



April Monthly Operating Review

MAY 2020

Executive Summary

Executive Summary

Good news / positives to business and plan

- Infinity demand is strong; exceeded April revenue plan by \$252k, PY by \$281k.
- Transit Packaging continue to stay strong and grew 112% to Plan; signed supply agreement and received first order from GP (new Amazon Mailer facility)
- COVID-19 face shields – high activity, daily calls, and winning business – Key Interiors \$200k, Ramcel \$27k, Hatteras Press \$156k in May
- VP Sales – 2 candidates coming to Forest Park for final interviews
- Cost savings in April were in line with the plans that we laid out in all categories with some upside in plant overhead costs.

Risks / challenges to business and plan

- Duraco revenue was \$881k or 20% less than plan and \$819k less than PY.
- PF EBITDA declined \$421k from Plan and \$369k from PY due to lower volume partially offset by various cost savings actions
- POP and Appliance segment off Plan by 27% & 47% respectively. Retail slowdown and consumer spending affecting longer term outlook
- Industrial sales continue to underperform, Stay at Home order limiting ability expand customer base
- Distribution down 44%, due to timing of revenue recognition for Essentra

Other material items

- 0 safety incidents in April



Consolidated Monthly Financial Metrics

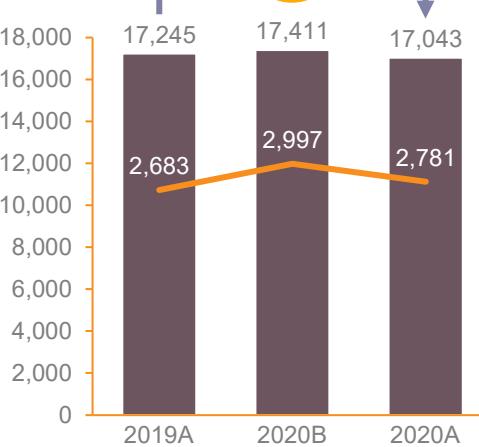
Apr MTD

\$000s



AprYTD

\$000s



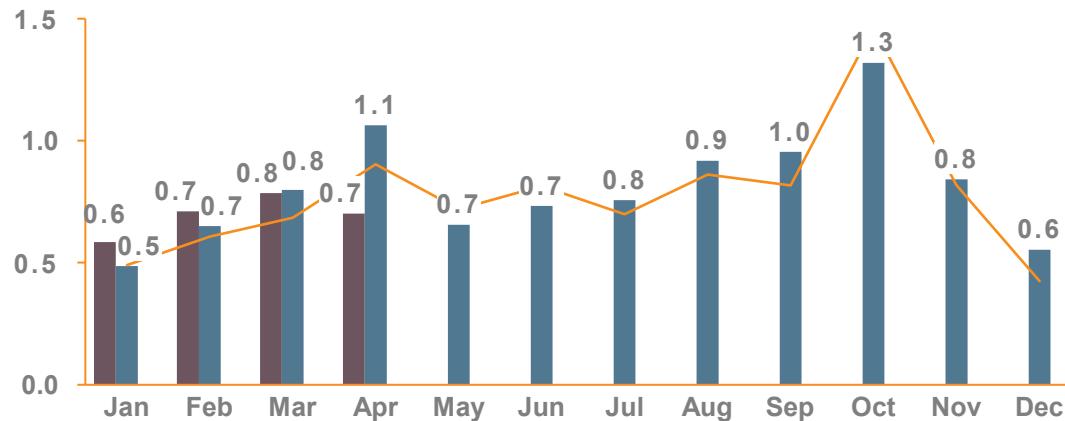
FY (4+8)

\$000s



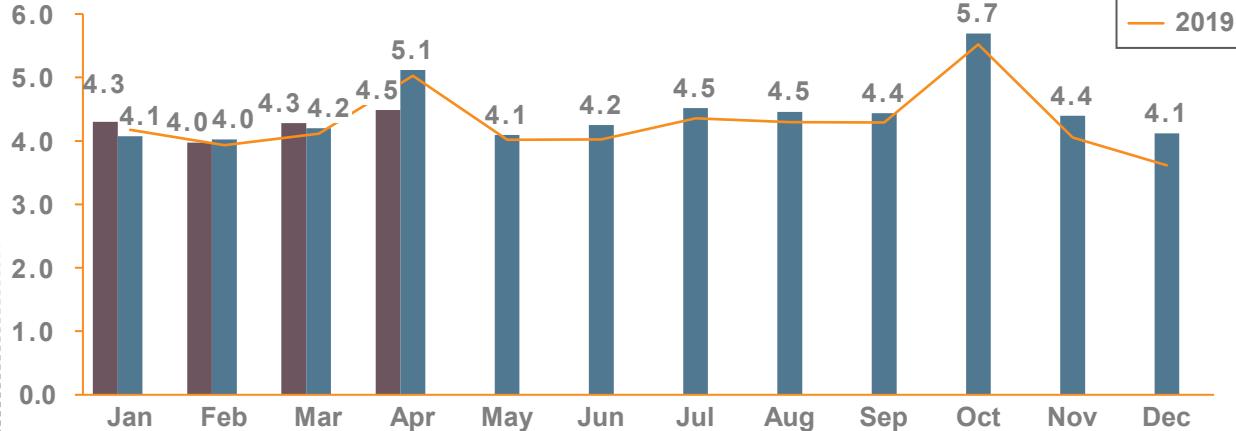
Monthly EBITDA

\$ millions

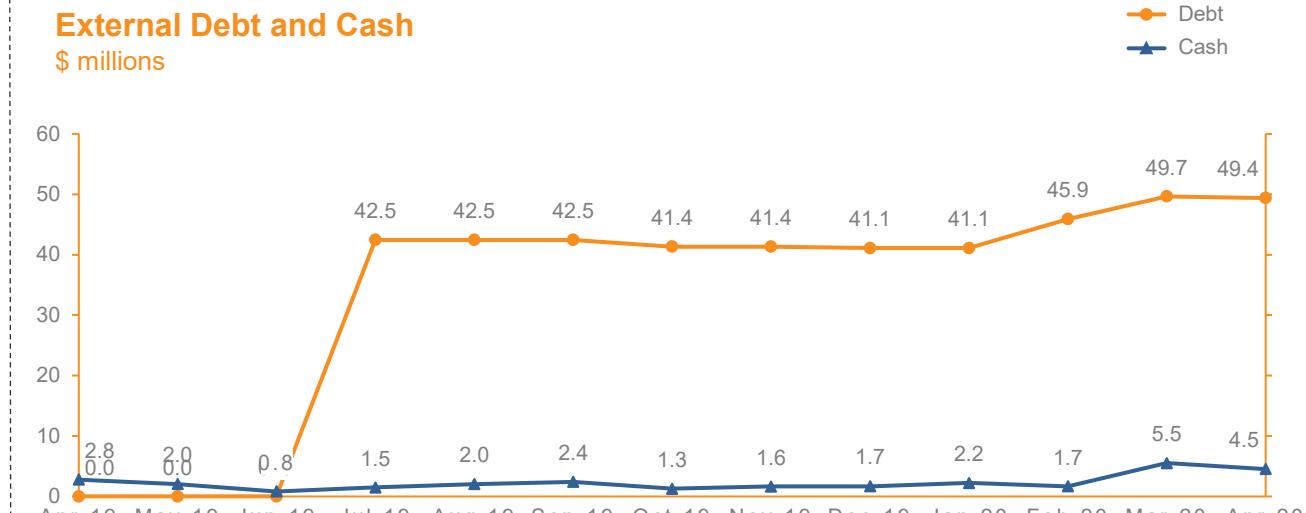
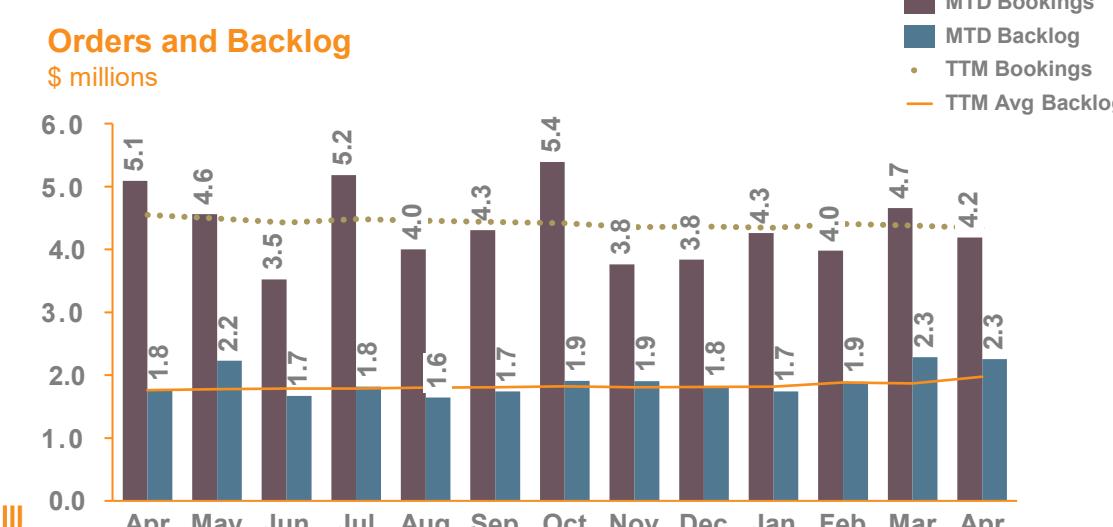
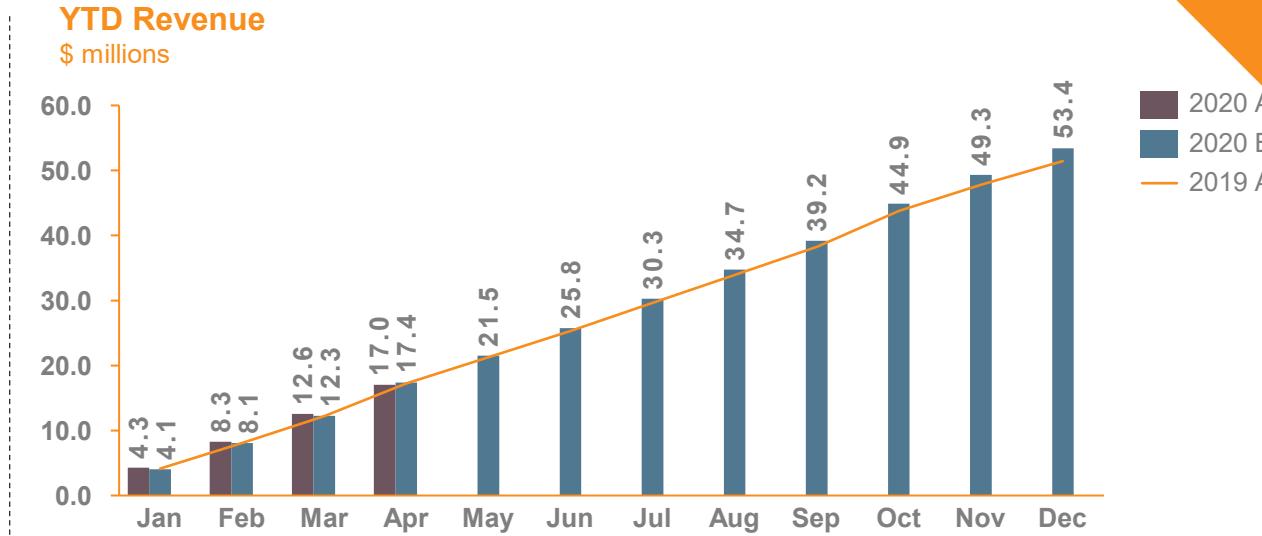
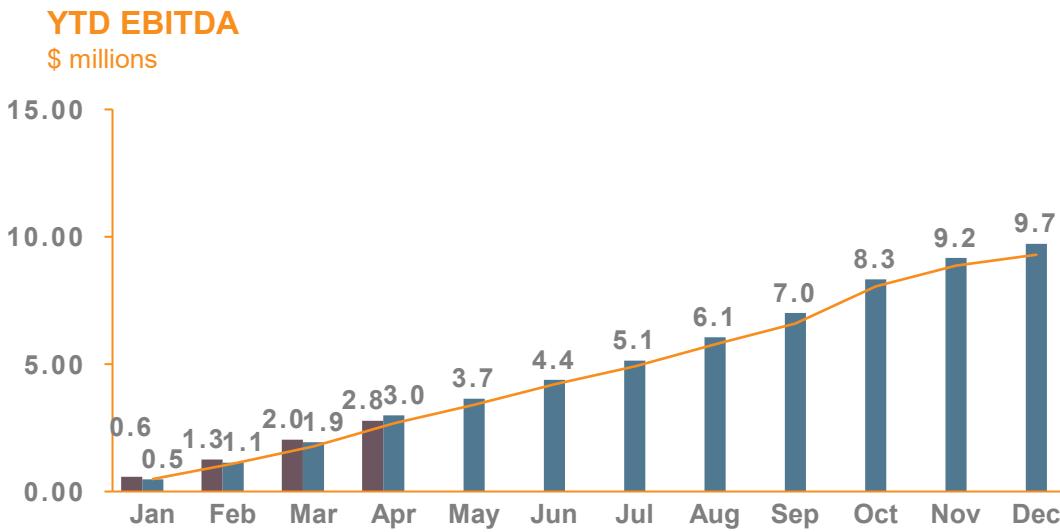


Monthly Net Revenue

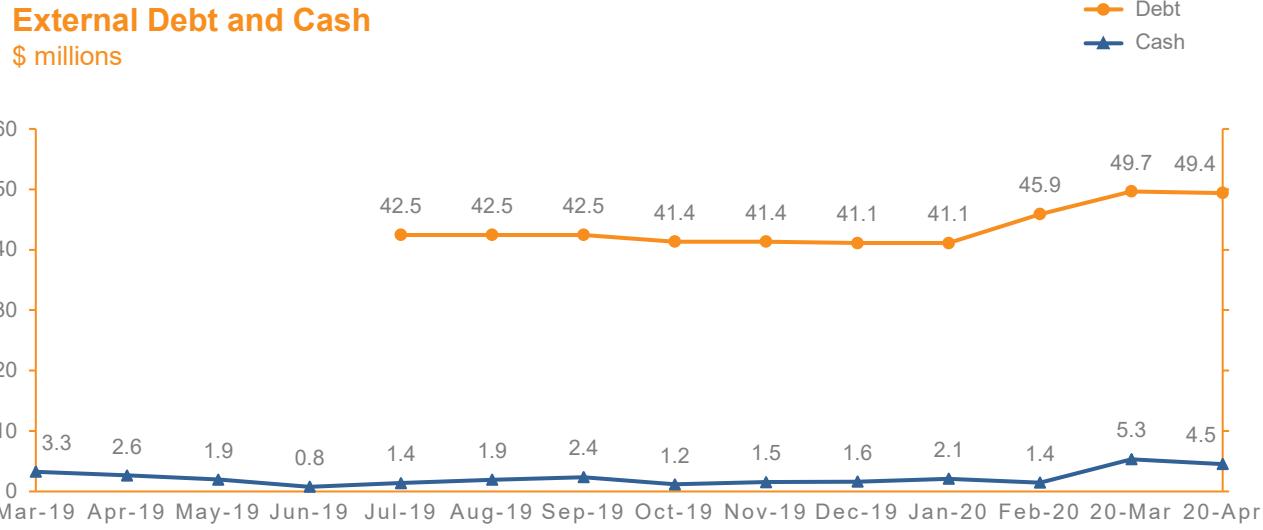
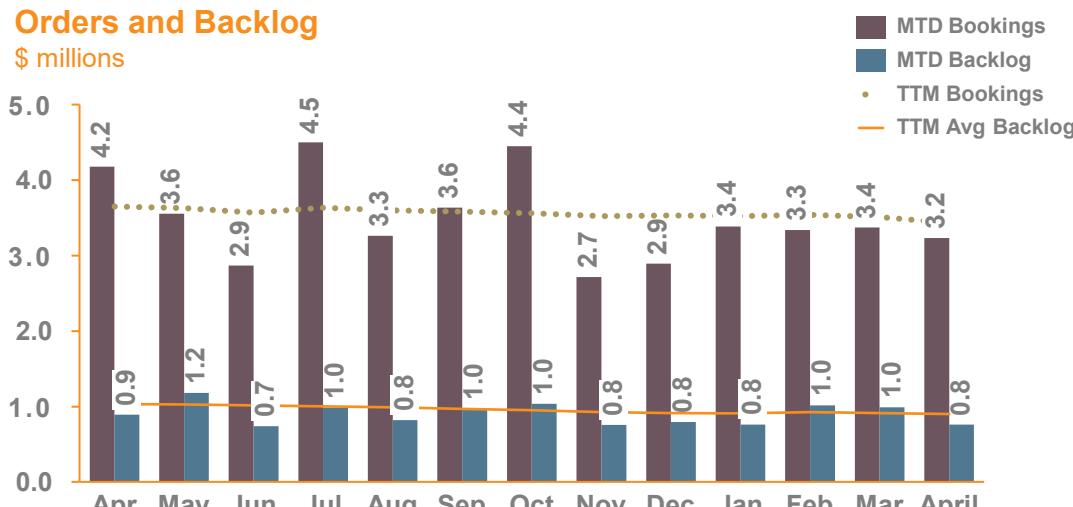
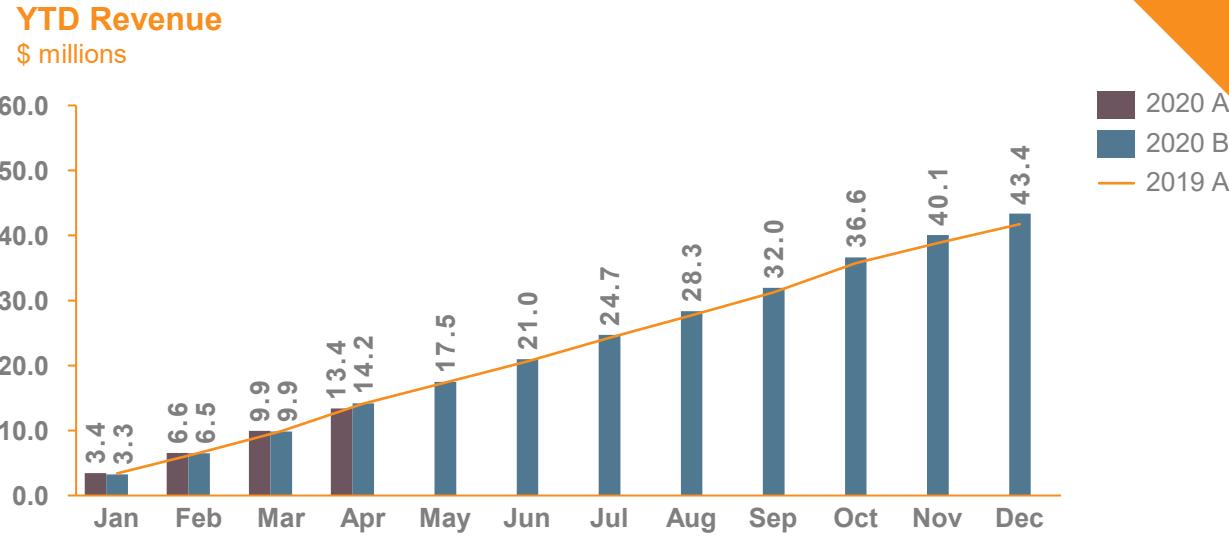
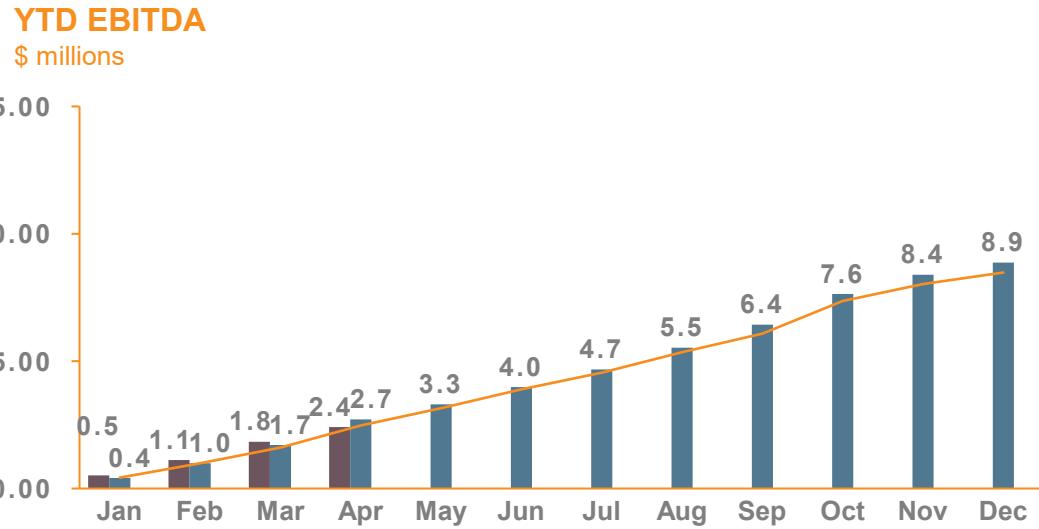
\$ millions



Consolidated Monthly Financial Metrics – con't



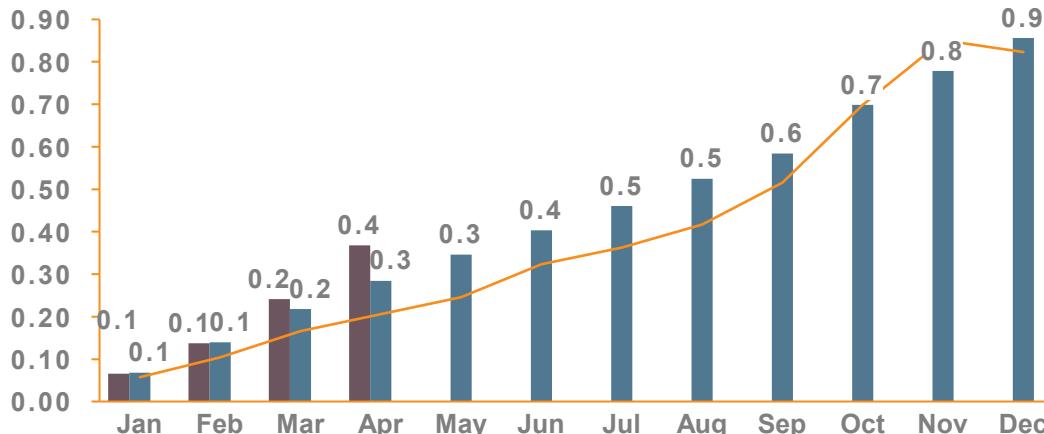
Duraco Monthly Financial Metrics – con't



Infinity Monthly Financial Metrics – con't

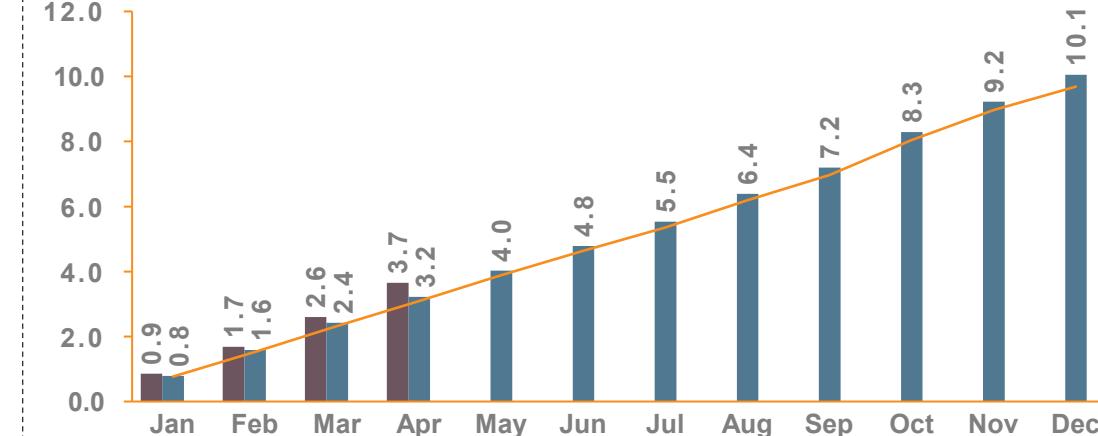
YTD EBITDA

\$ millions



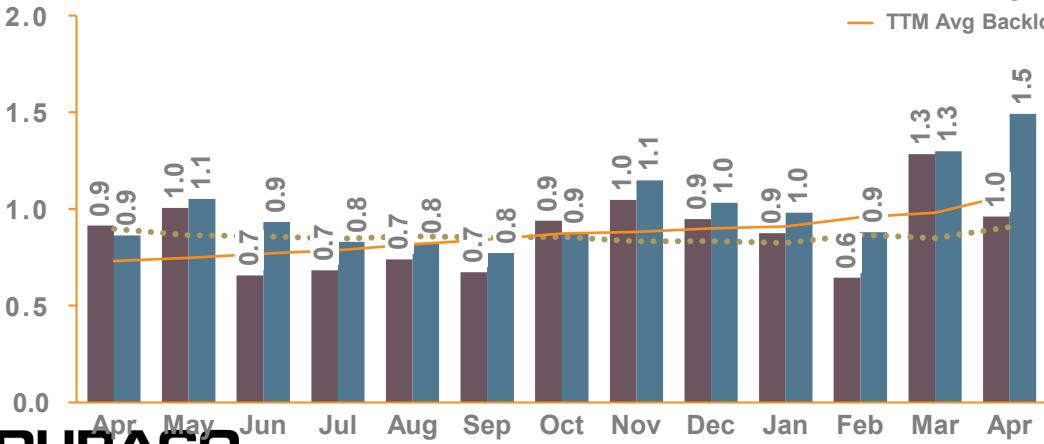
YTD Revenue

\$ millions



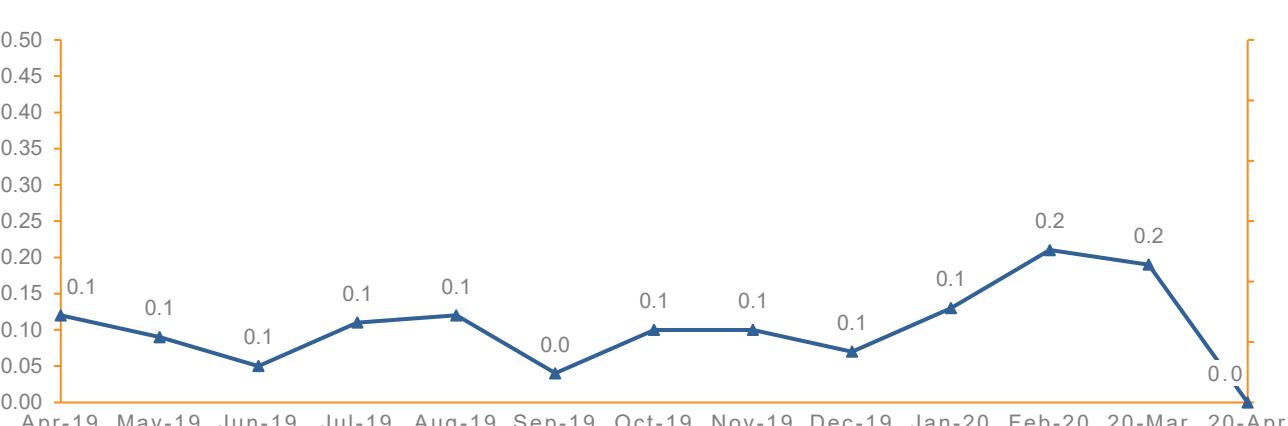
Orders and Backlog

\$ millions



External Debt and Cash

\$ millions



Carveout

STATUS UPDATE: PROJECT DETAILS

| PROJECT | STATUS | CURRENT STATUS & NEXT STEPS | TIMING | Annualized EBITDA Impact (\$MM) | |
|-------------------------|---|--|---------|---------------------------------|--------|
| | | | | Projected | Actual |
| IT Carveout | | <ul style="list-style-type: none"> Network carveout was completed in March. Work on ERP is ongoing. Target go-live is June 29. BPCS has been extended by one month. Phone system implementation is scheduled to be completed in May, although delays from Essentra porting our phone numbers may push completion into June. | Q2 2020 | N/A | N/A |
| Ceridian/HR | | <ul style="list-style-type: none"> Go live by the end of June | Q2 2020 | N/A | N/A |
| Service Centers | | <ul style="list-style-type: none"> Have exited NJ. Plan to close LA Service Center and open LA 3PL by the end of June. | Q1 2020 | N/A | N/A |
| Treasury | | <ul style="list-style-type: none"> Delayed due largely to Essentra although TSA has been terminated. Have a standalone Duraco treasury platform up and running. All steps are complete, bank paperwork is still in process; waiting for Shawn to sign. | Q1 2020 | N/A | N/A |
| Finance Shared Services | | <ul style="list-style-type: none"> On schedule for end of June when TSA expires A/R and A/P roles have been hired All other financial services have been terminated | Q2 2020 | N/A | N/A |

- All remaining TSAs expire at the end of June 2020.

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

Infinity Email Hacking and Fraud - Update

What Happened?

- CFO received an email from the Infinity Accountant on May 12th reporting that she believed that she had mistakenly sent payments to the wrong bank account for two different vendors. She believed they were fraudulent because the vendor had not received payment and the vendor had received emails from her that she did not send.
- In all cases, she had been contacted via email from the vendor to request a change in banking information.
 - Two were account changes
 - One was a change in payment method from check to ACH.
- She then received a phone call from the vendor explaining the change and verification of the account information.
- The ACHs were subsequently sent to the fraudsters account. Total loss is currently \$100k of cash which belongs to 3 different vendors.
- Further investigation by Duraco's IT team showed that the email account had been accessed by a third party from Nigeria and Florida.

What actions were taken?

- Email password was immediately reset.
- Citi was informed of the fraud and a recovery process was kicked off.
- Internal Controls for account setup and changes was immediately updated and reviewed with all finance personnel
- Insurance Broker (Krauter) was contacted and they provided the Cyber Crime hotline for our insurance company.
 - We have \$3m of coverage with a \$25k deductible
- Breach counsel and Forensic IT firm have been engaged to review what information was exposed.
- FBI was contacted using an IC3 form to report the incident
 - CFO discussed the case with a Special Agent from the FBI on May 15th
- Accountant requested statements from all vendors who are paid electronically to ensure there were not other issues.
- Accountant contacted all past due customers to request payment status (to ensure they had not been instructed to change payment information by the fraudster).
- Accountant verified that customers with online portals passwords were reset and that the banking information had not been changed
- All Infinity users were forced to reset their passwords.

Continued-

Infinity Email Hacking and Fraud - Update

What have we learned from Duraco IT and the Forensic team:

- Mailbox was likely downloaded by the fraudster
- It appears that the fraudster was watching the emails waiting for a big payment and then pouncing with the change in payment account.
- When the fraudster believed they would be detected, they setup several mailbox forwarding rules so that they could continue to see our emails after the email password was reset. This was discovered mid-day on the 13th (one day later).
- The O365 license level is inadequate and therefore some of the protections that are in place at Duraco are not available at Infinity (MFA, blocking of suspicious logins, etc.)
- Passwords were never reset as a matter of policy at Infinity.
- Gray reviewed the inbox and believes that there was PII exposed to the fraudster.
- We believe the incursion happened sometime in April, likely through a phishing attempt.

What don't we know right now?

- If the fraudster contacted any customers and attempted to divert incoming payments
- If we will recover the missing cash
- How much exposure there is within the emails that the fraudsters have. We expect there may be extensive potential PII and other sensitive information as this person is the accountant, HR person, and purchasing person.

What went wrong?

- Inadequate IT security was put in place by the 3rd party IT provider
- A 4-week delay by the third party giving Duraco access to the Infinity O365 environment (had access been provided, the incursion would have been noticed right away)
- Likely little to no training at Infinity regarding cyber security.
- Poor execution of internal controls related to banking changes
- IT diligence was not completed prior to the acquisition (which may have flagged the risk with the license level of O365)
- Gray and IT team were heavily focused on the Duraco network cutover and then work from home plans for CV-19 allowing a gap in attention related to Infinity

Infinity Email Hacking and Fraud - Update

What are the next steps?

- Upgrade security at Infinity – Plan follows this update (including training).
- Continue to work with the breach counsel and Forensic IT company to complete their review. We have signed off on a full review of all items in the mailbox that was exposed.
- There will likely need to be formal communication to anyone whose information was exposed. Further, we will need to inform the State of Massachusetts of the breach. Counsel will assist us through these filings and notifications.
- Depending on what was exposed, there may be further expenses related to identity theft protection, etc.
- Continue to work with the bank to try and recover the cash. They are very optimistic that it will be recovered, although we are skeptical.
- Determine if we need to change our approach on outsourced IT at Infinity, and if so, what we are going to do.

Cyber Security Overview and Action Plan

| Category | Duraco | Infinity | Action | Time Table |
|---------------|---|---|---|--|
| Email | <ul style="list-style-type: none"> ProofPoint (<i>antispam</i>) Phish Alert (<i>report phishing</i>) | <ul style="list-style-type: none"> MS365 Exchange built-in protection | <ul style="list-style-type: none"> Add ProofPoint to Infinity Phish Alert to Infinity | <ul style="list-style-type: none"> ProofPoint – 6 weeks Phish Alert – 2 weeks |
| Endpoints | <ul style="list-style-type: none"> CrowdStrike (<i>antimalware</i>) Umbrella (<i>content filter & DNS protection</i>) BitLocker (<i>disk encryption</i>) Veritas (<i>server backup</i>) | <ul style="list-style-type: none"> Sophos Endpoint (<i>antimalware</i>) SonicWall (<i>content filtering</i>) Datto (<i>hourly image backups</i>) | <ul style="list-style-type: none"> Encryption for Infinity DNS protection for Infinity | <ul style="list-style-type: none"> Endpoint Encryption for Infinity – 2-4 weeks (<i>Team Logic IT</i>) Infinity DNS protection 8-12 weeks (<i>Team Logic IT</i>) |
| Perimeter | <ul style="list-style-type: none"> Meraki DS-84 Firewall & VPN Gateway | <ul style="list-style-type: none"> SonicWall TZ-300 Firewall & VPN Gateway | <ul style="list-style-type: none"> None | <ul style="list-style-type: none"> None |
| Identity | <ul style="list-style-type: none"> MFA 12-character password Password complexity Common passwords blacklisted O365 E3 License with Conditional access blocking and alerts | <ul style="list-style-type: none"> No MFA No minimum length No complexity Basic O365 licenses | <ul style="list-style-type: none"> Turn on MFA for Infinity Passwords: require 12 characters, complexity, and blacklist common passwords for Infinity Upgrade O365 to E3 licenses with conditional access blocking and alerts. | <ul style="list-style-type: none"> MFA and O365 – 4 weeks (<i>Team Logic IT</i>) Password changes – 1 week |
| User Training | <ul style="list-style-type: none"> KnowBe4.com INFOSEC training (<i>twice monthly</i>) Phishing tests (<i>twice weekly</i>) | <ul style="list-style-type: none"> None | <ul style="list-style-type: none"> KnowBe4.com INFOSEC training twice monthly for Infinity Phishing tests twice weekly for Infinity | <ul style="list-style-type: none"> KnowBe4.com training – 2 weeks Phishing tests – 2 weeks |

Full Year Outlook

What must be true to deliver full year forecast?

- The implementation of Infor CloudSuite must not disrupt and cause challenges for our customers
- Continue accelerated growth in the Transit Packaging and Wall Hanging segments
- Successful implementation and launch of the new website
 - Drive new account leads and acquisition
 - Provide stable platform for online ordering and support Teacher's Tape
- POP and Appliance must recover to 85% of Plan expectation
- Hire new VP of Sales to drive improved execution of sales teams
 - Fully staff regional coverage model to support customers in local markets
 - Implement and win new accounts in Strategic Segments
- Macroeconomic recover in the 4th quarter from COVID-19 pandemic

Significant Forecast Assumptions

- All deferred headcount will remain open for the remainder of 2020
- The following positions will be hired/replaced during the forecast period:
 - VP of Sales (June)
 - RSM (June)
 - RSM (June)
 - Finance Roll from Infinity (June)
 - Technical Director (August)
- Furloughs will remain in effect through at least August and will be replaced by RIF if business stays severely depressed
- Continued flex of union until business conditions improve
- All other cost savings programs remain in place while volume is down significantly.
- Bonus accrual has been reduced by 40% (no cash impact)
- Margin in each market is maintained at plan levels
- Executive pay reductions will stay in place through the end of 2020

Forecast Scenario Comparison

- 5 different scenarios were built to challenge assumptions and understand how much stress the business can handle. Three are summarized here.
- The most likely case is the forecast that management believes is most likely, although there is not a high degree of certainty.
- The downside case, while possible, is not likely. It does illustrate that the business can absorb a large decline from a cash perspective.
- All scheduled debt and interest payments are made on time in each of these scenarios.
- A P&L and summary cash flow statement are presented on the next slide

| Scenario | Upside Case | Most Likely Case | Significant Downside Case |
|--|--|--|--|
| Growth Curve (compared to Plan) |  |  |  |
| Description | Achievable upside case assuming the market begins to recover in June and then recovery strengthens in September. Absent a v shaped recovery, this is the likely best case scenario given where we are today. | Current run rate holds with moderate recovery beginning in August. Balanced view that assumes continued lower revenue with a <u>growing</u> recovery from September. | Unlikely, but possible downside. More of a stress test. Current weekly volume remains largely unchanged for the remainder of the year. |
| What happens to POP? | Increase project quote activity. Sales Team fully staffed and engaged with current and new customer acquisition. Top 20 POP customers flat to slightly down versus previous year. | POP continues to be -50% to Plan through July with the decline softening through the end of the year. Top 20 POP customers see improvement from Sept - Dec. | Prolonged Social Distancing Retail sales continue on steep downward path, down 15% Storefront closures accelerate. Current run rate is maintained |
| What happens to Appliance? | Whirlpool progresses from -45% to -15% in Q4. GE High Bond program continues to increase and delivers Plan in Q4. Begin to win new programs as part of cost savings initiatives with WP, GE and Tiers | Whirlpool continues decline through August with slight improvement through Q4 GE High Bond program slows with production but gains momentum from Sept - Dec | Consumer confidence doesn't rebound Plants take further cost cutting actions with additional shutdowns |
| Infinity | Assumes Infinity will deliver plan for May - December. | Assumes Infinity will deliver plan for May - December. | Assumes Infinity will deliver plan for May - December. |
| Year End Liquidity | 5,567 | 3,612 | 1,559 |
| Covenants Broken | None | Debt to EBITDA in Q3 and Q4 | FCCR and Debt to EBITDA in Q3 and Q4 |
| Revenue % Variance to PL (Duraco only) | -12.0% | -19.3% | -31.1% |
| Revenue % Variance to PL (Consolidated) | -9.0% | -14.9% | -24.4% |
| FY Revenue variance to PL - Duraco Only | (5,225) | (8,375) | (13,463) |
| FY Revenue variance to PL (Consolidated) | (4,793) | (7,943) | (13,031) |
| Consolidated Rev | 48,617 | 45,466 | 40,378 |
| Consolidated PF EBITDA | 7,958 | 6,241 | 4,023 |
| Consolidated AOP EBITDA | 9,760 | 9,760 | 9,760 |

Variance to plan by Market by Month

% Variance to Plan

| | Jan | Feb | Mar | APR | MAY | JUN | JUL | AUG | SEP | OCT | NOV | DEC | FY |
|-------------------|------|------|------|------|------|------|------|------|------|------|------|------|------|
| GROWTH | | | | | | | | | | | | | |
| Total Duraco | 5% | -3% | 0% | -20% | -38% | -43% | -43% | -31% | -18% | -14% | -13% | -13% | -19% |
| Point of Purchase | 8% | -2% | -21% | -27% | -45% | -50% | -50% | -35% | -20% | -15% | -15% | -15% | -24% |
| Transit Packaging | 153% | 62% | 226% | 112% | 60% | 40% | 40% | 40% | 40% | 40% | 40% | 40% | 70% |
| White Goods | -2% | -13% | 26% | -47% | -50% | -50% | -50% | -35% | -20% | -15% | -15% | -15% | -26% |
| Industrials | -27% | -31% | -16% | -7% | -30% | -35% | -30% | -30% | -20% | -15% | -15% | -15% | -22% |
| Distributors | 96% | -8% | 42% | -43% | -40% | -20% | -20% | -20% | -15% | -15% | -15% | -15% | -11% |
| Wall Hangings | -54% | 288% | 529% | -64% | 200% | -20% | -20% | -15% | -10% | -10% | -10% | -10% | 30% |
| Other | -3% | -41% | -20% | -27% | -20% | -30% | -30% | -30% | -20% | -15% | -15% | -15% | -22% |
| Unknown | -41% | -17% | -45% | 286% | -20% | -35% | -35% | -25% | -20% | -15% | -15% | -15% | 4% |

