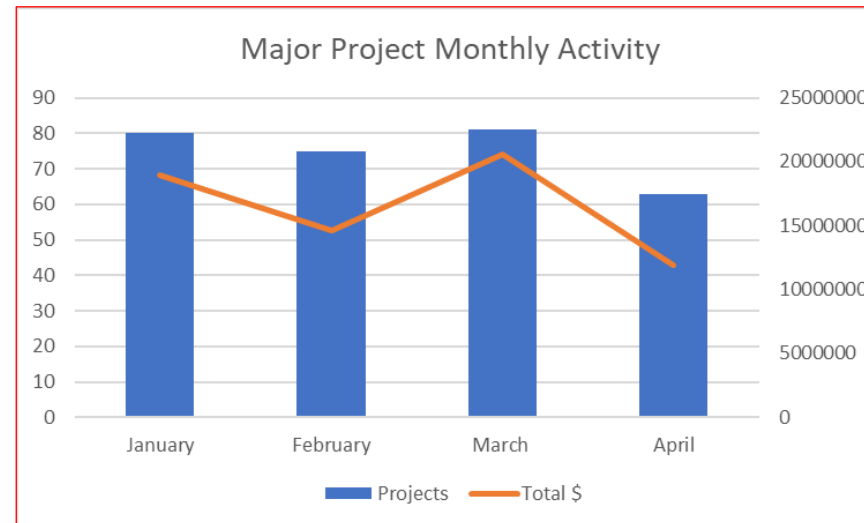
<u>2019 Jan-Apr</u>	<u>YTD April</u>
\$7.15MM	\$14.2MM

Est. Project Margin Growth:

<u>2019 Jan-Apr</u>	<u>2020 Jan-Apr</u>	<u>(April only)</u>
38.44%	40.45%	44.6%

April Wins:

Wellington Expo Center (NZ)	\$1,045,000
Westin Southlake (TX)	\$ 522,000
Forney ISD (TX)	\$ 890,000
Caribe Royale Casino (FL)	\$ 360,000



Management Discussion:

- April Large Project new quoting and securement activity remained strong & exceeded expectations.

Project Type	#	Value
Hotels	9	\$2.2MM
Education	15	\$2.7MM
CC	2	\$.3MM
Commercial	5	\$.8MM
- Project geographic distribution has been consistent with projects in 15 different countries and consistent with prior years.
- Late month slowdown in April Project Activity due to COVID-19, which has generally persisted into May.
- Strong field feedback that hospitality and convention center projects in pipeline to continue

International Securement Activity

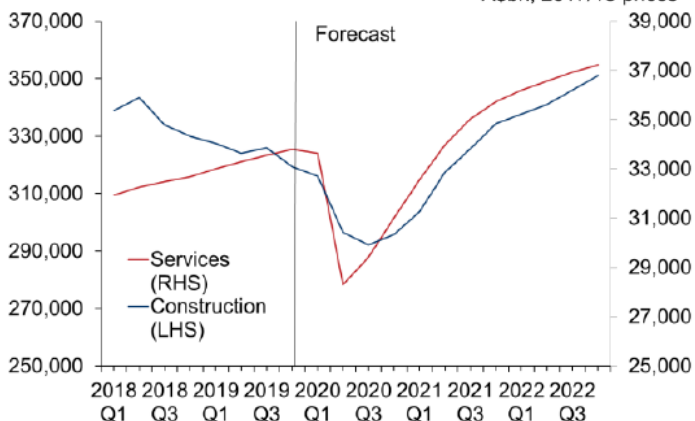
April Activity:

	Goal	Actual	%
Europe	\$ 990,000	\$ 515,249	52%
Australia	\$1,320,000	\$1,402,144	106%
Malaysia	\$ 100,000	\$ 2,733	2%
China	\$ 300,000	\$ 257,429	86%
Hong Kong	\$ 600,000	\$ 461,431	77%
	\$3,310,000	\$2,638,986	79%

Australia

Construction and services GVA

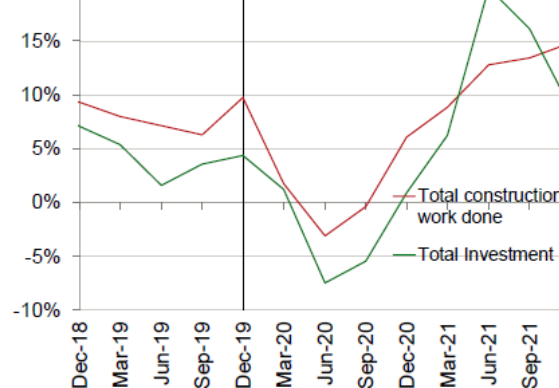
A\$bn, 2017/18 prices



SE Asia - Combined

South-east Asia total construction work done and total investment

y/y % change



Management Discussion:

