Hufcor, Inc. Quarterly Operating Review

Quarter March 31, 2020

April 27, 2020

HUFCOR®

HUFCOR Executive Summary: Q1 Performance

1. Entire team has risen to the occasion in response to COVID-19 disruptions & manage in a very challenging environment. The business has been repositioned to control costs & conserve cash / increase liquidity throughout Q2 2020
2. Primary challenge in the U.S. remains meeting our customers' demand amidst required production cuts in Janesville to abide by social distancing requirements on the factor floor (with a plan in place to ramp up capacity to full production by the end of Q2)
3. The team will continually reassess the market environment & proceed cautiously in order to meet whatever levels of market demand we experience
4. With that said, Hufcor financial performance exceeded expectations in Q1 in spite of the impact COVID-19 had in March
   - Net Revenue of $32.7 mm vs AOP of $37.2 mm
   - Bank EBITDA of $1.2 mm vs AOP of $1.1 mm & reported 3/31/20 covenant compliance
   - **Current estimates are that COVID-19 negatively impacted Consolidated EBITDA by ≈$0.6 mm in Q1**

COVID-19 IMPACT & ACTIONS TAKEN

Domestic Impact & Actions

- Segregated workforce on alternating schedules in Janesville
- PPE roll-out with new safety protocols (led by J. Bahr) have thus far prevented outbreaks
- Production currently at 70% of normal with plans to attain 100% by end of Q2
- Domestic field offices adjusting schedules /staffing in response to JVL output levels

International Impact & Actions

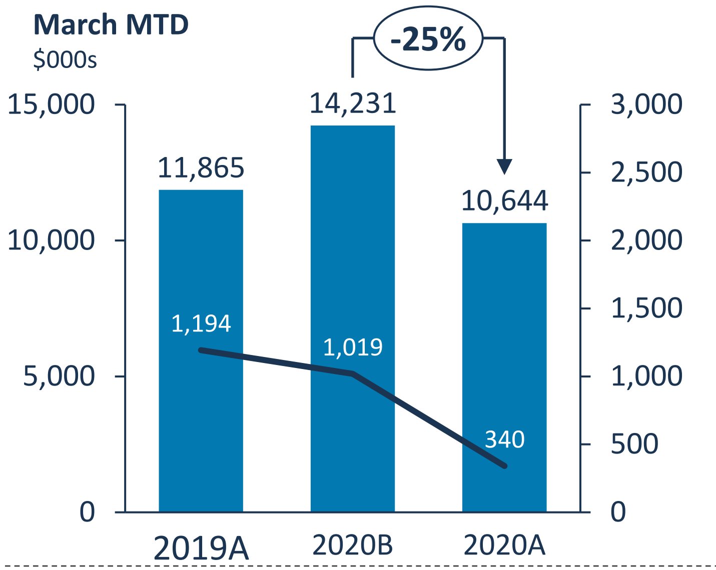
- China / Hong Kong disruption date back to Jan, yielding weak securements & serious issues going forward – US team engaging to revive the commercial strategy
- Malaysia & Europe management have performed exceptionally in the challenging environment
- Cost controls enacted globally & potential for ≈$450k in government support through the end 2020

Overhead Impact & Actions

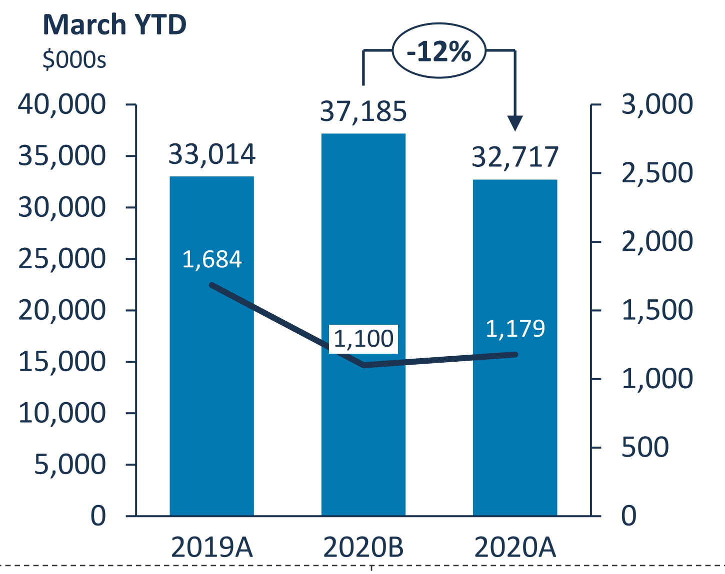
- Remote workforce protocol implemented the last week of March
- Furloughs impacting 35 individuals rolled out in April across Janesville & Field Offices ($150k monthly savings)
- Suspended bonuses, wage increases & 401(k)-match until environment improves
- Conducting daily leadership calls for continuity