Consolidated Forecast P&L and Cash flow

| | Q1 Actual | Q2 Forecast | Q3 Forecast | Q4 Forecast | FY Forecast | Q1 Plan | Q2 Plan | Q3 Plan | Q4 Plan | 2020 PL | Q1 v to PL | Q2 v to PL | Q3 v to PL | Q4 v to PL | FY Variance |
|----------------------------|------------|-------------|-------------|-------------|-------------|------------|------------|------------|------------|-------------|------------|------------|------------|------------|-------------|
| Revenue | \$ 12,554 | \$ 10,108 | \$ 10,059 | \$ 12,745 | \$ 45,466 | \$ 12,293 | \$ 13,459 | \$ 13,415 | \$ 14,242 | \$ 53,409 | \$ 261 | \$ (3,351) | \$ (3,355) | \$ (1,498) | \$ (7,943) |
| DM | \$ (4,459) | \$ (3,745) | \$ (3,735) | \$ (4,570) | \$ (16,509) | \$ (4,322) | \$ (4,747) | \$ (4,760) | \$ (5,030) | \$ (18,858) | \$ (137) | \$ 1,002 | \$ 1,025 | \$ 459 | \$ 2,349 |
| DM % | 35.5% | 37.0% | 37.1% | 35.9% | 36.3% | 35.2% | 35.3% | 35.5% | 35.3% | 35.3% | | | | | |
| DL | \$ (1,430) | \$ (1,162) | \$ (1,119) | \$ (1,402) | \$ (5,113) | \$ (1,465) | \$ (1,464) | \$ (1,409) | \$ (1,540) | \$ (5,878) | \$ 35 | \$ 303 | \$ 290 | \$ 138 | \$ 766 |
| CM | \$ 6,665 | \$ 5,202 | \$ 5,205 | \$ 6,773 | \$ 23,845 | \$ 6,507 | \$ 7,248 | \$ 7,245 | \$ 7,673 | \$ 28,673 | \$ 158 | \$ (2,046) | \$ (2,040) | \$ (900) | \$ (4,828) |
| Other COGS | \$ (1,882) | \$ (1,773) | \$ (1,706) | \$ (1,906) | \$ (7,268) | \$ (1,856) | \$ (1,964) | \$ (1,900) | \$ (2,053) | \$ (7,774) | \$ (26) | \$ 192 | \$ 194 | \$ 147 | \$ 507 |
| GM | \$ 4,783 | \$ 3,429 | \$ 3,499 | \$ 4,866 | \$ 16,577 | \$ 4,650 | \$ 5,284 | \$ 5,345 | \$ 5,620 | \$ 20,899 | \$ 132 | \$ (1,855) | \$ (1,846) | \$ (753) | \$ (4,322) |
| GM % | 38.1% | 33.9% | 34.8% | 38.2% | 36.5% | 37.8% | 39.3% | 39.8% | 39.5% | 39.1% | | | | | |
| OPEX | \$ (2,455) | \$ (2,338) | \$ (2,384) | \$ (2,640) | \$ (9,816) | \$ (2,724) | \$ (2,883) | \$ (2,797) | \$ (2,944) | \$ (11,347) | \$ 268 | \$ 546 | \$ 413 | \$ 304 | \$ 1,531 |
| EBITDA | \$ 2,327 | \$ 1,091 | \$ 1,116 | \$ 2,227 | \$ 6,761 | \$ 1,927 | \$ 2,400 | \$ 2,549 | \$ 2,676 | \$ 9,552 | \$ 400 | \$ (1,309) | \$ (1,433) | \$ (449) | \$ (2,791) |
| Addbacks | \$ 63 | \$ 125 | \$ 36 | \$ 36 | \$ 260 | \$ 86 | \$ 50 | \$ 36 | \$ 36 | \$ 208 | \$ (23) | \$ 75 | \$ - | \$ - | \$ 52 |
| Bank EBITDA | \$ 2,390 | \$ 1,217 | \$ 1,152 | \$ 2,263 | \$ 7,021 | \$ 2,013 | \$ 2,450 | \$ 2,585 | \$ 2,712 | \$ 9,760 | \$ 377 | \$ (1,234) | \$ (1,433) | \$ (449) | \$ (2,739) |
| EBITDA % | 19.0% | 12.0% | 11.5% | 17.8% | 15.4% | 16.4% | 18.2% | 19.3% | 19.0% | 18.3% | | | | | |
| PF Adjusted EBITDA | \$ 2,124 | \$ 955 | \$ 1,019 | \$ 2,143 | \$ 6,241 | \$ 2,013 | \$ 2,450 | \$ 2,585 | \$ 2,712 | \$ 9,760 | \$ 111 | \$ (1,496) | \$ (1,565) | \$ (569) | \$ (3,519) |
| PF EBITDA % | 16.9% | 9.4% | 10.1% | 16.8% | 13.7% | 16.4% | 18.2% | 19.3% | 19.0% | 18.3% | | | | | |
| Operating Cash flow | \$ 1,008 | \$ 1,869 | \$ (593) | \$ 2,119 | \$ 4,403 | \$ (73) | \$ 1,604 | \$ 1,484 | \$ 3,319 | \$ 6,334 | \$ 1,081 | \$ 265 | \$ (2,077) | \$ (1,200) | \$ (1,931) |
| Investing Cash flow | \$ (5,716) | \$ (364) | \$ (237) | \$ (65) | \$ (6,382) | \$ (650) | \$ (425) | \$ (331) | \$ (159) | \$ (1,564) | \$ (5,066) | \$ 60 | \$ 94 | \$ 94 | \$ (4,818) |
| Financing Cash flow | \$ 8,580 | \$ (5,134) | \$ - | \$ (2,067) | \$ 1,379 | \$ (421) | \$ (2,121) | \$ - | \$ (2,116) | \$ (4,657) | \$ 9,001 | \$ (3,014) | \$ - | \$ 49 | \$ 6,036 |
| Total Cash Flow | \$ 3,872 | \$ (3,630) | \$ (830) | \$ (13) | \$ (600) | \$ (1,144) | \$ (942) | \$ 1,153 | \$ 1,045 | \$ 112 | \$ 5,016 | \$ (2,688) | \$ (1,983) | \$ (1,058) | \$ (712) |

Debt Leverage Ratios – Forecast

Jan 20 Feb 20 Mar 20 Apr 20 May 20 Jun 20 Jul 20 Aug 20 Sep 20 Oct 20 Nov 20 Dec 20

Bank EBITDA Calculation

| | \$713 | \$825 | \$864 | \$832 | \$241 | \$144 | \$50 | \$442 | \$660 | \$1,077 | \$692 | \$494 |
|--|--------------|--------------|--------------|-------------|--------------|-------------|--------------|-------------|--------------|-------------|--------------|-------------|
| Consolidated TTM Bank EBITDA | \$10,796 | \$10,995 | \$11,172 | \$11,019 | \$10,482 | \$9,758 | \$8,863 | \$8,243 | \$7,904 | \$7,352 | \$7,072 | \$7,034 |
| Fixed Charge Coverage Ratio (Section 6.1) | | | | | | | | | | | | |
| Bank EBITDA | \$713 | \$825 | \$864 | \$832 | \$241 | \$144 | \$50 | \$442 | \$660 | \$1,077 | \$692 | \$494 |
| i - Unfinanced Capital Expenditures | \$ 39 | \$ 330 | \$ 42 | \$ 38 | \$ 60 | \$ 201 | \$ 97 | \$ 75 | - | \$ - | \$ - | \$ - |
| ii - Management Fees paid or incurred | \$ 83 | \$ 83 | \$ 83 | \$ 83 | \$ 83 | \$ 83 | \$ 83 | \$ 83 | \$ 83 | \$ 83 | \$ 83 | \$ 83 |
| iii - Income/franchise taxes paid or incurred | - | - | - | - | - | - | - | - | - | - | - | - |
| iv - Restricted Distributions paid in cash | - | - | - | - | - | - | - | - | - | - | - | - |
| v - Contingent Purchase Price Obligations paid in cash | - | - | - | - | - | - | - | - | - | - | - | - |
| Operating Cash Flow (Numerator) | \$591 | \$411 | \$739 | \$710 | \$98 | (\$141) | (\$130) | \$284 | \$577 | \$993 | \$608 | \$411 |
| Interest Expense | \$ 285 | \$ 285 | \$ 285 | \$ 285 | \$ 285 | \$ 285 | \$ 285 | \$ 285 | \$ 285 | \$ 285 | \$ 285 | \$ 285 |
| Less: Interest Received | | | | | | | | | | | | |
| a Net Cash Interest | \$285 | \$285 | \$285 | \$285 | \$285 | \$285 | \$285 | \$285 | \$285 | \$285 | \$285 | \$285 |
| b Regularly scheduled principal payments | \$ - | \$ - | \$ 278 | | \$ 278 | | \$ 278 | | \$ 278 | | \$ 278 | |
| Fixed Charges (Denominator) | \$ 285 | \$ 285 | \$ 563 | \$ 285 | \$ 285 | \$ 563 | \$ 285 | \$ 285 | \$ 563 | \$ 285 | \$ 285 | \$ 563 |
| TTM Numerator | \$ 8,943 | \$ 8,900 | \$ 9,123 | \$ 9,033 | \$ 8,467 | \$ 7,575 | \$ 6,597 | \$ 5,915 | \$ 5,639 | \$ 5,167 | \$ 5,130 | \$ 5,151 |
| TTM Denominator | \$ 4,530 | \$ 4,530 | \$ 4,530 | \$ 4,530 | \$ 4,530 | \$ 4,530 | \$ 4,530 | \$ 4,530 | \$ 4,808 | \$ 4,530 | \$ 4,530 | \$ 4,530 |
| Fixed Charge Coverage Ratio | 1.97 | 1.96 | 2.01 | 1.99 | 1.87 | 1.67 | 1.46 | 1.31 | 1.17 | 1.14 | 1.13 | 1.14 |
| Covenant Status | 1.10 Pass | 1.10 Pass | 1.10 Pass | |
| Total Debt to EBITDA Ratio (Section 6.2) | | | | | | | | | | | | |
| + Outstanding amount of Revolving Loans | \$ - | \$ 4,200 | \$ 7,000 | \$ 7,000 | \$ 4,000 | \$ 4,000 | \$ 4,000 | \$ 4,000 | \$ 3,750 | \$ 3,750 | \$ 4,000 | |
| + Outstanding Principal Balance - Term Loan | \$41,099 | \$43,099 | \$42,679 | \$42,397 | \$42,397 | \$42,123 | \$42,123 | \$42,123 | \$41,849 | \$41,849 | \$41,575 | |
| + Outstanding Principal Balance - Other Debt | \$ - | \$ 1,300 | \$ 1,300 | \$ 1,300 | \$ 1,300 | \$ 1,300 | \$ 1,300 | \$ 1,300 | \$ 1,300 | \$ 1,300 | \$ 1,300 | |
| - Qualified Cash | (2,078) | (1,445) | (3,000) | (3,000) | (2,515) | (1,679) | (1,013) | (574) | (849) | (5) | (636) | (836) |
| Bank Debt | \$39,021 | \$47,155 | \$47,979 | \$47,697 | \$45,181 | \$45,744 | \$46,410 | \$46,849 | \$46,573 | \$46,893 | \$46,263 | \$46,038 |
| Consolidated TTM Bank EBITDA | \$10,796 | \$10,995 | \$11,172 | \$11,019 | \$10,482 | \$9,758 | \$8,863 | \$8,243 | \$7,904 | \$7,352 | \$7,072 | \$7,034 |
| Leverage Ratio | 3.61 | 4.29 | 4.29 | 4.33 | 4.31 | 4.69 | 5.24 | 5.68 | 5.89 | 6.38 | 6.54 | 6.55 |
| Maximum Permitted Total Debt to EBITDA Ratio for the defined period. | 6.00 | | | | 5.75 | | | | 5.50 | | | 5.25 |
| Status | Pass | | | | Pass | | | | Fail | | | Fail |

Management Discussion:

- Duraco will fail the Debt to EBITDA ratio covenant test in Q3 and Q4 as a result of falling EBITDA.
- Duraco would need ~\$0.5m of additional TTM EBITDA at the end of Q3 in order to not fail the Q3 test.
- Duraco would need \$1.7m of additional TTM EBITDA at the end of Q4 in order to not fail the test.

Driver / Trends by Segment

Emails per Day Trends



Management Discussion:

- Week of Feb 3 – 227
- Week of Feb 10 – 220
- Week of Feb 17 – 189
- Week of Feb 24 – 194
- Week of Mar 2 – 215
- Week of Mar 9 – 220
- Week of Mar 16 – 216

(Started Working Remotely)

- Week of Mar 23 – 227
- Week of Mar 30 – 211
- Week of Apr 6 – 179
- Week of Apr 13 – 181
- Week of Apr 20 – 174
- Week of Apr 27 – 192
- Week of May 4 – 196
- Week of May 11 – 210

Key Segments

Appliance

- Whirlpool production continues to be soft; plants coming back online but slowing production for social distancing, Tiers being hurt by lower volume from WP, GE running at 70% capacity
- WP/GE expecting a bounce in the second half of 2020; cost savings projects at a premium and we have a growing pipeline including High Bond
 - WP, “we should expect to see requirements back to normal rates in 3-4 weeks” (***Believe it, when I see it***)

POP

- Top 20 accounts are down 20% (\$630k) YTD versus PY, total segment down 14% (\$1,220k)
- Talked to significant POP customers; down 20% - 50%, temporary closure of business (Freeman, Innomark, Stumps)
 - As States are opening, Customer's quoting new projects activity is growing, number of request increasing for Duraco
 - POP producers see July as the start of back-to-school and year-end holiday programs but unsure of volume. Project management and estimators continue to work from home. Structural designers using staggered work schedules to reduce the number of people in the office.

Industrial / RV/Trailer

- Total segment down 19%, w/o Paroc down 13% versus PY
- Most plants shutdown during April; Stoughton, Airstream, Winner Cutting, Harman Becker
 - RV / Trailer – Elkhart, IN starting to open, expecting a strong H2 & 2021



Share of Wallet: New Customers

Date Range
1/1/2020 5/2/2020

Industry
All

Territory
All

Account Classification
All

| As of | MTD Sales 2020 New | 2019 MTD New Cust Sales | YTD Sales 2020 New | 2019 YTD New Cust Sales |
|------------------|-----------------------|-------------------------|-----------------------|-------------------------|
| 05/02 | \$379.81K | \$60.94K | \$506.23K | \$174.22K |
| | | 523% | | 191% |
| MTD New Accounts | 2019 MTD New Accounts | YTD New Accounts | 2019 YTD New Accounts | |
| 80 | 194 | 459 | 720 | |
| | -59% | | -36% | |

2020 New Customer Sales vs 2019



2020 New Customer Accounts vs 2019



| Customer Name | Acct Number | Industry | Sales Tier |
|-----------------------------------|-------------|-------------------|------------|
| Key Interiors | 61007015 | Other | 8: New C |
| TMS TECHNICAL MACHINERY SOLUTIONS | 61006789 | Transit Packaging | 7: New C |
| TEMA NORTH AMERICA LLC | 66003306 | Industrial | 7: New C |
| GP Corrugated Tolleson AZ | 61006967 | Transit Packaging | 8: New C |
| RAMCEL | 61007020 | Other | 8: New C |
| EI Paso Paper Box | 67001129 | Transit Packaging | 7: New C |
| HSC | 61006860 | Distribution | 7: New C |
| Cellofoam North America Inc | 66003130 | Industrial | 7: New C |
| KD Services | 61006798 | Transit Packaging | 7: New C |
| GREAT PRODUCTS INC. | 62013034 | Appliance | 7: New C |
| COLORTECH GRAPHICS | 61006892 | POP | 8: New C |
| RC FASTENERS | 64002645 | Distribution | 7: New C |
| RLR Industries Inc | 62013193 | Industrial | 8: New C |
| Trenton Technology Inc. | 66003494 | Industrial | 8: New C |
| Company Box | 61006793 | POP | 7: New C |
| Party City Inc | 62012543 | POP | 7: New C |
| Total | | | |

New Market Growth

Commercial Growth & Industry Segment Strategy

MARKET & SEGMENT SUMMARY

Transit Packaging

SECTOR OVERVIEW

Transit Packaging

SEGMENT SIZING

Transit Packaging

PURCHASING BEHAVIOR

Value Chain

- Design
- Converter
- Packing
- Assembler
- Shipping client

WHERE DO THEY PURCHASE

- Large players in high volume (Uduff, Avery)
- Tier one converters typically used for specialty alternatives - Innovations in packaging have opened up the space to smaller players
- Contract packagers primarily use larger players for custom work
- Custom players will often use a distributor or buy direct

APPLICATIONS / NEEDS

- Improved unboxing experience (frustration free packaging)
- Branding opportunities
- Focus on the cost of tape, ability to provide long term sustainable supply at a cheap price
- Ability to work with custom applicators on specialist packages
- Value improvements on speed / standardization of machinery
- Size of rolls creates less turnover, and greater output
- Reduce time to assemble for "tamper evident" packaging
- Specialist solutions e.g. - temperature monitoring, tamper-proof tapes etc.

WHERE TO PLAY / HOW TO WIN

- Buyer and/or User
- User Only

Priority Customers

- Custom box makers require more specific finger lift / adhesive transfer applications, that can be better served by niche players:
 - Supply chain reliability becomes a bigger issue for manufacturers without storage capacity
- Tamper evident packaging offers white space for a variety of consumer packaging
- Food transit packaging presents an opportunity to own a new tamper evident transit space with deep technical expertise
- Specialty mailers, while a more competitive space can be analyzed with custom applications (e.g. returnable mailers)
- Larger players have been best approached

30 / 60 / 90 day Implementation Plan

TRANSIT PACKAGING

| CATEGORY | CURRENT ACTIONS & NEXT STEPS | OWNER | Dates | |
|------------|------------------------------|-------|-------|-------|
| | | | Start | End |
| SALES | + Action or next step | Owner | + TBD | + TBD |
| Marketing | + Action or next step | Owner | + TBD | + TBD |
| Product | + Action or next step | Owner | + TBD | + TBD |
| Operations | + Action or next step | Owner | + TBD | + TBD |

30/60/90 DAY PLAN

DURACO

GO-TO-MARKET & REQUIREMENTS

Transit Packaging – SWOT

FROM THE VIEW OF DURACO

STRENGTHS

- Xxx
- Xxx

OPPORTUNITY

- Xxx
- Xxx

Sales Goals

- Quota:
- # of Accounts:
- # of New Accounts:

Duraco

Transit Packaging

EXECUTIVE SUMMARY

An executive summary provides an overview of a larger document or research and is usually the first thing your reader will action in a much time in-depth detail.

Transit Packaging

CAPABILITIES REQUIREMENTS SUMMARY

| Sales Capabilities & Channel Requirements | Product, Technical, & Engineering |
|---|---|
| <ul style="list-style-type: none"> What is our channel strategy? Direct? Distribution? Agents? What is the role of each sales roles (i.e., BD, RSM, IS) play? | <ul style="list-style-type: none"> What product, technical and engineering resources are required? What applications do we need to solve for? Does this exist in-house or do we need to partner / sources outside? |
| Marketing Requirements | Operational Requirements |
| <ul style="list-style-type: none"> What market capabilities are critical to execute? <ul style="list-style-type: none"> What specific digital content and campaigns? Industry events & associations? What sales collateral are required? | <ul style="list-style-type: none"> What service level requirements are required? Do these exist? If not, what improvements are required? |

DURACO

888 500 5805 | duraco.com | 11

Strategic Industry Segment Launch – Transit Packaging (Box & Bag)

Transit Packaging; Bag Tape – SWOT

FROM THE VIEW OF DURACO

| STRENGTH | WEAKNESS |
|---|---|
| <ul style="list-style-type: none">Vertical manufacturing: adhesive coating, printing and silicone coatingSolvent, hot melt, water-based adhesivesMultiple put ups/tape presentationsOne stop shop – closure and tear tapeCustom convertedMultiple liner assyQuick ship stock pClose partnershipTransit Pkg>POPInhouse MarketingTamper evident ta | <ul style="list-style-type: none">Box closure limited to one adhesive coating thicknessDuraco does not manufacture tear tapeHot melt coater capacity questionsRelative high labor and overhead |

Transit Packaging; Box Closure – SWOT

FROM THE VIEW OF DURACO

| STRENGTH | WEAKNESS |
|---|--|
| <ul style="list-style-type: none">Vertical manufacturing: inhouse adhesive coatingSolvent, hot melt, water-based adhesivesMultiple put ups/tape presentationsOne stop shop – closure and tear tapeCustom converted solutionsQuick ship stock programClose partnership with Straub designTransit Pkg>POP InterrelationshipsInhouse Marketing and Commercial TeamsLeverage partnership with Infinity and their bag tape businessTamper evident tape solutions through Infinity | <ul style="list-style-type: none">Box closure limited to one adhesive coating thicknessDuraco does not manufacture tear tapeHot melt coater capacity questionsSpoiler capacityRelative high labor and overheadKnowledge and ability of Inside SalesUnderstanding market universe |
| OPPORTUNITIES | THREAT |
| <ul style="list-style-type: none">eCommerce driving market growthUnderstand and develop distributor relationshipsExpand tear tape marketImprovement in emulsion adhesive offeringRelationships with equipment manufacturers such as Straub to help meet the increasing need to automate tape application | <ul style="list-style-type: none">Inline gluing systems providing lower cost solutionsImproved quality/ease of use of non-tape adhesiveCompetitors selling at low marginsLow cost product from Asia |



888 500 5805 | duraco.com | 9

Questions to identify box closer tape opportunities

- Do you produce ecommerce/overnight boxes or mailers?
- What are the key markets that drive demand for your boxes/mailers?
- Do you distribute as well as manufacture?
- Do you apply pressure sensitive tape, similar to the type of tape used to close a FedEx box or UPS envelope?
- Do you have a tape specification?
- Who is your current supplier?
- How is your current supplier quality record?
- Are you familiar with box closer tape options, ie Finger lift, Dry edge, or Offset dry edge?
- Do you also apply tear tape?
- Are there any special packaging requirements, ie pallet pack, no boxes?
- Do you use pancake rolls or traverse wound spools?
- What type of automated process do you use to apply tape: standalone application machine, or tape head on a folder glue line?
- Are you satisfied with the automated method/equipment?
- What size roll or spool would you need to test and are there diameter limitations?
- How will our tape be tested/evaluated?
- Can you share the volume of tape used? Quarterly, annual?
- Can you share an estimate of your annual spend on tape?
- Can we quote on your current tape requirements?
- Can you share a price point or tell me where we need to be to earn your business?
- When would be the best time to follow up?
- Which packaging trade associations does your company belong to?

Strategic Industry Segment Launch – RV/Trailer, Construction, Appliance

RV/Trailer/Specialty Vehicle – SWOT

FROM THE VIEW OF DURACO

| STRENGTH | WEAKNESS |
|--|--|
| <ul style="list-style-type: none"> KAM dedicated to Elkhart County and surrounding area Manufacturing near the heaviest concentration of manufacturers Technical Expertise Vertical integration Coating capabilities systems Extensive die | <ul style="list-style-type: none"> DHB brand recognition Material diversification, limited foams, electrical barrier, heat deflection and insulation materials |

| OPPORTUNITY |
|---|
| <ul style="list-style-type: none"> Work with key Develop an alliance Establish DHB |



Construction / Fenestration – SWOT

FROM THE VIEW OF DURACO

| STRENGTH | WEAKNESS |
|---|--|
| <ul style="list-style-type: none"> Product offering with a good range of foam and adhesive options Technical Expertise, in-house testing capabilities Vertical integration Coating capabilities systems | <ul style="list-style-type: none"> Do not have AAMA certified glazing tape Poly liner for DK or single sided XLPE DHB brand recognition |

| OPPORTUNITY |
|---|
| <ul style="list-style-type: none"> Establish DHB as a Expanding DHB line options (AFTC) Introducing HATS (commercial door seals) |



Appliance – SWOT

FROM THE VIEW OF DURACO

| STRENGTH | WEAKNESS |
|--|--|
| <ul style="list-style-type: none"> Direct sales structure from an adhesive tape manufacturer providing knowledgeable support to engineering Consistent quality Product offering with a good range of foam and adhesive options Technical Expertise, in-house testing capabilities Vertical integration Coating capabilities, ability to create multiple adhesive systems | <ul style="list-style-type: none"> DHB brand recognition Material diversification, limited foams, electrical barrier, heat deflection and insulation materials Water based coating Inability to blend custom adhesives Material sourcing for product development and secondary/tertiary sources |

| OPPORTUNITIES | THREAT |
|---|---|
| <ul style="list-style-type: none"> Establish DHB as a viable alternative to 3M VHB Expanding offering to include insulation solutions Protective film manufacturing and/or converting Expansion into Mexico | <ul style="list-style-type: none"> Low cost off-shore materials Pricing pressure from die cutters in low labor areas including Mexico |



Questions to identify Industrial tape opportunities

- Verify all manufacturing locations and what each specifically makes (products, models, etc.)
- What is the decision making process?
- Who are the key decision makers? (corp vs. local)
- Are commodities managed at a corporate level?
- Who handles tapes and gaskets?
- Is engineering centralized or localized?
- If centralized, who is the Engineering Manager and where are they based?
- Who is in charge of cost and quality?
- What tapes and gaskets are currently used.
- Are there any compliance requirements? (i.e. UL94, AAMA, FMVSS, etc)
- Who do they purchase from today?
- What is their total spend on tapes and/or gaskets?
- What is the supplier on-boarding process and who manages it?

Strategic Industry Segment Launch by Prospect

| Transit Packaging Customers | Locations |
|-------------------------------------|------------------|
| • Assemblies Unlimited | 27 |
| • Cogent Solutions & Supplies | 2 |
| • DS Smith Packaging | 17 |
| • Green Bay Packaging (Midland Pkg) | 33 |
| • Insulated Products Corp | 1 Mfg; 2 Dist |
| • Lamb and Associates | 1 Mfg; 2 Dist |
| • Orora Group (Packaging Solutions) | 6 |
| • Summit Packaging Solutions | 3 Mfg; 2 Offices |
| • Rusken Packaging | 12 |
| • The Visual Pak Companies | 5 |

| Industrial Customers | Locations |
|-------------------------------|-----------|
| Appliance | |
| • Samsung Electronics | 2 |
| • Conair Corporation | 2 |
| • Helmer Scientific | 1 |
| • Glastender Inc | 1 |
| • True Manufacturing Co | 1 |
| RV/Trailer | |
| • Winnebago | 5 |
| • American Cargo Group | 11 |
| Fenestration | |
| • Boral | 5 |
| • Mi Windows and Doors | 6 |
| • Amesbury Truth Co | 2 |
| Automotive Aftermarket | |
| • Truck Hero | 13 |

In the Pipeline

A LOOK AT UPCOMING MARKETING ASSETS



PRODUCT SOLUTIONS FOR
PACKAGING APPLICATIONS



A comparison chart for Duraco's Twin Stick® and Dubl Kote®. It shows "TWIN STICK® Available in pieces" and "DUBL KOTE® Available in rolls". The chart details the differences: Twin Stick means 2 sided permanent adhesion PIECES, Dubl Kote means double coated on both sides with permanent adhesion ROLLS. It also shows "Did You Know?" facts: Twin Stick comes in pieces, pads, diameters & thick for 3D; Dubl Kote comes only in continuous rolls for hand or automatic application. A diagram illustrates the "INITIAL APPLICATION" where adhesive is applied to a surface, and "AFTER FIRM PRESSURE" where the adhesive has bonded to another surface. The Duraco logo is in the top right corner.

A detailed comparison chart for Duraco's Twin Stick® and Dubl Kote®. It highlights "TWO OF A KIND" and lists various applications: POP Displays, Signage, End Caps, Headers, and More! It compares "TWIN STICK® Available in pieces" and "DUBL KOTE® Available in rolls". The chart details the differences: Twin Stick means 2 sided permanent adhesion PIECES, Dubl Kote means double coated on both sides with permanent adhesion ROLLS. It also shows "Did You Know?" facts: Twin Stick comes in pieces, pads, diameters & thick for 3D; Dubl Kote comes only in continuous rolls for hand or automatic application. A diagram illustrates the "INITIAL APPLICATION" where adhesive is applied to a surface, and "AFTER FIRM PRESSURE" where the adhesive has bonded to another surface. The Duraco logo is in the top right corner.

A promotional page for Duraco's Twin Stick® and Dubl Kote®. It features a photograph of a modern interior with orange walls and white furniture. The text "THE ORIGINAL DUO" is at the top. It explains that these tapes have been leading go-to-tape in the POP industry for 60 years. It details the uses for Twin Stick® (POP favorite, double-sided permanent foam tape) and Dubl Kote® (versatile double-sided foam tape). It also shows "INITIAL APPLICATION" and "AFTER FIRM PRESSURE" diagrams. The Duraco logo is in the top right corner.

A promotional page for Duraco's products for truck and trailer applications. It features a photograph of a white truck towing a white trailer. The Duraco logo is in the top right corner. The text "PRODUCTS FOR TRUCK AND TRAILER APPLICATIONS" is at the top. It lists applications: Ambulances, Buses, Trucks, and Trailers. It details how the products absorb shock and vibration, provide thermal expansion, and eliminate welds and rivets. It also shows "INITIAL APPLICATION" and "AFTER FIRM PRESSURE" diagrams. The Duraco logo is in the top right corner.

Appendix

Agenda

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

Status of Key Initiatives

STATUS UPDATE: PROJECT DETAILS

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



Complete



Just started



On Track



At Risk



Behind Schedule

Duraco 2020 Open Roles

| ROLE | STATUS |
|----------------------------------|---------------------------------|
| VP SALES | <i>Deferred to July</i> |
| REGIONAL SALES MANAGER MIDWEST | <i>Active recruiting effort</i> |
| REGIONAL SALES MANAGER SOUTHEAST | <i>Active recruiting effort</i> |
| A/R SPECIALIST | <i>Filled – Start date 5/4</i> |
| A/P SPECIALIST | <i>Filled Internally</i> |
| CUSTOMER SERVICE SUPERVISOR | <i>Indefinitely deferred</i> |
| ASSOCIATE PRODUCT MANAGER | <i>Indefinitely deferred</i> |
| MATERIALS SCIENTIST | <i>Indefinitely deferred</i> |
| SENIOR PROCESS ENGINEER | <i>Indefinitely deferred</i> |
| MACHINE OPERATOR | <i>Indefinitely deferred</i> |
| MACHINE OPERATOR | <i>Indefinitely deferred</i> |

Operational Review

Commercial and Sales

Duraco 2020 Growth Program

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

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

Commercial Outlook – Industry Segments (March update)

CURRENT ORDER BOOK IS SAFE, NOT EXPECTING ANY CANCELLATIONS, SOME ORDERS GETTING PUSHED OUT

| INDUSTRY SEGMENTS | SHORT TERM | CURRENT STATUS & NEXT STEPS |
|-------------------|------------|---|
| POP | ● | <ul style="list-style-type: none"> WestRock's core business continues to be strong - \$256k, up 18% & having good April, starting to see softness Majority of large accounts production levels off 20%, Freeman Expo down 45%, many supplementing with Face Shields RRD – Running at 75% of pre-COVID-19 activity, 5% order/project cancelations, May will be slow, but expects July to be above forecast Menasha – sites servicing grocery and essential care items are busy; ie bulk packaging going into COSTCO Imagine Print – Seeing 70% of pre-COVID-19 activity, forecasting business will be down 30-40% over the next 30 days |
| Transit Packaging | ● | <ul style="list-style-type: none"> Ampac volume increasing and Duraco qualified Infinity as a second source TMS & Amazon mailers stays strong as new Georgia Pacific location (Phoenix) comes online Bluff City – new account, packaging for record albums \$100k / year Finalizing Transit Packaging mailer to launch week of May 4th, Duraco starting to offer Infinity Bag Sealing & Security Tapes |
| Appliance | ● | <ul style="list-style-type: none"> Whirlpool focused on making ventilators as production order volumes remain quite low, WP has implemented social distancing on the production lines which has dramatically reduced output levels. A few plants have also shut down for cleaning due to confirmed COVID cases in the workforce. GE furloughed for 1 week reopening at a reduced capacity implementing social distancing on the production lines. Demand horizon for our laundry is down 40%, demand for cooking is up 30%. New DHB parts first 2 weeks of shipments were off the demand horizon as GE works through surplus. Alliance Laundry completed a precautionary 2-week shutdown on April 19, overall volumes not expected to be reduced and they anticipate making up lost production now that they have returned Neither Whirlpool or GE have an indication of when they will begin to see pre-COVID levels return, Appliance tiers are slow due to the low Whirlpool volumes |
| Industrial | ● | <ul style="list-style-type: none"> RV initiative making good progress – most companies closed down today for COVID-19, received notice that Elkhart County, IN, is beginning to work again, confirmed that Barletta Boats is in operation today (April 27) and that many RV companies will begin production the week of May 4 Larger accts such as Stoughton, Bada and Donaldson have slowed but not shut down, orders still coming through but at lower levels Others have had shutdowns for 1 or 2 weeks like Hoshizaki, Alliance Landry and Harman. However, they just pushed orders out for that time, and some are beginning to come back online now. Kicking off segment work after Beckway completed their VOC |
| Wall Hanging | ● | <ul style="list-style-type: none"> Mixtiles still committed to Duraco and YTD very strong PlanetArt large \$50k order in April Circle Graphic forecasting strong holiday season with new products Adventa – new account, similar to other Wall Hanging customers |
| Other | ● | <ul style="list-style-type: none"> New Customer acquisition is slow – feedback from potential new customers is they want to stay where they are, for now Inside Sales focused on churn accounts – many were 1x buys or reclassification of accounts |



Commercial Bowling Chart by Industry Segment

| PRIORITY | 2020 YTD ACT | | JAN | FEB | MAR | APR | MAY | JUN | JUL | AUG | SEP | OCT | NOV | DEC | FY2020 |
|-------------------|--------------|----------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|----------|
| GROWTH | | | | | | | | | | | | | | | |
| Plan Totals | \$14,178 | PY | \$3,411 | \$3,179 | \$3,322 | \$4,266 | \$3,232 | \$3,282 | \$3,638 | \$3,470 | \$3,517 | \$4,463 | \$3,128 | \$2,892 | \$41,801 |
| | \$14,227 | Plan | \$3,290 | \$3,231 | \$3,374 | \$4,332 | \$3,298 | \$3,496 | \$3,784 | \$3,614 | \$3,637 | \$4,654 | \$3,461 | \$3,302 | \$43,473 |
| | \$13,415 | Fcst/Act | \$3,449 | \$3,141 | \$3,372 | \$3,453 | \$3,298 | \$3,496 | \$3,784 | \$3,614 | \$3,637 | \$4,654 | \$3,461 | \$3,302 | \$42,662 |
| Point of Purchase | \$8,749 | PY | \$2,077 | \$1,947 | \$2,078 | \$2,646 | \$2,096 | \$1,913 | \$2,300 | \$1,980 | \$2,158 | \$2,913 | \$1,971 | \$1,714 | \$25,795 |
| | \$8,580 | Plan | \$1,926 | \$1,924 | \$2,114 | \$2,616 | \$2,038 | \$2,083 | \$2,293 | \$2,111 | \$2,323 | \$2,963 | \$2,034 | \$1,912 | \$26,337 |
| | \$7,529 | Fcst/Act | \$2,080 | \$1,883 | \$1,662 | \$1,904 | \$2,038 | \$2,083 | \$2,293 | \$2,111 | \$2,323 | \$2,963 | \$2,034 | \$1,912 | \$25,286 |
| Transit Packaging | \$113 | PY | \$26 | \$24 | \$27 | \$36 | \$51 | \$53 | \$24 | \$119 | \$106 | \$127 | \$85 | \$47 | \$725 |
| | \$333 | Plan | \$79 | \$83 | \$81 | \$90 | \$82 | \$116 | \$83 | \$96 | \$94 | \$101 | \$97 | \$113 | \$1,115 |
| | \$789 | Fcst/Act | \$201 | \$135 | \$263 | \$190 | \$82 | \$116 | \$83 | \$96 | \$94 | \$101 | \$97 | \$113 | \$1,572 |
| White Goods | \$1,541 | PY | \$419 | \$352 | \$303 | \$467 | \$348 | \$491 | \$470 | \$384 | \$382 | \$421 | \$370 | \$276 | \$4,684 |
| | \$1,599 | Plan | \$378 | \$349 | \$354 | \$518 | \$425 | \$494 | \$495 | \$415 | \$392 | \$500 | \$404 | \$439 | \$5,164 |
| | \$1,397 | Fcst/Act | \$371 | \$303 | \$448 | \$275 | \$425 | \$494 | \$495 | \$415 | \$392 | \$500 | \$404 | \$439 | \$4,962 |
| Industrials | \$1,968 | PY | \$444 | \$440 | \$501 | \$583 | \$416 | \$461 | \$561 | \$440 | \$419 | \$473 | \$319 | \$409 | \$5,466 |
| | \$1,984 | Plan | \$497 | \$491 | \$471 | \$525 | \$429 | \$473 | \$524 | \$486 | \$441 | \$519 | \$409 | \$457 | \$5,723 |
| | \$1,592 | Fcst/Act | \$364 | \$340 | \$397 | \$491 | \$429 | \$473 | \$524 | \$486 | \$441 | \$519 | \$409 | \$457 | \$5,330 |
| Distributors | \$751 | PY | \$131 | \$183 | \$137 | \$300 | \$177 | \$140 | \$125 | \$231 | \$227 | \$160 | \$95 | \$124 | \$2,030 |
| | \$671 | Plan | \$112 | \$153 | \$130 | \$276 | \$171 | \$121 | \$125 | \$223 | \$148 | \$237 | \$145 | \$131 | \$1,972 |
| | \$701 | Fcst/Act | \$219 | \$141 | \$184 | \$156 | \$171 | \$121 | \$125 | \$223 | \$148 | \$237 | \$145 | \$131 | \$2,002 |
| Wall Hangings | \$257 | PY | \$110 | \$35 | \$84 | \$27 | \$2 | \$11 | \$24 | \$73 | \$67 | \$147 | \$137 | \$156 | \$875 |
| | \$292 | Plan | \$89 | \$57 | \$46 | \$100 | \$25 | \$30 | \$35 | \$95 | \$77 | \$141 | \$163 | \$67 | \$925 |
| | \$588 | Fcst/Act | \$41 | \$221 | \$290 | \$36 | \$25 | \$30 | \$35 | \$95 | \$77 | \$141 | \$163 | \$67 | \$1,221 |
| Other | \$502 | PY | \$127 | \$121 | \$130 | \$123 | \$95 | \$149 | \$85 | \$170 | \$104 | \$146 | \$110 | \$113 | \$1,473 |
| | \$483 | Plan | \$131 | \$111 | \$115 | \$126 | \$80 | \$111 | \$154 | \$125 | \$108 | \$137 | \$154 | \$151 | \$1,503 |
| | \$378 | Fcst/Act | \$128 | \$66 | \$93 | \$92 | \$80 | \$111 | \$154 | \$125 | \$108 | \$137 | \$154 | \$151 | \$1,397 |
| Unknown | \$298 | PY | \$75 | \$76 | \$62 | \$84 | \$48 | \$62 | \$50 | \$72 | \$55 | \$76 | \$41 | \$52 | \$754 |
| | \$283 | Plan | \$78 | \$62 | \$63 | \$80 | \$49 | \$68 | \$75 | \$63 | \$54 | \$54 | \$56 | \$32 | \$734 |
| | \$441 | Fcst/Act | \$46 | \$51 | \$35 | \$309 | \$49 | \$68 | \$75 | \$63 | \$54 | \$54 | \$56 | \$32 | \$891 |



Commercial Bowling Chart by Region

| PRIORITY | 2020 YTD ACT | | JAN | FEB | MAR | APR | MAY | JUN | JUL | AUG | SEP | OCT | NOV | DEC | FY2020 |
|----------------------------|--------------|----------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|----------|
| GROWTH | | | | | | | | | | | | | | | |
| Plan Totals | \$9,912 | PY | \$3,411 | \$3,179 | \$3,322 | \$4,266 | \$3,232 | \$3,282 | \$3,638 | \$3,470 | \$3,517 | \$4,463 | \$3,128 | \$2,892 | \$41,801 |
| | \$9,895 | Plan | \$3,290 | \$3,231 | \$3,374 | \$4,332 | \$3,298 | \$3,496 | \$3,784 | \$3,614 | \$3,637 | \$4,654 | \$3,461 | \$3,302 | \$43,473 |
| | \$9,962 | Fcst/Act | \$3,449 | \$3,141 | \$3,372 | \$3,453 | \$3,298 | \$3,496 | \$3,784 | \$3,614 | \$3,637 | \$4,654 | \$3,461 | \$3,302 | \$42,662 |
| Northeast | \$1,137 | PY | \$455 | \$318 | \$364 | \$551 | \$388 | \$349 | \$448 | \$330 | \$364 | \$393 | \$337 | \$268 | \$4,565 |
| | \$1,152 | Plan | \$446 | \$324 | \$382 | \$480 | \$375 | \$370 | \$426 | \$332 | \$380 | \$388 | \$389 | \$320 | \$4,612 |
| | \$1,011 | Fcst/Act | \$385 | \$316 | \$309 | \$385 | \$375 | \$370 | \$426 | \$332 | \$380 | \$388 | \$389 | \$320 | \$4,376 |
| Southeast | \$1,115 | PY | \$367 | \$355 | \$393 | \$465 | \$347 | \$279 | \$390 | \$393 | \$370 | \$498 | \$391 | \$247 | \$4,495 |
| | \$1,116 | Plan | \$368 | \$355 | \$394 | \$466 | \$357 | \$279 | \$399 | \$393 | \$370 | \$498 | \$391 | \$250 | \$4,520 |
| | \$1,034 | Fcst/Act | \$338 | \$383 | \$312 | \$516 | \$357 | \$279 | \$399 | \$393 | \$370 | \$498 | \$391 | \$250 | \$4,488 |
| East Central | \$1,434 | PY | \$485 | \$452 | \$497 | \$651 | \$534 | \$555 | \$536 | \$501 | \$489 | \$673 | \$437 | \$456 | \$6,266 |
| | \$1,491 | Plan | \$477 | \$487 | \$528 | \$665 | \$534 | \$570 | \$595 | \$492 | \$509 | \$684 | \$472 | \$586 | \$6,599 |
| | \$1,819 | Fcst/Act | \$609 | \$565 | \$645 | \$503 | \$534 | \$570 | \$595 | \$492 | \$509 | \$684 | \$472 | \$586 | \$6,765 |
| Central | \$2,412 | PY | \$787 | \$828 | \$797 | \$996 | \$890 | \$846 | \$892 | \$921 | \$930 | \$1,275 | \$820 | \$953 | \$10,937 |
| | \$2,542 | Plan | \$813 | \$857 | \$872 | \$1,163 | \$870 | \$959 | \$972 | \$956 | \$983 | \$1,286 | \$814 | \$850 | \$11,396 |
| | \$2,399 | Fcst/Act | \$918 | \$710 | \$771 | \$907 | \$870 | \$959 | \$972 | \$956 | \$983 | \$1,286 | \$814 | \$850 | \$10,997 |
| Southwest | \$734 | PY | \$216 | \$247 | \$271 | \$260 | \$172 | \$185 | \$232 | \$251 | \$272 | \$305 | \$206 | \$191 | \$2,808 |
| | \$687 | Plan | \$214 | \$240 | \$233 | \$267 | \$193 | \$244 | \$262 | \$251 | \$282 | \$299 | \$215 | \$228 | \$2,929 |
| | \$615 | Fcst/Act | \$199 | \$203 | \$213 | \$171 | \$193 | \$244 | \$262 | \$251 | \$282 | \$299 | \$215 | \$228 | \$2,761 |
| West | \$834 | PY | \$326 | \$239 | \$269 | \$329 | \$242 | \$272 | \$318 | \$251 | \$323 | \$472 | \$295 | \$234 | \$3,568 |
| | \$762 | Plan | \$247 | \$251 | \$264 | \$282 | \$273 | \$279 | \$324 | \$328 | \$370 | \$445 | \$369 | \$319 | \$3,751 |
| | \$719 | Fcst/Act | \$319 | \$236 | \$164 | \$167 | \$273 | \$279 | \$324 | \$328 | \$370 | \$445 | \$369 | \$319 | \$3,593 |
| Canada | \$273 | PY | \$69 | \$96 | \$108 | \$90 | \$50 | \$73 | \$89 | \$59 | \$53 | \$109 | \$37 | \$26 | \$860 |
| | \$302 | Plan | \$76 | \$103 | \$124 | \$101 | \$63 | \$90 | \$96 | \$72 | \$67 | \$126 | \$58 | \$45 | \$1,020 |
| | \$209 | Fcst/Act | \$83 | \$52 | \$75 | \$46 | \$63 | \$90 | \$96 | \$72 | \$67 | \$126 | \$58 | \$45 | \$872 |
| Mexico | \$73 | PY | \$21 | \$28 | \$24 | \$28 | \$52 | \$29 | \$37 | \$24 | \$22 | \$20 | \$15 | \$19 | \$319 |
| | \$75 | Plan | \$28 | \$23 | \$25 | \$27 | \$37 | \$31 | \$40 | \$32 | \$26 | \$28 | \$23 | \$23 | \$341 |
| | \$79 | Fcst/Act | \$23 | \$19 | \$37 | \$46 | \$37 | \$31 | \$40 | \$32 | \$26 | \$28 | \$23 | \$23 | \$364 |
| Appliance - WP, Tiers & RV | \$1,155 | PY | \$456 | \$361 | \$338 | \$507 | \$342 | \$517 | \$495 | \$401 | \$396 | \$442 | \$384 | \$291 | \$4,930 |
| | \$1,142 | Plan | \$417 | \$359 | \$367 | \$482 | \$375 | \$462 | \$445 | \$381 | \$340 | \$449 | \$369 | \$399 | \$4,844 |
| | \$1,157 | Fcst/Act | \$371 | \$325 | \$461 | \$247 | \$375 | \$462 | \$445 | \$381 | \$340 | \$449 | \$369 | \$399 | \$4,624 |
| Appliance - GE | \$37 | PY | \$13 | \$14 | \$10 | \$14 | \$26 | \$13 | \$15 | \$20 | \$14 | \$19 | \$12 | \$13 | \$185 |
| | \$57 | Plan | \$19 | \$15 | \$23 | \$92 | \$74 | \$74 | \$92 | \$74 | \$74 | \$92 | \$74 | \$74 | \$774 |
| | \$41 | Fcst/Act | \$15 | \$14 | \$12 | \$40 | \$74 | \$74 | \$92 | \$74 | \$74 | \$92 | \$74 | \$74 | \$707 |
| House / International | \$644 | PY | \$193 | \$218 | \$233 | \$346 | \$166 | \$139 | \$131 | \$271 | \$264 | \$233 | \$181 | \$177 | \$2,552 |
| | \$486 | Plan | \$164 | \$184 | \$139 | \$274 | \$134 | \$102 | \$107 | \$238 | \$168 | \$342 | \$285 | \$175 | \$2,311 |
| | \$826 | Fcst/Act | \$168 | \$300 | \$357 | \$422 | \$134 | \$102 | \$107 | \$238 | \$168 | \$342 | \$285 | \$175 | \$2,798 |
| Teachers Tape | \$61 | PY | \$21 | \$22 | \$17 | \$27 | \$13 | \$24 | \$47 | \$48 | \$20 | \$24 | \$13 | \$14 | \$292 |
| | \$64 | Plan | \$28 | \$19 | \$16 | \$28 | \$11 | \$19 | \$45 | \$41 | \$25 | \$22 | \$22 | \$19 | \$296 |
| | \$53 | Fcst/Act | \$21 | \$17 | \$15 | \$4 | \$11 | \$19 | \$45 | \$41 | \$25 | \$22 | \$22 | \$19 | \$261 |