- Europe - Severe slow down in quoting and securements affected by COVID shut-downs.
 - France: booked no orders nor accepted finished goods, agreed to price increases for 2020
 - Germany: Agents secured 56% of goal
 - Distributors: 36% Goal, bucking solid Q1 performance
 - JP Cyffka started as European Commercial Manager
- Australia – Received official notice for Wellington CC. Government has announced huge investments in education facilities.
- Malaysia- shut down the entire month of April. Saigon Expo CC and Flamingo Hotel (Vietnam) projects finalized in April and securing in May. (India totally shut down)
- China – selling activity continues to grow after near two month shut down.
- Hong Kong – continues to feel affect of COVID and social unrest. Social distancing requirements hindering sales efforts and onsite completion of projects.
- Australia and SE Asia post-COVID commercial construction projections show strong long-term growth overall with “U” shaped recoveries – showing severe risks through Q3 2020. (*Oxford Economics 2020*)

A | Appendix

1. Southwest Field Office

- Resorts World (NV)- Contract \$3.0 mm
- NV planning to ramp back up mid-May to early June
- Furloughs and cost control plan still in full effect

2. Midwest / Potomac Field Office

- Sullivan CC, I Hotel CC and IU Health Bloomington having track installed
 - Total contract value is ~\$250k/ea
 - Panels install July and August
- Furloughs and cost control plan still in full effect. Partial ramp up end of May.
 - Evaluating org structure in MN

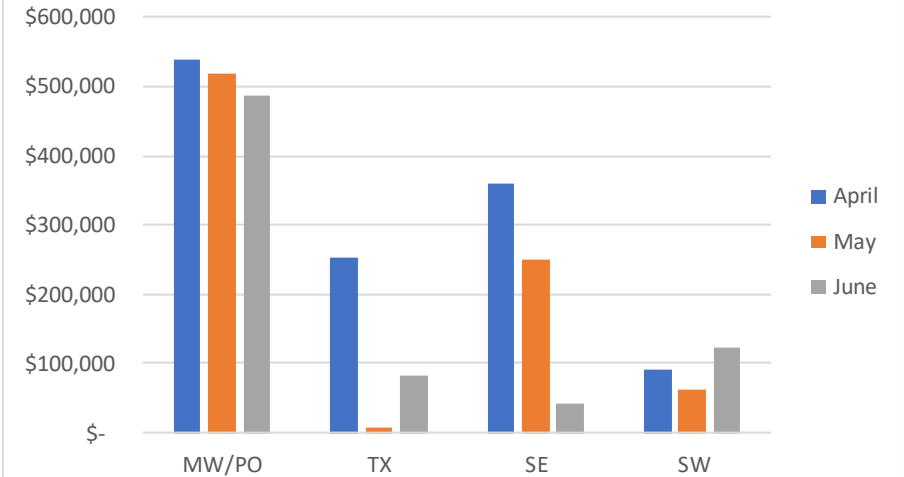
3. Southeast Field Office

- Orange County Convention Center- \$230k
 - High margin recover project
- Ramp team back up end of May and into June