HUFCOR Monthly financial metrics

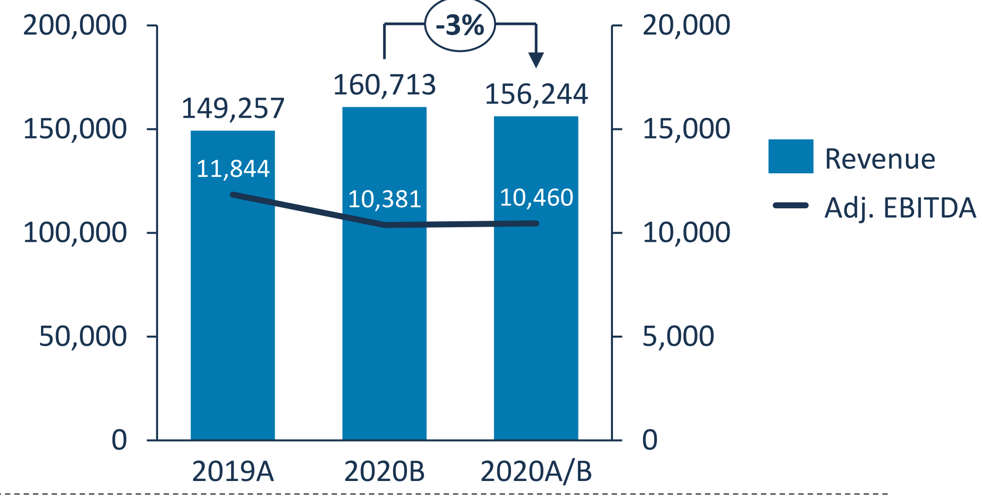
March MTD
$000s



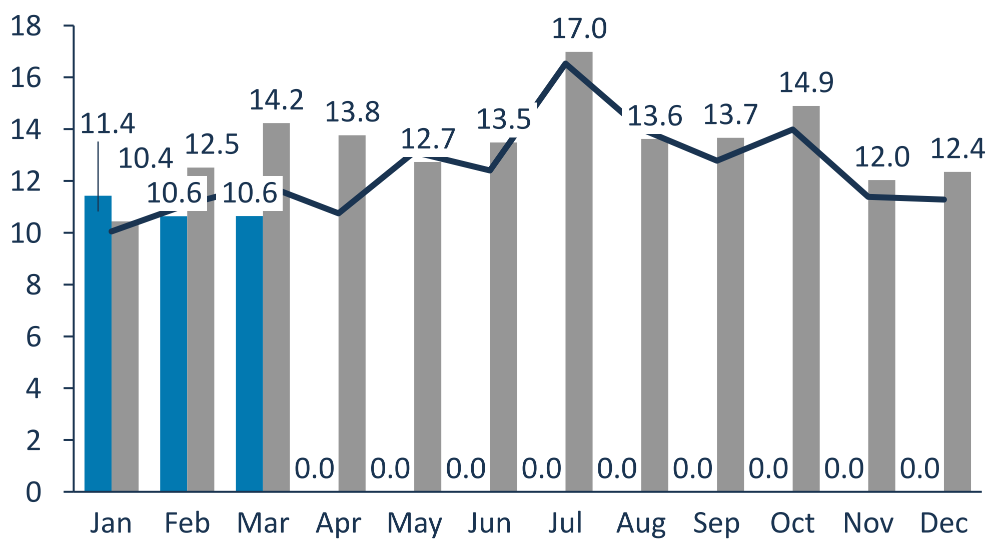
March YTD
$000s



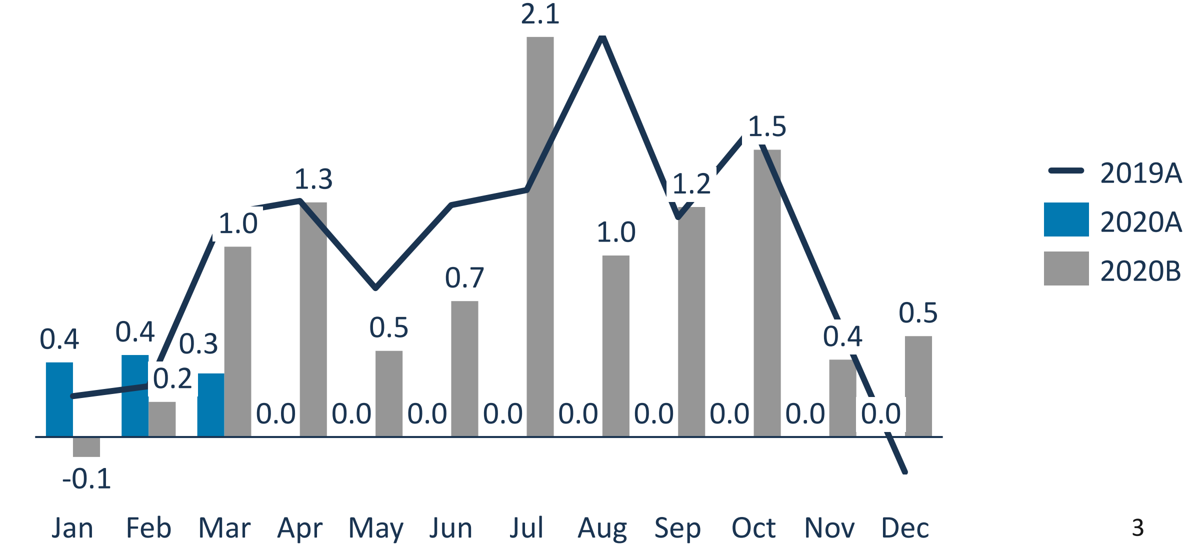
Full Year
$000s



Monthly Net Revenue
$ millions