Top Customers by MTD and YTD Sales and GVA

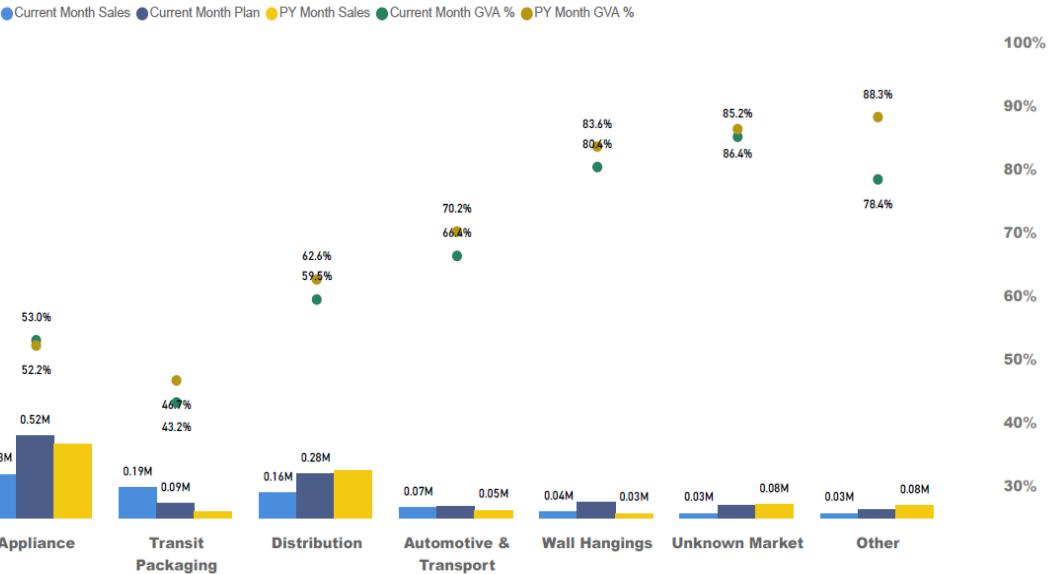
| Parent Customer (Industry) | Current Month Sales | Current Month Plan | Month % of Plan | PY Month Sales | MoM % Change | Current Month GVA % | PY Month GVA % | Current Year Sales | Current Year Plan | YTD % of Plan | Prior Year Sales | YoY % Change | Current Year GVA % | Prior Year GVA % |
|---|---------------------|--------------------|-----------------|------------------|---------------|---------------------|----------------|--------------------|-------------------|---------------|------------------|--------------|--------------------|------------------|
| Key Interiors (Industrial) | 281,849 | | Infinity | 0 | Infinity | 79.5% | NaN | 281,849 | | NaN | 0 | Infinity | 79.5% | NaN |
| WestRock (POP) | 178,737 | 85,375 | 209% | 90,436 | 97.6% | 80.2% | 77.8% | 435,454 | 304,336 | 101% | 307,567 | 41.6% | 76.5% | 74.4% |
| Whirlpool (Appliance) | 147,780 | 270,844 | 55% | 279,759 | -47.2% | 49.7% | 46.7% | 779,905 | 957,807 | 103% | 982,819 | -20.6% | 48.5% | 42.1% |
| Ampac (Transit Packaging) | 109,753 | 38,500 | 285% | 21,793 | 403.6% | 39.9% | 54.2% | 489,077 | 154,000 | 47% | 72,584 | 573.8% | 40.9% | 55.5% |
| Essentra (Distribution) | 98,112 | 140,364 | 70% | 155,136 | -36.8% | 50.7% | 49.8% | 375,101 | 322,073 | 122% | 392,830 | -4.5% | 52.6% | 54.5% |
| Vomela Specialty Company (POP) | 77,461 | 2,910 | 2662% | 2,980 | 2499.2% | 72.0% | 81.3% | 86,027 | 10,620 | 100% | 10,619 | 710.1% | 71.9% | 75.7% |
| QUAD GRAPHICS NEW BERLIN (POP) | 61,982 | 25,917 | 239% | 19,623 | 215.9% | 73.8% | 83.8% | 151,038 | 71,272 | 76% | 53,878 | 180.3% | 74.5% | 82.9% |
| Menasha (POP) | 61,030 | 114,939 | 53% | 87,929 | -30.6% | 73.3% | 72.3% | 270,567 | 382,449 | 92% | 351,428 | -23.0% | 73.6% | 72.4% |
| RR Donnelley (POP) | 56,196 | 117,068 | 48% | 119,925 | -53.1% | 75.7% | 69.9% | 207,764 | 254,496 | 100% | 254,355 | -18.3% | 73.5% | 71.2% |
| Platinum Converting (POP) | 46,965 | 1,341 | 3502% | 1,373 | 3319.9% | 88.0% | 79.3% | 58,493 | 8,919 | 102% | 9,078 | 544.4% | 87.9% | 75.8% |
| Circle Graphics (POP) | 46,228 | 9,312 | 496% | 3,263 | 1316.7% | 73.8% | 77.1% | 194,514 | 61,168 | 74% | 44,968 | 332.6% | 73.4% | 72.7% |
| Donaldson (Industrial) | 43,930 | 33,850 | 130% | 47,933 | -8.4% | 49.0% | 48.4% | 131,398 | 121,861 | 101% | 123,548 | 6.4% | 58.6% | 56.3% |
| SCHNEIDER ELECTRIC MEXICO S.A. de C.V. (Industrial) | 41,028 | 22,138 | 185% | 19,265 | 113.0% | 66.4% | 65.2% | 102,957 | 79,698 | 93% | 74,231 | 38.7% | 65.0% | 63.8% |
| GE Appliances (Appliance) | 40,023 | 91,987 | 44% | 14,160 | 182.7% | 39.9% | 37.7% | 81,093 | 148,671 | 35% | 51,615 | 57.1% | 36.4% | 38.2% |
| Imagine Print Solutions (POP) | 39,616 | 90,630 | 44% | 90,701 | -56.3% | 80.5% | 81.7% | 215,543 | 317,202 | 102% | 322,481 | -33.2% | 81.1% | 80.7% |
| Hennessy Industries - Bada (Automotive & Transport) | 38,942 | 41,673 | 93% | 25,441 | 53.1% | 61.7% | 61.3% | 132,786 | 150,022 | 91% | 136,405 | -2.7% | 62.1% | 61.2% |
| TMS TECHNICAL MACHINERY SOLUTIONS (Transit Packaging) | 35,963 | 30,000 | 120% | 0 | Infinity | 43.5% | NaN | 159,329 | 120,000 | 0% | 0 | Infinity | 43.7% | NaN |
| Flower City Printing Company (POP) | 35,779 | 32,000 | 112% | 28,521 | 25.4% | 71.7% | 71.6% | 122,652 | 128,000 | 88% | 112,042 | 9.5% | 75.9% | 76.3% |
| Mixtiles (Wall Hangings) | 33,482 | 80,915 | 41% | 25,787 | 29.8% | 80.1% | 83.5% | 506,627 | 215,773 | 90% | 194,029 | 161.1% | 80.7% | 82.8% |
| Siffron (POP) | 32,908 | 33,000 | 100% | 31,338 | 5.0% | 68.5% | 72.0% | 231,762 | 159,999 | 99% | 158,931 | 45.8% | 71.0% | 69.1% |
| GREEN BAY PACKAGING (POP) | 31,807 | 0 | Infinity | 0 | Infinity | 82.9% | NaN | 92,879 | 19,742 | 101% | 19,965 | 365.2% | 82.8% | 82.0% |
| Hatteras Press (POP) | 31,729 | 12,549 | 253% | 12,852 | 146.9% | 71.5% | 73.7% | 47,820 | 25,386 | 101% | 25,763 | 85.6% | 73.8% | 77.8% |
| GP Corrugated Tolleson AZ (Transit Packaging) | 29,959 | | Infinity | 0 | Infinity | 45.3% | NaN | 29,959 | | NaN | 0 | Infinity | 45.3% | NaN |
| Lauren Plastics LLC (POP) | 28,850 | 13,986 | 206% | 26,473 | 9.0% | 59.1% | 49.1% | 139,443 | 55,944 | 119% | 66,402 | 110.0% | 59.4% | 47.8% |
| Alliance Laundry Systems LLC (Appliance) | 28,549 | 33,869 | 84% | 43,475 | -34.3% | 62.8% | 65.3% | 113,888 | 121,928 | 99% | 121,119 | -6.0% | 64.6% | 64.5% |
| Rapid Display (POP) | 28,334 | 56,578 | 50% | 57,860 | -51.0% | 81.0% | 77.7% | 117,861 | 167,676 | 99% | 165,661 | -28.9% | 83.2% | 75.6% |
| Rand Graphics (POP) | 27,473 | 14,130 | 194% | 14,472 | 89.8% | 55.6% | 66.8% | 53,011 | 37,939 | 104% | 39,611 | 33.8% | 69.5% | 75.3% |
| RAMCEL (Industrial) | 27,281 | | Infinity | 0 | Infinity | 54.7% | NaN | 27,281 | | NaN | 0 | Infinity | 54.7% | NaN |
| TEMA NORTH AMERICA LLC (Industrial) | 26,550 | 0 | Infinity | 0 | Infinity | 71.1% | NaN | 42,511 | 0 | NaN | 0 | Infinity | 70.6% | NaN |
| Great Northern Corporation (POP) | 26,505 | 35,411 | 75% | 34,494 | -23.2% | 81.9% | 84.6% | 92,861 | 113,316 | 103% | 116,641 | -20.4% | 83.1% | 83.8% |
| Veritiv - St Louis (POP) | 25,940 | 3,912 | 663% | 4,007 | 547.3% | 52.2% | 84.4% | 61,757 | 15,526 | 102% | 15,798 | 290.9% | 56.0% | 84.6% |
| Aigner Label Holder Corporation (POP) | 23,773 | 0 | Infinity | 0 | Infinity | 73.3% | NaN | 23,773 | 11,448 | 100% | 11,468 | 107.3% | 73.3% | 75.3% |
| Gulf Atlantic Packaging Corp (Distribution) | 23,341 | 11,395 | 205% | 11,670 | 100.0% | 74.4% | 75.0% | 70,022 | 34,765 | 100% | 34,899 | 100.6% | 74.4% | 75.0% |
| PCA Corporation (POP) | 23,016 | 55,043 | 42% | 119,104 | -80.7% | 86.0% | 85.4% | 108,081 | 152,688 | 145% | 221,231 | -51.1% | 84.9% | 84.5% |
| SENTECH EAS CORP (Industrial) | 21,853 | 0 | Infinity | 0 | Infinity | 65.8% | NaN | 21,853 | 0 | NaN | 0 | Infinity | 65.8% | NaN |
| Kidde Fire Safety (POP) | 21,621 | 12,125 | 21.4% | 2,501 | -100.0% | 62.5% | 62.2% | 62,022 | 50,622 | 100% | 54,000 | -21.2% | 62.0% | 65.0% |
| Total | 3,453,243 | 4,331,720 | 80% | 4,266,084 | -19.1% | 70.8% | 69.7% | 13,415,082 | 14,226,862 | 100% | 14,177,77 | -5.4% | 70.4% | 70.2% |



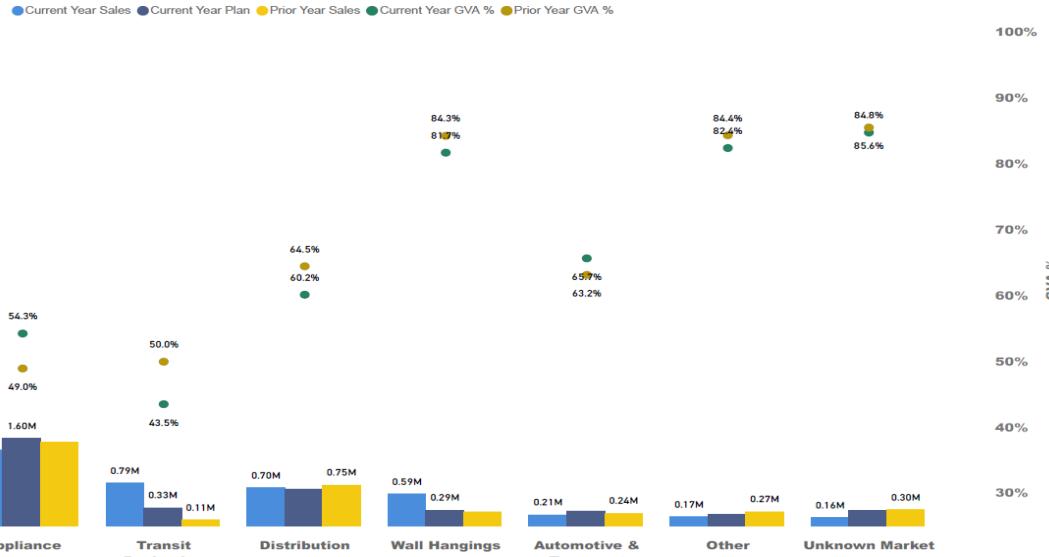
Revenue by Customer Segment

NET REVENUE CURRENT YEAR VS PREVIOUS YEAR

April



YTD



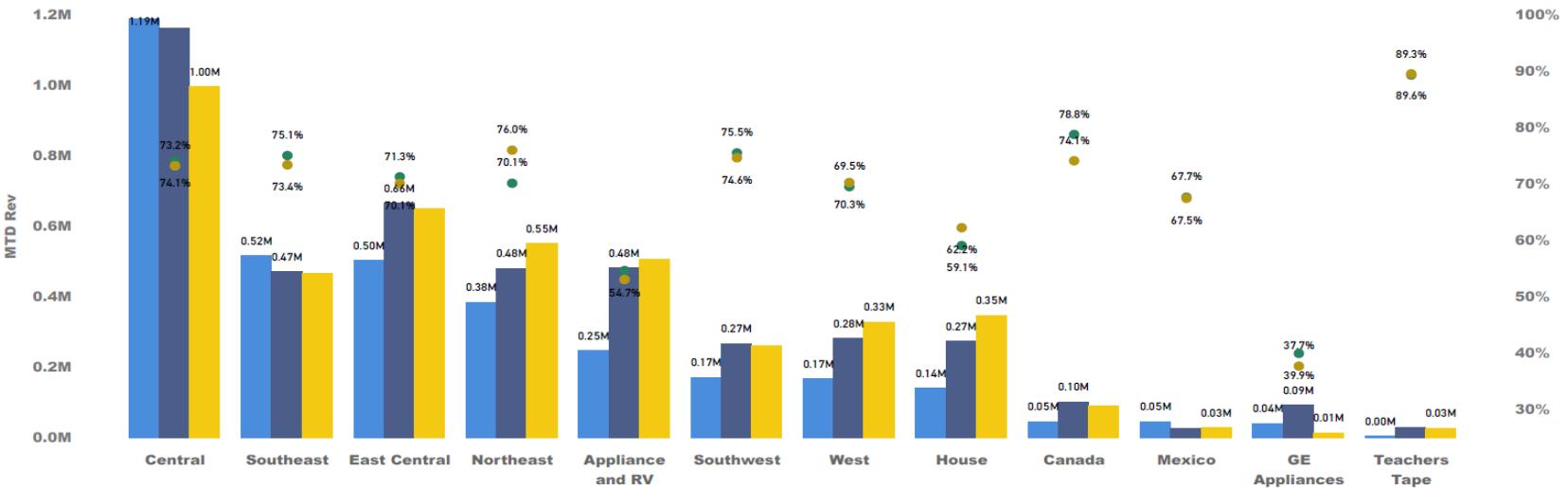
Management Discussion:

Revenue by Region

NET REVENUE CURRENT YEAR VS PREVIOUS YEAR

April

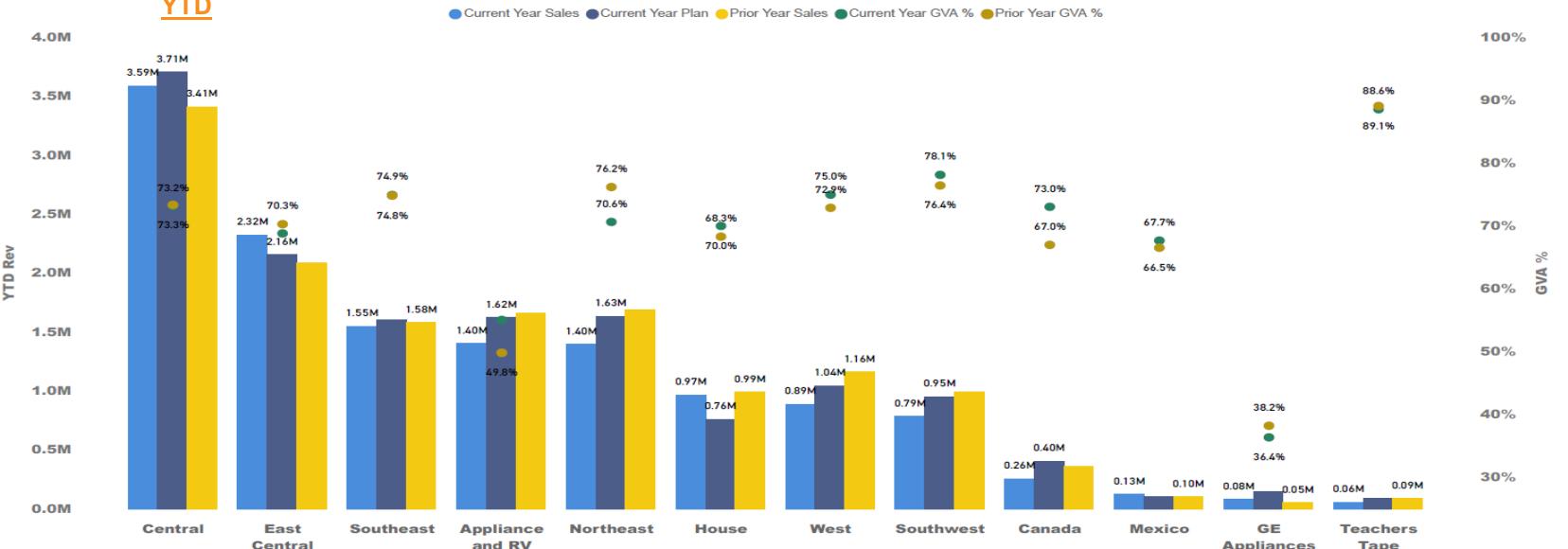
● Current Month Sales ● Current Month Plan ● PY Month Sales ● Current Month GVA % ● PY Month GVA %



Management Discussion:

YTD

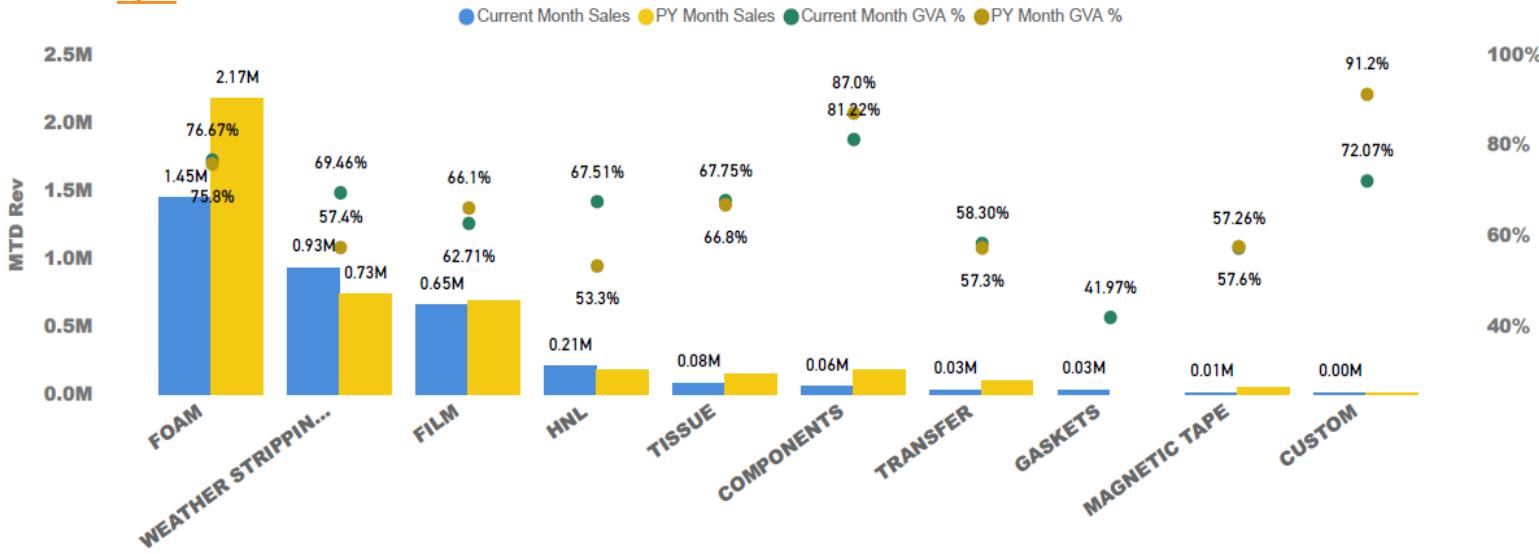
● Current Year Sales ● Current Year Plan ● Prior Year Sales ● Current Year GVA % ● Prior Year GVA %



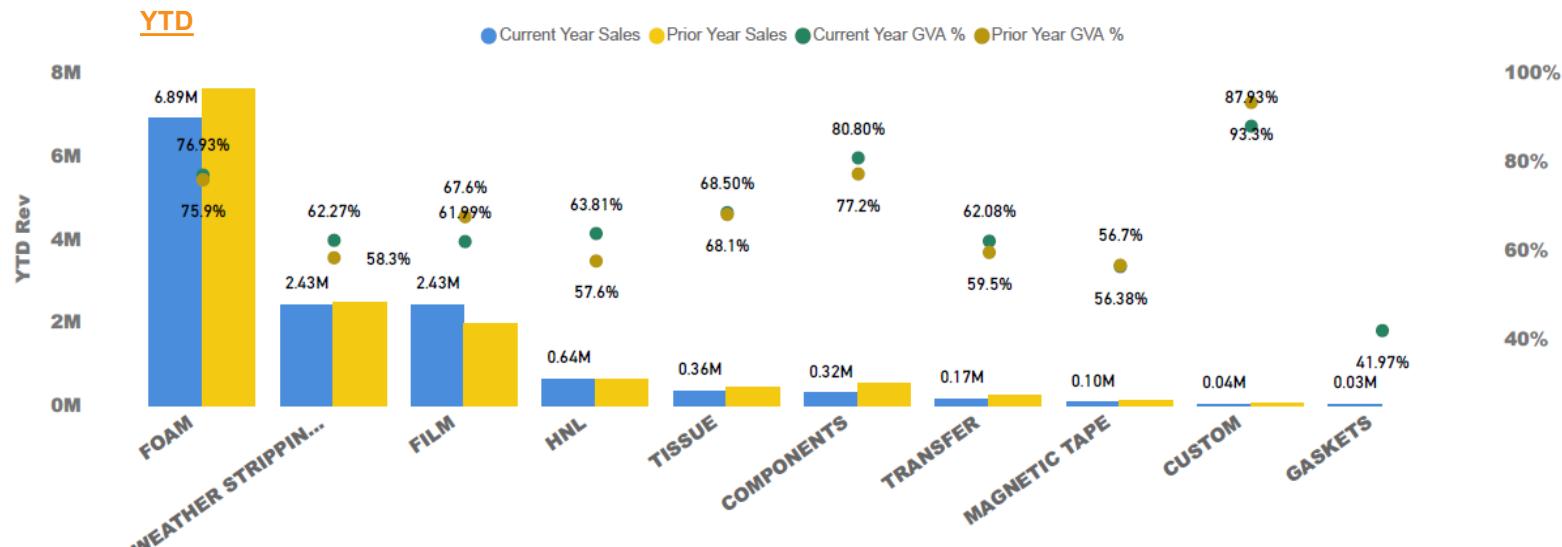
Revenue by Product Category

NET REVENUE CURRENT YEAR VS PREVIOUS YEAR

April



YTD



Management Discussion:

Weather Stripping & Gaskets saw a jump, MoM, because of the increase in need for products for Face Shields. This jump was led by:

- Products:
 - Polyethylene – Up \$329k
 - Polyurethane – Up \$58k
- Customers:
 - Key Interiors – Up \$279k
 - New customer won during this crisis with potential afterwards
 - Platinum Converting – Up \$44k
- Marketing plan has been developed and executed around products specifically for PPP.

Hook and Loop also saw a jump due to the Face Shields, up, MoM, \$23k. Led by :

- Vomela – Up \$51k
 - Already over their 2019 sales total with us overall.
- Green Bay Packaging – Up \$32k

While Film is up YTD \$448K, in April, MoM, it dropped \$39k. The drop was led by typical POP products:

- DK Film 2.0 – Down \$73k
- Remo One Film – Down \$69k
- Duraco Red – Down \$66k

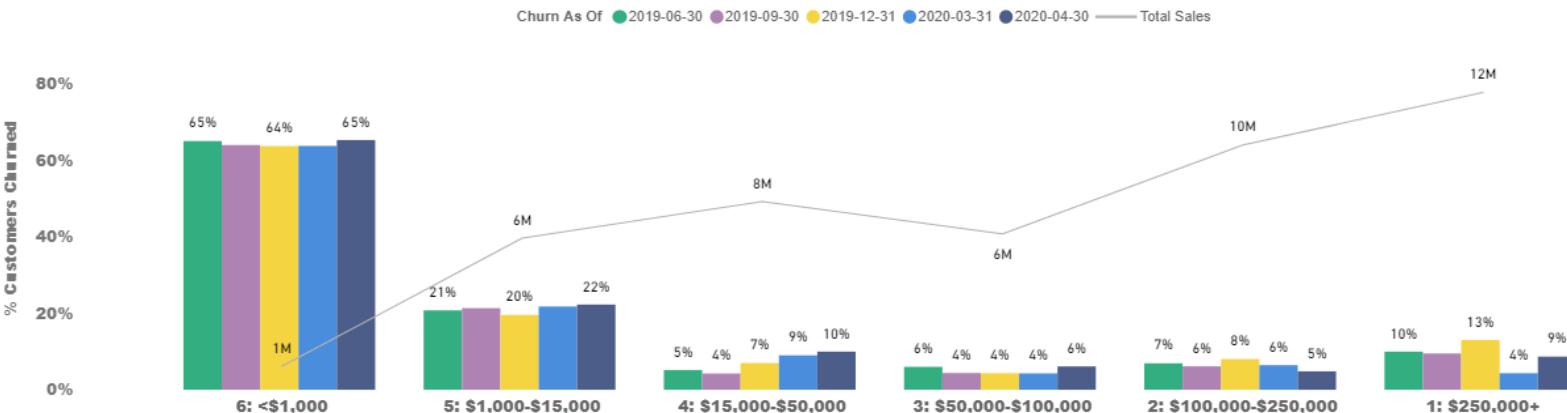
Film products, though, that are used in Transit Packaging saw increases:

- Tear Tape – Up \$55k
- 4481 – Up \$46k
- 4581 – Up \$45k
- This is followed by a Duraco product launch of Infinity bag sealing tapes and Marketing brochure/initiative around Transit Packaging.

Customer Churn

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

% of Customers Churned



Management Discussion:

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

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

Details:

Customers \$250k+ (2 accounts)

- Essentra Nottingham - ceased operations end of 2019
- Paroc – stopped ordering due to tape specifications

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

- Chung Lam - end of life part for Target Store
- Halstead - lack of programs and low demand for their decorative wall planks
- Undercover – foam tape business lost to competitor

Customers \$50k - \$100k (6 accounts)

- ARI Packaging – Glue dot project for Nestle did not repeat
- Contractors Wardrobe – low margin business likely moved to competitor
- MD Building Products – inside sales in engaged. Needs a visit.
- Robin Enterprises Company – RSM is actively engaged
- Summit Manufacturing - RSM is actively engaged
- Menasha Hartford - account now bills to Neenah location

Customers \$15k - \$50k (27 accounts)

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

Customers \$1k - \$15k (322 accounts)

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

Customers under \$1k (2953 accounts)

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

2020 Commercial KPIs



Sales Dashboard

Date Range
3/29/2020 | 5/2/2020

Industry
All ▾

Territory
All ▾

Sales Tier
All ▾

Account Classification
All ▾

| As of | % of Month | MTD Sales | PY MTD Sales | Month Plan | YTD Sales | PY YTD Sales | YTD Plan |
|-------|------------|-----------|--------------|------------|-----------|--------------|----------|
| 05/02 | 100% | \$3.45M | \$4.27M | \$4.33M | \$13.42M | \$14.21M | \$14.23M |
| | | | -19.1% | -20.3% | | -5.6% | -5.7% |

Segment

| Industry | MTD Sales | Month Plan | MTD Plan Δ % | PY MTD Sales | MTD Δ % | YTD Sales | YTD Δ % |
|------------------------|-----------------------|--------------------|---------------|-----------------------|---------------|-----------------------|---------------|
| POP | \$1,904,294.00 | \$2,620,120 | -27.3% | \$2,645,63.25 | -28.0% | \$7,529,970. | -20.1% |
| Industrial | \$463,546.14 | \$510,330 | -9.2% | \$582,810.14 | -20.5% | \$1,564,293. | -22.1% |
| Other | \$335,671.84 | \$50,622 | 563.1% | \$76,745.97 | 337.4% | \$477,590. | 10.1% |
| Appliance | \$275,374.89 | \$517,858 | -46.8% | \$466,523.52 | -41.0% | \$1,396,914. | -20.1% |
| Transit Packaging | \$190,225.43 | \$95,827 | 98.5% | \$34,884.56 | 445.3% | \$789,483. | 10.1% |
| Distribution | \$156,087.59 | \$266,543 | -41.4% | \$300,079.44 | -48.0% | \$700,985. | -20.1% |
| Automotive & Transport | \$65,118.05 | \$71,800 | -9.3% | \$46,200.78 | 40.9% | \$209,416. | 10.1% |
| Wall Hangings | \$36,075.64 | \$100,092 | -64.0% | \$3,151.49 | 1044.7% | \$588,350. | 10.1% |
| Unknown Market | \$26,849.78 | \$98,528 | -72.7% | \$84,484.16 | -68.2% | \$158,858. | -20.1% |
| Total | \$3,453,243.36 | \$4,331,720 | -20.3% | \$4,266,084.47 | -19.1% | \$13,415,863.6 | -20.1% |

Territory

| Territory | MTD Sales | Month Plan | MTD Plan Δ % | PY MTD Sales | MTD Δ % |
|------------------|-----------------------|--------------------|---------------|-----------------------|---------------|
| Appliance and RV | \$246,554.16 | \$480,577 | -48.7% | \$507,468.37 | -51.4% |
| Canada | \$46,080.10 | \$95,906 | -52.0% | \$90,173.70 | -48.1% |
| Central | \$879,852.59 | \$1,149,356 | -23.4% | \$996,444.15 | -11.1% |
| East Central | \$503,323.41 | \$665,866 | -24.4% | \$651,291.11 | -22.1% |
| GE Appliances | \$40,023.00 | \$91,987 | -56.5% | \$14,159.51 | 182.1% |
| House | \$448,812.44 | \$274,951 | 63.2% | \$346,321.68 | 29.1% |
| Mexico | \$46,000.34 | \$24,694 | 86.3% | \$28,139.01 | 63.1% |
| Northeast | \$384,634.28 | \$462,243 | -16.8% | \$550,789.67 | -30.1% |
| Southeast | \$515,949.34 | \$507,278 | 1.7% | \$465,624.06 | 10.1% |
| Total | \$3,453,243.36 | \$4,331,720 | -20.3% | \$4,266,084.47 | -19.1% |

Customers

| Customer Name | Acct Number | MTD Sales | Month Plan | MTD Plan Δ % | PY MTD Sales |
|--------------------------------------|--------------|-----------------------|--------------------|---------------|-----------------------|
| Whirlpool Corporation - Clyde | 1 | \$52,454.22 | \$125,040 | -58.1% | |
| Plastic Power Extrusions Corporation | 1 | \$705.60 | \$110,786 | -99.4% | |
| RR DONNELLEY - CUDAHY | 1 | \$19,871.91 | \$93,562 | -78.8% | |
| Ge Appliances | 1 | \$40,023.00 | \$91,987 | -56.5% | |
| Essentra Trading(Ningbo) Co Ltd | 1 | \$8,459.49 | \$87,141 | -90.3% | |
| Westrock Merchandising Displays | 2 | \$124,361.65 | \$76,575 | 62.4% | |
| Whirlpool Corporation - Marion | 1 | \$52,496.30 | \$75,222 | -30.2% | |
| Total | 31844 | \$3,453,243.36 | \$4,331,720 | -20.3% | \$4,266,084.47 |

Products

| Product Family | MTD Sales | PY MTD | MTD Δ % | YTD |
|----------------------------|-----------------------|-----------------------|---------------|-----------------------|
| FOAM | \$1,446,431.34 | \$2,170,335.92 | -33.4% | \$6,891,741.6 |
| WEATHER STRIPPING & GASKET | \$929,549.75 | \$733,487.81 | 26.7% | \$2,429,501.5 |
| FILM | \$654,196.16 | \$693,169.72 | -5.6% | \$2,428,075.4 |
| HNL | \$206,592.45 | \$183,597.22 | 12.5% | \$644,161.4 |
| TISSUE | \$82,880.26 | \$152,800.56 | -45.8% | \$361,453.5 |
| COMPONENTS | \$55,441.85 | \$176,587.18 | -68.6% | \$318,539.9 |
| TRANSFER | \$34,246.62 | \$97,160.02 | -64.8% | \$169,977.1 |
| GASKETS | \$31,200.01 | \$31,200.01 | 0.0% | \$31,200.0 |
| Total | \$3,453,243.36 | \$4,266,084.47 | -19.1% | \$13,415,863.6 |



DURACO



Historical Pipeline Analysis

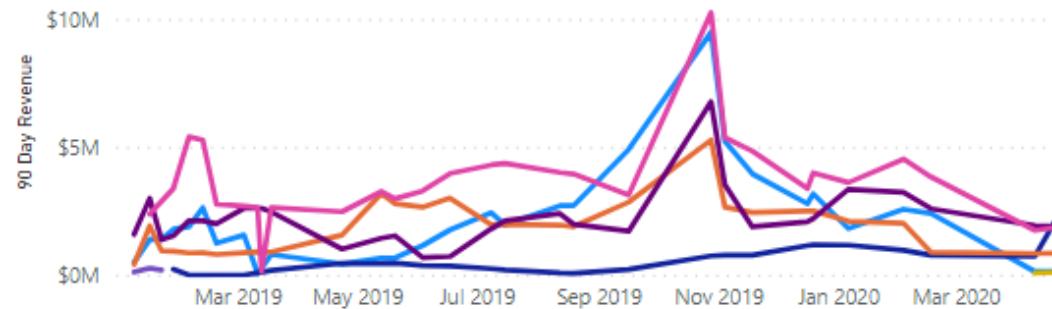
Date Range

1/1/2019

5/2/2020

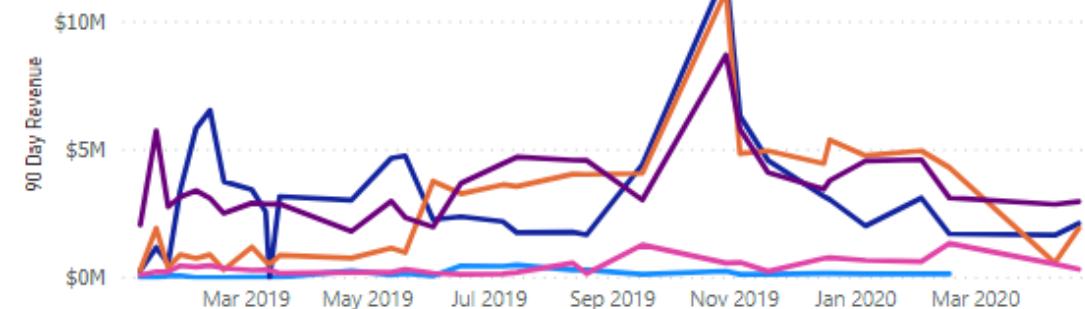
90 Day Revenue by Date and Opp Owner

Opp Owner ● Greg Pre... ● Jake Sch... ● Kevin Fierro ● Nick Darling ● Rick Mucino ● Todd Co... ● Walter Kl...