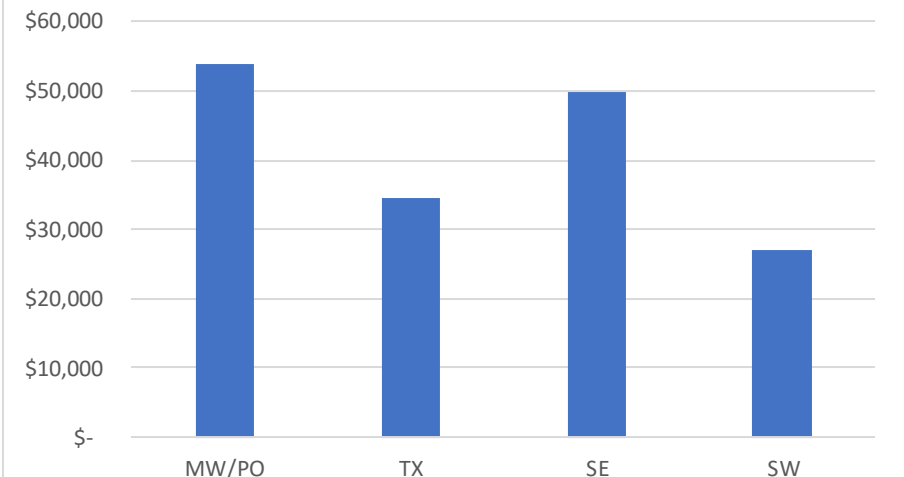
4. Texas Field Office

- Strike/Walker MS- \$2.1mm, Four Hands- Switchable Glass, Kalahari- \$1mm
- Furloughs and cost control plan still in full effect. Partial ramp up end of May.
 - Evaluating org structure in Houston

Q2 Revenue Moveout



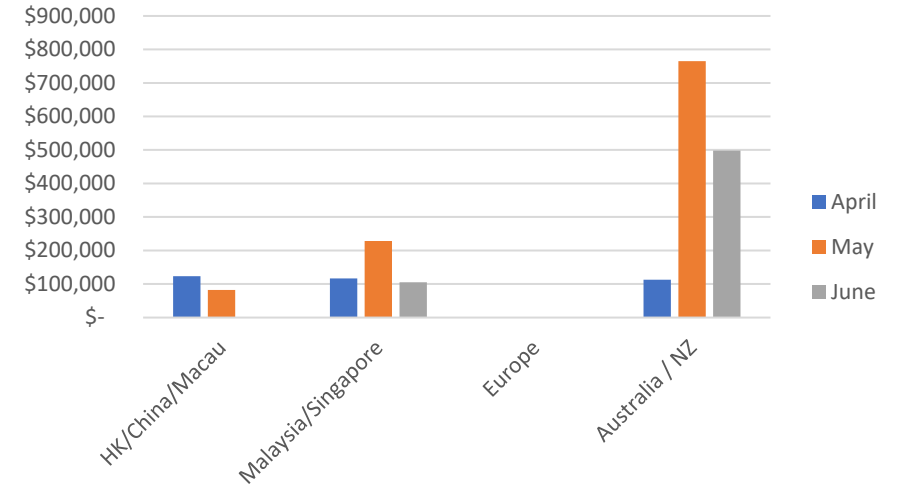
Q2 Cost Control- COVID-19



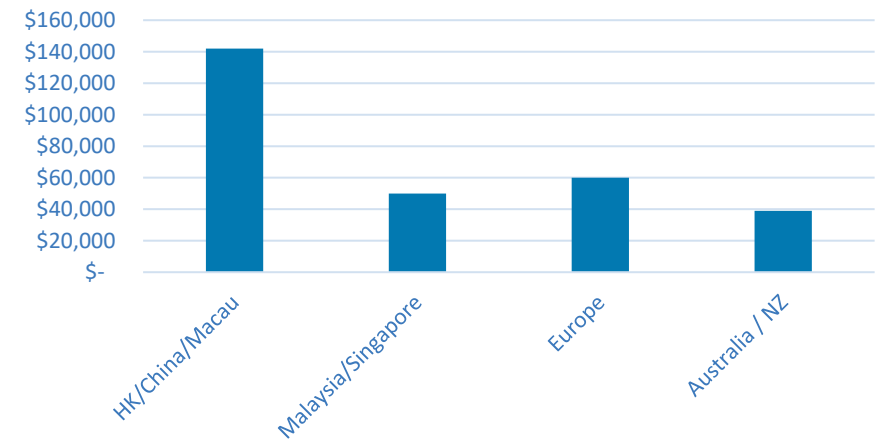
HUFCOR Operations Update: International Field Offices