Monthly Pro Forma Adj. EBITDA
$ millions



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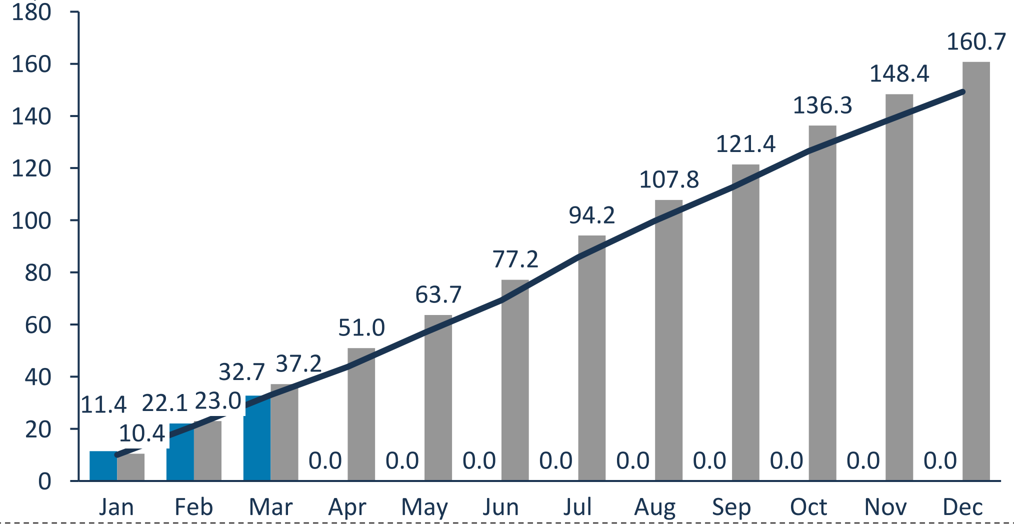
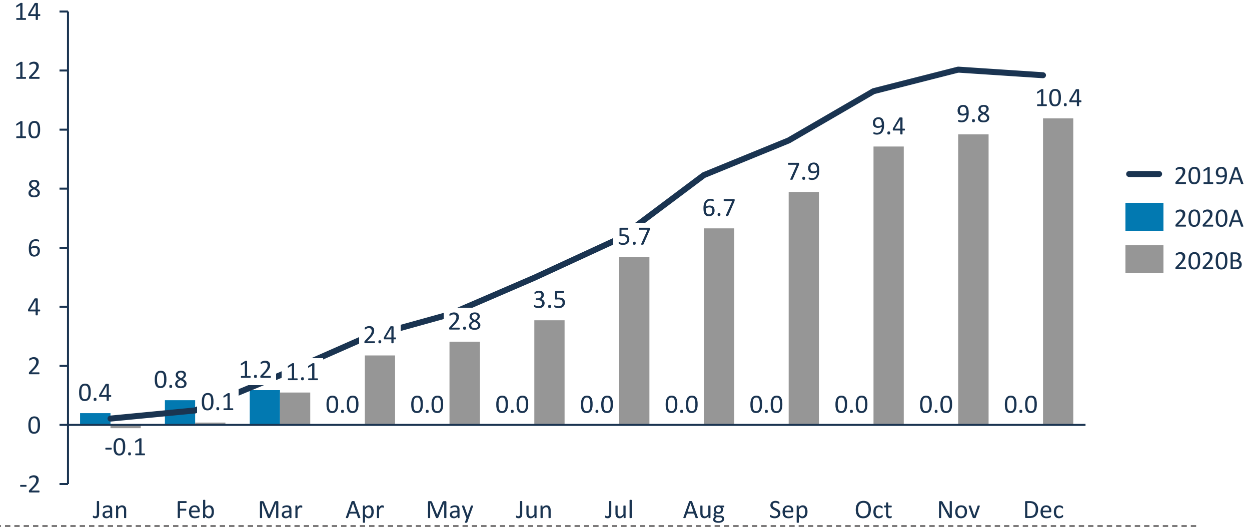
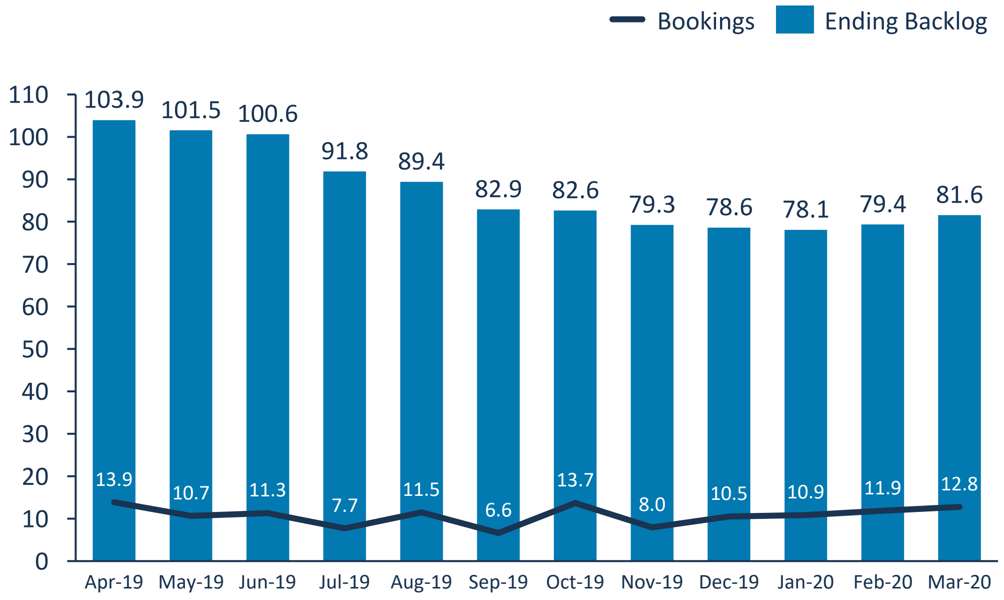
Monthly financial metrics