90 Day Revenue by Date and Stage

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



| Date | Greg Precup | Jake Schoch | Kevin Fierro | Nick Darling | Rick Mucino | Todd Compton | Walter Klein | Total |
|--------------|------------------------|------------------------|------------------------|---------------------|------------------------|-------------------------|---------------------|-------------------------|
| 1/7/19 | \$522,648.00 | | \$448,000.00 | | \$1,620,000.00 | | \$147,400.00 | \$2,738,048.00 |
| 1/15/19 | \$1,415,648.00 | | \$1,948,000.00 | | \$3,020,000.00 | \$2,409,000.00 | \$294,800.00 | \$9,087,448.00 |
| 1/21/19 | \$1,418,748.00 | | \$964,000.00 | | \$1,410,000.00 | | \$222,400.00 | \$4,015,148.00 |
| 1/27/19 | \$1,816,968.00 | \$254,000.00 | \$954,000.00 | | \$1,555,000.00 | \$3,405,500.00 | | \$7,985,468.00 |
| 2/4/19 | \$1,915,575.00 | \$18,000.00 | \$889,000.00 | | \$2,155,000.00 | \$5,430,000.00 | | \$10,407,575.00 |
| 2/11/19 | \$2,658,891.00 | \$18,000.00 | \$899,000.00 | | \$2,148,000.00 | \$5,300,000.00 | | \$11,023,891.00 |
| 2/18/19 | \$1,268,866.00 | \$26,000.00 | \$830,000.00 | | \$2,035,000.00 | \$2,800,000.00 | | \$6,959,866.00 |
| 3/4/19 | \$1,589,964.00 | \$26,000.00 | \$896,000.00 | | \$2,634,500.00 | \$2,725,500.00 | | \$7,871,964.00 |
| 3/11/19 | \$79,465.00 | \$116,000.00 | \$934,000.00 | | \$2,634,500.00 | \$2,665,000.00 | | \$6,428,965.00 |
| 3/13/19 | | | \$919,000.00 | | \$2,634,500.00 | \$165,000.00 | | \$3,718,500.00 |
| 3/18/19 | \$830,041.00 | \$206,500.00 | \$928,000.00 | | \$2,496,500.00 | \$2,665,000.00 | | \$7,126,041.00 |
| 4/23/19 | \$458,783.00 | \$484,500.00 | \$1,592,000.00 | | \$1,045,000.00 | \$2,500,000.00 | | \$6,080,283.00 |
| 5/13/19 | \$694,390.00 | \$474,500.00 | \$3,213,000.00 | | \$1,465,000.00 | \$3,293,830.00 | | \$9,140,720.00 |
| 5/20/19 | \$694,390.00 | \$494,500.00 | \$2,821,000.00 | | \$1,565,000.00 | \$3,011,160.00 | | \$8,586,050.00 |
| Total | \$65,167,455.00 | \$14,728,138.00 | \$57,118,000.00 | \$245,500.00 | \$69,807,000.00 | \$107,297,250.60 | \$664,600.00 | \$315,027,943.60 |



Inside Sales: Manager Report

Date Range

1/1/2020

5/2/2020

Inside Sales Rep

All

Avg Customer Actions

35.0

Target: 50/week

% Outbound Actions

47.0%

Target: 50%

Avg Samples Sent

3.0

Target: 3/week

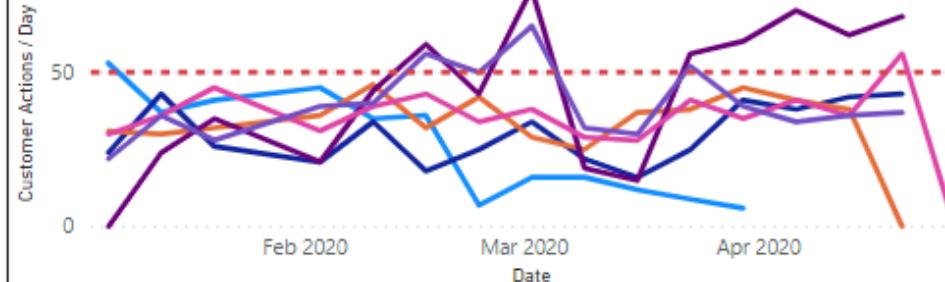
Avg RSM Engagements

2.1

Target: 1/week

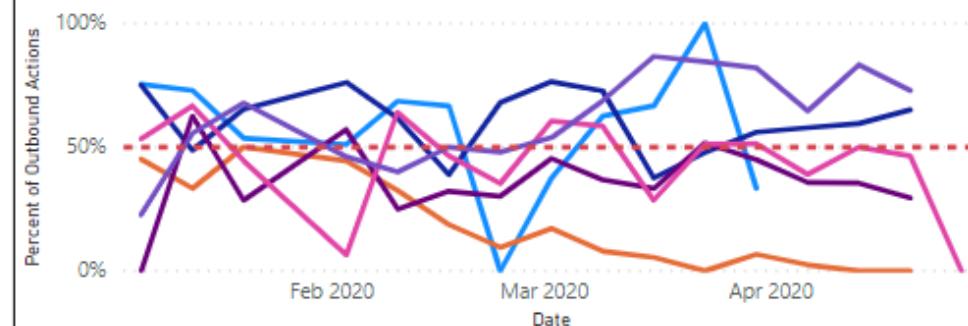
Customer Actions

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



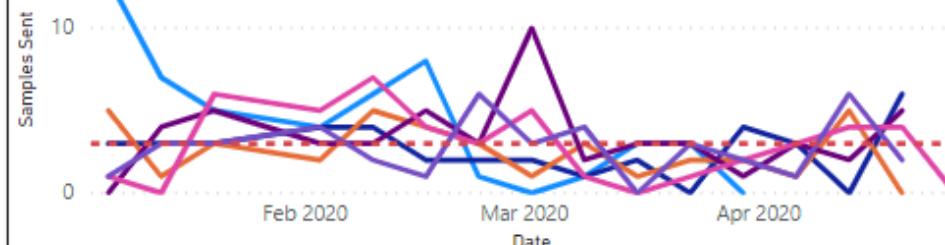
Percent of Outbound Actions

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



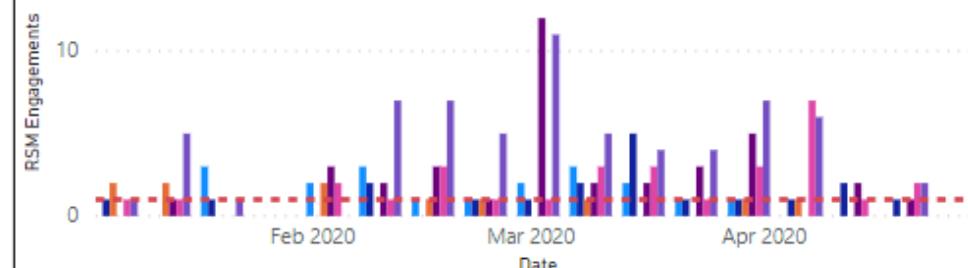
Samples Sent

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



RSM Engagements

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





Inside Sales: Executive Summary

Date Range

1/1/2020

5/2/2020

Avg Customer Actions

35.0

Target: 50/week

% Outbound Actions

47.0%

Target: 50%

Avg Samples Sent

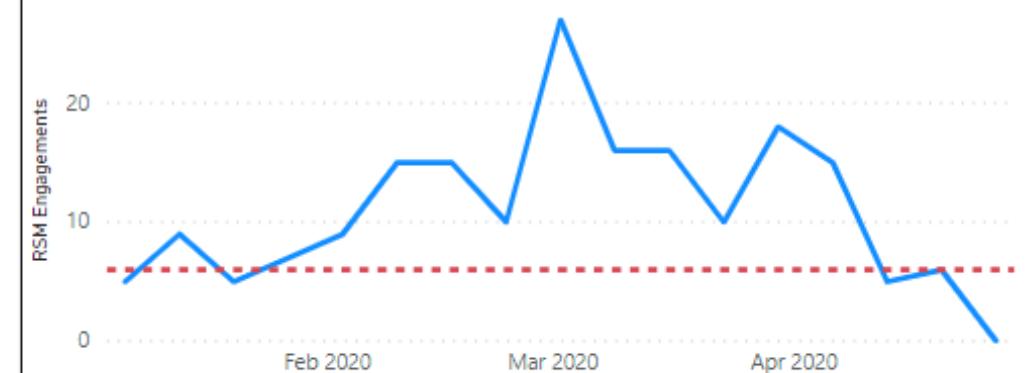
3.0

Target: 3/week

Avg RSM Engagements

2.1

Target: 1/week

Customer Actions**Percent Outbound Actions****Samples Sent****RSM Engagements**



Churned Customers

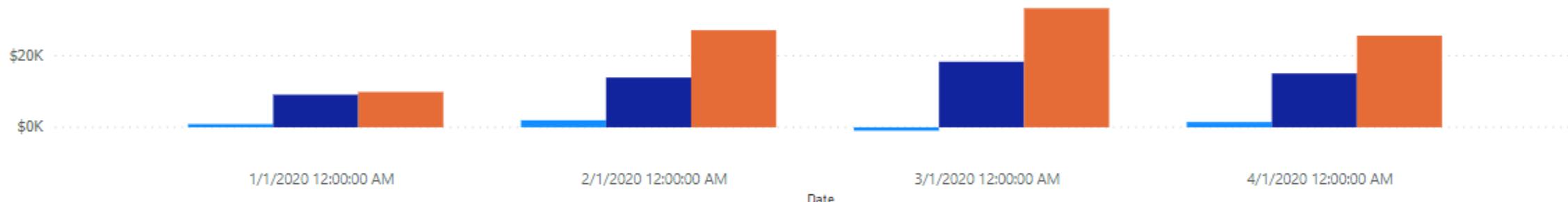
| | | | | | | | | | | |
|------------|----------|----------|----------|-----|-----------|-----|------------|-----|------------------------|-----|
| Date Range | 1/1/2020 | 5/2/2020 | Industry | All | Territory | All | Sales Tier | All | Account Classification | All |
|------------|----------|----------|----------|-----|-----------|-----|------------|-----|------------------------|-----|

| As of | MTD All Churners | YTD All Churners | 2019 Sales | 2018 Sales | 2019 Churned Sales | 2020 Target | 2020 Quota | Savings to Quota |
|-------|------------------|------------------|------------|------------|--------------------|-------------|------------|------------------|
| 05/02 | \$25.62K | \$95.99K | \$16.96K | \$1.56M | (\$1.54M) | \$140K | \$157K | (\$61K) |

Sales From Churners

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

\$40K



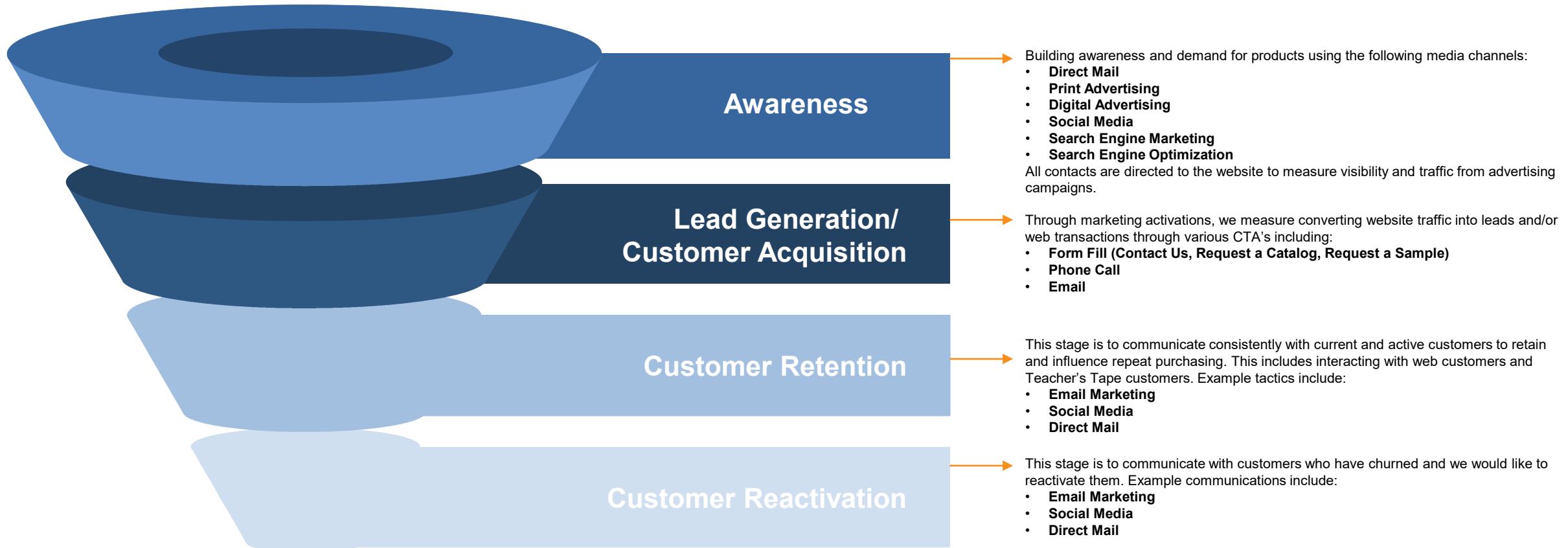
| Churn Cohort | Customer Name | Acct Number | Previous Sales Tier | 2020 Sales | 2019 Churned Sales | 2019 Sales | 2018 Sales | 2017 Sales |
|--------------|---|-------------|----------------------|-------------|--------------------|--------------|----------------|----------------|
| Feb | WESTROCK MERCHANDISING DISPLAYS | 61002791 | 4: \$15,000-\$50,000 | | (\$89,266.26) | | \$89,266.26 | \$421,053.08 |
| Dec | Sunbelt Plastic Extrusions Incorporated | 61000078 | 4: \$15,000-\$50,000 | | (\$49,672.51) | | \$49,672.51 | \$152,672.39 |
| Dec | LBP MANUFACTURING INC | 61003784 | 4: \$15,000-\$50,000 | | (\$47,655.40) | \$675.97 | \$48,331.37 | \$0.00 |
| Dec | Adams Mc Clure Lp | 61000677 | 4: \$15,000-\$50,000 | \$4,019.40 | (\$40,936.75) | \$4,256.05 | \$45,192.80 | \$20,631.76 |
| Dec | GERRITY | 61003122 | 4: \$15,000-\$50,000 | | (\$40,449.84) | \$0.00 | \$40,449.84 | \$12,940.79 |
| Jan | DATA COMMUNICATIONS MANAGEMENT | 454365 | 4: \$15,000-\$50,000 | | (\$39,741.21) | \$2,455.02 | \$42,196.23 | \$571.54 |
| Feb | Wilbert Plastic Services | 61000385 | 4: \$15,000-\$50,000 | | (\$39,206.96) | | \$39,206.96 | \$223,540.95 |
| Dec | Baesman Group Inc. | 61005497 | 4: \$15,000-\$50,000 | | (\$38,740.09) | \$1,330.88 | \$40,070.97 | \$23,968.58 |
| Dec | Romo Incorporated | 61001162 | 4: \$15,000-\$50,000 | \$1,149.60 | (\$37,229.19) | \$2,307.70 | \$39,536.89 | \$44,108.58 |
| Total | | 31992401080 | | \$95,989.95 | (\$1,865,149.67) | \$796,392.30 | \$2,661,541.97 | \$3,139,490.91 |



Marketing & Product Management Overview

MARKETING IMPACT

KEY STAGES WHERE MARKETING HELPS TO DRIVE BUSINESS GROWTH



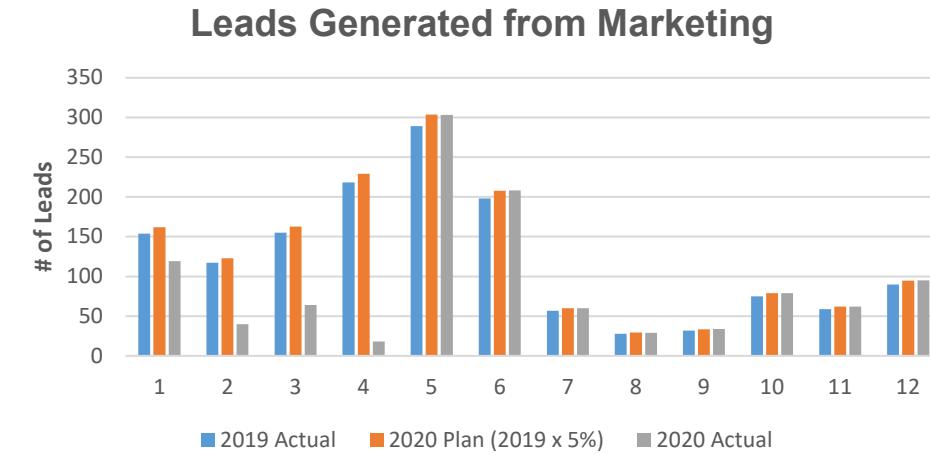
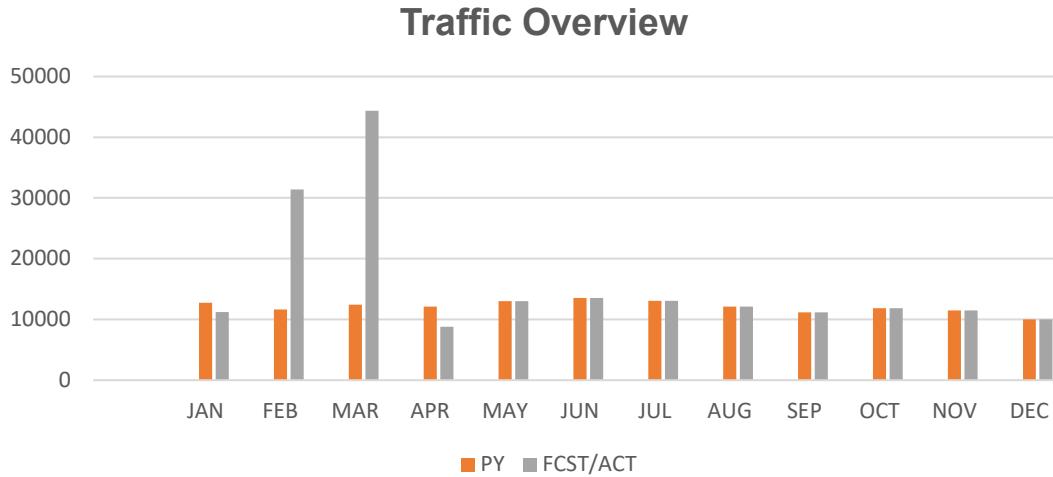
Marketing Measurement

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

| | # of Days | 22 | 20 | 20 | 24 | 19 | 22 | 22 | 20 | 19 | 25 | 18 | 22 | 253 |
|---|-----------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------|
| Top Level Bowling Chart | KPI | JAN | FEB | MAR | APR | MAY | JUN | JUL | AUG | SEP | OCT | NOV | DEC | FY2020 |
| Awareness | | | | | | | | | | | | | | |
| Total Website Visitors | PY | 12,767 | 11,645 | 12,418 | 12,118 | 13,021 | 13,560 | 13,040 | 12,110 | 11,160 | 11,867 | 11,478 | 10,000 | 145,184 |
| | Fcst/Act | 11,237 | 31,369 | 44,341 | 8,777 | 13,021 | 13,560 | 13,040 | 12,110 | 11,160 | 11,867 | 11,478 | 10,000 | 191,960 |
| New Website Users | PY | 11,863 | 10,645 | 11,380 | 11,150 | 12,031 | 12,691 | 12,190 | 11,159 | 10,249 | 10,902 | 10,696 | 5,869 | 130,825 |
| | Fcst/Act | 9,549 | 11,275 | 39,494 | 8,391 | 12,031 | 12,691 | 12,190 | 11,159 | 10,249 | 10,902 | 10,696 | 5,869 | 154,496 |
| Web Pages Visited Per Session | PY | 4 | 4 | 4 | 4 | 4 | 3 | 4 | 4 | 4 | 4 | 3 | 4 | 3.72 |
| | Fcst/Act | 4 | 4 | 4 | 4 | 4 | 3 | 4 | 4 | 4 | 4 | 3 | 4 | 3.71 |
| Average Website Session | PY | 113 | 124 | 113 | 108 | 111 | 100 | 105 | 110 | 116 | 123 | 100 | 132 | 112.91 |
| | Fcst/Act | 120 | 108 | 115 | 137 | 111 | 100 | 105 | 110 | 116 | 123 | 100 | 132 | 114.27 |
| Website Bounce Rate | PY | 51% | 47% | 48% | 48% | 45% | 50% | 47% | 46% | 51% | 49% | 55% | 49% | 49% |
| | Fcst/Act | 51% | 54% | 56% | 54% | 45% | 50% | 47% | 46% | 51% | 49% | 55% | 49% | 51% |
| Website Abandoned Cart Rate | PY | 74% | 75% | 71% | 72% | 72% | 71% | 76% | 74% | 74% | 83% | 71% | 73% | 74% |
| | Fcst/Act | 72% | 76% | 73% | 81% | 72% | 71% | 76% | 74% | 74% | 83% | 71% | 73% | 75% |
| Lead Generation/Customer Acquisition | | | | | | | | | | | | | | |
| CTR (Impressions/Clicks) | PY | N/A | |
| | Fcst/Act | 4% | 4% | 5% | 3% | | | | | | | | | |
| Total Leads | PY | 154 | 117 | 155 | 218 | 289 | 198 | 57 | 28 | 32 | 75 | 59 | 90 | 1,472 |
| | Plan | 162 | 123 | 163 | 229 | 303 | 208 | 60 | 29 | 34 | 79 | 62 | 95 | 1,546 |
| | Fcst/Act | 119 | 46 | 64 | 18 | 303 | 208 | 60 | 29 | 34 | 79 | 62 | 95 | 1,116 |
| Total Prospects | Avg. | 6.0% | 6.0% | 6.0% | 6.0% | 6.0% | 6.0% | 6.0% | 6.0% | 6.0% | 6.0% | 6.0% | 6.0% | 6.0% |
| | Plan | 7.14 | 2.76 | 3.84 | 1.08 | 18.207 | 12.474 | 3.591 | 1.764 | 2.016 | 4.725 | 3.717 | 5.67 | 67 |
| | Fcst/Act | 2 | 4 | 0 | 4 | | | | | | | | | 10 |
| Total New Customers Acquired | PY | N/A | |
| | Fcst/Act | 0 | 0 | 0 | 0 | | | | | | | | | |
| ROAS (Google Ads Only) | PY | N/A | \$0 |
| | Fcst/Act | 0 | 0 | 0 | 0 | | | | | | | | | \$0 |
| Customer Retention | | | | | | | | | | | | | | |
| 1K - 50K Customers Emailed (Non-Churn) | PY | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| | Fcst/Act | 0 | 50,000 | 48,000 | 48,000 | 48,000 | 48,000 | 48,000 | 48,000 | 48,000 | 48,000 | 48,000 | 48,000 | |
| Customer Reactivation | | | | | | | | | | | | | | |
| Customers Emailed (Churn) | PY | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| | Fcst/Act | 0 | 890 | 890 | 1020 | 1180 | | | | | | | | |
| 1K - 50K Customer Actions (Churn) | PY | 0 | 0 | 0 | 0 | 0 | | | | | | | | |
| | Plan | 287 | 51 | 41 | 55 | 53 | | | | | | | | |
| | Fcst/Act | 269 | 45 | 34 | 45 | | | | | | | | | |

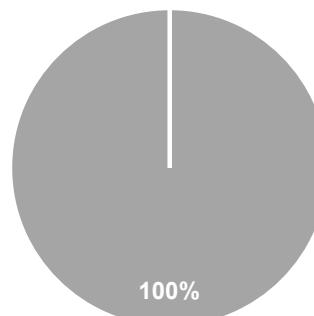
MARKETING MEASUREMENT

SMALL SET OF MARKETING KPI'S ALIGNING WITH KEY STAGES OF BUSINESS GROWTH



Breakdown of Ad Spend (April 2020)

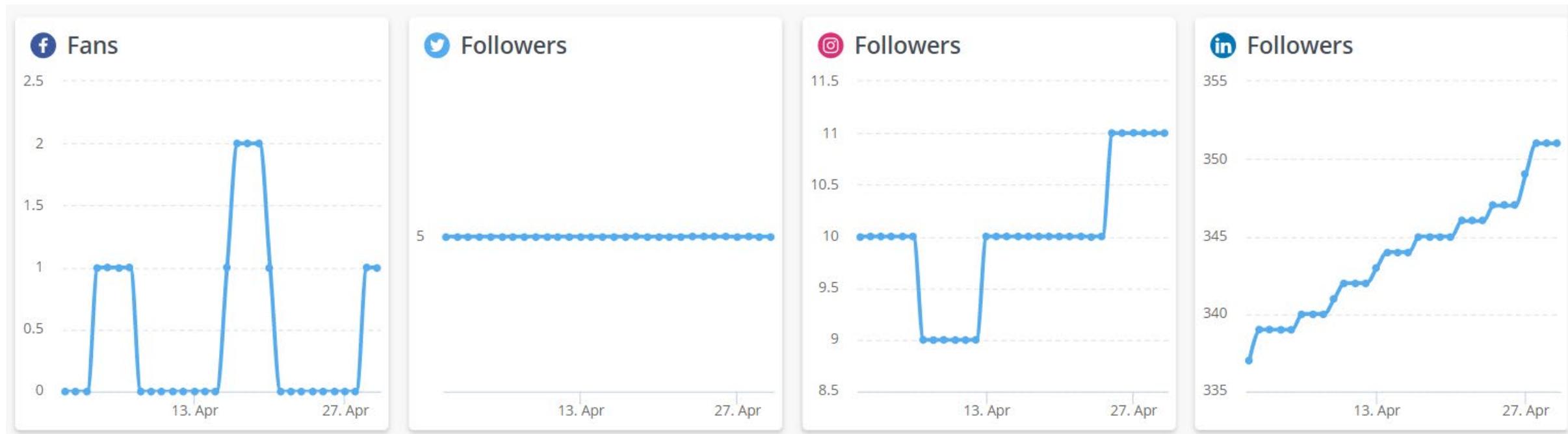
■ Print ■ Direct Mail ■ Digital ■ Social Media ■ SEM



MARKETING MEASUREMENT

SMALL SET OF MARKETING KPI'S ALIGNING WITH KEY STAGES OF BUSINESS GROWTH

- For social media, the Marketing team developed a total of 12 posts in April resulting in over 400 engagements and over 30 new followers in the last 30 days.



Measurement Key Takeaways

OVERVIEW OF PROJECT

- **Traffic**

- Website traffic is down 27% compared to last year
- Website traffic is down 80% compared to last month
- New visitors account for 95% amount of traffic
- We have seen longer engagement periods with visitors probably attributing to that they are new and exploring the website

- **eCommerce**

- eCommerce sales are down 74% compared to last year
- eCommerce sales are down 22% compared to last month

- **Ad Spend**

- Ad spend is down 86% compared to last year
- Ad spend is down 84% compared to last month

Q2 Marketing Calendar | Prospects

OVERVIEW OF MARKETING COMMUNICATIONS + MEDIA MIX

| Market/Industry | Product/Event Focus | Assets + Creative | Media Mix | | |
|----------------------------|--|--|---|---|--|
| | | | Apr-20 | May-20 | Jun-20 |
| POP (Overall) | - Removable Products (April) | - Sell Sheet - Banners Ads - Landing Page - Blog Article - Email Template + Content for eBlast | - Social Media + Campaign - Content Marketing | - Social Media - Content Marketing | - Google + Bing Ads - Social Media - Content Marketing |
| | - Twin Stick + Dubl Kote (May and June) | - Twin Stick + Dubl Kote sellsheet - Banner Ads - Blog Article - Landing Page - Social Media Campaign | | | |
| Display POP | - Hook and Loop Tape (April - June) - 2lb Poly - VNN Material - Polyolefin - DHB | - Sell Sheet - Banners Ads - Landing Page - Blog Article (Instapage) - Email Template + Content for eBlast | - Social Media - InfoUSA eBlast (4/23) | - Social Media | - Social Media |
| Print POP | - Remo Products (April - June) - Twin Stick - Fingerlift Tape | - Same asset as above | - Social Media | - Social Media | - Google Ads - Social Media |
| Industrial (Trailer + RV) | - DHB - Gasket + Weather Stripping - Dubl Kote ("Double-sided foam tape") | - Trailer Sell Sheet - RV Sell Sheet - Industrial Brochure - Trailer Banner Ads - RV Banner Ads - Trailer Landing Page - RV Landing Page - Blog Article | - Social Media | - Social Media | - Google Ads - Social Media |
| Packaging | - 4581 Dry Edge - DSTF Finger Lift - 2461 Finger Lift - Tear Tape - 4853 DE - 4873 DE - 4513 | - Brochure - Banner Ads - Landing Page - Blog Article - Email Template + Content - Press Release | - Packaging Impressions enewsletter banners (4/21 , 4/28) - Social Media | - Packaging Impressions eNewsletter Banners - Packaging Impressions eBlast (5/7) - AIC Boxscore - Social Media - Packaging Strategies - Flexible Packaging - Packaging Digest | - Packaging Impressions - AICC Boxscore - Packaging Strategies - Flexible Packaging - Google Ads - AIC Boxscore - Social Media |
| Education (Teacher's Tape) | - Teacher's Tape | - Banner Ads - Landing Page - Blog Articles | - Social Media - Email Marketing | - Social Media - Email Marketing | - Social Media - Email Marketing - Google Ads |

Q2 Marketing Calendar | Customers

OVERVIEW OF MARKETING COMMUNICATIONS + MEDIA MIX

| Customers | Apr-20 | May-20 | Jun-20 |
|---------------------------------|--|---|--|
| All Customers | - Solutions to Keep People Safe (4/7/20) | - A Quick and Secure Stick (5/12) - Monthly Newsletter (5/28) | - Monthly Newsletter (6/23) - Quarterly Digital Magazine |
| POP Customers (Display + Print) | - VOC Survey (4/3/20) - Bi-weekly Email 1 (4/21) | - VOC Survey (5/14) - Bi-weekly Email 1 (5/12) - Bi-weekly Email 2 (5/26) | - VOC Survey (6/4) - Bi-weekly Email 1 (6/11) - Bi-weekly Email 2 (6/25) |
| Churn Customers | - Bi-weekly Email 1 (4/22) - Bi-weekly Email 2 (4/30) | - Bi-weekly Email 1 (5/12) - Bi-weekly Email 2 (5/26) | - Bi-weekly Email 1 (6/11) - Bi-weekly Email 2 (6/25) |
| Web Customers | - Bi-weekly Email 1 (4/22) - Bi-weekly Email 2 (4/30) | - Bi-weekly Email 1 (5/12) - Bi-weekly Email 2 (5/26) | - Bi-weekly Email 1 (6/11) - Bi-weekly Email 2 (6/25) |
| Teacher's Tape Customers | - Bi-weekly Email 1 (4/22) - Bi-weekly Email 2 (4/30) | - Bi-weekly Email 1 (5/12) - Bi-weekly Email 2 (5/26) | - Bi-weekly Email 1 (6/11) - Bi-weekly Email 2 (6/25) |

PPE Campaign

SOLUTIONS TO KEEP PEOPLE SAFE

• Marketing Goals:

- To provide tapes for essential products to keep people on the frontlines of COVID-19 safe.
- To provide product solutions to customers who have had to change their business strategy amid COVID-19.
- To drive product awareness and demand for our tape products

• Market + Industry Focus (SIC Codes):

- 1751-03, 3993-05, 2542-09, 3089-10, 3089-07, 3083-02, 3089-05, 3822-03, 3089-05 and more

• Timeline:

- April 2020 - TBD

| Product Focus | Application Focus | Assets + Creative | Media Mix |
|----------------------|---------------------------------|----------------------------|-----------|
| • Removable Products | • Signage and Display | • Sellsheet | |
| • Twin Stick | • Personal Protective Equipment | • Banner Ads | |
| • Dubl Kote | | • Landing Page | |
| • DHB | | • Blog Article | |
| • Hook and Loop | | • Email Template + Content | |
| • Polyurethane | | | |



PRODUCTS FOR ESSENTIAL APPLICATIONS

Request A Quote Today!

- ✓ Face Shields
- ✓ Sneeze Guards
- ✓ Testing Centers
- ✓ Signage



DURACO.

SOLUTIONS TO KEEP PEOPLE SAFE

- ✓ Face Shields
- ✓ Sneeze Guards
- ✓ Testing Centers
- ✓ Signage

duraco.com | sales@duraco.com | 866 800 0775

NEED QUICK TURNAROUND?
Duraco manufactures and converts in-house, providing the convenient service of fast shipping and on-site tape experts. Contact us today!

SIGNAGE + DISPLAY

- Dubl Kote®
- Duraco Red
- Remo One®
- Remo One® Plus
- Remo Two®
- Remo One® Film
- Twin Stick®

PERSONAL PROTECTIVE EQUIPMENT

- Duraco High Bond
- Hook and Loop Tape
- Polyolefin
- Polyurethane
- Thick Twin Stick®
- Vinyl Nitrile Neoprene

STICK WITH US in

Packaging Campaign

A QUICK AND SECURE STICK

• Marketing Goals:

- To build a stronger presence in the packaging industry amid a surge in ecommerce.
- Leverage products from our sister company, Infinity Tapes
- To drive product awareness and demand for our tape products

• Market + Industry Focus (SIC Codes):

- 314910, 322130, 322137, 322145, 322199, 326111, 561910

• Timeline:

- May 2020 - Ongoing

| Product Focus | Application Focus | Assets + Creative | Media Mix |
|--|---|---|---|
| <ul style="list-style-type: none">• 4581 Dry Edge• DSTF Finger Lift• 2461 Finger Lift• Tear Tape• 4853DE• 4873DE• 4593 | <ul style="list-style-type: none">• Box Closure Tapes• Plastic Bag Packaging• Plastic Mailer Packaging• Bag Sealing Tapes• Food Packaging | <ul style="list-style-type: none">• Brochure• Banner Ads• Landing Page• Blog Article• Email Template + Content• Press Release• Product SellSheets | <ul style="list-style-type: none">• Packaging Impressions• Packaging Impressions eBlast• Google Ads• AIC Boxescore• InfoUSA Email• Social Media• Packaging Strategies• Flexible Packaging• Packaging Digest |



DURACO

A QUICK AND SECURE BOND.
OUR TAPES ARE BUILT TO SAFELY SECURE ANY PACKAGE BY PROTECTING THE MATERIALS INSIDE DURING TRANSIT.

REQUEST A QUOTE TODAY!



In the Pipeline

A LOOK AT UPCOMING MARKETING ASSETS



PRODUCT SOLUTIONS FOR
PACKAGING APPLICATIONS



New Website Project

OVERVIEW OF PROJECT

- **Remaining Dates + Milestones (May be subject to change):**

- Week of 5/11: Chris to review the entire website
- Week of 5/18: Chris, David and Vinay to review
- Week of 5/18: Chris to train in Big Commerce backend
- Week of 5/25: Greg, Andy, Rosann to review and provide feedback
- Week of 5/25: Send all updates by the EOW
- Week of 5/25 – Week of 6/1: Bug Fixes and Launch Prep
- Week of 6/1: Review during Sales + Marketing alignment meeting
- Week of 6/1: Commercial Training Session
- Week of 6/1: Customer Service Manual Process Session
- Week of 6/8: Site Launch
- Week of 6/8: Communications released
- Week of 6/29 or later: Website will be integrated to the ERP

- **Key Updates:**

- The website will be launched ahead of the ERP implementation.
- There will be an interim period until the ERP is launched for handling orders with the new website and current ERP.
- Once the ERP is launched, the integration to the website will begin

- **Training Plan:**

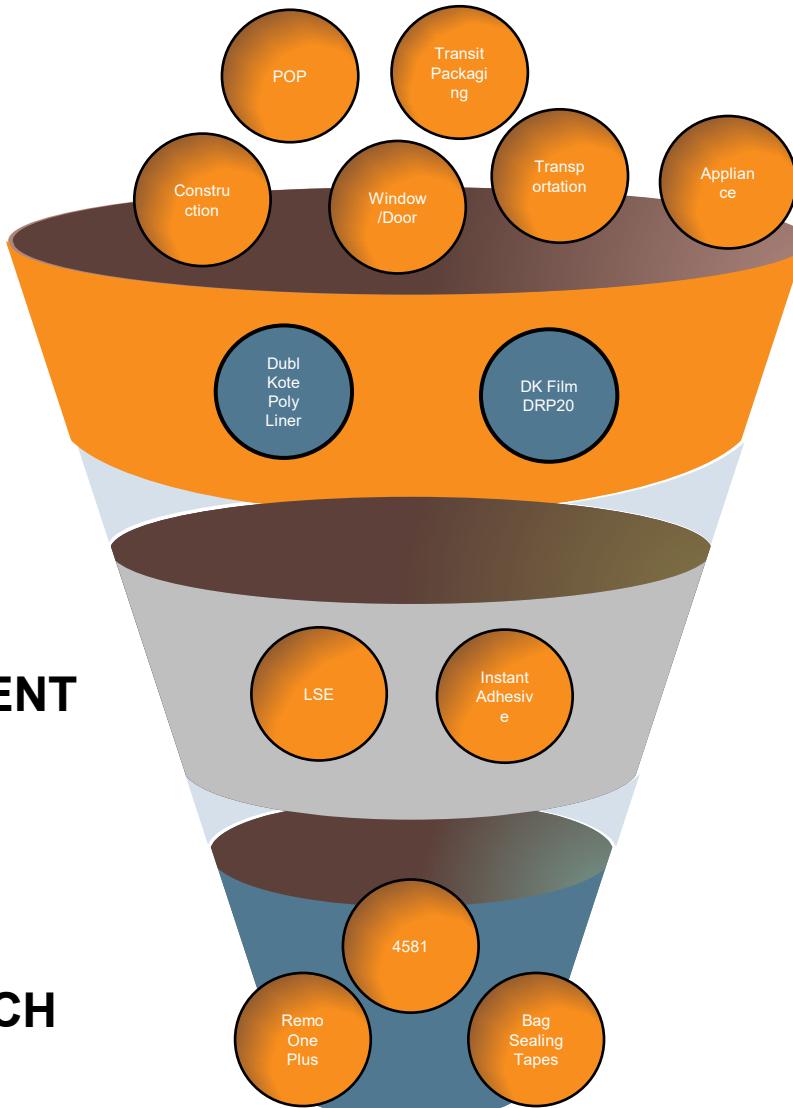
- We will be conducting training sessions with any employees who directly use the website when interacting with customers.
- There will be a backend training for the marketing team

- **Communication Plan:**

- We will be sending a series of communications out via email around the new website launch. Audiences include:
 - Internal Employees
 - All Customers
 - Web Customers
 - Teacher's Tape Customers

Product Development

IDEATION

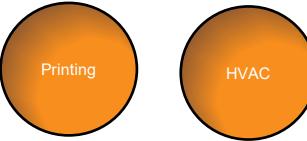


DEVELOPMENT

LAUNCH



REMOVED

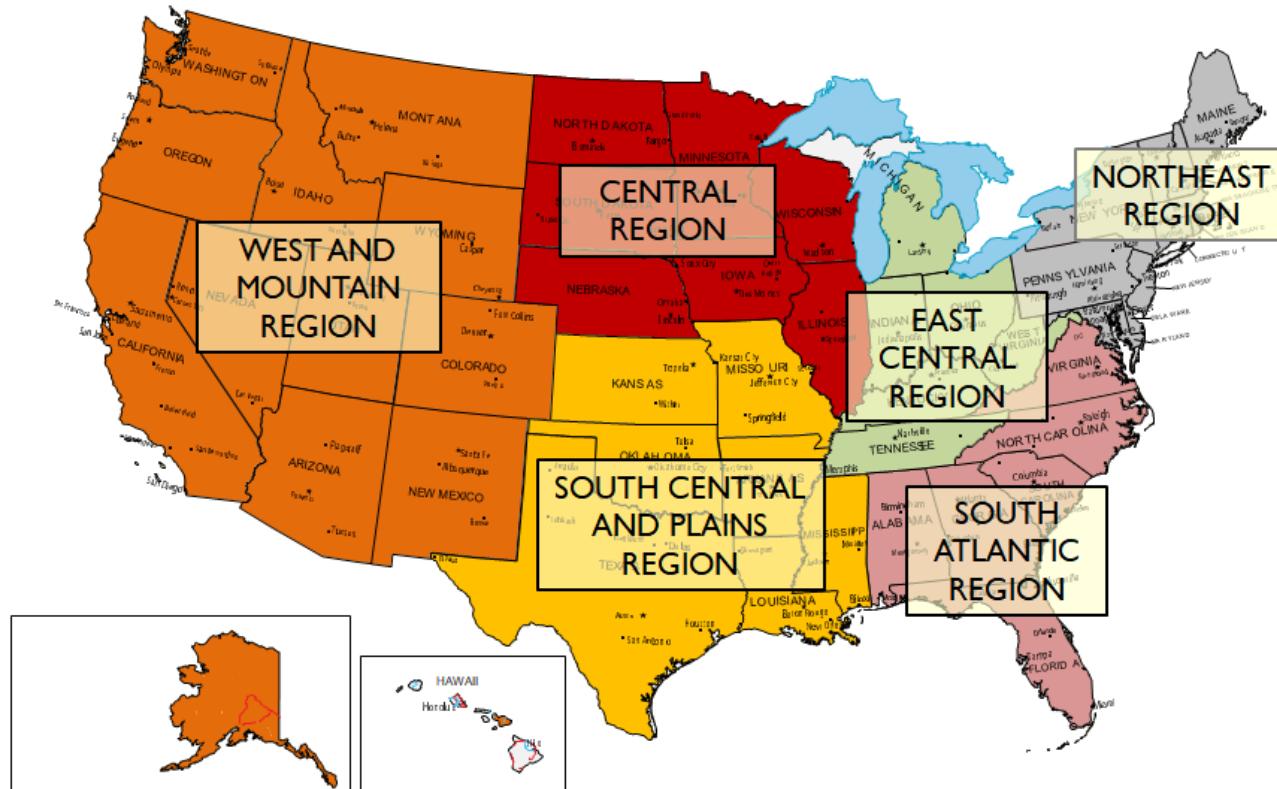


| MARKETS | POTENTIAL NEW PRODUCTS | EXPECTED REVENUE | LAUNCH |
|--------------------------------|---|--|--------|
| Transit Packaging | Tamper Proof Tape | TBD | TBD |
| Appliance | Aluminum Foil Tape, EPDM, Fiberglass, various | TBD | TBD |
| HVAC | Aluminum Foil Tape, Butyl Tape | TBD | TBD |
| Window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

2020 Sales Restructuring

2020 Sales Alignment, Growth Program & Commercial KPIs

New Territory Alignment



Management Discussion:

Organize Sales Regions based on:

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

Regional Sales Teams:

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

Business Develop Team

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

Duraco 2020 Growth Program

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

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

Duraco 2020 Growth Program

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

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

Transit Packaging; Box Closure – SWOT

FROM THE VIEW OF DURACO

| STRENGTH | WEAKNESS |
|---|--|
| <ul style="list-style-type: none">• Vertical manufacturing; inhouse adhesive coating• Solvent, hot melt, water-based adhesives• Multiple put ups/tape presentations• One stop shop – closure and tear tape• Custom converted solutions• Quick ship stock program• Close partnership with Straub design• Transit Pkg>POP interrelationships• Inhouse Marketing and Commercial Teams• Leverage partnership with Infinity and their bag tape business• Tamper evident tape solutions through Infinity | <ul style="list-style-type: none">• Box closure limited to one adhesive coating thickness• Duraco does not manufacture tear tape• Hot melt coater capacity questions• Spooler capacity• Relative high labor and overhead• Knowledge and ability of Inside Sales• Understanding market universe |
| OPPORTUNITIES | THREAT |
| <ul style="list-style-type: none">• eCommerce driving market growth• Understand and develop distributor relationships• Expand tear tape market• Improvement in emulsion adhesive offering• Relationships with equipment manufacturers such as Straub to help meet the increasing need to automate tape application | <ul style="list-style-type: none">• Inline gluing systems providing lower cost solutions• Improved quality/ease of use of non-tape adhesive• Competitors selling at low margins• Low cost product from Asia |

Transit Packaging; Bag Tape – SWOT

FROM THE VIEW OF DURACO

| STRENGTH | WEAKNESS |
|---|---|
| <ul style="list-style-type: none">Vertical manufacturing; adhesive coating, printing and silicone coatingSolvent, hot melt, water-based adhesivesMultiple put ups/tape presentationsOne stop shop – closure and tear tapeCustom converted solutions: rolls, spools, die cut piecesMultiple liner assortmentQuick ship stock programClose partnership with Straub designTransit Pkg>POP interrelationshipsInhouse Marketing and Commercial TeamsTamper evident tape | <ul style="list-style-type: none">Box closure limited to one adhesive coating thicknessDuraco does not manufacture tear tapeHot melt coater capacity questionsRelative high labor and overheadKnowledge and ability of Inside SalesUnderstanding market universe |
| OPPORTUNITIES | THREAT |
| <ul style="list-style-type: none">eCommerce driving market growthUnderstand and develop distributor relationshipsExpand tear tape marketImprovement in emulsion adhesive offeringRelationships with equipment manufacturers such as Straub to help meet the increasing need to automate tape application | <ul style="list-style-type: none">Inline gluing systems providing lower cost solutionsImproved quality/ease of use of non-tape adhesiveCompetitors selling at low marginsLow cost product from Asia |