1. China / Hong Kong Field Offices
 - Major projects to invoice Q2:
 - The open university of HK \$156K
 - Y2 Convention Center \$336K
 - Qingdao Haitian Hotel \$111K
 - Shenzhen Waldorf 112K
 - Laminator to be in place by mid June
 - Team working on Passdoor on make same project
2. Malaysia Field Office
 - Major projects to invoice Q2:
 - Universiti Teknologi Petronas, Malaysia \$70K tracks only
 - Leela Hotel Bangalore, India \$100k
 - Flamingo Hotel, Vietnam \$20K tracks only
 - New world Saigon, Vietnam \$23K
 - Jobs pushing out as construction locations have Covid restrictions
 - RFQ have been down 70% as most of Region has been locked down
3. Germany Field Office
 - Major projects to invoice Q2:
 - Walsrode Stadthalle \$58k
 - Latvia VELVE \$40K
 - Belgium Centrum Islamic \$31K
 - Shut down week 22
 - Will be working reduced work weeks until order volume picks back up
 - New glass area on hold until Covid restrictions ease
4. Australia / New Zealand Field Office
 - Shut down Week 20 for positive COVID-19 case & employee testing; re-opened Week 21
 - Major projects to invoice Q2:
 - Christchurch Convention Center \$450K
 - UQ Collaboration Hub \$157K
 - Queensland Academy of Science \$134K
 - Melbourne Park Redevelopment Stage 3 \$101K
 - Melbourne hub Development \$139K (cubicles)

Q2 Revenue Moveout



Q2 Cost Control- COVID-19



Appendix: 2020 Financial Statements

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

CASHFLOW STATEMENT					
	1/31/2020	2/28/2020	3/31/2020	Quarter Ending 3/31/2020	4/30/2020
	1M	1M	1M	1Q	1M
Cash flow from operations					
Net Income (Loss)	\$ (845)	\$ (705)	\$ (552)	\$ (2,101)	\$ (1,170)
Depreciation, amortization and other	\$ 257	\$ 279	\$ 261	\$ 797	\$ 272
Capitalized fees & expenses	\$ (199)	\$ 55	\$ 55	\$ (90)	\$ 276
Gain (loss) on sale of fixed assets	\$ -	\$ -	\$ 4	\$ 4	\$ -
Non-cash interest expense	\$ -	\$ -	\$ -	\$ -	\$ -
Non-cash dividends	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred income tax	\$ (0)	\$ (1)	\$ (1)	\$ (2)	\$ 0
<i>Change in operating assets and liabilities:</i>					
Accounts receivable	\$ 1,936	\$ 567	\$ (169)	\$ 2,334	\$ 2,390
Inventory	\$ 587	\$ 153	\$ 705	\$ 1,444	\$ (1,064)
Prepaid expenses and other current assets	\$ (142)	\$ 242	\$ 179	\$ 279	\$ (254)
Accounts payable	\$ (2,008)	\$ 1,295	\$ 1,334	\$ 621	\$ (1,777)
Accrued expenses	\$ (2,317)	\$ (138)	\$ (253)	\$ (2,709)	\$ 174
Accrued income taxes	\$ -	\$ (15)	\$ (18)	\$ (34)	\$ -
Other changes in operating assets and liabil	\$ (958)	\$ (22)	\$ (52)	\$ (1,032)	\$ 731
Other cash flow from operations	\$ -	\$ -	\$ -	\$ -	\$ -
Total Cash Flow from Operations	\$ (3,688)	\$ 1,710	\$ 1,492	\$ (486)	\$ (421)
Cash flow from investing					
Additions to property, plant and equipment	\$ (282)	\$ (2)	\$ 104	\$ (181)	\$ (173)
Acquisitions of companies, net of cash acquir	\$ -	\$ -	\$ -	\$ -	\$ -
Investment in intangibles	\$ -	\$ -	\$ -	\$ -	\$ -
Earnout payments	\$ -	\$ -	\$ -	\$ -	\$ -
Other cash flow from investing (goodwill)	\$ (488)	\$ -	\$ -	\$ (488)	\$ -
Total Cash Flow from Investing	\$ (770)	\$ (2)	\$ 104	\$ (669)	\$ (173)
Cash flow from financing					
Proceeds from the issuance (repayment) of sf	\$ 4,470	\$ (2,796)	\$ 14	\$ 1,688	\$ 872
Proceeds from the issuance of debt	\$ -	\$ -	\$ -	\$ -	\$ -
Repayment of debt	\$ (293)	\$ -	\$ -	\$ (293)	\$ (293)
Capital lease	\$ -	\$ -	\$ -	\$ -	\$ -
Common stock issued (repurchased)	\$ -	\$ -	\$ -	\$ -	\$ -
Common stock cash dividends paid	\$ -	\$ -	\$ -	\$ -	\$ -
Preferred stock issued (repurchased)	\$ -	\$ -	\$ -	\$ -	\$ -
Other cash flow from financing costs	\$ 751	\$ (404)	\$ (140)	\$ 207	\$ (283)
Total Cash Flow from Financing	\$ 4,928	\$ (3,200)	\$ (126)	\$ 1,602	\$ 296
Effect of FX rates on cash and cash equivalents	\$ (252)	\$ (58)	\$ (242)	\$ (553)	\$ 316
Net change in cash	\$ 217	\$ (1,550)	\$ 1,228	\$ (106)	\$ 18
Beginning cash	\$ 3,118	\$ 3,335	\$ 1,785	\$ 3,118	\$ 3,013
Change in cash	\$ 217	\$ (1,550)	\$ 1,228	\$ (106)	\$ 18
Ending cash	\$ 3,335	\$ 1,785	\$ 3,013	\$ 3,013	\$ 3,031