Monthly Net Revenue
$ millions

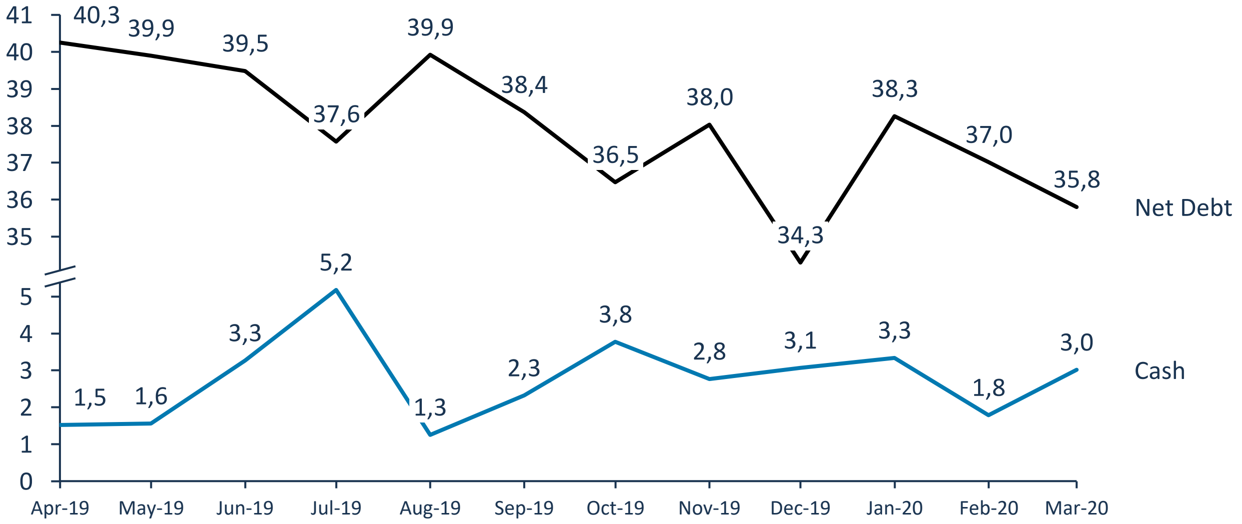


Monthly Pro Forma Adj. EBITDA
$ millions





Net Debt & Cash
$ millions



Section 1

Financials – First Quarter 2020

HUFCOR March P&L Detail: Reported

$'000	MTD		Variance		PY MTD	Variance		YTD		Variance	PY YTD	Variance
	Act	Bud	$	%	Act	$	%	Act	Bud	%	Act	%
Net Revenue	**10,644**	**14,231**	**(3,588)**	**(25.2%)**	**11,865**	**(1,221)**	**(10.3%)**	**32,717**	**37,185**	**(12.0%)**	**33,014**	**(0.9%)**
Material	4,249	5,341	(1,093)	(20.5%)	3,724	524	14.1%	11,216	13,291	(15.6%)	11,075	1.3%
Labor	3,246	3,873	(627)	(16.2%)	3,733	(487)	(13.1%)	10,231	11,078	(7.6%)	10,528	(2.8%)
Other COGS	1,111	1,267	(156)	(12.3%)	1,347	(236)	(17.5%)	3,395	3,732	(9.0%)	3,584	(5.3%)
Total COGS	**8,606**	**10,481**	**(1,876)**	**(17.9%)**	**8,805**	**(199)**	**(2.3%)**	**24,843**	**28,100**	**(11.6%)**	**25,187**	**(1.4%)**
Gross Margin	**2,038**	**3,750**	**(1,712)**	**(45.7%)**	**3,060**	**(1,022)**	**(33.4%)**	**7,874**	**9,085**	**(13.3%)**	**7,827**	**0.6%**
Gross Margin %	*19.1%*	*26.3%*			*25.8%*			*24.1%*	*24.4%*		*23.7%*	
R&D	–	–	–	N/A	–	–	N/A	–	–	N/A	–	N/A
Sales & Marketing	1,131	1,330	(199)	(15.0%)	1,132	(1)	(0.1%)	3,484	3,837	(9.2%)	3,181	9.5%
Administrative	938	1,801	(863)	(47.9%)	1,827	(889)	(48.7%)	4,561	5,668	(19.5%)	3,582	27.3%
Other Opex	(6)	(8)	2	(22.8%)	(71)	65	(91.0%)	(47)	(22)	111.5%	(94)	(49.7%)
Total Opex	**2,063**	**3,123**	**(1,060)**	**(33.9%)**	**2,889**	**(826)**	**(28.6%)**	**7,997**	**9,483**	**(15.7%)**	**6,669**	**19.9%**
EBITDA	**(25)**	**627**	**(652)**	**104.0%**	**171**	**(196)**	**(114.6%)**	**(123)**	**(398)**	**69.2%**	**1,158**	**(110.6%)**
EBITDA %	*(0.2%)*	*4.4%*			*1.4%*			*(0.4%)*	*(1.1%)*		*3.5%*	