RV/Trailer/Specialty Vehicle – SWOT

FROM THE VIEW OF DURACO

| STRENGTH | WEAKNESS |
|---|--|
| <ul style="list-style-type: none">• KAM dedicated to Elkhart County and surrounding area• Manufacturing near the heaviest concentration of manufacturers• Technical Expertise, in-house testing capabilities• Vertical integration• Coating capabilities, ability to create multiple adhesive systems• Extensive die cutting/slitting/skiving capabilities | <ul style="list-style-type: none">• DHB brand recognition• Material diversification, limited foams, electrical barrier, heat deflection and insulation materials• Water based coating• Inability to blend custom adhesives• Poly liner for DK or single sided XLPE• Relationship with suppliers |
| OPPORTUNITIES | THREAT |
| <ul style="list-style-type: none">• Work with key distributors servicing Elkhart County• Develop an alternative roof sealing tape• Establish DHB as a viable alternative to 3M VHB | <ul style="list-style-type: none">• The deep integration of distributors in the industry, specifically in Elkhart County, is a barrier to direct sales• Widespread use of, low cost, mastic tape for sealing applications |

Construction – SWOT

FROM THE VIEW OF DURACO

| STRENGTH | WEAKNESS |
|---|---|
| <ul style="list-style-type: none">Product offering with a good range of foam and adhesive optionsTechnical Expertise, in-house testing capabilitiesVertical integrationCoating capabilities, ability to create multiple adhesive systems | <ul style="list-style-type: none">Do not have AAMA certified glazing tapePoly liner for DK or single sided XLPEDHB brand recognitionLimited relationships within segment |
| OPPORTUNITIES | THREAT |
| <ul style="list-style-type: none">Establish DHB as a viable alternative to 3M VHBExpanding DHB line to include UL736 recognized options (AFTC)Introducing HATS (AFTC) for gasket extruders making commercial door seals | <ul style="list-style-type: none">3M “lifetime” warranty on DHB productsLow cost, off-shore glazing tapes |

Appliance – SWOT

FROM THE VIEW OF DURACO

| STRENGTH | WEAKNESS |
|---|--|
| <ul style="list-style-type: none">• Direct sales structure from an adhesive tape manufacturer providing knowledgeable support to engineering• Consistent quality• Product offering with a good range of foam and adhesive options• Technical Expertise, in-house testing capabilities• Vertical integration• Coating capabilities, ability to create multiple adhesive systems | <ul style="list-style-type: none">• DHB brand recognition• Material diversification, limited foams, electrical barrier, heat deflection and insulation materials• Water based coating• Inability to blend custom adhesives• Material sourcing for product development and secondary/tertiary sources |
| OPPORTUNITIES | THREAT |
| <ul style="list-style-type: none">• Establish DHB as a viable alternative to 3M VHB• Expanding offering to include insulation solutions• Protective film manufacturing and/or converting• Expansion into Mexico | <ul style="list-style-type: none">• Low cost off-shore materials• Pricing pressure from die cutters in low labor areas including Mexico |

2020 Sales Restructuring

Additional Commercial Headcount

INVESTING IN HC TODAY TO CHANGE THE GROWTH TRAJECTORY

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

Management Discussion:

Customer Engagement Focus

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

Commercial Headcount for 2020

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

Customer Classification

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

Infinity Tapes

UPDATE

- Overall increase in orders and demand stemming from medical and food segment users
 - Demand is seen across broad customer base producing plastic bags
 - Supply of plastic bags from China has reduced
- Not expecting any significant changes to the order book by customers
 - Classic Packaging has blanket orders out through August for Chick-fil-A Table Topper, April shipped \$50k / 350 spools, May releases pushed out two weeks
- As of 4/23, order bookings for May and June are already, 50% and 40% respectively, of the forecasted sales for the month
- Capacity concerns;
 - Printing Press is slow and requires 2 shifts primarily feeding the Silicone Coater. Plan is to implement an inexpensive upgrade to the oven increasing its run speed
 - Silicone Coater is running full utilization Monday through Friday, and initiating several actions to increase the machine speeds including formulation changes
 - Duraco to begin manufacturing paper liner tissue tape to offload capacity for higher volume plastic bag sealing tape



Infinity Tapes



BOWLING CHART

| PRIORITY | 2020 YTD ACT | | JAN | FEB | MAR | APR | MAY | JUN | JUL | AUG | SEP | OCT | NOV | DEC | FY2020 |
|---------------------------------------|------------------|----------|----------------|----------------|----------------|------------------|---------|---------|---------|---------|---------|-----------|---------|---------|------------|
| GROWTH | | | | | | | | | | | | | | | |
| Infinity Tapes Total Sales | \$3,149.8 | PY | \$776.7 | \$779.4 | \$816.5 | \$777.2 | \$785.4 | \$745.4 | \$725.9 | \$835.8 | \$775.3 | \$1,062.5 | \$924.9 | \$745.4 | \$9,750.6 |
| | \$3,291.0 | Plan | \$812.0 | \$814.0 | \$853.0 | \$812.0 | \$821.0 | \$779.0 | \$799.0 | \$873.0 | \$810.0 | \$1,100.0 | \$966.0 | \$779.0 | \$10,218.0 |
| | \$3,706.3 | Fcst/Act | \$865.8 | \$853.5 | \$933.6 | \$1,053.4 | \$801.1 | \$760.3 | \$740.5 | \$852.6 | \$790.8 | \$1,083.8 | \$943.4 | \$760.4 | \$10,439.0 |
| Bellepak | \$409.5 | PY | \$75.9 | \$130.6 | \$124.1 | \$78.9 | \$67.8 | \$84.8 | \$113.1 | \$103.1 | \$64.2 | \$125.8 | \$139.1 | \$66.1 | \$1,173.4 |
| | \$391.1 | Plan | \$97.8 | \$97.8 | \$97.8 | \$97.8 | \$97.8 | \$97.8 | \$97.8 | \$97.8 | \$97.8 | \$97.8 | \$97.8 | \$97.8 | \$1,173.4 |
| | \$440.0 | Fcst/Act | \$121.7 | \$96.0 | \$116.4 | \$105.9 | \$97.8 | \$97.8 | \$97.8 | \$97.8 | \$97.8 | \$97.8 | \$97.8 | \$97.8 | \$1,222.3 |
| Sealed Air: Nine locations | \$294.4 | PY | \$79.5 | \$49.7 | \$94.0 | \$71.2 | \$110.4 | \$50.5 | \$71.4 | \$72.6 | \$72.9 | \$90.4 | \$79.5 | \$78.2 | \$920.3 |
| | \$316.7 | Plan | \$78.2 | \$78.2 | \$78.2 | \$82.0 | \$82.0 | \$82.0 | \$82.0 | \$82.0 | \$82.0 | \$82.0 | \$82.0 | \$82.0 | \$972.7 |
| | \$354.8 | Fcst/Act | \$78.7 | \$92.0 | \$81.1 | \$103.0 | \$78.2 | \$82.0 | \$82.0 | \$82.0 | \$82.0 | \$82.0 | \$82.0 | \$82.0 | \$1,007.0 |
| Poly Pak Ind | \$164.6 | PY | \$49.2 | \$27.9 | \$48.6 | \$38.8 | \$32.1 | \$49.6 | \$40.5 | \$51.4 | \$36.5 | \$40.7 | \$62.9 | \$53.2 | \$531.4 |
| | \$164.6 | Plan | \$49.2 | \$27.9 | \$48.6 | \$38.8 | \$32.1 | \$49.6 | \$40.5 | \$51.4 | \$36.5 | \$40.7 | \$62.9 | \$53.2 | \$531.4 |
| | \$114.7 | Fcst/Act | \$34.4 | \$35.7 | \$18.9 | \$25.8 | \$32.1 | \$49.6 | \$40.5 | \$51.4 | \$36.5 | \$40.7 | \$62.9 | \$53.2 | \$481.6 |
| PAC WW: Three locations | \$170.8 | PY | \$52.4 | \$31.5 | \$32.5 | \$54.4 | \$33.1 | \$51.9 | \$17.2 | \$63.5 | \$45.3 | \$47.6 | \$33.3 | \$47.3 | \$509.9 |
| | \$173.4 | Plan | \$43.3 | \$43.3 | \$43.3 | \$43.3 | \$43.3 | \$43.3 | \$43.3 | \$43.3 | \$43.3 | \$43.3 | \$43.3 | \$43.3 | \$520.1 |
| | \$155.9 | Fcst/Act | \$28.1 | \$49.2 | \$35.2 | \$43.4 | \$43.3 | \$43.3 | \$43.3 | \$43.3 | \$43.3 | \$43.3 | \$43.3 | \$43.3 | \$502.6 |
| Nelmar | \$77.3 | PY | \$32.7 | \$15.2 | \$6.0 | \$23.4 | \$7.2 | \$40.7 | \$43.1 | \$73.4 | \$7.8 | \$94.7 | \$81.0 | \$19.5 | \$444.8 |
| | \$188.4 | Plan | \$37.8 | \$37.8 | \$37.8 | \$75.0 | \$75.0 | \$75.0 | \$75.0 | \$37.8 | \$37.8 | \$37.8 | \$37.8 | \$37.8 | \$602.4 |
| | \$247.7 | Fcst/Act | \$22.9 | \$73.0 | \$75.8 | \$76.1 | \$7.0 | \$75.0 | \$7.0 | \$70.0 | \$70.0 | \$7.0 | \$7.0 | \$7.0 | \$497.7 |
| Polybond | \$140.5 | PY | \$40.1 | \$28.4 | \$30.8 | \$41.3 | \$43.1 | \$28.8 | \$39.1 | \$50.7 | \$55.0 | \$32.3 | \$40.2 | \$0.0 | \$429.9 |
| | \$143.3 | Plan | \$35.8 | \$35.8 | \$35.8 | \$35.8 | \$35.8 | \$35.8 | \$35.8 | \$35.8 | \$35.8 | \$35.8 | \$35.8 | \$35.8 | \$429.9 |
| | \$150.5 | Fcst/Act | \$41.7 | \$28.3 | \$58.0 | \$22.4 | \$35.8 | \$35.8 | \$35.8 | \$35.8 | \$35.8 | \$35.8 | \$35.8 | \$35.8 | \$437.0 |
| Mercury Plastics/PPA CA | \$116.5 | PY | \$14.6 | \$18.1 | \$35.9 | \$47.9 | \$46.8 | \$18.0 | \$33.6 | \$35.4 | \$18.7 | \$63.8 | \$32.5 | \$51.1 | \$416.4 |
| | \$138.8 | Plan | \$34.7 | \$34.7 | \$34.7 | \$34.7 | \$34.7 | \$34.7 | \$34.7 | \$34.7 | \$34.7 | \$34.7 | \$34.7 | \$34.7 | \$416.4 |
| | \$143.0 | Fcst/Act | \$0.0 | \$37.8 | \$54.8 | \$50.5 | \$36.0 | \$34.7 | \$36.0 | \$36.0 | \$36.0 | \$36.0 | \$36.0 | \$36.0 | \$429.5 |
| Classic Pkg | \$101.1 | PY | \$50.3 | \$12.7 | \$12.7 | \$25.4 | \$25.4 | \$25.3 | \$25.7 | \$24.9 | \$50.9 | \$50.9 | \$36.9 | \$25.4 | \$366.4 |
| | \$113.9 | Plan | \$50.3 | \$12.7 | \$25.4 | \$25.4 | \$25.4 | \$25.4 | \$25.4 | \$25.4 | \$50.9 | \$50.9 | \$25.4 | \$50.3 | \$393.0 |
| | \$99.7 | Fcst/Act | \$24.9 | \$0.0 | \$25.4 | \$49.4 | \$25.4 | \$38.1 | \$38.1 | \$38.1 | \$38.1 | \$38.1 | \$38.1 | \$38.1 | \$392.1 |
| Zims Bagging | \$119.2 | PY | \$8.7 | \$92.8 | \$8.3 | \$9.4 | \$33.3 | \$28.8 | \$7.1 | \$9.1 | \$23.7 | \$15.3 | \$49.3 | \$45.7 | \$331.4 |
| | \$110.5 | Plan | \$27.6 | \$27.6 | \$27.6 | \$27.6 | \$27.6 | \$27.6 | \$27.6 | \$27.6 | \$27.6 | \$27.6 | \$27.6 | \$27.6 | \$331.4 |
| | \$135.4 | Fcst/Act | \$23.5 | \$5.7 | \$28.3 | \$77.9 | \$27.6 | \$27.6 | \$27.6 | \$27.6 | \$27.6 | \$27.6 | \$27.6 | \$27.6 | \$356.3 |
| Bron Tapes-5 of 10 locations buying | \$89.2 | PY | \$11.4 | \$29.9 | \$28.5 | \$19.5 | \$13.0 | \$41.1 | \$48.3 | \$32.8 | \$17.4 | \$15.9 | \$15.3 | \$16.8 | \$289.7 |
| | \$129.7 | Plan | \$32.4 | \$32.4 | \$32.4 | \$32.4 | \$32.4 | \$32.4 | \$32.4 | \$32.4 | \$32.4 | \$32.4 | \$32.4 | \$32.4 | \$389.0 |
| | \$167.0 | Fcst/Act | \$32.5 | \$93.0 | \$7.4 | \$34.0 | \$25.0 | \$72.0 | \$25.0 | \$25.0 | \$25.0 | \$25.0 | \$25.0 | \$25.0 | \$414.0 |
| North Coast Plastics | \$84.5 | PY | \$19.0 | \$33.0 | \$25.0 | \$7.5 | \$17.5 | \$7.5 | \$15.0 | \$17.5 | \$26.7 | \$42.5 | \$32.5 | \$7.5 | \$251.2 |
| | \$84.5 | Plan | \$19.0 | \$33.0 | \$25.0 | \$7.5 | \$17.5 | \$7.5 | \$15.0 | \$17.5 | \$26.7 | \$42.5 | \$32.5 | \$7.5 | \$251.2 |
| | \$73.0 | Fcst/Act | \$25.0 | \$17.5 | \$7.5 | \$23.0 | \$22.4 | \$22.4 | \$22.4 | \$22.4 | \$22.4 | \$22.4 | \$22.4 | \$22.4 | \$251.8 |
| Poly Air-Only one location buying now | \$115.3 | PY | \$32.8 | \$24.1 | \$22.8 | \$35.5 | \$28.9 | \$16.6 | \$10.3 | \$10.3 | \$14.0 | \$14.0 | \$14.0 | \$10.3 | \$233.9 |
| | \$45.4 | Plan | \$11.4 | \$11.4 | \$11.4 | \$11.4 | \$11.4 | \$11.4 | \$11.4 | \$11.4 | \$11.4 | \$11.4 | \$11.4 | \$11.4 | \$136.2 |
| | \$51.1 | Fcst/Act | \$7.0 | \$14.0 | \$14.0 | \$16.0 | \$11.4 | \$11.4 | \$11.4 | \$11.4 | \$11.4 | \$11.4 | \$11.4 | \$11.4 | \$141.9 |



Operations and Manufacturing

Operations Dashboard

| | PRIORITY | UOM | | JAN | FEB | MAR | APR | MAY | JUN | JUL | AUG | SEP | OCT | NOV | DEC | YTD |
|---------|---|-----|------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|----------|
| Safety | Total Recordable Incident Rate (TRIR Rolling 12M) | # | PY | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0.83 | 1.66 | 1.66 | 1.66 | 2.8 | 2.8 |
| | | | Plan | 2.3 | 2.3 | 2.3 | 2.3 | 2.3 | 2.3 | 2.3 | 1.66 | 0.83 | 0.83 | 0.83 | 0.83 | 0.83 |
| | | | Actual | 2.3 | 2.3 | 2.3 | 2.3 | 2.3 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | DART Score | # | PY | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | | | Plan | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| | | | Actual | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Step Completion % | % | PY | 81% | 80% | 94% | 96% | 93% | 94% | 93% | 93% | 92% | 93% | 92% | 94% | 91% |
| | | | Plan | 92% | 92% | 92% | 92% | 92% | 92% | 92% | 92% | 92% | 92% | 92% | 92% | 92% |
| | | | Actual | 93% | 94% | 71% | 68% | | | | | | | | | 82% |
| Quality | Landfill Diversion % | % | PY | 53% | 80% | 45% | 46% | 33% | 51% | 54% | 43% | 38% | 36% | 27% | 67% | 48% |
| | | | Plan | 50% | 50% | 50% | 50% | 50% | 50% | 50% | 50% | 50% | 50% | 50% | 50% | 50% |
| | | | Actual | 37% | 73% | 59% | 34% | | | | | | | | | 51% |
| | Customer EQDs | # | Reference Actual | | | | | | | | | | | | | |
| | | | | 23 | 13 | 7 | 20 | | | | | | | | | 63 |
| | | | | | | | | | | | | | | | | |
| | Percentage of EQDs/Lines shipped | # | PY | 0.28% | 0.22% | 0.31% | 0.30% | 0.18% | 0.28% | 0.25% | 0.28% | 0.47% | 0.43% | 0.30% | 0.40% | 0.31% |
| | | | Plan | 0.30% | 0.30% | 0.30% | 0.30% | 0.30% | 0.30% | 0.30% | 0.30% | 0.30% | 0.30% | 0.30% | 0.30% | 0.30% |
| | | | Actual | 0.63% | 0.39% | 0.22% | 0.79% | | | | | | | | | |
| | Cost of Poor Quality (COPQ) | \$ | PY | \$40.82 | \$51.77 | \$42.99 | \$46.85 | \$35.23 | \$33.49 | \$47.88 | \$36.13 | \$48.33 | \$44.43 | \$35.43 | \$32.02 | \$495.37 |
| | | | Plan | \$38.77 | \$49.18 | \$40.84 | \$44.51 | \$33.47 | \$31.82 | \$45.49 | \$34.33 | \$45.91 | \$42.21 | \$33.66 | \$30.42 | \$470.60 |
| | | | Actual | \$26.13 | \$37.55 | \$39.92 | \$42.05 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | 145.64 |

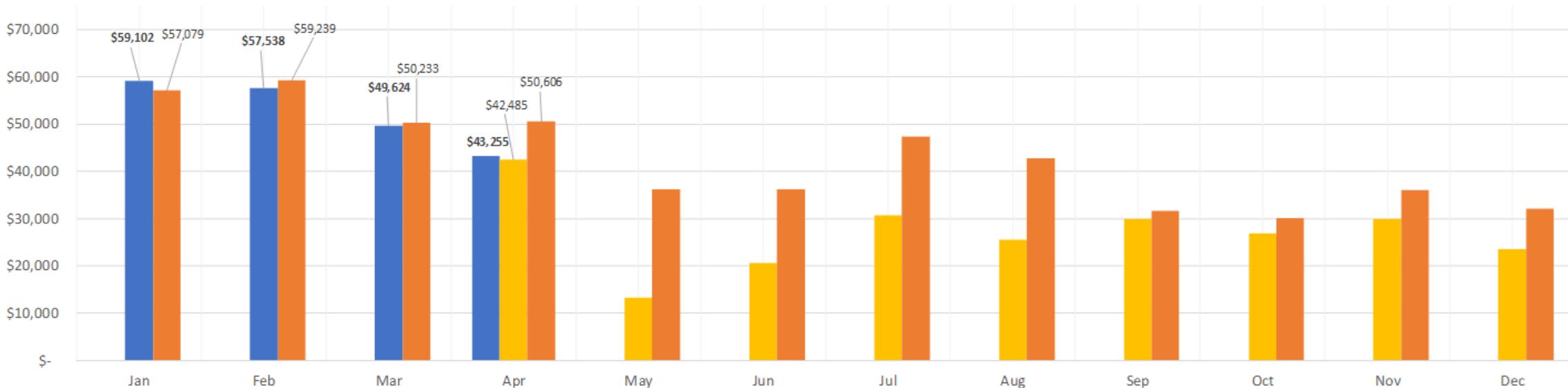
Operations Dashboard Cont.

| | | PRIORITY | UOM | | JAN | FEB | MAR | APR | MAY | JUN | JUL | AUG | SEP | OCT | NOV | DEC | YTD |
|----------|---------|---|---------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|-----------|-----|
| Delivery | \$ | Shipments Specialty Tapes (Consolidated) | PY | \$3,320 | \$3,081 | \$3,255 | \$4,065 | \$3,154 | \$3,218 | \$3,710 | \$3,460 | \$3,503 | \$4,961 | \$3,119 | \$2,897 | \$41,743 | |
| | | | Plan | \$3,290 | \$3,222 | \$3,365 | \$4,321 | \$3,289 | \$3,487 | \$3,774 | \$3,605 | \$3,627 | \$4,643 | \$3,452 | \$3,293 | \$43,368 | |
| | | | Actual | \$3,387 | \$3,143 | \$3,365 | \$3,231 | | | | | | | | | \$13,126 | |
| | | Production Efficiency | PY | 87.0% | 89.9% | 89.8% | 90.6% | 91.1% | 89.6% | 89.2% | 89.0% | 90.0% | 92.0% | 91.2% | 87.3% | 89.7% | |
| | | | Plan | 90.0% | 90.0% | 90.0% | 90.0% | 90.0% | 90.0% | 91.0% | 91.0% | 91.0% | 91.0% | 91.0% | 91.0% | 91.0% | |
| | | | Actual | 90.2% | 90.1% | 90.5% | 89.0% | | | | | | | | | | |
| Cost | \$ | OTDIF | PY | 98.8% | 98.8% | 99.0% | 98.5% | 98.8% | 98.2% | 95.3% | 98.3% | 97.6% | 98.7% | 98.1% | 98.3% | 98.2% | |
| | | | Plan | 98.2% | 98.2% | 98.2% | 98.2% | 98.2% | 98.2% | 98.2% | 98.2% | 98.2% | 98.2% | 98.2% | 98.2% | 98.2% | |
| | | | Actual | 99.1% | 98.6% | 98.2% | 95.3 | | | | | | | | | | |
| | | Cost Savings(w/o SmartVentures) | PY | \$49,556 | \$44,479 | \$35,811 | \$25,633 | \$57,198 | \$72,371 | \$56,044 | \$49,032 | \$52,425 | \$51,570 | \$44,949 | \$43,444 | \$582,512 | |
| | | | Plan | \$51,079 | \$53,239 | \$44,233 | \$44,606 | \$30,242 | \$30,242 | \$38,773 | \$34,232 | \$23,058 | \$21,512 | \$27,506 | \$27,506 | \$426,230 | |
| | | | F1 Plan | \$51,079 | \$53,239 | \$44,233 | \$42,485 | \$13,225 | \$20,597 | \$30,714 | \$25,470 | \$29,980 | \$26,921 | \$29,998 | \$23,547 | \$391,489 | |
| | | | Actual | \$51,469 | \$50,772 | \$39,533 | \$43,255 | | | | | | | | | \$185,029 | |
| | \$000's | Consolidated Gross Inventory Dollars | PY | \$6,460 | \$6,540 | \$6,458 | \$6,235 | \$6,079 | \$5,932 | \$5,942 | \$5,920 | \$5,649 | \$5,869 | \$5,796 | \$6,198 | \$6,198 | |
| | | | Plan | \$6,176 | \$6,253 | \$6,174 | \$5,961 | \$5,811 | \$5,671 | \$5,680 | \$5,659 | \$5,401 | \$5,611 | \$5,541 | \$5,925 | \$5,822 | |
| | | | Actual | \$6,377 | \$6,179 | \$5,802 | \$6,011 | | | | | | | | | \$0 | |
| | | Reported EBITDA | PY | \$714 | \$836 | \$1,048 | \$1,168 | \$886 | \$996 | -\$1,351 | \$784 | \$600 | \$1,407 | \$779 | \$319 | \$8,186 | |
| | | | Plan | \$424 | \$583 | \$697 | \$982 | \$594 | \$675 | \$699 | \$854 | \$849 | \$1,205 | \$762 | \$475 | \$8,799 | |
| | | | Actual | \$638 | \$734 | \$724 | \$625 | | | | | | | | | \$2,721 | |
| HC | # | Total Production Headcount | PY | 78 | 78 | 78 | 78 | 78 | 78 | 78 | 78 | 78 | 78 | 78 | 78 | 78 | |
| | | | Plan | 78 | 78 | 78 | 78 | 77 | 77 | 76 | 76 | 76 | 76 | 76 | 76 | 76 | |
| | | | Actual | 75 | 76 | 75 | 71 | | | | | | | | | 76 | |

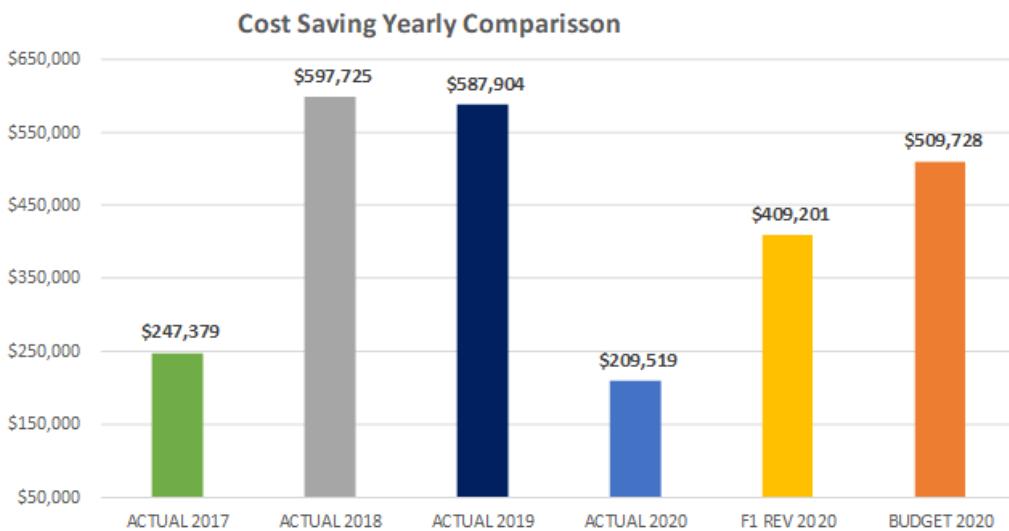
Duraco Cost Savings 2020- Actuals

Cost Savings Monthly Results

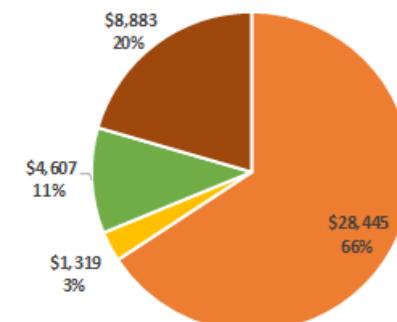
■ ACTUAL 2020 ■ F1 REV 2020 ■ BUDGET 2020



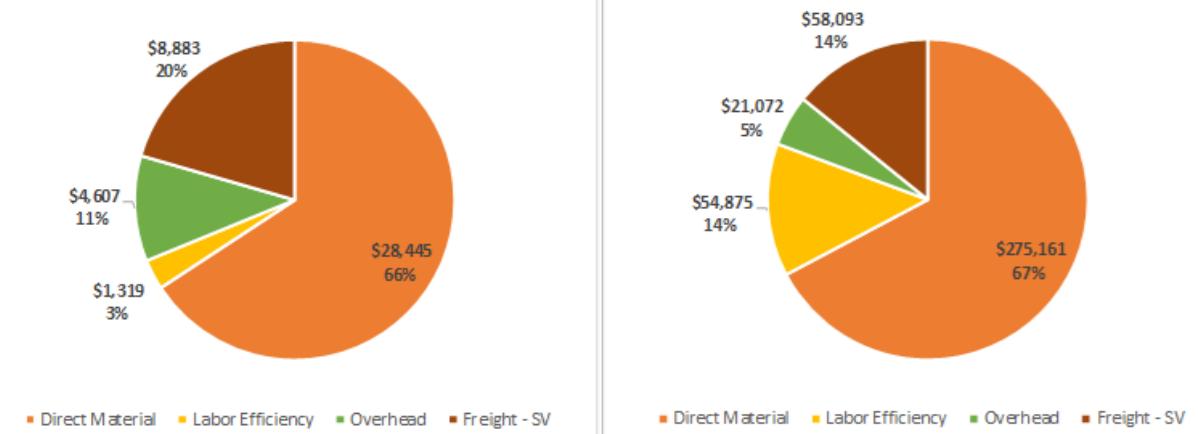
Cost Saving Yearly Comparisson



APRIL COST SAVINGS



2020 COST SAVINGS - F1 REV



Supply Chain- Vendors Discussions Around Petroleum Index

| Top Potential Customers | Current Status |
|------------------------------|---|
| SEKISUI VOLTEK-COLDWATER | Initial discussion, No response from vendor yet |
| Henkel | Initial discussion with sales representative indicated no saving being seen by their vendor. A second meeting scheduled next week to ramp up discussions. |
| GASKA TAPE INC | Initial discussion, Multiple initiatives going on with this vendor |
| ROHM AND HAAS CHEMICALS LLC | Discussion to happen the week of May 22nd |
| GREAT INDUSTRIES CORPORATION | Discussion to happen the week of May 22nd |
| BOWTAPE CO., LTD (KOREA) | Discussion to happen the week of May 22nd |
| ARMACELL-CONOVER | Discussion to happen the week of May 22nd . |
| BEARDOWADAMS, INC | Discussion to happen the week of May 22nd |

3PL Services in Los Angeles

STATUS UPDATE: PROJECT DETAILS

| PROJECT | STATUS | CURRENT STATUS & NEXT STEPS | TIMING | Annualized EBITDA Impact (\$MM) | |
|---------|--------|---|----------------|---------------------------------|--------|
| | | | | Projected | Actual |
| Phase 1 | ● | <ul style="list-style-type: none"> Andrew Shallcross - Send Data File to Fusion Transport utilizing Fusion's Template – By: 04/24/2020 Fusion Transport - Completes Duraco's Data Dump / Creates License Plates / Adjusts Racking Andrew S./Steven S. - Enters DRP order for top 25% SKU's being held at Fusion Transport | By: 04/30/2020 | N/A | N/A |
| Phase 2 | ● | <ul style="list-style-type: none"> DRP Order (Top 25% SKU's) Shipped to Fusion Transport 3PL for Stocking Start Filtering Inventory against Set Parameters - (2017 Inventory (Dispose), 2018 (Bring Back to Duraco), 2019 to Present (Ship to Fusion Transport)) | By: 05/15/2020 | N/A | N/A |
| Phase 3 | ● | <ul style="list-style-type: none"> Go Live with Top 25% SKU's @ Fusion Transport 3PL Run Down Current Inventory Levels @ Essentra Site – Through May 22, 2020 Andrew S./Steven S. - Enter Next DRP Order for Fusion Transport | By: 05/22/2020 | N/A | N/A |
| Phase 4 | ● | <ul style="list-style-type: none"> Essentra - Finishes Palletizing Remaining Inventory; Sends Steven S. & Brian M. Final Inventory List Steven S. – Will Arrange LTL Shipments for Inventory (Going to Fusion & Coming Back to Duraco) Duraco Goes Live with the Remaining SKU's (75%) with Fusion on June 12, 2020 (From June 1st – June 11th these SKU's will Ship Out of Forest Park, IL) | By: 05/29/2020 | N/A | N/A |

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

April 2020 Inventory Increase Reason Codes and Reduction Plan

INVENTORY

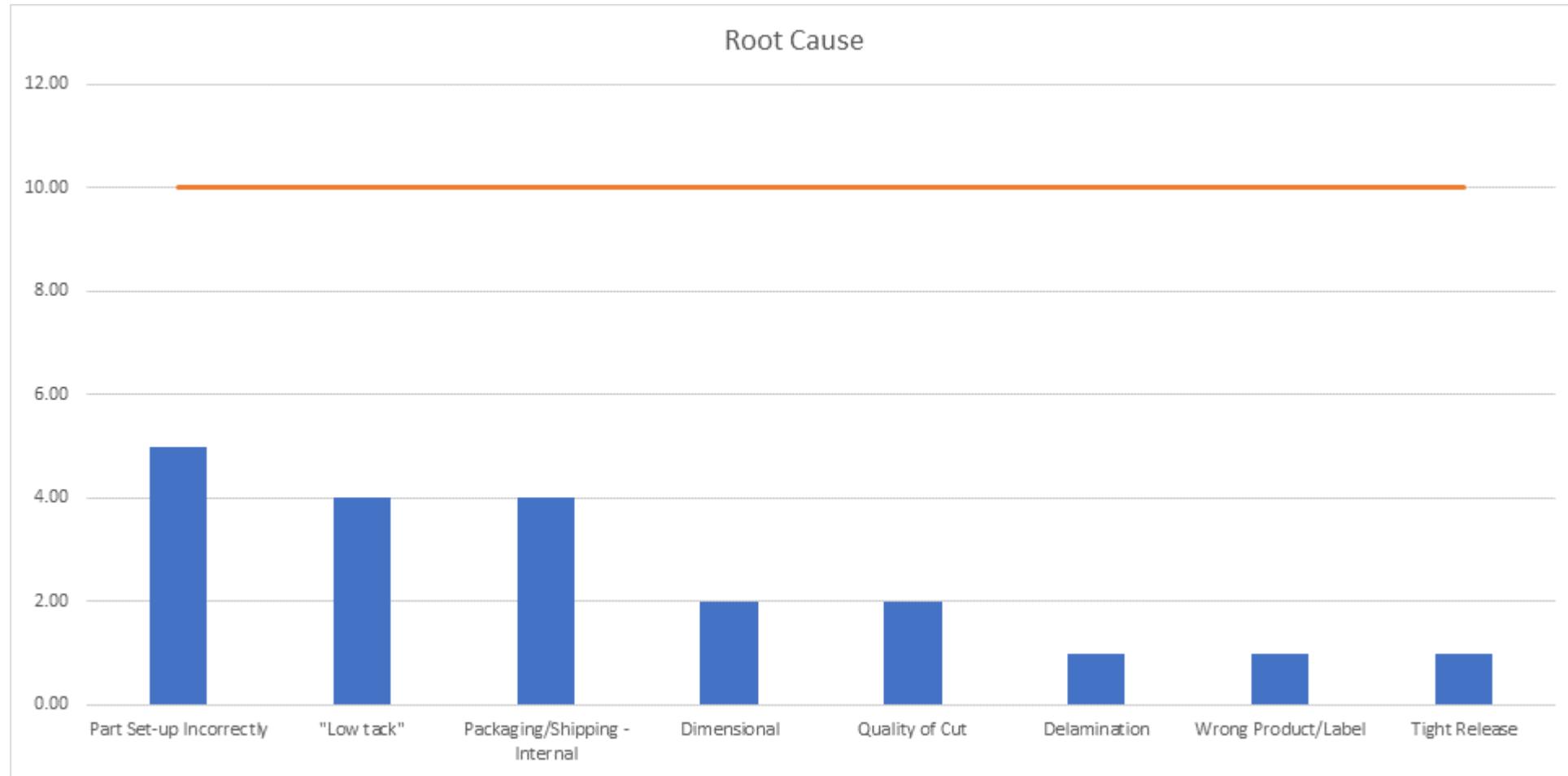
| | END OF MARCH | END OF APRIL | DIFFERENCE (+) |
|-------------|----------------|----------------|----------------|
| GRAND TOTAL | \$5,802,082.75 | \$6,011,115.00 | \$209,032.25 |

| Row Labels | Sum of Chg. in Value | Sum of 5 of Increase Contribution |
|-------------|----------------------|-----------------------------------|
| Ampac | \$107,390 | 51% |
| Covid 19 | \$37,488 | 18% |
| GE | \$41,918 | 20% |
| Grand Total | \$186,795 | 89% |

Plan to Reduce Inventory Levels

- Reducing Supplier Lead-Time:** To keep inventory levels and costs lower is to negotiate faster supplier lead-times or to identify additional suppliers that can meet a quicker replenishment model. Higher lead times from suppliers mean that a greater amount of safety stock needs to be carried to ensure all orders are filled, which will increase the carrying costs to hold extra stock levels.
- Eliminating Obsolete Inventory:** Items that are in stock but do not have any customer demand. Obsolete inventory items are classified as items that have not been sold in a 6-12 consecutive months or more. Also, monitor product life cycles.
- Optimizing Order Size & Purchasing Frequency:** Increasing communication with suppliers can help us negotiate reduced (MOQs), so that smaller, more frequent orders can be placed offsetting long-term risks of holding too much inventory. Smaller, more frequent orders enable an organization to increase ordering flexibly for when variations in demand occur or demand patterns shift.
- Continuous Inventory Reduction Analysis:** Analysis will have to take place in order to ascertain if, why and how they might effect the bottom line. Continually looking at Min/Lot sizes and sales history/demand will assist in inventory reduction and maintaining proper levels throughout the plant.

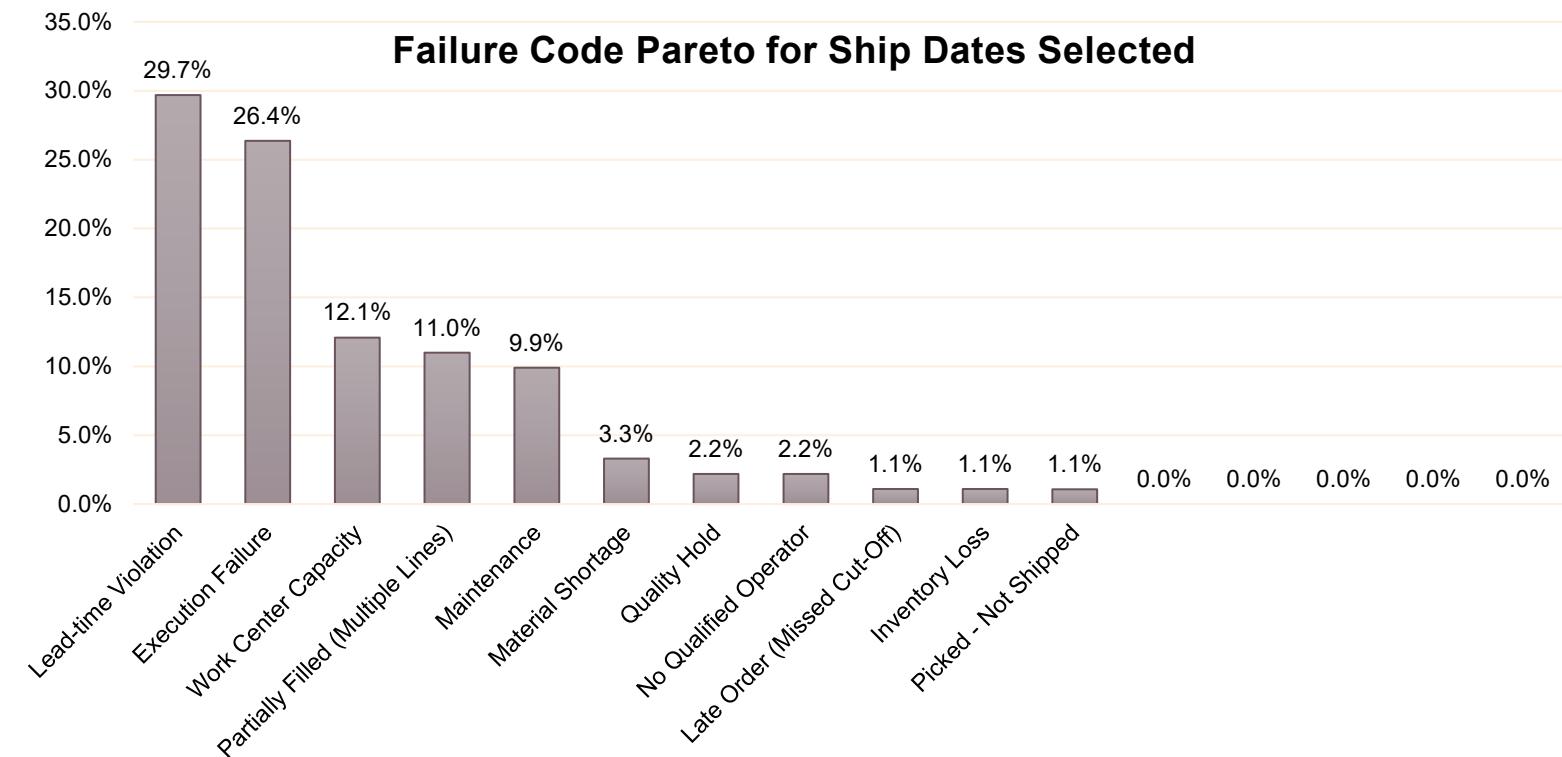
EQD Breakdown by cause



OTIF – PARETO

APRIL = 95.08%

| | | |
|-----------------------------------|----|-------|
| Lead-time Violation | 27 | 29.7% |
| Execution Failure | 24 | 26.4% |
| Work Center Capacity | 11 | 12.1% |
| Partially Filled (Multiple Lines) | 10 | 11.0% |
| Maintenance | 9 | 9.9% |
| Material Shortage | 3 | 3.3% |
| Quality Hold | 2 | 2.2% |
| No Qualified Operator | 2 | 2.2% |
| Late Order (Missed Cut-Off) | 1 | 1.1% |
| Inventory Loss | 1 | 1.1% |
| Picked - Not Shipped | 1 | 1.1% |