BALANCE SHEET	12/31/2019	1/31/2020	2/28/2020	3/31/2020	4/30/2020
	1M	1M	1M	1M	1M
Current Assets					
Cash and cash equivalents	\$ 3,118	\$ 3,335	\$ 1,785	\$ 3,013	\$ 3,031
Short term investments	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable, gross	\$ 37,033	\$ 35,051	\$ 34,542	\$ 34,461	\$ 32,117
Accounts receivable, reserves	\$ (3,290)	\$ (3,275)	\$ (3,333)	\$ (3,083)	\$ (3,128)
Accounts receivable, net	\$ 33,744	\$ 31,776	\$ 31,209	\$ 31,379	\$ 28,988
Inventory, gross	\$ 16,922	\$ 16,396	\$ 16,556	\$ 15,848	\$ 16,862
Inventory, reserves	\$ (314)	\$ (376)	\$ (689)	\$ (685)	\$ (635)
Inventory, net	\$ 16,607	\$ 16,021	\$ 15,868	\$ 15,163	\$ 16,227
Prepaid expenses and other current assets	\$ 1,448	\$ 1,593	\$ 1,488	\$ 1,465	\$ 1,725
Current portion of deferred taxes	\$ 4,149	\$ 4,894	\$ 4,869	\$ 4,819	\$ 4,081
Revenue in excess of billings	\$ -	\$ -	\$ -	\$ -	\$ -
Other current assets	\$ 546	\$ 577	\$ 464	\$ 359	\$ 358
Total Current Assets	\$ 59,612	\$ 58,195	\$ 55,682	\$ 56,196	\$ 54,411
Non-Current Assets					
Property, plant & equipment, gross	\$ 40,450	\$ 40,593	\$ 40,595	\$ 40,491	\$ 40,758
Accumulated depreciation	\$ (24,382)	\$ (24,416)	\$ (24,548)	\$ (24,536)	\$ (24,818)
Property, plant & equipment, net	\$ 16,068	\$ 16,177	\$ 16,047	\$ 15,956	\$ 15,940
Goodwill	\$ -	\$ -	\$ -	\$ -	\$ -
Identifiable intangible assets, gross	\$ 15,230	\$ 15,133	\$ 15,125	\$ 15,109	\$ 15,208
Accumulated amortization	\$ (8,623)	\$ (8,832)	\$ (8,913)	\$ (8,992)	\$ (8,949)
Identifiable intangible assets, net	\$ 6,607	\$ 6,301	\$ 6,212	\$ 6,117	\$ 6,259
Deferred financing cost	\$ 1,492	\$ 1,691	\$ 1,636	\$ 1,581	\$ 1,305
Deferred tax asset	\$ -	\$ -	\$ -	\$ -	\$ -
Other non-current assets	\$ 847	\$ 1,137	\$ 1,111	\$ 933	\$ 817
Total Non-Current Assets	\$ 25,013	\$ 25,306	\$ 25,006	\$ 24,588	\$ 24,321
Total Assets	\$ 84,626	\$ 83,501	\$ 80,689	\$ 80,784	\$ 78,732
Current Liabilities					
Current portion of long-term debt	\$ 1,174	\$ 1,198	\$ 1,197	\$ 1,322	\$ 1,321
Line of Credit	\$ 5,658	\$ 10,128	\$ 7,333	\$ 7,347	\$ 8,220
Accounts payable	\$ 12,101	\$ 10,101	\$ 11,396	\$ 12,730	\$ 10,791
Accrued liabilities	\$ 12,221	\$ 10,685	\$ 10,524	\$ 10,224	\$ 10,349
Accrued compensation	\$ 2,255	\$ 1,578	\$ 1,601	\$ 1,648	\$ 1,878
Income taxes payable	\$ 196	\$ 172	\$ 156	\$ 138	\$ 159
Short-term unearned revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Other current liabilities	\$ 3,204	\$ 2,975	\$ 2,928	\$ 2,701	\$ 2,766
Total Current Liabilities	\$ 36,809	\$ 36,837	\$ 35,135	\$ 36,110	\$ 35,484
Long-term liabilities					
Long-term debt less current maturities	\$ 30,585	\$ 30,269	\$ 30,269	\$ 30,144	\$ 29,851
Capital lease	\$ -	\$ -	\$ -	\$ -	\$ -
Debt owing to OpenGate	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred income taxes	\$ 31	\$ 31	\$ 30	\$ 29	\$ 29
Long-term unearned revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred liabilities	\$ -	\$ -	\$ -	\$ -	\$ -
Other non-current liabilities	\$ 46	\$ 44	\$ 43	\$ 40	\$ 43
Total Long-Term Liabilities	\$ 30,662	\$ 30,343	\$ 30,341	\$ 30,213	\$ 29,923
Total Liabilities	\$ 67,471	\$ 67,180	\$ 65,477	\$ 66,323	\$ 65,408
Commitments and contingencies	\$ -	\$ -	\$ -	\$ -	\$ -
Shareholders' Equity					
Common stock	\$ -	\$ -	\$ -	\$ -	\$ -
Preferred stock	\$ -	\$ -	\$ -	\$ -	\$ -
Capital in excess of stated value	\$ 36,350	\$ 36,350	\$ 36,350	\$ 36,350	\$ 36,350
Retained earnings	\$ (19,114)	\$ (19,615)	\$ (20,320)	\$ (20,931)	\$ (22,384)
Accumulated other comprehensive income	\$ 47	\$ 517	\$ 522	\$ 524	\$ 523
Other equity transactions	\$ (129)	\$ (931)	\$ (1,340)	\$ (1,482)	\$ (1,164)
Total Shareholders' Equity	\$ 17,155	\$ 16,321	\$ 15,212	\$ 14,461	\$ 13,324
Total Liabilities and Shareholders' Equity	\$ 84,626	\$ 83,501	\$ 80,689	\$ 80,784	\$ 78,732