Adj. EBITDA	**340**	**1,019**	**(678)**	**(66.6%)**	**1,194**	**(853)**	**(71.5%)**	**1,179**	**1,100**	**7.2%**	**1,684**	**(30.0%)**
Adj. EBITDA %	*3.2%*	*7.2%*			*10.1%*			*3.6%*	*3.0%*		*5.1%*	
Net Income (Loss)	**$ (552)**	**$ (199)**	**$ (353)**	**(176.9%)**	**$ (749)**	**$ 198**	**26.4%**	**$ (2,101)**	**$ (2,818)**	**25.4%**	**$ (1,756)**	**(19.6%)**

	MTD		Variance		PY MTD	Variance		YTD			PY YTD	
	Act	Bud	$	%	Act	$	%	Act	Bud	%	Act	%
Opex Overview:												
Payroll	$ 1,100	$ 1,208	$ (108)	(8.9%)	$ 1,004	$ 96	9.5%	$ 3,320	$ 3,504	(5.2%)	$ 3,084	7.7%
Benefits	27	194	(167)	(86.1%)	232	(205)	(88.4%)	648	742	(12.7%)	184	251.3%
Bonus	(323)	166	(489)	(294.5%)	93	(416)	(446.0%)	(16)	498	(103.3%)	285	(105.7%)
Marketing	21	51	(30)	(58.2%)	19	2	11.9%	62	154	(59.9%)	(48)	(227.6%)
Commissions	163	265	(102)	(38.5%)	187	(24)	(13.0%)	549	676	(18.8%)	480	14.4%
Travel and Entertainment	153	180	(26)	(14.6%)	85	68	80.5%	410	545	(24.7%)	247	66.0%
Rent and Facilities	67	73	(6)	(8.0%)	67	(0)	(0.6%)	213	218	(2.5%)	204	4.0%
Insurance	71	57	14	24.2%	35	36	100.9%	213	172	23.7%	113	87.6%
Professional Fees	138	85	53	63.2%	110	28	25.6%	355	283	25.6%	264	34.5%
Utl., Repair, Maint., & Sec.	38	38	0	0.0%	38	0	0.3%	100	114	(12.4%)	104	(4.2%)
Office Expenses	9	7	3	36.5%	5	4	78.6%	19	20	(4.8%)	14	34.8%
IT	87	60	28	46.1%	58	29	50.5%	200	212	(5.6%)	171	17.2%
Bad Debts	(67)	35	(102)	(289.6%)	789	(856)	(108.5%)	8	92	(91.7%)	981	(99.2%)
Supplies	15	18	(3)	(16.7%)	17	(2)	(13.7%)	49	53	(7.3%)	52	(7.1%)
FX	–	–	–	N/A	–	–	N/A	–	–	N/A	–	N/A
Other Expenses	553	687	(134)	(19.6%)	147	405	275.0%	1,859	2,203	(15.6%)	533	248.9%
Total Opex	**$ 2,054**	**$ 3,123**	**$ (1,069)**	**(34.2%)**	**$ 2,889**	**$ (835)**	**(28.9%)**	**$ 7,988**	**$ 9,484**	**(15.8%)**	**$ 6,669**	**19.8%**