Financial Review

Duraco Summary P&L – Apr 2020

| \$'000 | MTD | | Var (Bud MTD) | | PY MTD | | Var (PY) | | YTD | | Var (Bud YTD) | | PY YTD | | Var (PY YTD) | | |
|---------------------------------|----------|----------|---------------|---------|----------|------------|----------|------------|------------|-------|---------------|-----------|------------|----------|--------------|----|---|
| | Act | Bud | \$ | % | Act | \$ | % | Act | Bud | \$ | % | Act | \$ | % | Act | \$ | % |
| Gross Revenue | \$ 3,446 | \$ 4,332 | \$ (886) | (20.5%) | \$ 4,235 | \$ (790) | (18.6%) | \$ 13,410 | \$ 14,227 | #### | (5.7%) | \$ 14,202 | \$ (792) | (5.6%) | | | |
| Net Revenue | 3,440 | 4,321 | (881) | (20.4%) | 4,259 | (819) | (19.2%) | 13,388 | 14,188 | (800) | (5.6%) | 14,149 | (762) | (5.4%) | | | |
| Material | 1,117 | 1,412 | 295 | 20.9% | 1,484 | 367 | 24.7% | 4,288 | 4,572 | 284 | 6.2% | 4,858 | (570) | (11.7%) | | | |
| DM % | 32.5% | 32.7% | | | | 34.8% | | | 32.0% | 32.2% | | | | 34.3% | | | |
| Labor | 453 | 471 | 18 | 3.9% | 442 | (11) | (2.5%) | 1,648 | 1,725 | 78 | 4.5% | 1,595 | 52 | 3.3% | | | |
| DL % | 13.2% | 10.9% | | | | 10.4% | | | 12.3% | 12.2% | | | | 11.3% | | | |
| Other COGS | 506 | 567 | 61 | 10.7% | 551 | 45 | 8.2% | 1,972 | 1,992 | 20 | 1.0% | 1,764 | 208 | 11.8% | | | |
| Total COGS | 2,076 | 2,450 | 374 | 15.3% | 2,477 | 401 | 16.2% | 7,908 | 8,289 | 381 | 4.6% | 8,218 | (310) | (3.8%) | | | |
| Gross Margin | 1,364 | 1,871 | (507) | (27.1%) | 1,782 | (418) | (23.4%) | 5,480 | 5,899 | (419) | (7.1%) | 5,932 | (452) | (7.6%) | | | |
| Gross Margin % | 39.7% | 43.3% | | | | 41.8% | | | 40.9% | 41.6% | | | | 41.9% | | | |
| R&D | 18 | 37 | 19 | 51.4% | 31 | (13) | (41.5%) | 70 | 143 | 73 | 50.9% | 104 | (34) | (32.7%) | | | |
| Sales & Marketing | 361 | 477 | 116 | 24.3% | 405 | (43) | (10.7%) | 1,393 | 1,632 | 239 | 14.7% | 1,435 | (43) | (3.0%) | | | |
| Administrative | 359 | 375 | 15 | 4.1% | 178 | 181 | 101.9% | 1,297 | 1,442 | 145 | 10.1% | 626 | 670 | 107.0% | | | |
| Other Opex | – | – | – | 0 | – | – | 0 | (1) | – | 1 | – | – | (1) | N/A | | | |
| Total Opex | 739 | 889 | 151 | 16.9% | 614 | 125 | 20.4% | 2,758 | 3,216 | 458 | 14.2% | 2,166 | 592 | 27.3% | | | |
| EBITDA | 626 | 982 | (356) | (36.3%) | 1,168 | (543) | (46.4%) | 2,722 | 2,683 | 39 | 1.5% | 3,766 | (1,044) | (27.7%) | | | |
| EBITDA % | 18.2% | 22.7% | | | | 27.4% | | | 20.3% | 18.9% | | | | 26.6% | | | |
| Bank allowable EBITDA add-backs | 89 | 14 | 75 | 542.2% | (224) | 313 | | 154 | 87 | 67 | 76.6% | (987) | 1,141 | (115.6%) | | | |
| Bank EBITDA | 715 | 996 | (281) | (28.2%) | 945 | (230) | (24.3%) | 2,876 | 2,770 | 106 | 3.8% | 2,779 | 97 | 0 | | | |
| (Standalone Costs) | (140) | – | (140) | – | (140) | (0) | (0) | (464) | – | (464) | 0.0% | (987) | 523 | (1) | | | |
| PF Adjusted EBITDA | 575 | 996 | (421) | (42.3%) | 945 | (369) | -39.1% | 2,412 | 2,770 | (358) | (12.9%) | 2,779 | (367) | (13.2%) | | | |
| Indicative % | 16.7% | 23.0% | | | | 22.2% | | | 18.0% | 19.5% | | | | 19.6% | | | |
| Net Income (Loss) | \$ (492) | \$ (246) | \$ (246) | 100.1% | \$ 704 | \$ (1,196) | 170.0% | \$ (2,084) | \$ (1,901) | #### | 9.6% | \$ 2,654 | \$ (4,738) | 178.5% | | | |

| \$'000 | MTD | | Var (Bud MTD) | | PY MTD | | Var (PY) | | YTD | | Var (Bud YTD) | | PY YTD | | Var (PY YTD) | | |
|--|--------|--------|---------------|----------|--------|--------|----------|----------|----------|---------|---------------|----------|--------|---------|--------------|----|---|
| | Act | Fcst | \$ | % | Act | \$ | % | Act | Bud | \$ | % | Act | \$ | % | Act | \$ | % |
| Opex Overview: | | | | | | | | | | | | | | | | | |
| Payroll (Payroll, OT, SS & Taxes, Temp Labor, Share Options) | \$ 316 | \$ 425 | 109 | 25.6% | \$ 271 | \$ 45 | 16.5% | \$ 1,152 | \$ 1,412 | \$ 260 | 18.4% | \$ 929 | \$ 224 | 24.1% | | | |
| Benefits (Medical, Dental, Life, AD&D & 401K) | 53 | 65 | 13 | 19.3% | 41 | 12 | 29.7% | 198 | 216 | \$ 17 | 8.1% | 147 | 51 | 34.5% | | | |
| Bonus | 86 | 86 | 0 | 0.0% | 40 | 46 | 114.6% | 344 | 344 | \$ 0 | 0.0% | 155 | 189 | 121.8% | | | |
| Marketing | 17 | 79 | 62 | 78.0% | 102 | (84) | (82.8%) | 256 | 318 | \$ 62 | 19.5% | 353 | (98) | (27.6%) | | | |
| Commissions | 6 | 7 | 1 | 9.6% | 11 | (5) | (43.7%) | 18 | 13 | \$ (5) | (41.8%) | 38 | (20) | (52.8%) | | | |
| Travel and Entertainment | (4) | 37 | 41 | 111.1% | 21 | (25) | (119.7%) | 50 | 122 | \$ 72 | 59.2% | 66 | (17) | (25.1%) | | | |
| Rent and Facilities | 1 | 9 | 8 | 90.5% | 17 | (17) | (95.1%) | 3 | 27 | \$ 23 | 86.9% | 85 | (81) | (95.9%) | | | |
| Insurance | 19 | 17 | (2) | (8.9%) | 5 | 14 | 279.4% | 65 | 62 | \$ (3) | (5.1%) | 16 | 49 | 304.9% | | | |
| Professional Fees | 87 | 31 | (56) | (183.9%) | 11 | 76 | 719.6% | 185 | 147 | \$ (38) | (25.8%) | 22 | 163 | 734.0% | | | |
| Utilities, Repairs, Maint. & Security | 3 | 3 | 0 | 9.2% | 8 | (5) | (64.5%) | 6 | 11 | \$ 6 | 51.3% | 24 | (19) | (76.9%) | | | |
| Office Supplies | 7 | 1 | (6) | (423.1%) | 7 | (0) | (6.1%) | 20 | 5 | \$ (16) | (333.8%) | 21 | (0) | (2.1%) | | | |
| IT | 38 | 60 | 22 | 37.2% | 37 | 1 | 2.7% | 159 | 290 | \$ 131 | 45.3% | 117 | 42 | 36.0% | | | |
| Bad Debt | 16 | 4 | (12) | (282.8%) | 6 | 10 | 177.0% | 28 | 15 | \$ (12) | (81.3%) | 15 | 13 | 86.6% | | | |
| Real Estate Taxes | 16 | 16 | 0 | 0.0% | 16 | 1 | 4.4% | 59 | 59 | \$ 0 | 0.0% | 56 | 2 | 4.4% | | | |
| Other Expenses | 78 | 48 | (30) | (62.9%) | 21 | 57 | 268.6% | 215 | 177 | \$ (39) | (22.0%) | 121 | 95 | 78.4% | | | |
| Total Opex | \$ 739 | \$ 889 | \$ 151 | 16.9% | \$ 614 | \$ 125 | 20.4% | \$ 2,758 | \$ 3,216 | \$ 458 | 14.2% | \$ 2,166 | \$ 592 | 27.3% | | | |

Management Discussion:

COGS

- Material % of revenue is slightly better than plan despite unforeseen changes in mix.
- DL is higher than plan due to the timing of orders coming through the plant and capacity constraints at certain work centers which drove some overtime.
- Other COGS is well below plan due to cost savings (furloughs, travel, and overhead cost reductions).

OPEX

- OPEX is favorable to plan due to furloughs, deferred hiring of open positions, three open commercial positions, and cost reductions partially offset by higher recruitment fees.

ADD-BACKS

- Add-backs relate to recruitment fees, Covid 19 sick pay, and the LBC bank admin fees.
- Pro Forma Adjusted EBITDA further reduces Bank EBITDA for all incomplete plan headcount additions and IT expenses.

Pro Forma Adjusted EBITDA

Infinity Summary P&L – Apr 2020

| \$'000 | MTD | | Var (Bud MTD) | | PY MTD | | Var (PY) | | YTD | | Var (Bud YTD) | | PY YTD | | Var (PY YTD) | | |
|---------------------------------|----------|--------|---------------|---------|--------|--------|----------|----------|----------|--------|---------------|----------|--------|---------|--------------|----|---|
| | Act | Bud | \$ | % | Act | \$ | % | Act | Bud | \$ | % | Act | \$ | % | Act | \$ | % |
| | | | | | | | | | | | | | | | | | |
| Gross Revenue | \$ 1,053 | \$ 813 | \$ 241 | 29.6% | \$ 777 | \$ 276 | 35.5% | \$ 3,706 | \$ 3,288 | \$ 418 | 12.7% | \$ 3,150 | \$ 556 | 17.7% | | | |
| Net Revenue | \$ 1,049 | \$ 797 | \$ 252 | 31.6% | \$ 767 | \$ 281 | 36.6% | \$ 3,655 | \$ 3,223 | \$ 432 | 13.4% | \$ 3,096 | \$ 559 | 18.1% | | | |
| Material | 524 | 376 | (148) | (39.5%) | 369 | (156) | (42.2%) | 1,812 | 1,537 | (275) | (17.9%) | 1,481 | 331 | 22.4% | | | |
| DM % | 50.0% | 47.2% | | | | | | | | | | | | | | | |
| Labor | 93 | 69 | (24) | (34.9%) | 73 | (20) | (27.8%) | 329 | 280 | (49) | (17.5%) | 303 | 26 | 8.5% | | | |
| DL % | 8.9% | 8.7% | | | | | | | | | | | | | | | |
| Other COGS | 152 | 147 | (5) | (3.6%) | 157 | 4 | 2.8% | 569 | 594 | 25 | 4.3% | 614 | (46) | (7.4%) | | | |
| Total COGS | \$ 770 | \$ 592 | (178) | (30.1%) | \$ 598 | (172) | (28.7%) | \$ 2,710 | \$ 2,412 | (298) | (12.4%) | \$ 2,399 | \$ 311 | 13.0% | | | |
| Gross Margin | 279 | 205 | 74 | 36.1% | 169 | 110 | 64.8% | 945 | 811 | 134 | 16.5% | 697 | 248 | 35.5% | | | |
| Gross Margin % | 26.6% | 25.7% | | | | | | | | | | | | | | | |
| R&D | – | – | – | 0 | – | – | 0 | – | – | – | – | – | – | – | N/A | | |
| Sales & Marketing | 62 | 33 | (29) | (87.3%) | 33 | 29 | 87.6% | 185 | 135 | (49) | (36.6%) | 113 | 71 | 62.8% | | | |
| Administrative | 113 | 117 | 5 | 3.9% | 96 | 16 | 17.0% | 426 | 415 | (10) | (2.5%) | 378 | 48 | 12.8% | | | |
| Other Opex | – | – | – | 0 | – | – | 0 | – | – | – | – | – | – | – | N/A | | |
| Total Opex | \$ 174 | \$ 150 | (24) | (16.1%) | \$ 129 | 45 | 34.9% | \$ 611 | \$ 551 | (60) | (10.9%) | \$ 491 | \$ 119 | 24.3% | | | |
| EBITDA | 105 | 55 | 50 | 90.8% | 40 | 65 | 161.2% | 334 | 261 | 74 | 28.2% | 206 | 128 | 62.1% | | | |
| EBITDA % | 10.0% | 6.9% | | | | | | | | | | | | | | | |
| Bank allowable EBITDA add-backs | 21 | 12 | 9 | 78.7% | – | 21 | | 33 | 24 | 9 | 39.6% | – | 33 | N/A | | | |
| Bank EBITDA | 126 | 67 | 59 | 88.6% | 40 | 86 | 214.7% | 368 | 285 | 83 | 29.2% | 206 | 162 | 78.4% | | | |
| (Standalone Costs) | – | – | – | 0 | – | – | 0 | – | – | – | 0.0% | – | – | 0.0% | | | |
| PF Adjusted EBITDA | 126 | 67 | 59 | 88.6% | 40 | 86 | 214.7% | 368 | 285 | 83 | 29.2% | 206 | 162 | 78.4% | | | |
| Indicative % | 12.0% | 8.4% | | | | | | | | | | | | | | | |
| Net Income (Loss) | \$ 93 | \$ 28 | \$ 65 | 228.5% | \$ 28 | \$ 66 | (238.6%) | \$ 236 | \$ 156 | \$ 80 | 51.2% | \$ 141 | \$ 94 | (67.0%) | | | |

| \$'000 | MTD | | Var (Bud MTD) | | PY MTD | | Var (PY) | | YTD | | Var (Bud YTD) | | PY YTD | | Var (PY YTD) | | |
|--|--------|--------|---------------|-----------|--------|------|----------|--------|--------|---------|---------------|--------|--------|---------|--------------|----|---|
| | Act | Fcst | \$ | % | Act | \$ | % | Act | Bud | \$ | % | Act | \$ | % | Act | \$ | % |
| | | | | | | | | | | | | | | | | | |
| Opex Overview: | | | | | | | | | | | | | | | | | |
| Payroll (Payroll, OT, SS & Taxes, Temp Labor, Share Options) | \$ 45 | \$ 42 | (3) | (6.8%) | \$ 46 | \$ 1 | (2.9%) | \$ 198 | \$ 169 | \$ (29) | (17.0%) | \$ 185 | \$ 13 | 7.2% | | | |
| Benefits (Medical, Dental, Life, AD&D & 401K) | 12 | 13 | 1 | 6.2% | 16 | (4) | (22.7%) | 51 | 52 | \$ 1 | 1.5% | 57 | (6) | (10.2%) | | | |
| Bonus | – | – | – | N/A | – | – | 0 | – | – | – | – | – | – | N/A | | | |
| Marketing | – | – | – | N/A | – | – | 0 | – | – | – | – | – | – | N/A | | | |
| Commissions | 33 | 11 | (21) | (186.1%) | 13 | 19 | 143.5% | 82 | 51 | \$ (31) | (61.4%) | 41 | 42 | 102.2% | | | |
| Travel and Entertainment | – | 1 | 1 | 100.0% | 2 | (2) | (100.0%) | 5 | 7 | \$ 1 | 21.9% | 69 | (64) | (92.3%) | | | |
| Rent and Facilities | 23 | 20 | (3) | (14.2%) | 17 | 5 | 31.4% | 77 | 74 | \$ (3) | (3.8%) | 4 | 73 | 1968.8% | | | |
| Insurance | 2 | 2 | – | 0.0% | 1 | 1 | 226.0% | 5 | 5 | \$ – | 0.0% | 3 | 2 | 68.7% | | | |
| Professional Fees | 43 | 45 | 2 | 3.7% | 18 | 25 | 137.2% | 119 | 120 | \$ 2 | 1.4% | 67 | 52 | 78.0% | | | |
| Utilities, Repairs, Maint. & Security | 0 | 1 | 0 | 40.5% | 1 | (0) | (28.6%) | 2 | 3 | \$ 0 | 12.3% | 3 | (1) | (26.5%) | | | |
| Office Supplies | 8 | 9 | 1 | 6.9% | 6 | 2 | 41.7% | 32 | 32 | \$ 1 | 1.8% | 25 | 7 | 28.8% | | | |
| IT | 6 | 6 | 0 | 3.3% | 4 | 2 | 37.4% | 24 | 24 | \$ 0 | 0.8% | 22 | 2 | 8.7% | | | |
| Bad Debt | – | – | – | N/A | – | – | 0 | – | – | – | – | – | – | N/A | | | |
| Real Estate Taxes | – | – | – | N/A | 3 | (3) | (100.0%) | 6 | 6 | \$ – | 0.0% | 11 | (5) | (43.0%) | | | |
| Other Expenses | 2 | 0 | (2) | (1965.1%) | 2 | (0) | (0.4%) | 8 | 6 | \$ (2) | (37.4%) | 5 | 3 | 64.3% | | | |
| Total Opex | \$ 174 | \$ 150 | (24) | (16.1%) | \$ 129 | 45 | 34.9% | \$ 611 | \$ 551 | \$ (60) | (10.9%) | \$ 491 | \$ 119 | 24.3% | | | |

Management Discussion:

COGS

- DM is higher than plan due to unfavorable mix, which has been the trend all year. Early analysis indicates that this is a result of higher volume of release liner and certain double-sided tape products.
- DL is in line with Plan as a % of revenue after adjusting for Covid sick pay.
- Other COGS is slightly higher than plan, but this is largely due to higher volume.

OPEX

- Sales and Marketing is higher than plan due to commissions on higher revenue.

ADD-BACKS

- CI Consultant was added back as per plan

Consolidated Summary P&L – Apr 2020

| \$'000 | MTD | | Var (Bud MTD) | | PY MTD | | Var (PY) | | YTD | | Var (Bud YTD) | | PY YTD | | Var (PY YTD) | | |
|--|----------|----------|---------------|----------|----------|------------|----------|------------|------------|----------|---------------|-----------|------------|----------|--------------|----|---|
| | Act | Bud | \$ | % | Act | \$ | % | Act | Bud | \$ | % | Act | \$ | % | Act | \$ | % |
| Gross Revenue | \$ 4,499 | \$ 5,145 | \$ (646) | (12.5%) | \$ 5,012 | \$ (514) | (10.2%) | \$ 17,116 | \$ 17,515 | \$ (399) | (2.3%) | \$ 17,351 | \$ (235) | (1.4%) | | | |
| Net Revenue | 4,489 | 5,118 | (629) | (12.3%) | 5,026 | (537) | (10.7%) | 17,043 | 17,411 | (368) | (2.1%) | 17,245 | (203) | (1.2%) | | | |
| Material | 1,641 | 1,788 | 146 | 8.2% | 1,853 | 211 | 11.4% | 6,101 | 6,110 | 9 | 0.1% | 6,339 | (239) | (3.8%) | | | |
| DM % | 36.6% | 34.9% | | | 36.9% | | | 35.8% | 35.1% | | | 36.8% | | | | | |
| Labor | 546 | 540 | (6) | (1.1%) | 515 | (31) | (6.1%) | 1,977 | 2,005 | 29 | 1.4% | 1,898 | 78 | 4.1% | | | |
| DL % | 12.2% | 10.6% | | | 10.2% | | | 11.6% | 11.5% | | | 11.0% | | | | | |
| Other COGS | 658 | 714 | 55 | 7.8% | 707 | 49 | 7.0% | 2,541 | 2,586 | 45 | 1.7% | 2,379 | 162 | 6.8% | | | |
| Total COGS | 2,846 | 3,042 | 196 | 6.4% | 3,075 | 229 | 7.5% | 10,618 | 10,701 | 83 | 0.8% | 10,616 | 1 | 0.0% | | | |
| Gross Margin | 1,643 | 2,076 | (433) | (20.9%) | 1,951 | (308) | (15.8%) | 6,425 | 6,710 | (285) | (4.3%) | 6,629 | (204) | (3.1%) | | | |
| Gross Margin % | 36.6% | 40.6% | | | 38.8% | | | 37.7% | 38.5% | | | 38.4% | | | | | |
| R&D | 18 | 37 | 19 | 51.4% | 31 | (13) | (41.5%) | 70 | 143 | 73 | 50.9% | 104 | (34) | (32.7%) | | | |
| Sales & Marketing | 423 | 510 | 87 | 17.1% | 437 | (15) | (3.4%) | 1,577 | 1,767 | 190 | 10.7% | 1,549 | 29 | 1.8% | | | |
| Administrative | 472 | 492 | 20 | 4.1% | 274 | 198 | 72.1% | 1,723 | 1,857 | 135 | 7.3% | 1,004 | 718 | 71.5% | | | |
| Other Opex | – | – | – | 0 | – | – | 0 | (1) | – | 1 | – | – | (1) | N/A | | | |
| Total Opex | 913 | 1,039 | 127 | 12.2% | 743 | 170 | 22.9% | 3,368 | 3,767 | 398 | 10.6% | 2,657 | 712 | 26.8% | | | |
| EBITDA | 730 | 1,037 | (307) | (29.6%) | 1,209 | (478) | (39.6%) | 3,057 | 2,943 | 113 | 3.8% | 3,972 | (916) | (23.1%) | | | |
| EBITDA % | 16.3% | 20.3% | | | 24.0% | | | 17.9% | 16.9% | | | 23.0% | | | | | |
| Bank allowable EBITDA add-backs | 111 | 26 | 85 | 327.4% | (224) | 335 | | 187 | 111 | 76 | 68.6% | (987) | 1,174 | (119.0%) | | | |
| Bank EBITDA | 841 | 1,063 | (222) | (20.9%) | 985 | (144) | (14.6%) | 3,244 | 3,054 | 189 | 6.2% | 2,985 | 259 | 0 | | | |
| | 18.7% | 20.8% | | | 19.6% | | | 19.0% | | | | | | 17.3% | | | |
| (Standalone Costs) | (140) | (0) | (140) | N/A | (82) | (58) | (0) | (464) | (58) | (406) | 700.3% | (302) | (161) | 1 | | | |
| PF Adjusted EBITDA | 701 | 1,063 | (362) | (34.0%) | 903 | (201) | -22.3% | 2,780 | 2,997 | (217) | (7.2%) | 2,683 | 97 | 3.6% | | | |
| Indicative % | 15.6% | 20.8% | | | 18.0% | | | 16.3% | 17.2% | | | 15.6% | | | | | |
| Net Income (Loss) | \$ (399) | \$ (218) | \$ (181) | 83.3% | \$ 731 | \$ (1,130) | 154.6% | \$ (1,848) | \$ (1,746) | \$ (102) | 5.9% | \$ 2,796 | \$ (4,643) | 166.1% | | | |
| \$'000 | MTD | | Var (Bud MTD) | | PY MTD | | Var (PY) | | YTD | | Var (Bud YTD) | | PY YTD | | Var (PY YTD) | | |
| | Act | Fcst | \$ | % | Act | \$ | % | Act | Bud | \$ | % | Act | \$ | % | Act | \$ | % |
| Opex Overview: | | | | | | | | | | | | | | | | | |
| Payroll (Payroll, OT, SS & Taxes, Temp Labor, Share Options) | \$ 361 | \$ 467 | 106 | 22.7% | \$ 317 | \$ 43 | 13.7% | \$ 1,350 | \$ 1,582 | \$ 231 | 14.6% | \$ 1,113 | \$ 237 | 21.3% | | | |
| Benefits (Medical, Dental, Life, AD&D & 401K) | 65 | 78 | 13 | 17.1% | 56 | 8 | 15.0% | 249 | 268 | \$ 18 | 6.8% | 205 | 45 | 22.0% | | | |
| Bonus | 86 | 86 | 0 | 0.0% | 40 | 46 | 114.6% | 344 | 344 | \$ 0 | 0.0% | 155 | 189 | 121.8% | | | |
| Marketing | 17 | 79 | 62 | 78.0% | 102 | (84) | (82.8%) | 256 | 318 | \$ 62 | 19.5% | 353 | (98) | (27.6%) | | | |
| Commissions | 39 | 18 | (21) | (113.0%) | 24 | 15 | 59.4% | 101 | 64 | \$ (37) | (57.4%) | 79 | 21 | 27.1% | | | |
| Travel and Entertainment | (4) | 39 | 43 | 110.7% | 23 | (27) | (118.0%) | 55 | 129 | \$ 74 | 57.3% | 135 | (80) | (59.3%) | | | |
| Rent and Facilities | 23 | 29 | 5 | 18.2% | 35 | (11) | (32.2%) | 80 | 101 | \$ 20 | 20.1% | 88 | (8) | (9.0%) | | | |
| Insurance | 21 | 19 | (2) | (8.1%) | 6 | 15 | 273.8% | 71 | 67 | \$ (3) | (4.7%) | 19 | 51 | 265.3% | | | |
| Professional Fees | 130 | 75 | (55) | (72.4%) | 29 | 101 | 351.6% | 304 | 267 | \$ (36) | (13.6%) | 89 | 215 | 241.7% | | | |
| Utilities, Repairs, Maint. & Security | 3 | 4 | 1 | 15.5% | 9 | (5) | (61.8%) | 8 | 14 | \$ 6 | 44.1% | 27 | (19) | (71.1%) | | | |
| Office Supplies | 15 | 10 | (5) | (50.1%) | 13 | 2 | 14.7% | 52 | 37 | \$ (15) | (40.8%) | 46 | 7 | 14.6% | | | |
| IT | 44 | 66 | 23 | 34.1% | 41 | 3 | 6.3% | 183 | 314 | \$ 131 | 41.8% | 139 | 44 | 31.6% | | | |
| Bad Debt | 16 | 4 | (12) | (282.8%) | 6 | 10 | 177.0% | 28 | 15 | \$ (12) | (81.3%) | 15 | 13 | 86.6% | | | |
| Real Estate Taxes | 16 | 16 | 0 | 0.0% | 18 | (2) | (10.8%) | 65 | 65 | \$ 0 | 0.0% | 67 | (2) | (3.4%) | | | |
| Other Expenses | 80 | 48 | (32) | (67.2%) | 23 | 57 | 243.0% | 223 | 182 | \$ (41) | (22.5%) | 125 | 98 | 77.8% | | | |
| Total Opex | \$ 913 | \$ 1,039 | \$ 127 | 12.2% | \$ 743 | \$ 170 | 22.9% | \$ 3,368 | \$ 3,767 | \$ 398 | 10.6% | \$ 2,657 | \$ 712 | 26.8% | | | |

Management Discussion:

COGS

- Material costs were higher in the month due to higher material costs at Infinity.
- Direct Labor is higher than plan due to timing of volume at Duraco, overtime at constrained work centers, and Covid pay.

OPEX

- OPEX is favorable to plan due largely to timing of headcount additions, furloughs at Duraco, other cost savings, and IT expenses, partially offset by recruitment fees and higher commission costs at Infinity as a result of higher revenue

ADD-BACKS

- Add-backs relate to recruitment fees, Covid 19 sick pay, and the LBC bank admin fees.

Pro Forma Adjusted EBITDA

- PF Adj EBITDA further reduces Bank EBITDA for all incomplete plan headcount additions and IT expenses.

Consolidated Balance Sheet

| \$'000 | Mar-20 | | Variance | | Feb-20 | | Variance | | PY | | Variance | |
|---|------------------|------------------|------------------|---------------|------------------|-----------------|---------------|------------------|------------------|----------------|----------|---|
| | Act | Bud | \$ | % | Act | \$ | % | Act | \$ | % | Act | % |
| Current Assets | | | | | | | | | | | | |
| Cash and cash equivalents | \$ 5,513 | \$ 511 | \$ 5,002 | 979.2% | \$ 1,659 | \$ 3,854 | 232.2% | \$ 3,423 | \$ 2,091 | 61.1% | | |
| Short term investments | — | — | 0 | 0 | — | — | 0 | — | — | 0 | | |
| <i>Accounts receivable, gross</i> | 7,330 | 6,726 | 604 | 9.0% | 6,731 | 598 | 8.9% | 6,288 | 1,042 | 16.6% | | |
| <i>Accounts receivable, reserves</i> | (142) | (130) | (13) | 9.9% | (140) | (3) | 1.9% | (101) | (41) | 40.7% | | |
| <i>Accounts receivable, net</i> | 7,187 | 6,596 | 591 | 9.0% | 6,592 | 596 | 9.0% | 6,187 | 1,000 | 16.2% | | |
| <i>Inventory, gross</i> | 7,189 | 7,474 | (285) | (3.8%) | 7,503 | (314) | (4.2%) | 7,788 | (599) | (7.7%) | | |
| <i>Inventory, reserves</i> | (1,041) | (988) | (54) | 5.5% | (1,026) | (15) | 1.5% | (971) | (70) | 7.2% | | |
| <i>Inventory, net</i> | 6,148 | 6,486 | (338) | (5.2%) | 6,477 | (329) | (5.1%) | 6,816 | (669) | (9.8%) | | |
| Prepaid expenses and other current assets | 327 | 332 | (5) | (1.5%) | 385 | (58) | (15.0%) | 204 | 123 | 60.1% | | |
| Current portion of deferred taxes | — | — | 0 | 0 | — | — | 0 | — | — | 0 | | |
| Other current assets | — | — | 0 | 0 | — | — | 0 | 4,275 | (4,275) | (100.0%) | | |
| Total Current Assets | 19,175 | 13,925 | 5,250 | 37.7% | 15,113 | 4,063 | 26.9% | 20,906 | (1,730) | (8.3%) | | |
| Non-Current Assets | | | | | | | | | | | | |
| Property, plant & equipment, gross | 14,605 | 14,844 | (239) | (1.6%) | 14,564 | 41 | 0.3% | 24,915 | (10,311) | (41.4%) | | |
| Accumulated depreciation | (2,378) | (2,382) | 4 | (0.1%) | (2,298) | (80) | 3.5% | (11,071) | 8,693 | (78.5%) | | |
| Property, plant & equipment, net | 12,227 | 12,462 | (236) | (1.9%) | 12,266 | (40) | (0.3%) | 13,844 | (1,618) | (11.7%) | | |
| Identifiable intangible assets, gross | 4,694 | 4,606 | 88 | 1.9% | 4,694 | — | 0.0% | 700 | 3,994 | 570.4% | | |
| Accumulated amortization | (4,310) | (4,310) | — | 0.0% | (3,831) | (479) | 12.5% | (16,922) | 12,612 | (74.5%) | | |
| Identifiable intangible assets, net | 57,854 | 57,766 | 88 | 0.2% | 58,333 | (479) | (0.8%) | 36,272 | 21,582 | 59.5% | | |
| Deferred financing cost | — | — | 0 | 0 | — | — | 0 | — | — | 0 | | |
| Other non-current assets | 5,234 | — | 5,234 | 0 | 5,234 | — | 0.0% | — | 5,234 | 0 | | |
| Total Non-Current Assets | 75,315 | 70,228 | 5,087 | 7.2% | 75,834 | (519) | (0.7%) | 50,117 | 25,198 | 50.3% | | |
| Total Assets | \$ 94,490 | \$ 84,153 | \$ 10,337 | 12.3% | \$ 90,947 | \$ 3,544 | 3.9% | \$ 71,022 | \$ 23,468 | 33.0% | | |
| Current Liabilities | | | | | | | | | | | | |
| Current portion of long-term debt | 1,100 | \$ 1,039 | \$ 61 | 5.9% | \$ 1,462 | \$ — | 0.0% | \$ — | \$ 1,100 | 0 | | |
| Notes Payable | 7,794 | 794 | 7,000 | 881.9% | 3,318 | 4,476 | 134.9% | — | 7,794 | 0 | | |
| Accounts payable | 3,084 | 2,856 | 227 | 8.0% | 2,736 | 347 | 12.7% | 2,601 | 482 | 18.5% | | |
| Accrued liabilities | 2,247 | 1,636 | 611 | 37.3% | 2,542 | (295) | (11.6%) | 1,374 | 873 | 63.5% | | |
| Accrued compensation | — | — | 0 | 0 | — | — | 0 | — | — | 0 | | |
| Income taxes payable | 0 | (146) | 146 | (100.1%) | 0 | — | 0.0% | 5,892 | (5,892) | (100.0%) | | |
| Other current liabilities | 263 | 277 | (14) | (5.1%) | 263 | — | 0.0% | — | 263 | 0 | | |
| Total Current Liabilities | 14,488 | 6,456 | 8,031 | 124.4% | 10,321 | 4,167 | 40.4% | 9,867 | 4,620 | 46.8% | | |
| Long-term liabilities | | | | | | | | | | | | |
| Long-term debt less current maturities | 41,579 | 39,640 | 1,940 | 4.9% | 41,638 | (58) | (0.1%) | — | 41,579 | 0 | | |
| Deferred income taxes | — | — | 0 | 0 | — | — | 0 | — | — | 0 | | |
| Other non-current liabilities | 966 | 1,012 | (46) | (4.6%) | 967 | (1) | (0.1%) | — | 966 | 0 | | |
| Total Long-Term Liabilities | 42,546 | 40,652 | 1,894 | 4.7% | 42,605 | (59) | (0.1%) | — | 42,546 | 0 | | |
| Total Liabilities | 57,033 | 47,108 | 9,925 | 21.1% | 52,926 | 4,107 | 7.8% | 9,867 | 47,166 | 478.0% | | |
| Shareholders' Equity | | | | | | | | | | | | |
| Common stock | 43,501 | 43,501 | — | 0.0% | 43,501 | — | 0.0% | 391 | 43,110 | 11028.4% | | |
| Capital in excess of stated value | — | — | 0 | 0 | — | — | 0 | — | — | 0 | | |
| Retained earnings | (6,044) | (6,456) | 412 | (6.4%) | (5,481) | (563) | 10.3% | 59,156 | (65,200) | (110.2%) | | |
| Accumulated other comprehensive income | — | — | 0 | 0 | — | — | 0 | 1,855 | (1,855) | (100.0%) | | |
| Other equity transactions | — | — | 0 | 0 | — | — | 0 | (246) | 246 | (100.0%) | | |
| Total Shareholders' Equity | 37,457 | 37,045 | 412 | 1.1% | 38,021 | (563) | (1.5%) | 61,155 | (23,698) | (38.8%) | | |
| Total Liabilities and Shareholders' Equity | \$ 94,490 | \$ 84,153 | \$ 10,337 | 12.3% | \$ 90,947 | \$ 3,544 | 3.9% | \$ 71,022 | \$ 23,468 | 33.0% | | |

Management Discussion:

- Excluding the \$4.2m revolver draw, cash is higher than budget due to higher EBITDA in the previous periods and lower restructuring costs (timing).
- A/R, after accounting for higher revenue, is higher than plan due to timing at the end of the quarter. Cash improved in the first week of April.
- Inventory continues to be lower than plan and PY. This trend should continue for the remainder of the year.
- Accounts payable is higher due to an increase in restructuring bills (largely the ERP system).
- Depreciation and Amortization are both higher than plan due to some last-minute valuation changes with purchase accounting that were not reflected in the plan.

Consolidated Cashflow Statement

| \$'000 | MTD | | Variance | | PY-MTD | | Variance | | YTD | | Variance | | PY YTD | | Variance | | |
|--|-------------------|-----------------|-------------------|------------------|-------------------|-------------------|-----------------|-------------------|-----------------|-------------------|------------------|---------------------|-----------------------|---------------------|---------------|----|---|
| | Act | Bud | \$ | % | Act | \$ | % | Act | Bud | \$ | % | Act | \$ | % | Act | \$ | % |
| Cash flow from operations | | | | | | | | | | | | | | | | | |
| Net Income (Loss) | \$ (399) | \$ (218) | (181) | 83.3% | \$ — | \$ (399) | 0 | \$ (1,848) | \$ (1,746) | \$ (102) | 5.9% | \$ 1,124,903 | \$ (1,126,751) | (100.2%) | | | |
| Depreciation, amortization and other | 560 | 560 | (1) | (0.1%) | — | 560 | 0 | 2,258 | 2,261 | (2) | (0.1%) | 215,669 | (213,411) | (99.0%) | | | |
| Capitalized fees & expenses | 21 | 19 | 1 | 6.1% | — | 21 | 0 | 81 | 78 | 4 | 4.6% | — | 81 | | | | |
| Gain (loss) on sale of fixed assets | — | — | — | — | — | — | 0 | 8 | — | 8 | 0 | — | 8 | | | | |
| Non-cash interest expense | 237 | 268 | (31) | (11.7%) | — | 237 | 0 | 1,030 | 1,062 | (32) | (3.0%) | 4,293 | (3,263) | (76.0%) | | | |
| Non-cash dividends | — | — | — | — | (1,564) | 1,564 | (100.0%) | — | — | — | — | 20,577 | (20,577) | (100.0%) | | | |
| Deferred income tax | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | |
| Change in operating assets and liabilities: | | | | | | | | | | | | | | | | | |
| Accounts receivable | 354 | (642) | 996 | (155.1%) | (842) | 1,196 | (142.0%) | (40) | (756) | 716 | (94.7%) | 122,697 | (122,737) | (100.0%) | | | |
| Inventory | (157) | (5) | (152) | 3039.4% | 91 | (248) | (271.8%) | 260 | 74 | 186 | 252.1% | (18,489) | 18,749 | (101.4%) | | | |
| Prepaid expenses and other current assets | (233) | (181) | (52) | 28.9% | (891) | 658 | (73.8%) | (227) | (180) | (48) | 26.5% | (441,171) | 440,944 | (99.9%) | | | |
| Accounts payable | (129) | (73) | (56) | 76.4% | 300 | (430) | (143.1%) | 33 | (73) | 106 | (145.6%) | 45,162 | (45,129) | (99.9%) | | | |
| Accrued expenses | (50) | (76) | 26 | (34.3%) | 92 | (142) | (153.8%) | (92) | (484) | 392 | (81.0%) | (300,026) | 299,934 | (100.0%) | | | |
| Accrued income taxes | — | (57) | 57 | (100.0%) | — | — | — | — | (534) | 534 | (100.0%) | (307,863) | 307,863 | (100.0%) | | | |
| Other changes in operating assets and liabilities | — | — | — | — | (858) | 858 | (100.0%) | (63) | — | (63) | — | — | (63) | | | | |
| Other cash flow from operations | — | — | — | — | — | — | — | (1) | — | (1) | — | — | (1) | | | | |
| Total Cash Flow from Operations | \$ 202 | \$ (404) | \$ 607 | (150.1%) | \$ (2,414) | \$ 2,617 | (108.4%) | \$ 1,400 | \$ (298) | \$ 1,697 | (569.9%) | \$ 465,754 | \$ (464,354) | (99.7%) | | | |
| Cash flow from investing | | | | | | | | | | | | | | | | | |
| Additions to property, plant and equipment | \$ (38) | \$ (20) | \$ (18) | 91.6% | \$ 1,562 | \$ (1,600) | (102.5%) | \$ (436) | \$ (648) | \$ 213 | (32.8%) | \$ — | \$ (436) | | | | |
| Acquisitions of companies, net of cash acquired | — | — | — | — | — | — | — | (5,095) | — | (5,095) | — | — | (5,095) | | | | |
| Investment in intangibles | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | |
| Earnout payments | (22) | (22) | — | 0.0% | — | (22) | — | (43) | (43) | — | 0.0% | — | (43) | | | | |
| Other cash flow from investing (goodwill) | — | — | — | — | — | — | — | — | — | — | — | (13,557) | 13,557 | (100.0%) | | | |
| Total Cash Flow from Investing | \$ (60) | \$ (42) | \$ (18) | | \$ 1,562 | \$ (1,622) | (103.8%) | \$ (5,574) | \$ (691) | \$ (4,883) | 706.1% | \$ — | \$ (5,574) | | | | |
| Cash flow from financing | | | | | | | | | | | | | | | | | |
| Proceeds from the issuance (repayment) of ST | \$ — | \$ 1,100 | \$ (1,100) | (100.0%) | \$ — | \$ — | — | \$ 2,800 | \$ 1,100 | \$ 1,700 | 154.5% | \$ — | \$ 2,800 | | | | |
| Proceeds from the issuance of debt | — | — | — | — | — | — | — | 6,200 | 0 | 6,200 | 3874999986.6% | — | 6,200 | | | | |
| Repayment of debt | (1,076) | (1,053) | (23) | 2.2% | — | (1,076) | — | (1,496) | (1,474) | (22) | 1.5% | — | (1,496) | | | | |
| Capital lease | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | |
| Common stock issued (repurchased) | — | — | — | — | 222 | (222) | (100.0%) | (3) | — | (3) | — | — | (3) | | | | |
| Common stock cash dividends paid | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | |
| Preferred stock issued (repurchased) | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | |
| Other cash flow from financing costs | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | |
| Total Cash Flow from Financing | \$ (1,076) | \$ 47 | \$ (1,123) | (2408.4%) | \$ 222 | \$ (1,298) | (585.4%) | \$ 7,501 | \$ (374) | \$ 7,875 | (2103.5%) | \$ — | \$ 7,501 | | | | |
| Effect of FX rates on cash and cash equivalents | \$ — | \$ — | \$ — | | \$ (98) | \$ 98 | (100.0%) | \$ (422) | \$ (200) | \$ (222) | 111.0% | \$ (23,071) | \$ 22,649 | \$ (1) | | | |
| Net change in cash | \$ (934) | \$ (400) | \$ (534) | | 133.7% | \$ (728) | \$ (206) | 28.3% | \$ 2,904 | \$ (1,564) | \$ 4,468 | (285.7%) | \$ 429,126 | \$ (426,222) | \$ (1) | | |
| Beginning cash | 5,513 | 511 | 5,002 | 979.2% | 2,096 | 3,417 | 163.0% | 11,053 | 4,906 | 6,147 | 125.3% | 2,993,443 | (2,982,391) | (1) | | | |
| Change in cash | (934) | (400) | (534) | 133.7% | (728) | (206) | 28.3% | 2,904 | (1,564) | 4,468 | (285.7%) | 429,126 | (426,222) | (1) | | | |
| Ending cash | \$ 4,579 | \$ 111 | \$ 4,468 | 4012.9% | \$ 1,368 | \$ 3,211 | 234.8% | \$ 13,957 | \$ 3,343 | \$ 10,615 | 317.5% | \$ 3,422,569 | \$ (3,408,612) | \$ (1) | | | |

Management Discussion:

- Operating cashflow was better than plan due largely to the decrease in A/R partially offset by higher inventory
- \$1.1m Q1 debt payment was completed on March 31 (which is in fiscal April for Duraco).
- \$22k deferred comp payment is on the Earnout line in the investing section of the statement.