in \$'000								
AR Aging								
Days	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	%
0-30	\$ 20,757	\$ 20,760	\$ 18,404	\$ 18,307	\$ 18,025	\$ 19,532	\$ 15,726	49.0%
31-60	4,886	3,473	3,532	2,902	3,303	2,317	4,085	12.7%
61-90	2,752	3,627	2,269	2,531	1,900	2,099	1,394	4.3%
>90	10,944	11,331	11,577	11,249	11,236	10,462	10,906	34.0%
Total Gross AR	\$ 39,340	\$ 39,192	\$ 35,782	\$ 34,990	\$ 34,464	\$ 34,411	\$ 32,111	100.0%
Reserves	(4,257)	(4,171)	(3,256)	(3,275)	(3,333)	(3,083)	(3,128)	
Total Net AR	\$ 35,083	\$ 35,020	\$ 32,526	\$ 31,715	\$ 31,131	\$ 31,328	\$ 28,983	
Change in AR Reserve	(19)	85	915	(19)	(57)	250	(45)	
Actual Bad Debt P&L Charge	43	(51)	(211)	29	48	(67)	(26)	
LTM Bad Debt P&L Charge	\$ 3,337	\$ 3,244	\$ 2,738	\$ 2,645	\$ 2,621	\$ 1,832	\$ 1,661	
AP Aging								
Days	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	%
0-30	\$ 10,944	\$ 10,185	\$ 9,132	\$ 8,534	\$ 9,156	\$ 10,692	\$ 9,067	70.2%
31-60	1,569	1,011	1,696	789	522	941	1,003	7.8%
61-90	(161)	340	182	105	500	102	156	1.2%
>90	2,196	2,288	2,559	2,449	2,522	2,770	2,685	20.8%
Total	\$ 14,548	\$ 13,824	\$ 13,569	\$ 11,876	\$ 12,700	\$ 14,505	\$ 12,911	100.0%

Management Discussion:

Accounts Receivable

- Decrease in AR driven by increased focus on collections combined with lower sales in April
- Retainage listed at \$5.4 mm
 - \$3.5 mm of Domestic Retainage
 - \$1.8 mm of International Retainage

Accounts Payable

- As expected, the AP balance in April increased as we managed vendors to improve working capital
- A/P > 90 consists of OpenGate management fees and other legal fees received late