Management Discussion on March Performance:

Revenue

- $3.6 mm below plan ($10.6 mm actual vs. 14.2 mm budget), driven by performance both in the U.S. and internationally
  - International: ($1.6 mm)
  - Domestic: ($2.0 mm)

Gross Margin

- Impacted by production slow downs in Janesville and major glass jobs in Texas (large projects & lower margins)

OPEX

- Favorable OPEX costs were driven by adjustments in:
  - Bonus Accrual
  - Self-insured medical benefits
  - Bad Debt Expense, through collections received on past due accounts
  - Warranty Expense

EBITDA

- ($15k) Reported EBITDA vs $627k Budgeted MTD March
  - International = ($47k) vs $363k Budget
  - Domestic = $32k vs $264k Budget
- Bank EBITDA of $340k vs $1,019k Budget
  - International = ($47) vs $363k mm Budget
  - Domestic = $387k mm vs $656 mm Budget

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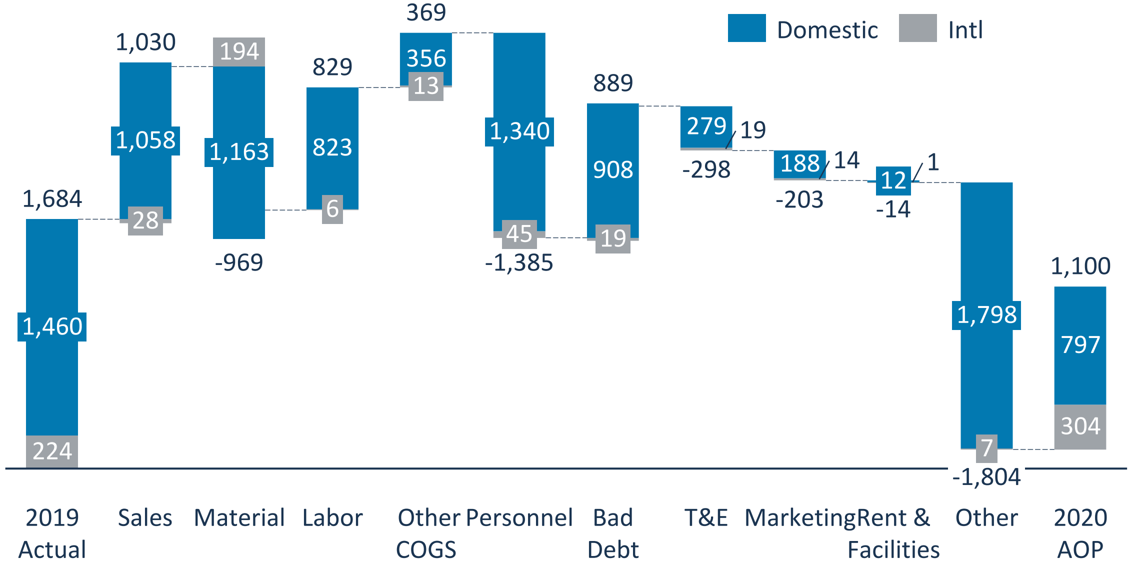
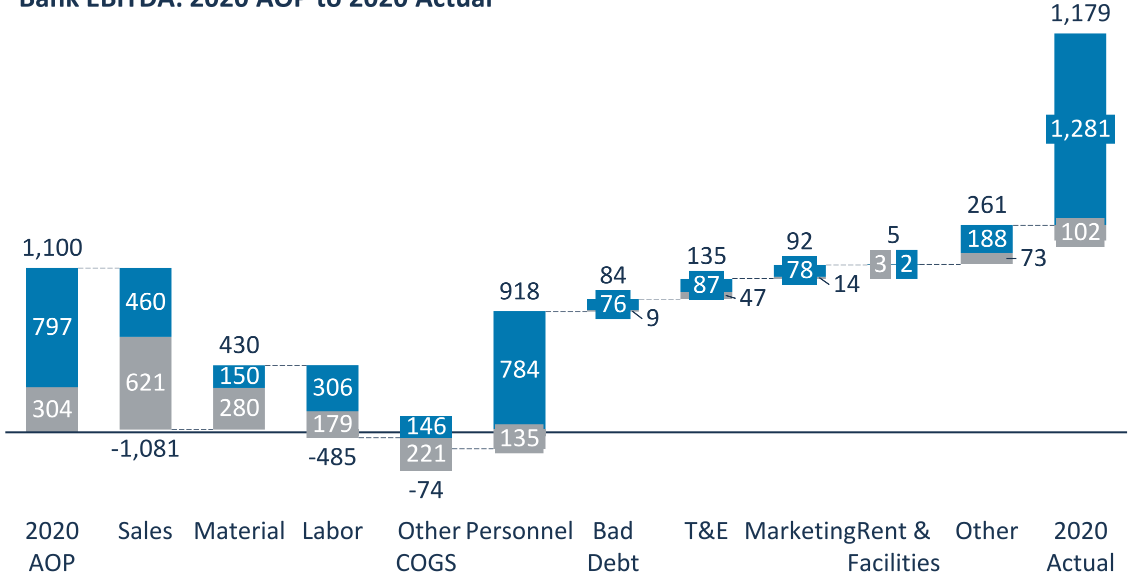
Q1 Bank EBITDA Bridge (Int’l vs. Domestic)