Debt Leverage Ratios – April 2020

May 19 Jun 19 Jul 19 Aug 19 Sep 19 Oct 19 Nov 19 Dec 19 Jan 20 Feb 20 Mar 20 Apr 20

Bank EBITDA Calculation

| | \$778 | \$868 | \$945 | \$1,062 | \$999 | \$1,629 | \$971 | \$533 | \$713 | \$825 | \$864 | \$841 |
|--|----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Consolidated TTM Bank EBITDA | \$10,005 | \$10,049 | \$10,045 | \$10,190 | \$10,378 | \$10,803 | \$10,853 | \$10,603 | \$10,796 | \$10,995 | \$11,172 | \$11,028 |
| Fixed Charge Coverage Ratio (Section 6.1) | | | | | | | | | | | | |
| Bank EBITDA | \$778 | \$868 | \$945 | \$1,062 | \$999 | \$1,629 | \$971 | \$533 | \$713 | \$825 | \$864 | \$841 |
| i - Unfinanced Capital Expenditures | \$ 30 | \$ 33 | \$ 14 | \$ 14 | \$ 63 | \$ 80 | \$ 242 | \$ 60 | \$ 39 | \$ 330 | \$ 42 | \$ 42 |
| ii - Management Fees paid or incurred | \$ 83 | \$ 83 | \$ 83 | \$ 83 | \$ 83 | \$ 83 | \$ 83 | \$ 83 | \$ 83 | \$ 83 | \$ 83 | \$ 83 |
| iii - Income/franchise taxes paid or incurred | - | - | - | - | - | - | - | - | - | - | - | - |
| iv - Restricted Distributions paid in cash | - | - | - | - | - | - | - | - | - | - | - | - |
| v - Contingent Purchase Price Obligations paid in cash | - | - | - | - | - | - | - | - | - | - | - | - |
| Operating Cash Flow (Numerator) | \$664 | \$751 | \$848 | \$965 | \$853 | \$1,465 | \$646 | \$389 | \$591 | \$411 | \$739 | \$716 |
| Interest Expense Less: Interest Received | \$ 285 | \$ 285 | \$ 285 | \$ 285 | \$ 285 | \$ 285 | \$ 285 | \$ 285 | \$ 285 | \$ 285 | \$ 285 | \$ 285 |
| a Net Cash Interest | \$285 | \$285 | \$285 | \$285 | \$285 | \$285 | \$285 | \$285 | \$285 | \$285 | \$285 | \$285 |
| b Regularly scheduled principal payments | \$ - | \$ 278 | \$ - | \$ - | \$ 278 | \$ - | \$ 278 | \$ - | \$ - | \$ - | \$ 278 | \$ - |
| Fixed Charges (Denominator) | \$ 285 | \$ 563 | \$ 285 | \$ 285 | \$ 285 | \$ 563 | \$ 285 | \$ 563 | \$ 285 | \$ 285 | \$ 563 | \$ 285 |
| TTM Numerator | \$ 8,392 | \$ 8,362 | \$ 8,387 | \$ 8,561 | \$ 8,729 | \$ 9,117 | \$ 8,968 | \$ 8,701 | \$ 8,943 | \$ 8,900 | \$ 9,123 | \$ 9,039 |
| TTM Denominator | \$ 3,678 | \$ 4,240 | \$ 4,240 | \$ 4,240 | \$ 4,240 | \$ 4,518 | \$ 4,518 | \$ 4,530 | \$ 4,530 | \$ 4,530 | \$ 4,530 | \$ 4,530 |
| Fixed Charge Coverage Ratio | N/A | N/A | N/A | N/A | 2.06 | 2.02 | 1.99 | 1.92 | 1.97 | 1.96 | 2.01 | 2.00 |
| Covenant Status | Pass | | | | 1.10 | Pass | | | | 1.10 | 1.10 | 1.10 |
| Total Debt to EBITDA Ratio (Section 6.2) | | | | | | | | | | | | |
| + Outstanding amount of Revolving Loans | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 4,200 | \$ 7,000 | \$ 7,000 |
| + Outstanding Principal Balance - Term Loan | - | \$ 42,474 | \$ 42,474 | \$ 42,474 | \$ 42,474 | \$ 41,359 | \$ 41,359 | \$ 41,099 | \$ 41,099 | \$ 43,099 | \$ 42,679 | \$ 42,397 |
| + Outstanding Principal Balance - Other Debt | - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,300 | \$ 1,300 | \$ 1,300 |
| - Qualified Cash | - | (765) | (1,366) | (1,922) | (2,353) | (1,165) | (1,528) | (1,609) | (2,078) | (1,445) | (3,000) | (3,000) |
| Bank Debt | \$ - | \$ 41,709 | \$ 41,108 | \$ 40,552 | \$ 40,121 | \$ 40,194 | \$ 39,831 | \$ 39,490 | \$ 39,021 | \$ 47,155 | \$ 47,979 | \$ 47,697 |
| Consolidated TTM Bank EBITDA | \$10,005 | \$10,049 | \$10,045 | \$10,190 | \$10,378 | \$10,803 | \$10,853 | \$10,603 | \$10,796 | \$10,995 | \$11,172 | \$11,028 |
| Leverage Ratio | N/A | 4.15 | 4.09 | 3.98 | 3.87 | 3.72 | 3.67 | 3.72 | 3.61 | 4.29 | 4.29 | 4.33 |
| Maximum Permitted Total Debt to EBITDA Ratio for the defined period. | Pass | | | | 6.25 | Pass | | | | 6.25 | Pass | |
| Status | Pass | | | | Pass | Pass | | | | Pass | Pass | |

Management Discussion:

- Duraco is well within all covenants.
- The line items have been annualized per page 10 of Exhibit C of the amended credit agreement.
 - Interest Payments
 - Scheduled payments of principal
 - Management Fees
 - Cash Taxes paid
- We can pay down some of the revolver to lower the leverage ratio as qualified cash is capped at \$3m.
 - When calculated after paying down the revolver to maximize the cap, the leverage ratio is 4.19.

Consolidated OPEX Detail

\$'000

| | YTD | | | Explanation of Variance | | | | Variance Impact | | |
|--|--------------|--------------|---------------------|-------------------------|--------|-----------------------|-------|---------------------------|-----------------------|------------------------------|
| | Act | Bud | Variance B / (W) | One-Time / | | Change in Run-rate | Other | Total Variance B / (W) | YoY Impact B / (W) | Annualized Impact B / (W) |
| | | | | Non-recurring | Timing | | | | | |
| Payroll (Payroll, OT, SS & Taxes, Temp Labor, Share Options) | 1,350 | 1,582 | 231 | | 231 | | | 231 | - | - |
| Benefits (Medical, Dental, Life, AD&D & 401K) | 249 | 268 | 18 | | | | | - | - | - |
| Bonus | 344 | 344 | 0 | | | | | - | - | - |
| Marketing | 256 | 318 | 62 | | | | | - | - | - |
| Commissions | 101 | 64 | (37) | | | | | - | - | - |
| Travel and Entertainment | 55 | 129 | 74 | | 74 | | | 74 | - | - |
| Rent and Facilities | 80 | 101 | 20 | | | | | - | - | - |
| Insurance | 71 | 67 | (3) | | | | | - | - | - |
| Professional Fees | 304 | 267 | (36) | | (36) | | | (36) | (36) | (217) |
| Utilities, Repairs, Maint. & Security | 8 | 14 | 6 | | | | | - | - | - |
| Office Supplies | 52 | 37 | (15) | | | | | - | - | - |
| IT | 183 | 314 | 131 | | 131 | | | 131 | 131 | 788 |
| Bad Debt | 28 | 15 | (12) | | | | | - | - | - |
| Real Estate Taxes | 65 | 65 | 0 | | | | | - | - | - |
| Other Expenses | 223 | 182 | (41) | | | | | - | - | - |
| Total Opex | 3,368 | 3,767 | 398 | - | 400 | - | - | 400 | 95 | 571 |

Management Discussion:

One-time costs

\$'000

| | Act (06/19 - 04/20) | Fcst (06/19-04/20) | Variance F/(U) | Explanation of Variance | | | | | | | | |
|------------------------------------|------------------------|-----------------------|-------------------|-----------------------------|---------------|-----------------------|-------------|----------------------------------|---------------------------------|-------------------------|---------------------|----------------------------|
| | | | | One-Time / Non-recurring | Timing | Change in Run-rate | Other | Original Fcst (06/19 - 06/20) | Updated Fcst (06/19 - 06/20) | Total Variance F/(U) | YoY Impact F/(U) | Annualized Impact F/(U) |
| Transaction Serves Agreement (TSA) | \$ 919 | \$ 808 | \$ (111) | \$ (111) | \$ 1 | \$ – | \$ – | \$ 791 | \$ 973 | \$ (182) | \$ (182) | \$ (1,092.00) |
| Opening Balance Sheet audit | 4 | 5 | 1 | \$ – | \$ 1 | \$ – | \$ – | 12 | 8 | 4 | 4 | 24 |
| Asset Valuation Report | 34 | 40 | 6 | \$ – | \$ 6 | \$ – | \$ – | 40 | 30 | 10 | 10 | 60 |
| ERP Implementation | 224 | 465 | 241 | \$ – | \$ 241 | \$ – | \$ – | 550 | 490 | 60 | 60 | 360 |
| Website Build | 220 | 340 | 120 | \$ – | \$ 120 | \$ – | \$ – | 350 | 350 | – | – | – |
| Data Analytics Platform | 86 | 160 | 74 | \$ – | \$ 74 | \$ – | \$ – | 160 | 106 | 54 | – | – |
| IT System Upgrade | 149 | 300 | 151 | \$ – | \$ 151 | \$ – | \$ – | 300 | 352 | (52) | (52) | (312) |
| Supply Chain Specialist | 60 | 60 | – | \$ – | \$ – | \$ – | \$ – | 60 | 60 | – | – | (60) |
| Pricing Specialist | – | – | – | \$ – | \$ – | \$ – | \$ – | – | – | – | – | – |
| Sales Force Efficiency Specialist | 144 | 120 | (24) | \$ – | \$ (24) | \$ – | \$ – | 134 | 119 | 15 | 15 | 90 |
| MOR Setup | 50 | 65 | 15 | \$ – | \$ 15 | \$ – | \$ – | 40 | 37 | 3 | 3 | 18 |
| HR Specialist | 117 | 200 | 83 | \$ – | \$ 83 | \$ – | \$ – | 147 | 122 | 25 | 25 | 150 |
| Interim CFO Support Services | 171 | 187 | 15 | \$ – | \$ 15 | \$ – | \$ – | 171 | 171 | – | – | – |
| IT Specialist | 144 | 90 | (54) | \$ – | \$ (54) | \$ – | \$ – | 126 | 156 | (30) | (30) | (180) |
| Recruitment of new personnel | – | 243 | 243 | \$ – | 243 | \$ – | \$ – | – | – | – | – | – |
| Marketing/product roadmap study | 36 | – | (36) | \$ – | \$ (36) | \$ – | \$ – | – | 70 | (70) | (70) | (420) |
| Rebranding | 33 | 100 | 67 | \$ – | \$ 67 | \$ – | \$ – | 75 | 50 | 25 | 25 | 150 |
| Ceridian Implementation | 1 | – | (1) | \$ – | \$ (1) | \$ – | \$ – | – | 25 | (25) | – | – |
| Mercer | 20 | – | (20) | \$ – | \$ (20) | \$ – | \$ – | – | – | – | – | – |
| Growth & Strategy (Beckway) | 155 | – | (155) | \$ – | \$ (155) | \$ – | \$ – | – | – | – | – | – |
| Other | 5 | – | (5) | \$ – | \$ (5) | \$ – | \$ – | 5 | – | 5 | 5 | 30 |
| Infinity Restructuring Costs | 54 | 50 | (4) | \$ – | \$ (4) | \$ – | \$ – | 120 | – | 120 | 120 | 720 |
| Total 1x Costs | \$ 2,628 | \$ 3,233 | \$ 605 | \$ – | \$ 362 | \$ 243 | \$ – | \$ 3,081 | \$ 3,119 | \$ (38) | \$ (67) | \$ (462) |

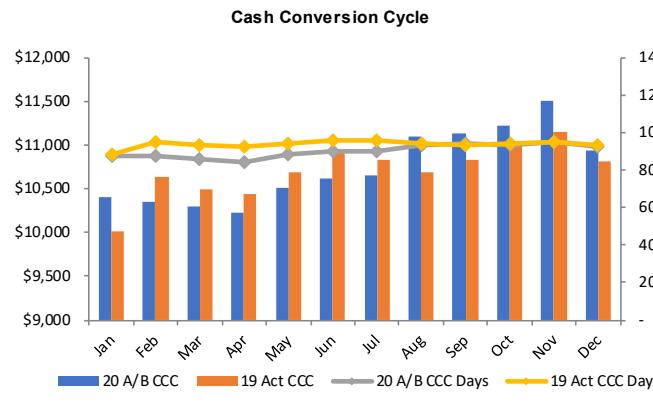
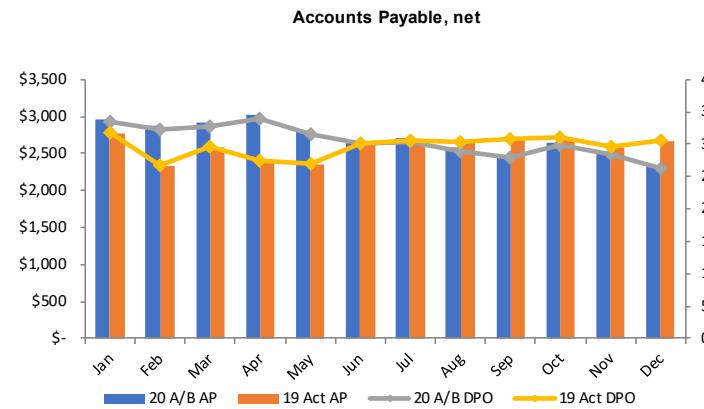
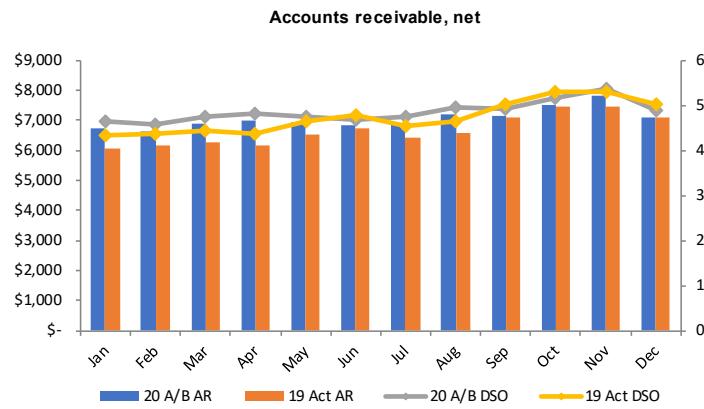
Management Discussion:

- ERP and Website spending remains on track with updated forecast, although the timing of spend is different.
- TSA costs are being reduced as we work through various separation tasks, but some will continue through the end of the TSA period.

Consolidated 13 Week Cash Forecast

| 13 Week Cash Flow Forecast | | | | | | | | | | | | | | | | | |
|--------------------------------------|-----|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| | W/E | 5/9/20 | Act 5/9/20 | 5/16/20 | 5/23/20 | 5/30/20 | 6/6/20 | 6/13/20 | 6/20/20 | 6/27/20 | 7/4/20 | 7/11/20 | 7/18/20 | 7/25/20 | 8/1/20 | 8/8/20 | 8/15/20 |
| Beginning Cash Balance | | 5,045,688 | 5,045,688 | 2,331,403 | 2,459,152 | 2,675,235 | 2,432,662 | 2,435,303 | 2,602,545 | 2,900,708 | 2,872,395 | 1,670,443 | 1,623,022 | 1,710,920 | 1,480,850 | 1,410,671 | 1,368,275 |
| Total Cash Inflow | | 860,004 | 1,050,253 | 951,076 | 902,259 | 939,125 | 754,900 | 943,200 | 818,665 | 854,668 | 822,314 | 733,285 | 624,130 | 601,779 | 609,713 | 732,211 | 731,456 |
| Cash Outflow | | | | | | | | | | | | | | | | | |
| Accounts Payable | | 484,807 | 536,338 | 449,307 | 550,476 | 582,058 | 454,107 | 420,007 | 349,307 | 391,914 | 329,307 | 379,807 | 391,807 | 391,807 | 434,414 | 442,307 | 391,807 |
| Payroll | | 94,000 | 89,585 | 240,000 | 82,000 | 248,000 | 93,000 | 260,000 | 93,000 | 259,000 | 96,600 | 263,600 | 96,600 | 262,600 | 96,600 | 263,600 | 96,600 |
| Union Benefits | | - | 27,172 | - | - | 62,000 | - | - | - | 62,000 | - | - | - | 62,000 | - | - | - |
| Non-Union Benefits | | - | 68,345 | 2,000 | 18,000 | 66,450 | - | 2,000 | 17,000 | - | 66,450 | - | 2,000 | 17,000 | 66,450 | - | 2,000 |
| 401K | | 700 | 24,037 | 18,700 | 700 | 18,700 | 700 | 18,700 | 700 | 18,700 | 700 | 18,700 | 700 | 18,700 | 700 | 18,700 | 700 |
| Deferred Comp | | - | - | - | - | 21,366 | - | - | - | 21,366 | - | - | - | 21,366 | - | - | - |
| Taxes | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| CAPEX | | 38,320 | - | 38,320 | - | 45,790 | 154,452 | 20,250 | 25,495 | - | - | 83,599 | 10,125 | 3,375 | 46,728 | - | 28,037 |
| Term Loan Interest Payments | | - | - | - | - | - | - | - | - | - | 772,000 | - | - | - | - | - | - |
| Term Loan Payments | | - | - | - | - | - | - | - | - | - | 275,000 | - | - | - | - | - | - |
| Revolver Interest Payments | | - | - | - | - | - | - | - | - | - | 81,875 | - | - | - | - | - | - |
| Revolver Payments | | 3,000,000 | 3,000,000 | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Unused Line Fee Payments | | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| OGC Quarterly Management Fee Payment | | - | - | - | - | - | - | - | - | 250,000 | - | - | - | - | - | - | - |
| One Time Costs | | 70,000 | 19,061 | 75,000 | 35,000 | 137,334 | 50,000 | 55,000 | 35,000 | 130,000 | 152,334 | 35,000 | 35,000 | 55,000 | 35,000 | 50,000 | 35,000 |
| Total Cash Outflow | | 3,687,827 | 3,764,538 | 823,327 | 686,176 | 1,181,698 | 752,259 | 775,957 | 520,502 | 882,980 | 2,024,266 | 780,706 | 536,232 | 831,848 | 679,892 | 774,607 | 554,144 |
| Net Cash Flow from Operations | | 210,497 | 285,715 | 166,069 | 216,083 | (196,784) | 157,093 | 187,493 | 323,657 | (28,312) | (73,077) | 36,177 | 98,023 | (226,695) | (23,451) | (42,396) | 205,349 |
| Net Cash Flow from Investing | | (38,320) | - | (38,320) | - | (45,790) | (154,452) | (20,250) | (25,495) | - | - | (83,599) | (10,125) | (3,375) | (46,728) | - | (28,037) |
| Net Cash Flow from Financing | | (3,000,000) | (3,000,000) | - | - | - | - | - | - | - | (1,128,875) | - | - | - | - | - | - |
| Weekly Cash Inflow/(Outflow) | | (2,827,823) | (2,714,285) | 127,749 | 216,083 | (242,574) | 2,641 | 167,243 | 298,162 | (28,312) | (1,201,952) | (47,422) | 87,898 | (230,070) | (70,179) | (42,396) | 177,312 |
| Ending Cash Balance | | 2,217,865 | 2,331,403 | 2,459,152 | 2,675,235 | 2,432,662 | 2,435,303 | 2,602,545 | 2,900,708 | 2,872,395 | 1,670,443 | 1,623,022 | 1,710,920 | 1,480,850 | 1,410,671 | 1,368,275 | 1,545,587 |
| Outstanding Checks | | (480,000) | (845,694) | (480,000) | (480,000) | (480,000) | (480,000) | (480,000) | (480,000) | (480,000) | (480,000) | (480,000) | (480,000) | (480,000) | (480,000) | (480,000) | |
| Net Available Cash | | 1,737,865 | 1,485,709 | 1,979,152 | 2,195,235 | 1,952,662 | 1,955,303 | 2,122,545 | 2,420,708 | 2,392,395 | 1,190,443 | 1,143,022 | 1,230,920 | 1,000,850 | 930,671 | 888,275 | 1,065,587 |
| Term Loan Balance | | 42,679,337 | 42,679,337 | 42,679,337 | 42,679,337 | 42,679,337 | 42,679,337 | 42,679,337 | 42,679,337 | 42,679,337 | 42,679,337 | 42,679,338 | 42,679,339 | 42,679,340 | 42,679,340 | 42,679,340 | |
| Revolver Balance | | 4,000,000 | 4,000,000 | 4,000,000 | 4,000,000 | 4,000,000 | 4,000,000 | 4,000,000 | 4,000,000 | 4,000,000 | 4,000,000 | 4,000,000 | 4,000,000 | 4,000,000 | 4,000,000 | 4,000,000 | |
| Total Debt - LBC | | 46,679,337 | 46,679,337 | 46,679,337 | 46,679,337 | 46,679,337 | 46,679,337 | 46,679,337 | 46,679,337 | 46,679,337 | 46,679,337 | 46,679,338 | 46,679,339 | 46,679,340 | 46,679,340 | 46,679,340 | |
| Available Revolver | | 3,000,000 | 3,000,000 | 3,000,000 | 3,000,000 | 3,000,000 | 3,000,000 | 3,000,000 | 3,000,000 | 3,000,000 | 3,000,000 | 3,000,000 | 3,000,000 | 3,000,000 | 3,000,000 | 3,000,000 | |

Consolidated Working Capital and Cash Conversion Cycle



Management Discussion:

- 2020 CCC days have improved compared to PY due largely to lower inventory balances and higher A/P partially offset by higher A/R.
- 2020 A/P is higher than 2019 due largely to increased restructuring costs. This will begin to reduce when restructuring activities decline.
- Inventory has outperformed 2019 due to improvements in the stock model and an increased focus on reducing inventory.

Information Systems and Technology

Status of Key IT Initiatives

STATUS UPDATE: PROJECT DETAILS

| PROJECT | STATUS | CURRENT STATUS & NEXT STEPS | TIMING | Annualized EBITDA Impact (\$MM) | |
|--|---------------------------------------|--|---------|---------------------------------|--------|
| | | | | Projected | Actual |
| Infrastructure | ● | <ul style="list-style-type: none"> Network migration is complete. We are deploying the Duraco VPN when needed as it requires manual setup on each machine. All HP printers have been replaced. Setting up a new cloud based print server. | Q1 2020 | N/A | N/A |
| ERP | ● | <ul style="list-style-type: none"> Project in process. The 2nd conference room pilot has been completed. Bartender and warehouse integration is continuing to move forward. Pilot Intermec barcode scanners are in-house and ready for trial. | Q2 2020 | N/A | N/A |
| Enterprise applications (other than ERP) | ● | <ul style="list-style-type: none"> Bartender is installed and printing. The first training session for label creation has been completed; however, integration with CSI is still pending. CRM on hold until ERP further along. | Q2 2020 | N/A | N/A |
| Telephony | ● | <ul style="list-style-type: none"> Porting from Essentra to CallTower has been requested. Planning is advancing. | Q1 2020 | N/A | N/A |
| End-points | ● | <ul style="list-style-type: none"> There are enough laptops and desktops to replace the machines identified as priority. We are deploying new laptops first; followed by new desktops; followed by refurbishing the replaced desktops and deploying out to the plant. Based upon a combination of operating system and resource usage priority. | Q1 2020 | N/A | N/A |

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

Management and Governance

Governance Organization

Board of Managers

- Andrew Nikou
- Paul Bridwell
- Vinay Menon
- David Danelz

Audit Committee

- Shawn Haghghi
- Paul Bridwell
- Brad Schechtman

2019 Auditors

- Baker Tilly
- Yunis Altahami – Partner

Anonymous Hotline

- Navex is live via Duraco.ethicspoint.com

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

Consolidated Full year outlook and P&L

| \$'000 | YTD | | Variance | | FY | | PY | | Variance | | TTM | |
|--------------------------------|------------|------------|----------|---------|------------|-----------|------------|----------|------------|---|-----|--|
| | Act | Bud | \$ | % | Act | | Act | | \$ | % | \$ | |
| Gross Revenue | \$ 17,116 | \$ 17,515 | \$ (399) | (2.3%) | \$ 53,728 | \$ 51,606 | \$ 2,122 | 4.1% | \$ 51,884 | | | |
| Net Revenue | 17,043 | 17,411 | (368) | (2.1%) | 53,410 | 51,414 | 1,996 | 3.9% | 51,749 | | | |
| Material | 6,101 | 6,110 | 9 | 0.1% | 18,858 | 18,990 | (133) | (0.7%) | 18,963 | | | |
| | 35.8% | 35.1% | (0) | (2.0%) | 35.3% | 36.9% | | | 36.6% | | | |
| Labor | 1,977 | 2,005 | 29 | 1.4% | 5,879 | 5,671 | 207 | 3.7% | 5,718 | | | |
| | 11.6% | 11.5% | (0) | (0.7%) | 11.0% | 11.0% | | | 11.1% | | | |
| Other COGS | 2,541 | 2,586 | 45 | 1.7% | 7,790 | 7,144 | 645 | 9.0% | 7,356 | | | |
| Total COGS | 10,618 | 10,701 | 83 | 0.8% | 32,526 | 31,806 | 720 | 2.3% | 32,037 | | | |
| Gross Margin | 6,425 | 6,710 | (285) | (4.3%) | 20,884 | 19,608 | 1,276 | 6.5% | 19,712 | | | |
| Gross Margin % | 37.7% | 38.5% | | | 39.1% | 38.1% | | | 38.1% | | | |
| R&D | 70 | 143 | 73 | 50.9% | 407 | 313 | 95 | 30.3% | 291 | | | |
| Sales & Marketing | 1,577 | 1,767 | 190 | 10.7% | 5,398 | 4,490 | 908 | 20.2% | 4,533 | | | |
| Administrative | 1,723 | 1,857 | 135 | 7.3% | 5,547 | 5,732 | (185) | (3.2%) | 6,253 | | | |
| Other Opex | (1) | — | 1 | 0 | — | 31 | (31) | (100.0%) | 29 | | | |
| Total Opex | 3,368 | 3,767 | 398 | 10.6% | 11,352 | 10,565 | 787 | 7.4% | 11,107 | | | |
| EBITDA | 3,057 | 2,943 | 113 | 3.8% | 9,532 | 9,043 | 489 | 5.4% | 8,606 | | | |
| EBITDA % | 17.9% | 16.9% | | | 17.8% | 17.6% | | | 16.6% | | | |
| Bank allowable EBITDA add-back | 187 | 111 | 76 | 68.6% | 207 | 1,727 | (1,520) | (88.0%) | 2,567 | | | |
| Bank EBITDA | 3,244 | 3,054 | 189 | 6.2% | 9,739 | 10,770 | (1,032) | (9.6%) | 11,173 | | | |
| (Standalone Costs) | (464) | (58) | (406) | (13.4%) | (13) | (1,453) | 1,440 | (99.1%) | (1,557) | | | |
| PF Adjusted EBITDA | 2,780 | 2,997 | (217) | -7% | 9,726 | 9,317 | 409 | 4.4% | 9,616 | | | |
| Indicative % | | | | | | | | | | | | |
| Net Income (Loss) | \$ (1,848) | \$ (1,746) | \$ (102) | 5.9% | \$ (3,128) | \$ 662 | \$ (3,790) | (572.9%) | \$ (2,851) | | | |

| \$'000 | YTD | | Variance | | FY | | Variance | | TTM | | |
|-------------------------------------|----------|----------|----------|---------|-----------|-----------|----------|---------|-----------|--|--|
| | Act | Bud | \$ | % | Bud | Act | \$ | % | | | |
| Opex Overview: | | | | | | | | | | | |
| Payroll (Payroll, OT, SS & Taxes, , | 1,350 | \$ 1,582 | 231 | 14.6% | \$ 4,874 | \$ 3,638 | \$ 1,236 | 34.0% | \$ 3,832 | | |
| Benefits (Medical, Dental, Life, , | 249 | 268 | 18 | 6.8% | 840 | 649 | 190 | 29.3% | 686 | | |
| Bonus | 344 | 344 | 0 | 0.0% | 1,031 | 548 | 484 | 88.3% | 691 | | |
| Marketing | 256 | 318 | 62 | 19.5% | 953 | 898 | 55 | 6.1% | 884 | | |
| Commissions | 101 | 64 | (37) | (57.4%) | 234 | 233 | 1 | 0.4% | 240 | | |
| Travel and Entertainment | 55 | 101 | 46 | 45.3% | 344 | 233 | 111 | 47.8% | 227 | | |
| Rent and Facilities | 80 | 129 | 48 | 37.6% | 396 | 312 | 84 | 26.9% | 268 | | |
| Insurance | 71 | 67 | (3) | (4.7%) | 204 | 124 | 80 | 64.4% | 160 | | |
| Professional Fees | 304 | 267 | (36) | (13.6%) | 706 | 453 | 253 | 55.9% | 567 | | |
| Utilities, Repairs, Maint. & Secu | 8 | 14 | 6 | 44.1% | 42 | 49 | (7) | (13.9%) | 35 | | |
| Office Supplies | 52 | 37 | (15) | (40.8%) | 114 | 155 | (41) | (26.7%) | 160 | | |
| IT | 183 | 314 | 131 | 41.8% | 874 | 389 | 485 | 124.5% | 431 | | |
| Bad Debt | 28 | 15 | (12) | (81.3%) | 44 | 51 | (7) | (14.2%) | 54 | | |
| Real Estate Taxes | 65 | 65 | 0 | 0.0% | 176 | 209 | (32) | (15.5%) | 208 | | |
| Other Expenses | 223 | 182 | (41) | (22.5%) | 520 | 2,624 | (2,105) | (80.2%) | 2,665 | | |
| Total Opex | \$ 3,368 | \$ 3,767 | \$ 398 | 10.6% | \$ 11,352 | \$ 10,565 | \$ 787 | 7.4% | \$ 11,107 | | |

Consolidated Monthly P&L

| \$'000 | 20-Jan Act | 20-Feb Act | 20-Mar Act | 20-Apr Act | 20-May Bud | 20-Jun Bud | 20-Jul Bud | 20-Aug Bud | 20-Sep Bud | 20-Oct Bud | 20-Nov Bud | 20-Dec Bud | FY (4+8) Act | FY Bud | Var \$ % |
|---------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-----------------|------------|-----------------|
| Gross Revenue | \$ 4,317 | \$ 3,997 | \$ 4,304 | \$ 4,499 | \$ 4,117 | \$ 4,274 | \$ 4,543 | \$ 4,486 | \$ 4,464 | \$ 5,763 | \$ 4,422 | \$ 4,145 | \$ 53,329 | \$ 53,728 | \$ (399) (0.7%) |
| Net Revenue | 4,301 | 3,973 | 4,279 | 4,489 | 4,092 | 4,249 | 4,517 | 4,459 | 4,438 | 5,730 | 4,394 | 4,119 | 53,042 | 53,410 | (368) (0.7%) |
| Material | 1,564 | 1,369 | 1,526 | 1,641 | 1,471 | 1,487 | 1,616 | 1,581 | 1,563 | 2,003 | 1,577 | 1,449 | 18,849 | 18,858 | (9) (0.0%) |
| Labor | 538 | 442 | 450 | 546 | 449 | 475 | 507 | 453 | 450 | 567 | 462 | 511 | 5,850 | 5,879 | (29) (0.5%) |
| Other COGS | 649 | 603 | 631 | 658 | 623 | 628 | 662 | 611 | 627 | 796 | 610 | 648 | 7,745 | 7,790 | (45) (0.6%) |
| Total COGS | 2,751 | 2,415 | 2,607 | 2,846 | 2,544 | 2,591 | 2,786 | 2,646 | 2,640 | 3,366 | 2,649 | 2,608 | 32,449 | 32,526 | (77) (0.2%) |
| Gross Margin | 1,550 | 1,558 | 1,673 | 1,643 | 1,548 | 1,659 | 1,731 | 1,813 | 1,799 | 2,364 | 1,745 | 1,511 | 20,593 | 20,884 | (291) (1.4%) |
| Gross Margin % | 36.0% | 39.2% | 39.1% | 36.6% | 37.8% | 39.0% | 38.3% | 40.6% | 40.5% | 41.3% | 39.7% | 36.7% | 38.8% | 39.1% | |
| R&D | 27 | 13 | 13 | 18 | 35 | 32 | 35 | 30 | 31 | 37 | 30 | 35 | 335 | 407 | (73) (17.8%) |
| Sales & Marketing | 377 | 365 | 412 | 423 | 430 | 452 | 472 | 433 | 432 | 510 | 437 | 469 | 5,213 | 5,398 | (184) (3.4%) |
| Administrative | 442 | 377 | 431 | 472 | 420 | 431 | 461 | 432 | 426 | 521 | 446 | 454 | 5,314 | 5,547 | (233) (4.2%) |
| Other Opex | — | (2) | 1 | — | — | — | — | — | — | — | — | — | (1) | — | (1) |
| Total Opex | 846 | 753 | 857 | 913 | 885 | 915 | 968 | 895 | 889 | 1,069 | 914 | 958 | 10,861 | 11,352 | (491) (4.3%) |
| EBITDA | 704 | 805 | 816 | 730 | 663 | 744 | 763 | 918 | 910 | 1,295 | 831 | 553 | 9,732 | 9,532 | 200 2.1% |
| EBITDA % | 16.4% | 20.3% | 19.1% | 16.3% | 16.2% | 17.5% | 16.9% | 20.6% | 20.5% | 22.6% | 18.9% | 13.4% | 18.3% | 17.8% | 0.5% |
| Bank allowable EBITDA add-backs | 9 | 20 | 48 | 111 | — | — | — | — | — | — | — | — | 187 | 207 | (20) (9.6%) |
| Bank EBITDA | 713 | 825 | 864 | 841 | 664 | 744 | 764 | 918 | 911 | 1,296 | 831 | 553 | 9,925 | 9,739 | 186 1.9% |
| (Standalone Costs) | (129) | (115) | (80) | (140) | — | — | — | — | 45 | — | — | — | (419) | (13) | (406) 3134.8% |
| PF Adjusted EBITDA | 584 | 710 | 785 | 701 | 664 | 744 | 764 | 918 | 956 | 1,296 | 831 | 553 | 9,506 | 9,726 | (220) (2.3%) |
| Indicative % | | | | | | | | | | | | | | | 0 |
| Net Income (Loss) | \$ (400) | \$ (485) | \$ (563) | \$ (399) | \$ (302) | \$ (232) | \$ (505) | \$ (85) | \$ (43) | \$ 262 | \$ (88) | \$ (297) | \$ (3,138) | \$ (3,128) | \$ (10) 0.3% |

| \$'000 | Jan-20 | Feb-20 | Mar-20 | Apr-20 | May-20 | Jun-20 | Jul-20 | Aug-20 | Sep-20 | Oct-20 | Nov-20 | Dec-20 | FY (2+11) Act | FY Bud | Var \$ % |
|---|--------|--------|--------|--------|--------|--------|--------|--------|--------|----------|--------|--------|------------------|-----------|-----------------|
| Opex Overview: | | | | | | | | | | | | | | | |
| Payroll (Payroll, OT, SS & Taxes, Temp) | 368 | 317 | 304 | 361 | 367 | 398 | 412 | 367 | 363 | 453 | 367 | 432 | 4,508 | \$ 4,874 | \$ (366) (7.5%) |
| Benefits (Medical, Dental, Life, AD&D) | 54 | 63 | 68 | 65 | 64 | 66 | 76 | 68 | 68 | 82 | 68 | 70 | 810 | 840 | (29) (3.5%) |
| Bonus | 86 | 86 | 86 | 86 | 86 | 86 | 86 | 86 | 86 | 86 | 86 | 86 | 1,031 | 1,031 | (0) (0.0%) |
| Marketing | 79 | 79 | 79 | 17 | 79 | 79 | 79 | 79 | 79 | 79 | 79 | 79 | 891 | 953 | (62) (6.5%) |
| Commissions | 15 | 15 | 31 | 39 | 19 | 18 | 18 | 25 | 24 | 66 | 41 | 22 | 335 | 234 | 101 43.2% |
| Travel and Entertainment | 23 | 10 | 26 | (4) | 33 | 31 | 39 | 31 | 31 | 40 | 34 | 30 | 323 | 344 | (21) (6.2%) |
| Rent and Facilities | 18 | 18 | 21 | 23 | 29 | 31 | 31 | 31 | 31 | 31 | 31 | 31 | 324 | 396 | (73) (18.3%) |
| Insurance | 18 | 15 | 17 | 21 | 16 | 16 | 20 | 16 | 16 | 20 | 16 | 16 | 207 | 204 | 3 1.6% |
| Professional Fees | 36 | 46 | 91 | 130 | 53 | 53 | 56 | 53 | 53 | 56 | 53 | 53 | 732 | 706 | 26 3.6% |
| Utilities, Repairs, Maint. & Security | 3 | 1 | 1 | 3 | 3 | 3 | 4 | 3 | 3 | 4 | 3 | 3 | 36 | 42 | (6) (14.7%) |
| Office Supplies | 11 | 10 | 16 | 15 | 10 | 10 | 9 | 10 | 10 | 10 | 10 | 10 | 129 | 114 | 15 13.3% |
| IT | 46 | 41 | 51 | 44 | 69 | 69 | 70 | 69 | 69 | 73 | 70 | 70 | 743 | 874 | (131) (15.0%) |
| Bad Debt | 12 | (3) | 3 | 16 | 3 | 3 | 4 | 3 | 3 | 4 | 3 | 3 | 56 | 44 | 12 28.1% |
| Real Estate Taxes | 20 | 16 | 13 | 16 | 13 | 13 | 16 | 13 | 13 | 16 | 13 | 13 | 176 | 176 | (0) (0.0%) |
| Other Expenses | 55 | 39 | 48 | 80 | 41 | 39 | 48 | 41 | 39 | 48 | 41 | 40 | 561 | 520 | 41 7.9% |
| Total Opex | \$ 846 | \$ 753 | \$ 857 | \$ 913 | \$ 885 | \$ 915 | \$ 968 | \$ 895 | \$ 889 | \$ 1,069 | \$ 914 | \$ 958 | \$ 10,861 | \$ 11,352 | \$ (491) (4.3%) |

Consolidated Monthly EBITDA to Net Income (Loss) Bridge

| \$'000 | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | FY | FY | Var | PY | Var | | |
|--------------------------------------|----------|----------|----------|----------|----------|----------|----------|---------|---------|----------|---------|----------|-----------------|------------|----------|----------|----------|------------|--------------|
| | Act | Act | Act | Act | Bud | Bud | Bud | Bud | Bud | Bud | Bud | Bud | 3 m Act + 9 Bud | Bud | \$ | % | Act | \$ | % |
| EBITDA - as reported | \$ 704 | \$ 805 | \$ 816 | \$ 730 | \$ 664 | \$ 744 | \$ 764 | \$ 918 | \$ 911 | \$ 1,296 | \$ 831 | \$ 553 | \$ 9,737 | \$ 9,532 | \$ 206 | 2.2% | \$ 9,043 | \$ 694 | 7.7% |
| Depreciation and amortization | (569) | (570) | (560) | (560) | (560) | (560) | (560) | (560) | (560) | (560) | (560) | (560) | (6,741) | (6,743) | 2 | (0.0%) | (4,668) | (2,073) | 44.4% |
| Interest and amortization | (281) | (277) | (296) | (257) | (294) | (285) | (294) | (291) | (279) | (286) | (277) | (286) | (3,403) | (3,431) | 28 | (0.8%) | (1,784) | (1,618) | 90.7% |
| Other financial income/expense | (0) | (1) | (0) | (0) | – | – | – | – | – | – | – | – | (2) | – | (2) | N/A | 31 | (33) | (107.7%) |
| Non-financial income/expense | – | – | – | – | – | – | – | – | – | – | – | – | – | – | – | N/A | (8) | 8 | (100.0%) |
| Monitoring fees (including expenses) | (83) | (83) | (83) | (83) | (83) | (83) | (83) | (83) | (83) | (83) | (83) | (83) | (1,000) | (1,000) | 0 | (0.0%) | (500) | (500) | 100.0% |
| Restructuring costs | (171) | (360) | (440) | (229) | (120) | (115) | (489) | (86) | (34) | (16) | (19) | (14) | (2,092) | (2,383) | 290 | (12.2%) | (1,452) | (641) | 44.1% |
| Non-recurring items | – | – | – | – | – | – | – | – | – | – | – | – | – | (2,383) | 2,383 | (100.0%) | (0) | 0 | (100.0%) |
| Taxes | – | – | – | – | 92 | 68 | 158 | 17 | 3 | (89) | 20 | 93 | 363 | – | 363 | N/A | 0 | 363 | 453444512.2% |
| GAAP Net Income (Loss) | \$ (400) | \$ (485) | \$ (563) | \$ (399) | \$ (302) | \$ (232) | \$ (505) | \$ (85) | \$ (43) | \$ 262 | \$ (88) | \$ (297) | \$ (3,138) | \$ (6,408) | \$ 3,270 | (51.0%) | \$ 662 | \$ (3,800) | (574.3%) |