$ ‘000	Q1 Bank EBITDA					
	Domestic		International		Consolidated	
	Revenue	EBITDA	Revenue	EBITDA	Revenue	EBITDA
2019	$ 21,867	$ 1,460	$ 11,147	$ 224	$ 33,014	$ 1,684
Increased Sales	4,298	1,058	(127)	(28)	4,172	1,030
Manufacturing Variance						0
Material Variance		(1,163)		194		(969)
Labor Variance		823		6		829
Other COGS Variance		356		13		369
OpEx Variance						0
Personnel		(1,340)		(45)		(1,385)
Bad Debt		908		(19)		889
T&E		(279)		(19)		(298)
IT Costs		(36)		(5)		(41)
Professional Fees		(24)		5		(19)
Marketing		(188)		(14)		(203)
Rent & Facilities		(12)		(1)		(14)
All Other Net of Adj.		(766)		(6)		(771)
2020 AOP	**$ 26,165**	**$ 797**	**$ 11,020**	**$ 304**	**$ 37,185**	**$ 1,100**
Increased Sales	(1,866)	(460)	(2,603)	(621)	(4,469)	(1,081)
Manufacturing Variance						0
Material Variance		150		280		430
Labor Variance		(306)		(179)		(485)
Other COGS Variance		146		(221)		(74)
OpEx Variance						0
Personnel		784		135		918
Bad Debt		76		9		84
T&E		87		47		135
IT Costs		13		(1)		12
Professional Fees		(94)		21		(72)
Marketing		78		14		92
Rent & Facilities		2		3		5
All Other Net of Adj.		8		106		115
2020 Actual	**$ 24,299**	**$ 1,281**	**$ 8,418**	**$ (102)**	**$ 32,717**	**$ 1,179**