Management Discussion

Consolidated Monthly Balance Sheet

| \$'000 | 20-Jan Act | 20-Feb Act | 20-Mar Act | 20-Apr Act | 20-May Bud | 20-Jun Bud | 20-Jul Bud | 20-Aug Bud | 20-Sep Bud | 20-Oct Bud | 20-Nov Bud | 20-Dec Bud | FY Bud | PY Act |
|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Current Assets | | | | | | | | | | | | | | |
| Cash and cash equivalents | 2,206 | 1,659 | 5,513 | 4,758 | 305 | 269 | 206 | 26 | 720 | 189 | 934 | 1,767 | 1,767 | 1,675 |
| Short term investments | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Accounts receivable, gross | 6,805 | 6,731 | 7,330 | 6,992 | 7,141 | 6,761 | 7,251 | 7,382 | 7,194 | 8,112 | 7,741 | 6,672 | 6,672 | 6,924 |
| Accounts receivable, reserves | (142) | (140) | (142) | (159) | (130) | (130) | (130) | (130) | (130) | (130) | (130) | (130) | (130) | (130) |
| Accounts receivable, net | 6,663 | 6,592 | 7,187 | 6,834 | 7,012 | 6,631 | 7,121 | 7,253 | 7,064 | 7,983 | 7,612 | 6,542 | 6,542 | 6,793 |
| Inventory, gross | 7,724 | 7,503 | 7,189 | 7,188 | 7,484 | 7,509 | 7,534 | 7,469 | 7,419 | 7,269 | 7,219 | 7,219 | 7,219 | 7,570 |
| Inventory, reserves | (1,017) | (1,026) | (1,041) | (1,061) | (1,023) | (1,038) | (1,058) | (973) | (988) | (1,008) | (1,023) | (1,023) | (1,033) | (1,005) |
| Inventory, net | 6,707 | 6,477 | 6,148 | 6,126 | 6,461 | 6,471 | 6,476 | 6,496 | 6,431 | 6,261 | 6,196 | 6,186 | 6,186 | 6,565 |
| Prepaid expenses and other current assets | 474 | 385 | 327 | 561 | 410 | 266 | 510 | 436 | 350 | 483 | 423 | 320 | 320 | 333 |
| Current portion of deferred taxes | 5,612 | 5,579 | 5,583 | 5,797 | 5,797 | 5,797 | 5,797 | 5,797 | 5,797 | 5,797 | 5,797 | 5,797 | 5,797 | — |
| Other current assets | 285 | 331 | 222 | — | — | — | — | — | — | — | — | — | — | — |
| Total Current Assets | 16,049 | 15,113 | 19,175 | 18,278 | 14,187 | 13,637 | 14,313 | 14,211 | 14,565 | 14,916 | 15,165 | 14,816 | 14,816 | 15,366 |
| Non-Current Assets | | | | | | | | | | | | | | |
| Property, plant & equipment, gross | 15,328 | 14,564 | 14,605 | 14,643 | 15,043 | 15,204 | 15,306 | 15,391 | 15,469 | 15,494 | 15,519 | 15,563 | 15,563 | 15,359 |
| Accumulated depreciation | (2,549) | (2,298) | (2,378) | (2,459) | (2,541) | (2,622) | (2,703) | (2,785) | (2,866) | (2,948) | (3,029) | (3,110) | (3,110) | (2,524) |
| Property, plant & equipment, net | 12,779 | 12,266 | 12,227 | 12,184 | 12,503 | 12,582 | 12,602 | 12,606 | 12,603 | 12,547 | 12,490 | 12,453 | 12,453 | 12,834 |
| Identifiable intangible assets, gross | 700 | 4,694 | 4,694 | 4,606 | 4,606 | 4,606 | — | — | — | — | — | — | — | — |
| Accumulated amortization | (3,701) | (3,831) | (4,310) | (4,789) | (5,268) | (5,747) | (6,226) | (6,705) | (7,184) | (7,663) | (8,142) | (8,621) | (8,621) | (3,217) |
| Identifiable intangible assets, net | 54,470 | 58,333 | 57,854 | 57,375 | 56,808 | 56,329 | 55,850 | 55,371 | 54,892 | 54,413 | 53,935 | 53,456 | 53,456 | 54,954 |
| Deferred financing cost | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Other non-current assets | — | 5,234 | 5,234 | 5,234 | — | — | — | — | — | — | — | — | — | — |
| Total Non-Current Assets | 67,249 | 75,834 | 75,315 | 74,794 | 69,311 | 68,911 | 68,453 | 67,977 | 67,496 | 66,960 | 66,425 | 65,908 | 65,908 | 67,788 |
| Total Assets | \$ 83,298 | \$ 90,947 | \$ 94,490 | \$ 93,071 | \$ 83,498 | \$ 82,548 | \$ 82,766 | \$ 82,188 | \$ 82,061 | \$ 81,876 | \$ 81,590 | \$ 80,724 | \$ 80,724 | \$ 83,155 |
| Current Liabilities | | | | | | | | | | | | | | |
| Current portion of long-term debt | 1,462 | 1,462 | 1,100 | 1,100 | 1,739 | 1,739 | 2,089 | 1,589 | 1,039 | 1,039 | 1,039 | 1,039 | 1,039 | 1,462 |
| Notes Payable | 261 | 3,318 | 7,794 | 7,237 | 542 | (0) | 275 | 547 | 806 | 266 | 524 | — | — | — |
| Accounts payable | 3,016 | 2,736 | 3,084 | 2,954 | 2,631 | 2,708 | 2,689 | 2,457 | 2,511 | 2,788 | 2,265 | 2,408 | 2,408 | 2,921 |
| Accrued liabilities | 2,564 | 2,542 | 2,247 | 2,197 | 1,706 | 1,808 | 2,105 | 2,104 | 2,275 | 2,253 | 2,344 | 2,525 | 2,525 | 2,289 |
| Accrued compensation | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Income taxes payable | 0 | 0 | 0 | 0 | (295) | (363) | (521) | (538) | (541) | (452) | (473) | (566) | (566) | 0 |
| Other current liabilities | (233) | 263 | 263 | 263 | 263 | 263 | 263 | 263 | 263 | 263 | 263 | 263 | 263 | (233) |
| Total Current Liabilities | 7,070 | 10,321 | 14,488 | 13,751 | 6,587 | 6,155 | 6,900 | 6,421 | 6,353 | 6,157 | 5,963 | 5,669 | 5,669 | 6,440 |
| Long-term liabilities | | | | | | | | | | | | | | |
| Long-term debt less current maturities | 39,638 | 41,638 | 41,579 | 41,297 | 39,380 | 39,120 | 39,120 | 39,120 | 39,120 | 38,861 | 38,861 | 38,601 | 38,601 | 39,638 |
| Deferred income taxes | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Other non-current liabilities | (795) | 967 | 966 | 965 | 1,008 | 1,006 | 1,003 | 1,001 | 999 | 996 | 994 | 992 | 992 | (814) |
| Total Long-Term Liabilities | 38,843 | 42,605 | 42,546 | 42,262 | 40,388 | 40,126 | 40,124 | 40,121 | 39,857 | 39,855 | 39,593 | 39,593 | 38,824 | |
| Total Liabilities | 45,913 | 52,926 | 57,033 | 56,013 | 46,975 | 46,281 | 47,023 | 46,542 | 46,472 | 46,014 | 45,818 | 45,262 | 45,262 | |
| Shareholders' Equity | | | | | | | | | | | | | | |
| Common stock | 39,389 | 43,501 | 43,501 | 43,501 | 43,501 | 43,501 | 43,501 | 43,501 | 43,501 | 43,501 | 43,501 | 43,501 | 43,501 | 39,392 |
| Capital in excess of stated value | — | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Retained earnings | (3,094) | (5,481) | (6,044) | (6,443) | (6,848) | (7,104) | (7,628) | (7,725) | (7,782) | (7,509) | (7,599) | (7,908) | (7,908) | (2,694) |
| Accumulated other comprehensive income | 1,636 | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Other equity transactions | (545) | — | — | — | — | — | — | — | — | — | — | — | — | — |
| Total Shareholders' Equity | 37,385 | 38,021 | 37,457 | 37,058 | 36,653 | 36,398 | 35,873 | 35,776 | 35,719 | 35,992 | 35,902 | 35,593 | 35,593 | 36,698 |
| Total Liabilities and Shareholders' Equity | \$ 83,298 | \$ 90,947 | \$ 94,490 | \$ 93,071 | \$ 83,628 | \$ 82,678 | \$ 82,896 | \$ 82,318 | \$ 82,191 | \$ 82,006 | \$ 81,720 | \$ 80,855 | \$ 80,855 | \$ 81,961 |

Consolidated Balance Sheet – Year on Year Comparison

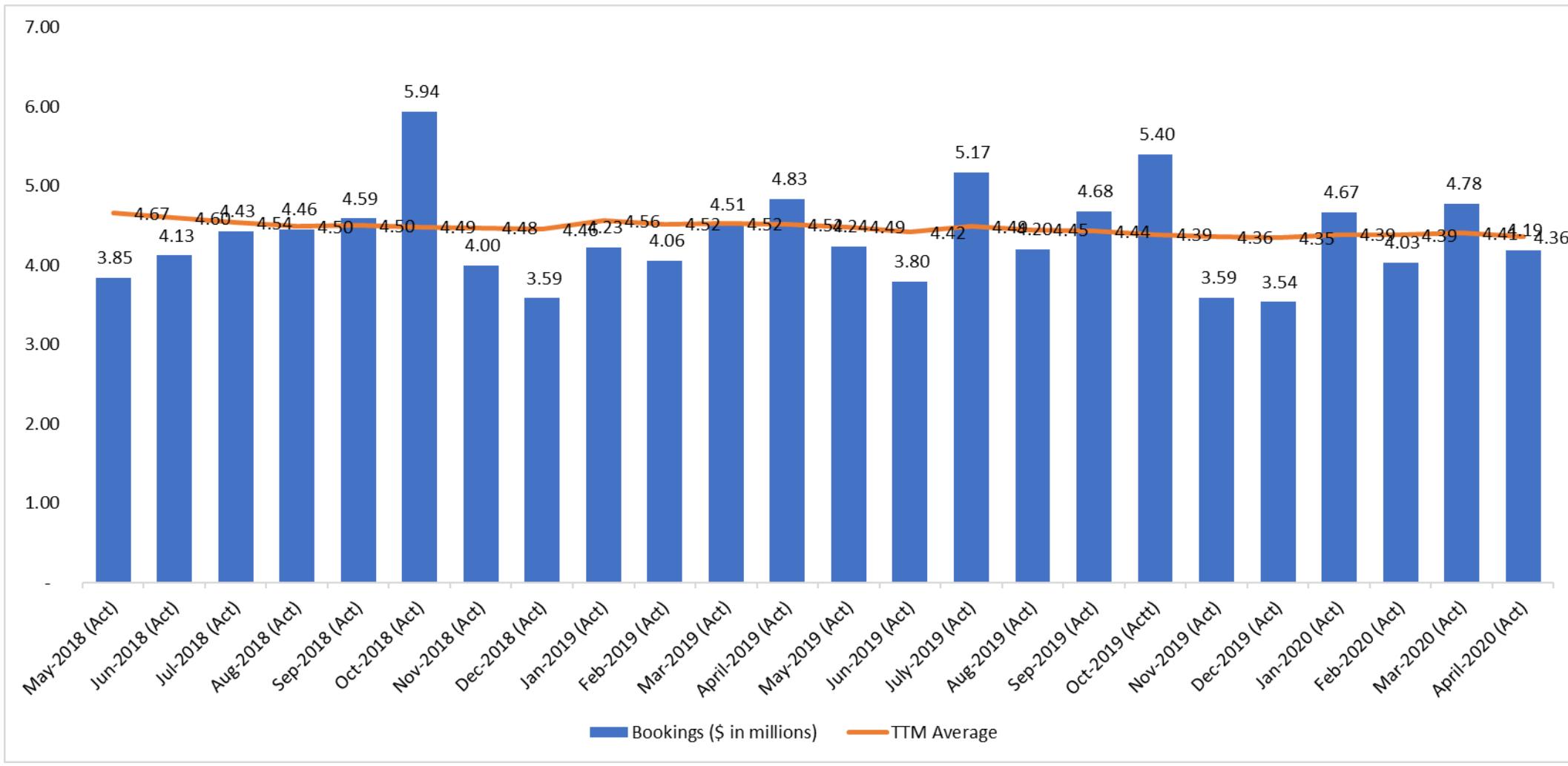
| \$'000 | YTD | | Variance | |
|---|------------------|------------------|------------------|---------------|
| | CY | Dec-19 | \$ | % |
| <u>Current Assets</u> | | | | |
| Cash and cash equivalents | \$ 4,579 | \$ 1,675 | \$ 2,904 | 173.4% |
| Short term investments | \$ — | \$ — | \$ — | — |
| <i>Accounts receivable, gross</i> | 6,992 | 6,924 | 68 | 1.0% |
| <i>Accounts receivable, reserves</i> | (159) | (130) | (28) | 21.6% |
| <i>Accounts receivable, net</i> | 6,834 | 6,793 | 40 | 0.6% |
| <i>Inventory, gross</i> | 7,366 | 7,570 | (204) | (2.7%) |
| <i>Inventory, reserves</i> | (1,061) | (1,005) | (56) | 5.6% |
| <i>Inventory, net</i> | 6,305 | 6,565 | (260) | (4.0%) |
| Prepaid expenses and other current assets | 561 | 333 | 227 | 68.2% |
| Current portion of deferred taxes | \$ — | \$ — | \$ — | — |
| Other current assets | \$ — | \$ — | \$ — | — |
| Total Current Assets | 18,278 | 15,366 | 2,911 | 18.9% |
| <u>Non-Current Assets</u> | | | | |
| Property, plant & equipment, gross | 14,643 | 15,359 | (716) | (4.7%) |
| Accumulated depreciation | (2,459) | (2,524) | 65 | (2.6%) |
| Property, plant & equipment, net | 12,184 | 12,834 | (650) | (5.1%) |
| Identifiable intangible assets, gross | 4,606 | — | 4,606 | — |
| Accumulated amortization | (4,789) | (3,217) | (1,573) | 48.9% |
| Identifiable intangible assets, net | 57,375 | 54,954 | 2,422 | 4.4% |
| Deferred financing cost | \$ — | \$ — | \$ — | — |
| Other non-current assets | 5,234 | — | 5,234 | — |
| Total Non-Current Assets | 74,794 | 67,788 | 7,006 | 10.3% |
| Total Assets | \$ 93,071 | \$ 83,155 | \$ 9,917 | 11.9% |
| <u>Current Liabilities</u> | | | | |
| Current portion of long-term debt | \$ 1,100 | \$ 1,462 | \$ (362) | (24.7%) |
| Notes Payable | 7,237 | — | 7,237 | — |
| Accounts payable | 2,954 | 2,921 | 33 | 1.1% |
| Accrued liabilities | 2,197 | 2,289 | (92) | (4.0%) |
| Accrued compensation | — | — | — | — |
| Income taxes payable | 0 | 0 | 0 | 0.0% |
| Other current liabilities | 263 | (233) | 496 | (213.2%) |
| Total Current Liabilities | 13,751 | 6,440 | 7,312 | 113.5% |
| <u>Long-term Liabilities</u> | | | | |
| Long-term debt less current maturities | 41,297 | 39,638 | 1,659 | 4.2% |
| Deferred income taxes | — | — | — | — |
| Other non-current liabilities | 965 | (814) | 1,779 | (218.6%) |
| Total Long-Term Liabilities | 42,262 | 38,824 | 3,438 | 8.9% |
| Total Liabilities | 56,013 | 45,263 | 10,750 | 23.8% |
| <u>Shareholders' Equity</u> | | | | |
| Common stock | 43,501 | 39,392 | 4,109 | 10.4% |
| Capital in excess of stated value | — | — | — | — |
| Retained earnings | (6,443) | (2,694) | (3,749) | 139.2% |
| Accumulated other comprehensive income | — | — | — | — |
| Other equity transactions | — | — | — | — |
| Total Shareholders' Equity | 37,058 | 36,698 | 360 | 1.0% |
| Total Liabilities and Shareholders' Equity | \$ 93,071 | \$ 81,961 | \$ 11,110 | 13.6% |

Consolidated Monthly Cash Flow

| \$'000 | 20-Jan | 20-Feb | 20-Mar | 20-Apr | 20-May | 20-Jun | 20-Jul | 20-Aug | 20-Sep | 20-Oct | 20-Nov | 20-Dec | FY (4+8) | FY | Variance | PY | Variance | | | |
|--|----------|------------|----------|------------|----------|------------|----------|----------|----------|------------|----------|------------|------------|------------|------------|----------|----------------|----------------|----------|------|
| | Act | Act | Act | Act | Bud | Bud | Bud | Bud | Bud | Bud | Bud | Bud | Act | Bud | \$ | % | Act | \$ | % | |
| Cash flow from operations | | | | | | | | | | | | | | | | | | | | |
| Net Income (Loss) | \$ (400) | \$ (485) | \$ (563) | \$ (399) | \$ (302) | \$ (232) | \$ (505) | \$ (85) | \$ (43) | \$ 262 | \$ (88) | \$ (297) | \$ (3,138) | \$ (3,128) | \$ (10) | 0.3% | \$ (438,690) | \$ 435,552 | (99.3%) | |
| Depreciation, amortization and other | 569 | 570 | 560 | 560 | 560 | 560 | 560 | 560 | 560 | 560 | 560 | 560 | 6,741 | 6,743 | (2) | (0.0%) | 569,786 | (563,046) | (98.8%) | |
| Capitalized fees & expenses | 19 | 21 | 21 | 21 | 21 | 64 | 19 | 19 | 19 | 19 | 19 | 19 | 282 | 233 | 50 | 21.3% | 19,384 | (19,102) | (98.5%) | |
| Gain (loss) on sale of fixed assets | — | 8 | — | — | — | — | — | — | — | — | — | — | 8 | — | 8 | — | — | 8 | — | |
| Non-cash interest expense | 261 | 256 | 276 | 237 | 273 | 221 | 275 | 272 | 259 | 266 | 258 | 266 | 3,120 | 3,198 | (78) | (2.4%) | 246,325 | (243,205) | (98.7%) | |
| Non-cash dividends | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | |
| Deferred income tax | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | |
| <i>Change in operating assets and liabilities:</i> | | | | | | | | | | | | | | | | | | | \$ — | \$ — |
| Accounts receivable | 130 | 72 | (596) | 354 | (178) | 381 | (490) | (131) | 188 | (918) | 371 | 1,069 | 251 | (60) | 311 | (519.4%) | 584,160 | (583,910) | (100.0%) | |
| Inventory | (142) | 230 | 329 | (157) | (156) | (10) | (5) | (20) | 65 | 170 | 65 | 10 | 379 | 379 | — | 0.0% | (336,896) | 337,275 | (100.1%) | |
| Prepaid expenses and other current assets | (141) | 89 | 58 | (233) | 151 | 144 | (244) | 74 | 87 | (134) | 60 | 103 | 13 | 13 | 0 | 0.0% | 87,266 | (87,253) | (100.0%) | |
| Accounts payable | 94 | (279) | 347 | (129) | (323) | 76 | (19) | (232) | 54 | 277 | (523) | 143 | (513) | (448) | (66) | 14.7% | 513,086 | (513,599) | (100.1%) | |
| Accrued expenses | 275 | (22) | (295) | (50) | (491) | 102 | 297 | (1) | 171 | (23) | 92 | 180 | 236 | 481 | (245) | (51.0%) | 306,762 | (306,526) | (99.9%) | |
| Accrued income taxes | — | — | — | — | (295) | (68) | (158) | (17) | (3) | 89 | (20) | (93) | (566) | (897) | 330 | (36.9%) | (330,478) | 329,912 | (99.8%) | |
| Other changes in operating assets and liabilities | — | (63) | — | — | — | — | — | — | — | — | — | — | (63) | — | — | — | (63) | — | — | |
| Other cash flow from operations | — | (2) | 1 | — | — | — | — | — | — | — | — | — | (1) | — | (1) | — | — | (1) | — | |
| Total Cash Flow from Operations | \$ 666 | \$ 394 | \$ 137 | \$ 202 | \$ (741) | \$ 1,238 | \$ (270) | \$ 438 | \$ 1,359 | \$ 569 | \$ 794 | \$ 1,962 | \$ 6,749 | \$ 6,514 | \$ 234 | 3.6% | \$ 1,220,705 | \$ (1,213,957) | (99.4%) | |
| Cash flow from investing | | | | | | | | | | | | | | | | | | | \$ — | \$ — |
| Additions to property, plant and equipment | \$ (25) | \$ (330) | \$ (42) | \$ (38) | \$ (400) | \$ (160) | \$ (102) | \$ (85) | \$ (79) | \$ (25) | \$ (25) | \$ (44) | \$ (1,356) | \$ (1,347) | \$ (8) | 0.6% | \$ — | — | (1,356) | |
| Acquisitions of companies, net of cash acquired | — | (5,095) | — | — | — | — | — | — | — | — | — | — | (5,095) | — | (5,095) | — | — | (5,095) | — | |
| Investment in intangibles | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | |
| Earnout payments | — | — | (22) | (22) | (22) | (22) | (22) | — | — | — | — | — | (108) | (217) | 108 | (50.0%) | — | — | (108) | |
| Other cash flow from investing (goodwill) | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | (51,066) | 51,066 | (100.0%) | |
| Total Cash Flow from Investing | \$ (25) | \$ (5,426) | \$ (64) | \$ (60) | \$ (422) | \$ (182) | \$ (124) | \$ (85) | \$ (79) | \$ (25) | \$ (25) | \$ (44) | \$ (6,559) | \$ (1,564) | \$ (4,995) | 319.4% | \$ — | \$ (6,559) | \$ — | |
| Cash flow from financing | | | | | | | | | | | | | | | | | | | \$ — | \$ — |
| Proceeds from the issuance (repayment) of ST | \$ — | \$ 2,800 | \$ — | \$ — | \$ 639 | \$ — | \$ 350 | \$ (500) | \$ (550) | \$ — | \$ — | \$ — | \$ 2,739 | \$ 0 | \$ 2,739 | N/A | \$ — | — | 2,739 | |
| Proceeds from the issuance of debt | — | 2,000 | 4,200 | — | — | — | — | — | — | — | — | — | 6,200 | 0 | 6,200 | N/A | — | — | 6,200 | |
| Repayment of debt | — | — | (420) | (1,076) | — | (1,068) | — | — | — | (1,066) | — | (1,050) | (4,680) | (4,658) | (22) | 0.5% | (1,050,937) | 1,046,257 | (99.6%) | |
| Capital lease | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | |
| Common stock issued (repurchased) | (3) | — | — | — | — | — | — | — | — | — | — | — | (3) | (3) | (3) | — | — | (3) | — | |
| Common stock cash dividends paid | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | |
| Preferred stock issued (repurchased) | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | |
| Other cash flow from financing costs | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | — | |
| Total Cash Flow from Financing | \$ (3) | \$ 4,800 | \$ 3,780 | \$ (1,076) | \$ 639 | \$ (1,068) | \$ 350 | \$ (500) | \$ (550) | \$ (1,066) | \$ — | \$ (1,050) | \$ 4,256 | \$ (4,658) | \$ 8,914 | (191.4%) | \$ (1,050,937) | \$ 1,055,192 | (100.4%) | |
| Effect of FX rates on cash and cash equivalents | \$ (108) | \$ (314) | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | \$ — | (422) | \$ (200) | \$ (222) | 111.0% | \$ (74,915) | \$ 74,493 | (99.4%) | |
| Net change in cash | \$ 531 | \$ (546) | \$ 3,854 | \$ (934) | \$ (524) | \$ (12) | \$ (44) | \$ (147) | \$ 730 | \$ (522) | \$ 769 | \$ 868 | \$ 4,023 | \$ 92 | \$ 3,931 | 4260.9% | \$ 43,788 | \$ (39,765) | (90.8%) | |
| Beginning cash | 1,675 | 2,206 | 1,659 | 5,513 | 4,579 | 4,055 | 26 | (18) | (164) | 1,767 | 1,246 | 2,014 | 1,675 | 7,666 | (5,991) | (78.2%) | 911,150 | \$ (909,475) | (99.8%) | |
| Change in cash | 531 | (546) | 3,854 | (934) | (524) | (12) | (44) | (147) | 730 | (522) | 769 | 868 | 4,023 | 92 | 3,931 | 4260.9% | 43,788 | \$ (39,765) | (90.8%) | |
| Ending cash | \$ 2,206 | \$ 1,659 | \$ 5,513 | \$ 4,579 | \$ 4,055 | \$ 4,043 | \$ (18) | \$ (164) | \$ 566 | \$ 1,246 | \$ 2,014 | \$ 2,882 | \$ 5,698 | \$ 7,758 | \$ (2,060) | (26.6%) | \$ 954,938 | \$ (949,240) | (99.4%) | |

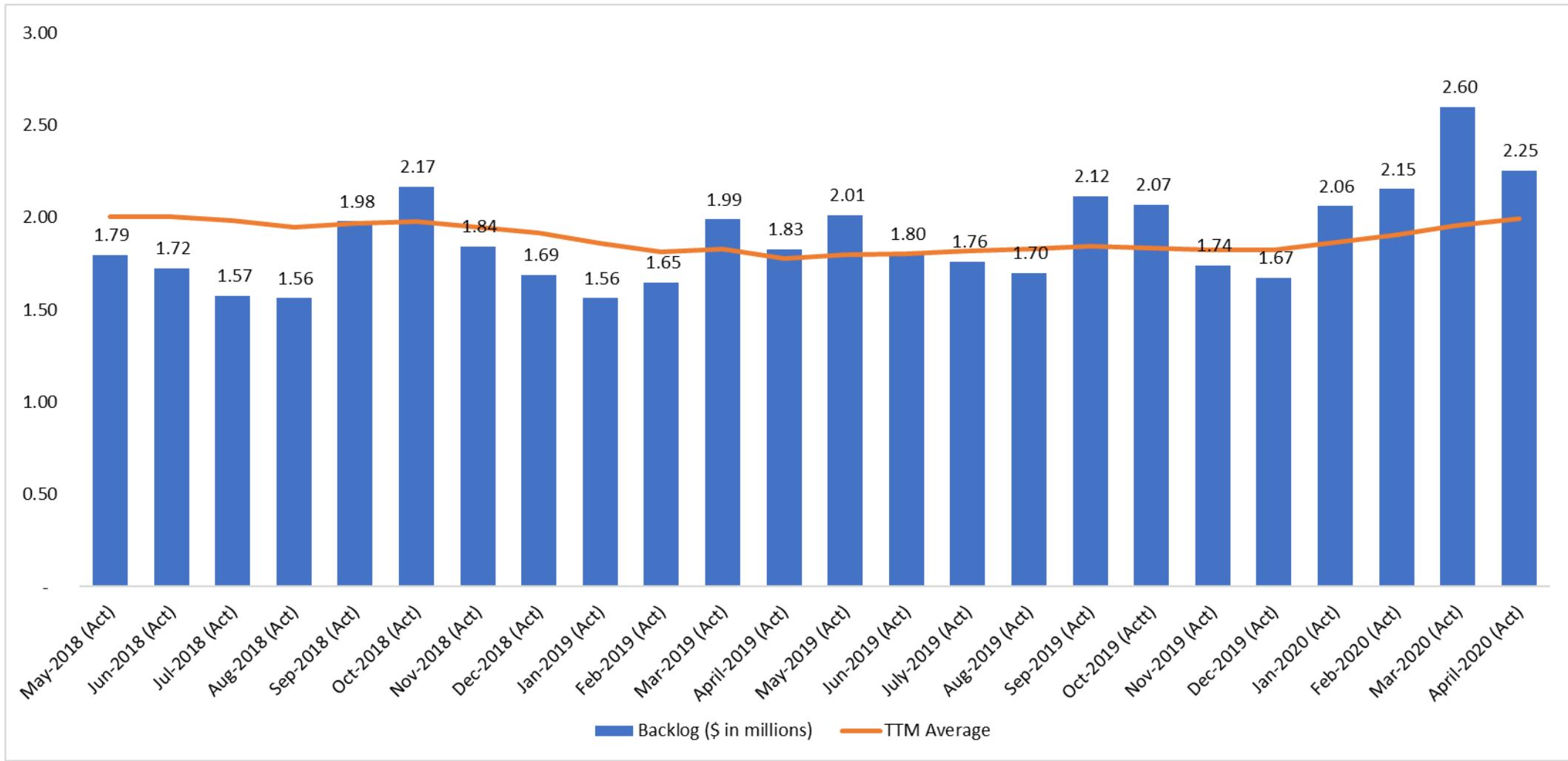
Consolidated Trended Monthly Bookings (24 month act)

\$ in millions



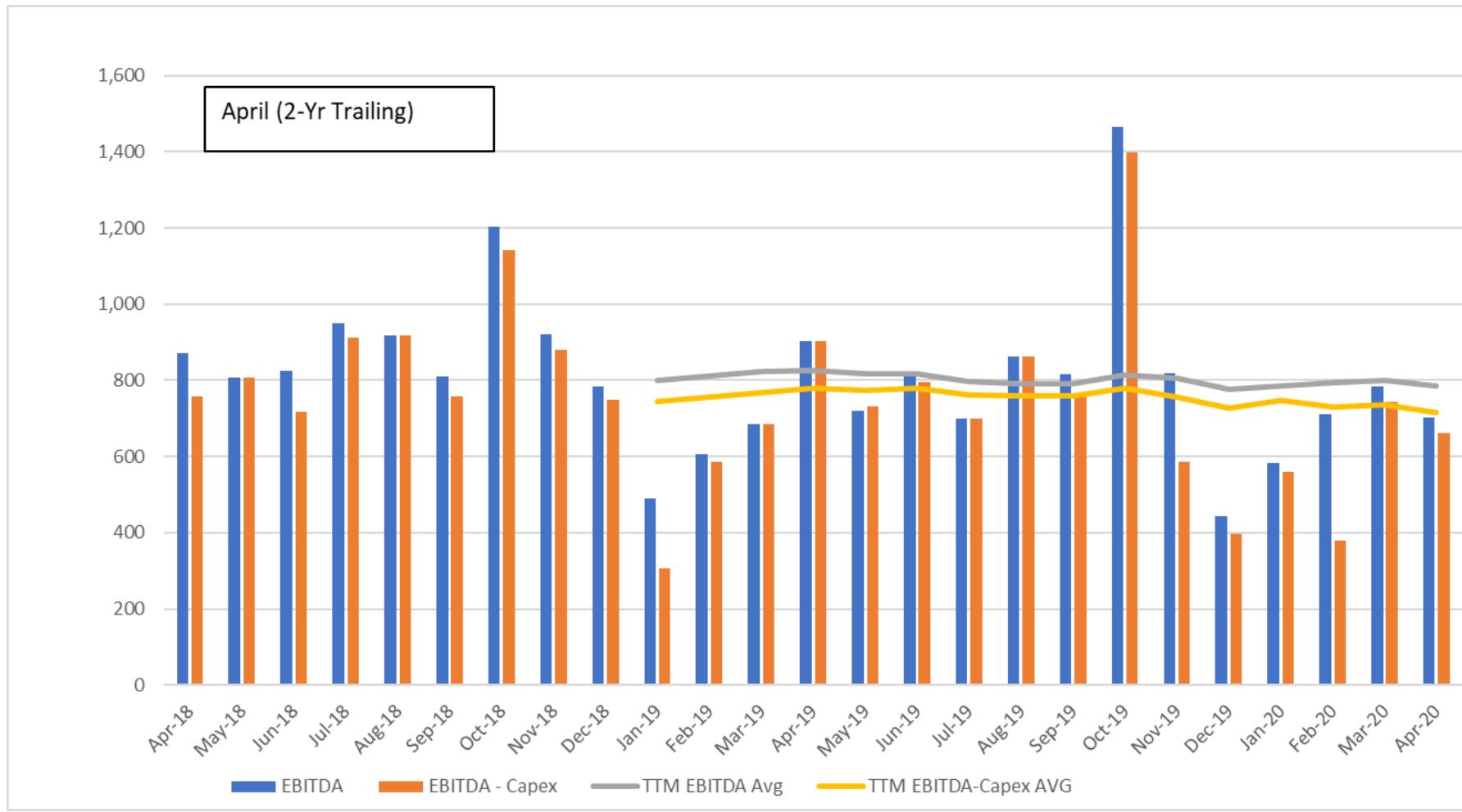
Consolidated Trended Monthly Backlog (24 month actual)

\$ in millions



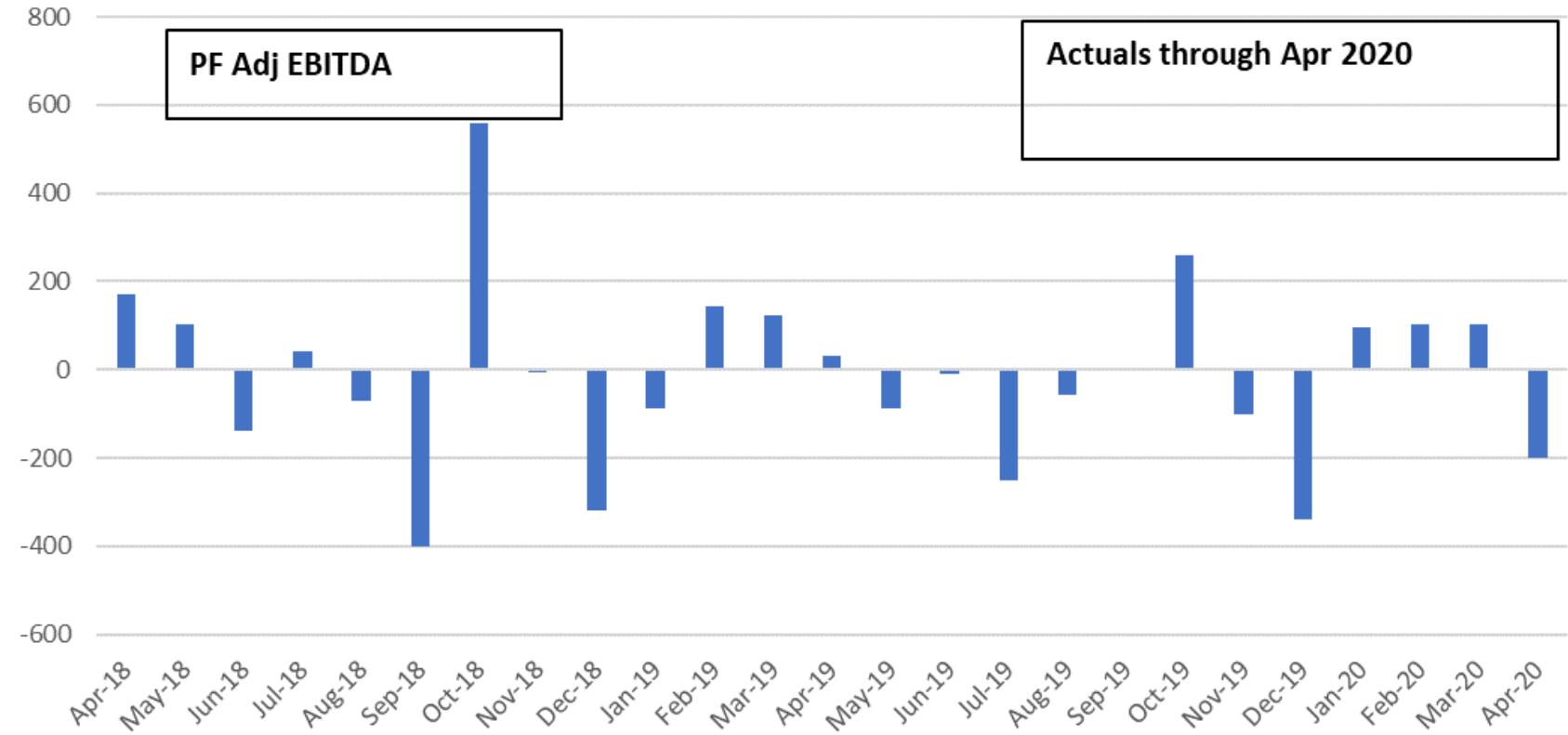
EBITDA and EBITDA-CapEx

\$ in millions



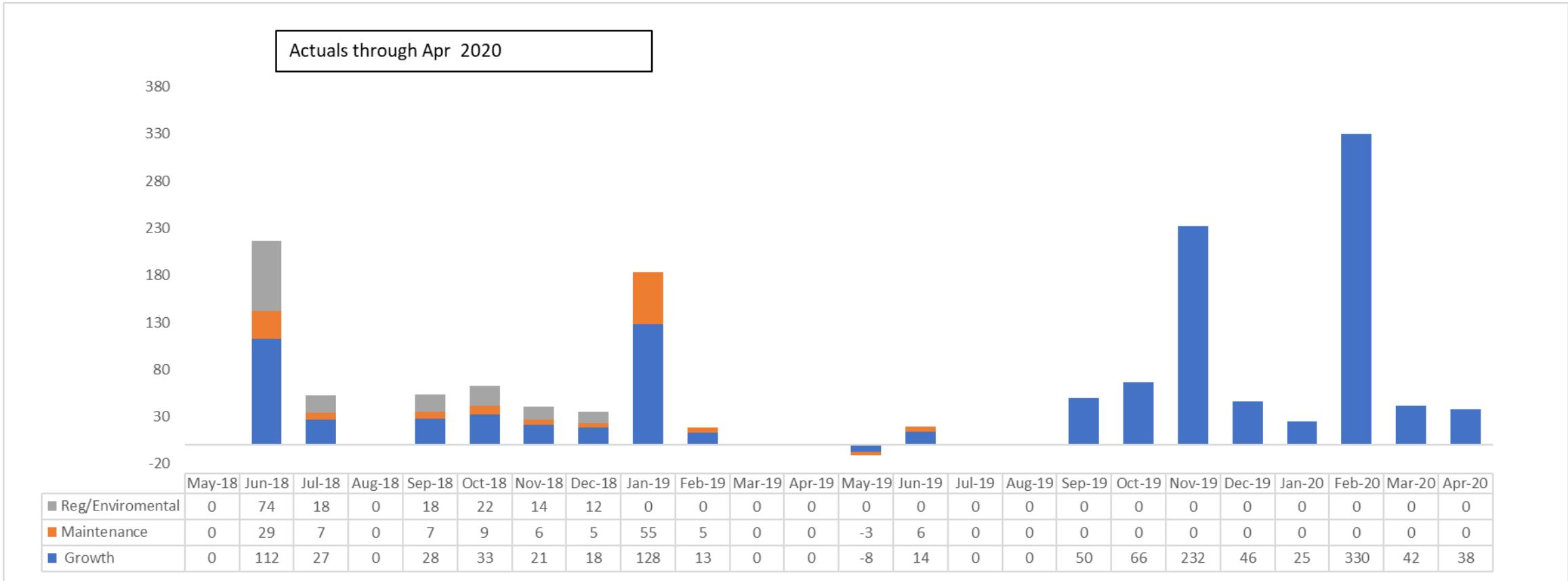
Consolidated Y-o-Y \$ EBITDA Change

\$ in thousands



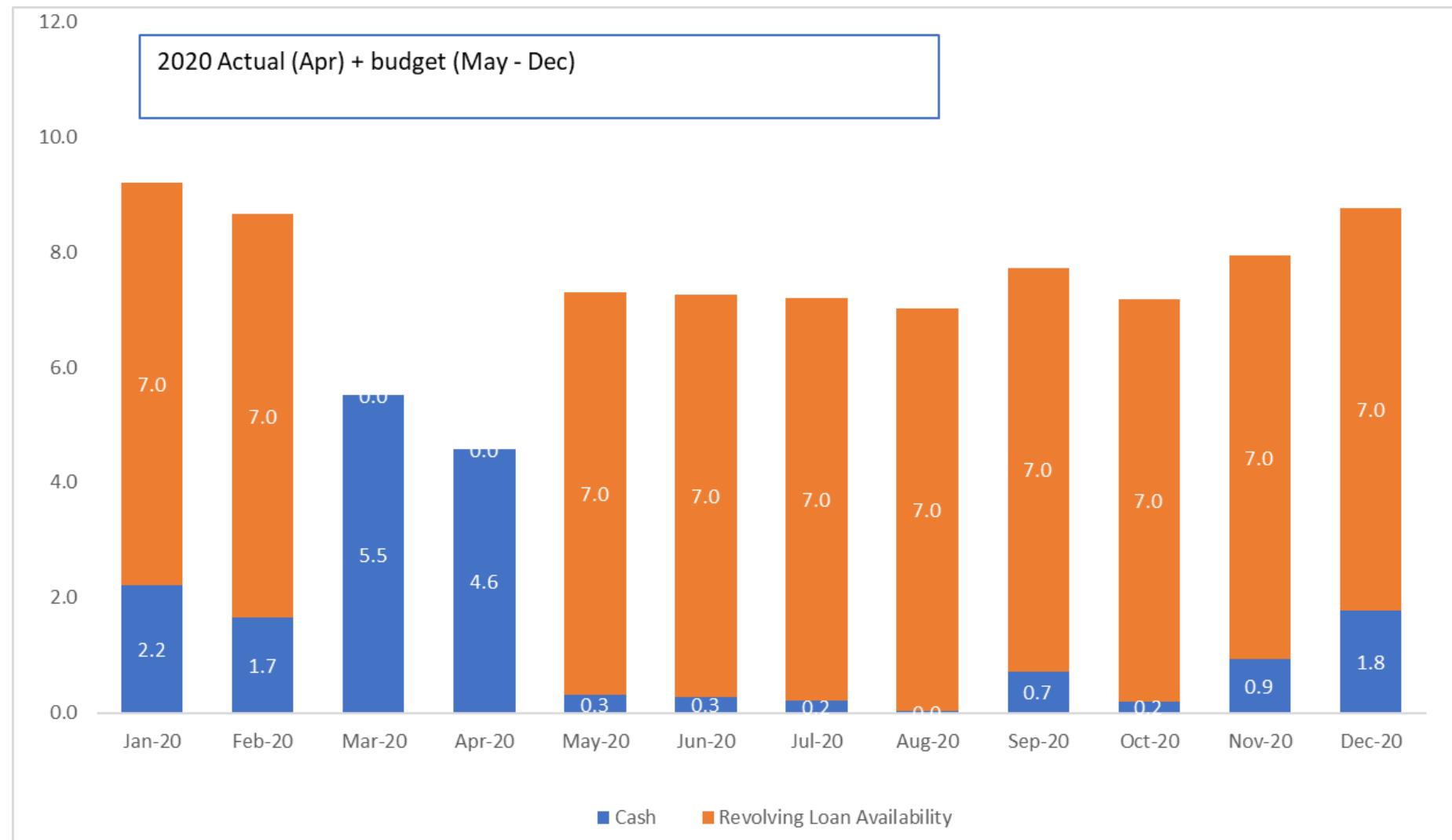
Capital Expenditures

\$ in thousands



Consolidated Liquidity Forecast

\$ in millions



Duraco Headcount Hires & Attrition

| FUNCTIONAL AREA | START OF MONTH | Hires | INVOLUNTARY TERM | VOLUNTARY TERM | END OF MONTH |
|------------------------|----------------|----------|------------------|----------------|--------------|
| Direct Labor | 74 | - | - | 1 | 73 |
| Operations - Hourly | 7 | - | - | - | 7 |
| Operations - Salary | 20 | - | - | 1 | 19 |
| Research & Development | 2 | - | - | - | 2 |
| Sales & Marketing | 24 | - | - | - | 24 |
| Administrative | 12 | - | - | - | 12 |
| Other | - | - | - | - | - |
| Agency FTE & Temps | 1 | - | - | - | 1 |
| Total Headcount | 140 | - | - | 2 | 138 |

Infinity Headcount Hires & Attrition

| FUNCTIONAL AREA | START OF MONTH | HIRES | INVOLUNTARY TERM | VOLUNTARY TERM | END OF MONTH |
|------------------------|----------------|-------|------------------|----------------|--------------|
| Direct Labor | 18 | - | - | - | 18 |
| Operations - Hourly | 9 | - | - | - | 9 |
| Operations - Salary | 2 | - | - | - | 2 |
| Research & Development | - | - | - | - | - |
| Sales & Marketing | 2 | - | - | - | 2 |
| Administrative | 4 | - | - | - | 4 |
| Other | - | - | - | - | - |
| Agency FTE & Temps | 5 | - | - | - | 5 |
| Total Headcount | 40 | - | - | - | 40 |

Headcount Trending by Month

| | Apr-19 | May-19 | Jun-19 | Jul-19 | Aug-19 | Sep-19 | Oct-19 | Nov-19 | Dec-19 | Jan-20 | Feb-20 | Mar-20 | Apr-20 |
|------------------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Direct Labor | 77 | 78 | 78 | 78 | 78 | 77 | 78 | 77 | 76 | 75 | 75 | 74 | 73 |
| Operations - Hourly | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 |
| Operations - Salary | 18 | 19 | 19 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 20 | 19 |
| Research & Development | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Sales & Marketing | 23 | 24 | 23 | 24 | 24 | 26 | 27 | 23 | 23 | 23 | 23 | 24 | 24 |
| Administrative | 7 | 7 | 7 | 7 | 8 | 10 | 10 | 10 | 11 | 11 | 12 | 12 | 12 |
| Other | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Agency FTE & Temps | 1 | 1 | 1 | 1 | - | - | - | - | - | - | 1 | 1 | 1 |
| Total Headcount | 135 | 138 | 137 | 139 | 139 | 142 | 144 | 139 | 139 | 138 | 140 | 140 | 138 |

Management Discussion

Duraco Open Positions:

- Active Recruits: Regional Sales Manager (2), VP Sales
- Positions on Hold: CS Supervisor, Material Scientist, Associate Product Manager, Senior Process Engineer, Machine Op (2)



Thank You

888 500 5805 | duraco.com