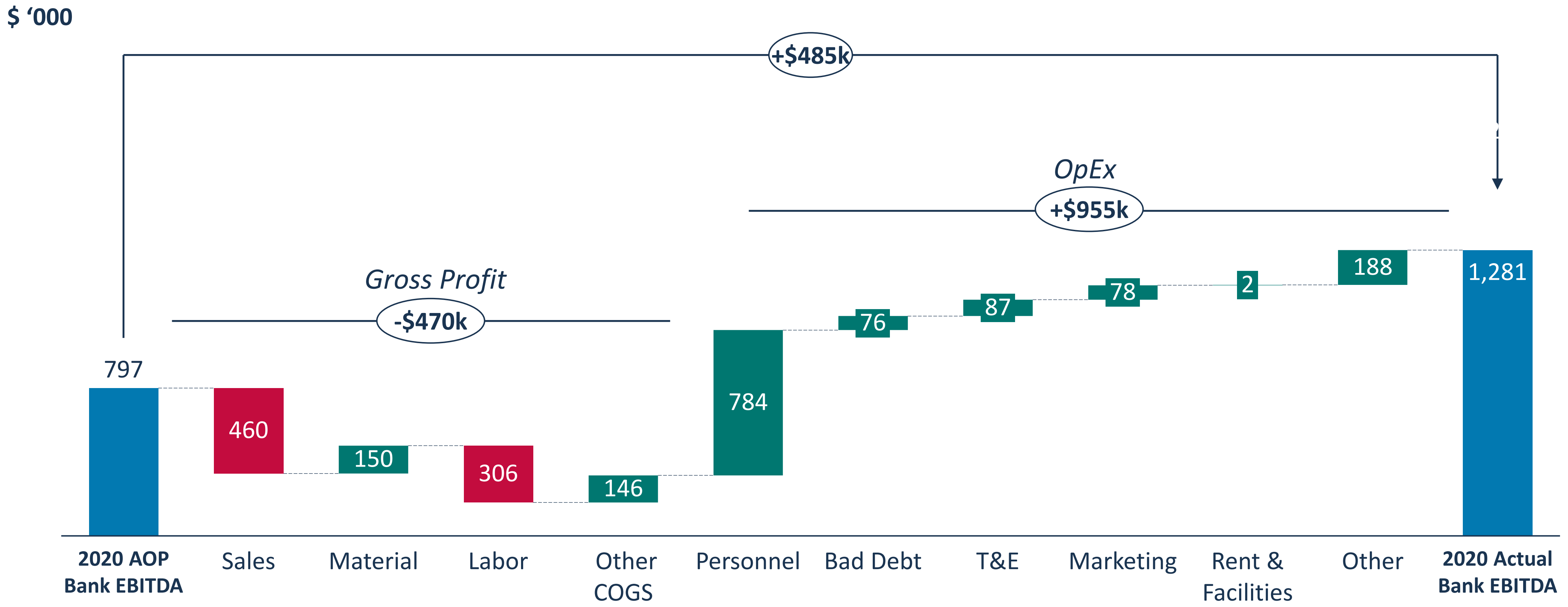
Bank EBITDA: 2019 to 2020 AOP



Bank EBITDA: 2020 AOP to 2020 Actual

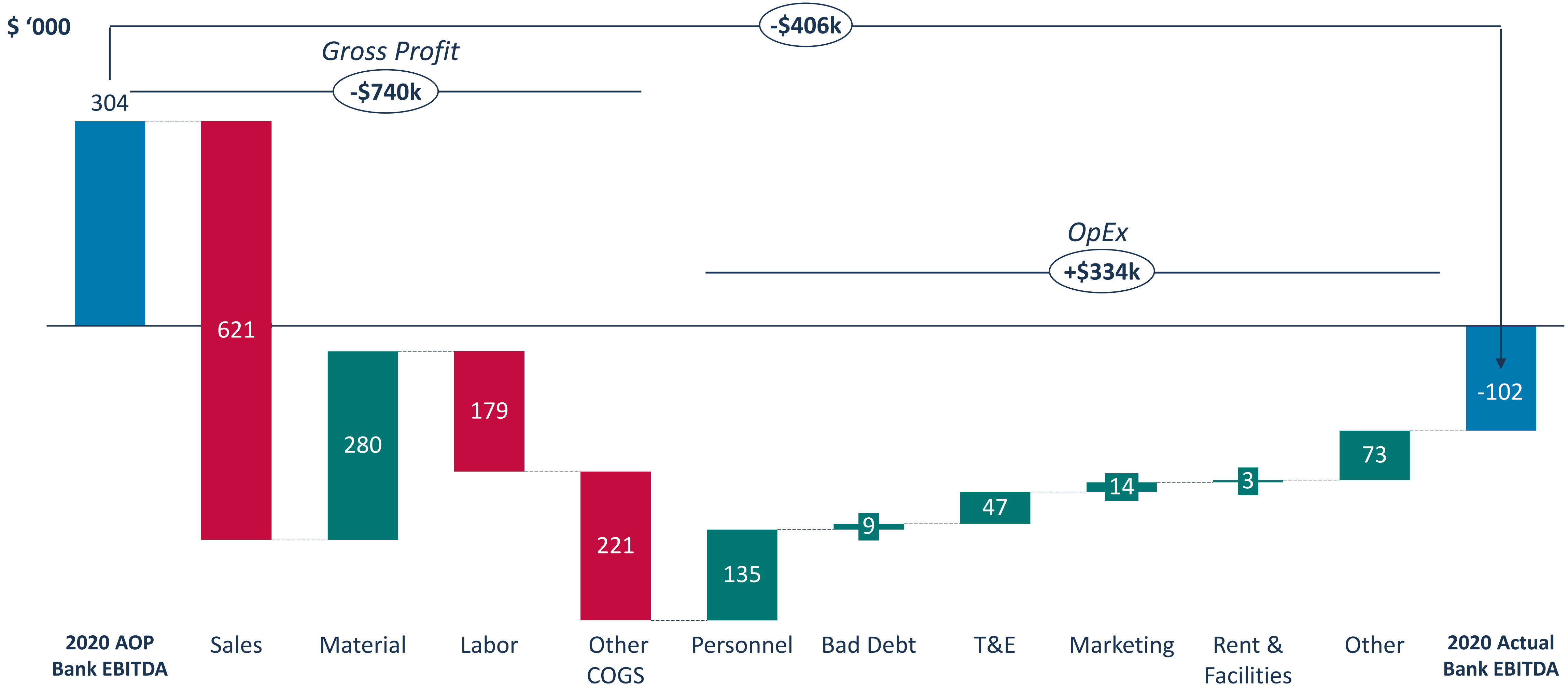


Q1 Domestic EBITDA Bridge: 2020 Bank EBITDA



- *> 100% of Gross Profit miss attributable to Janesville closure / decreased capacity due to COVID-19. Prior to March, Direct Labor in Janesville ran at 26.7% of Revenue vs. AOP expectation of 26.8%*
- *Personnel cost variance driven by Corporate savings: bonus accrual ($420k) and favorable variance to in self-insured health plan ($90k)*

Q1 International EBITDA Bridge: 2020 Bank EBITDA

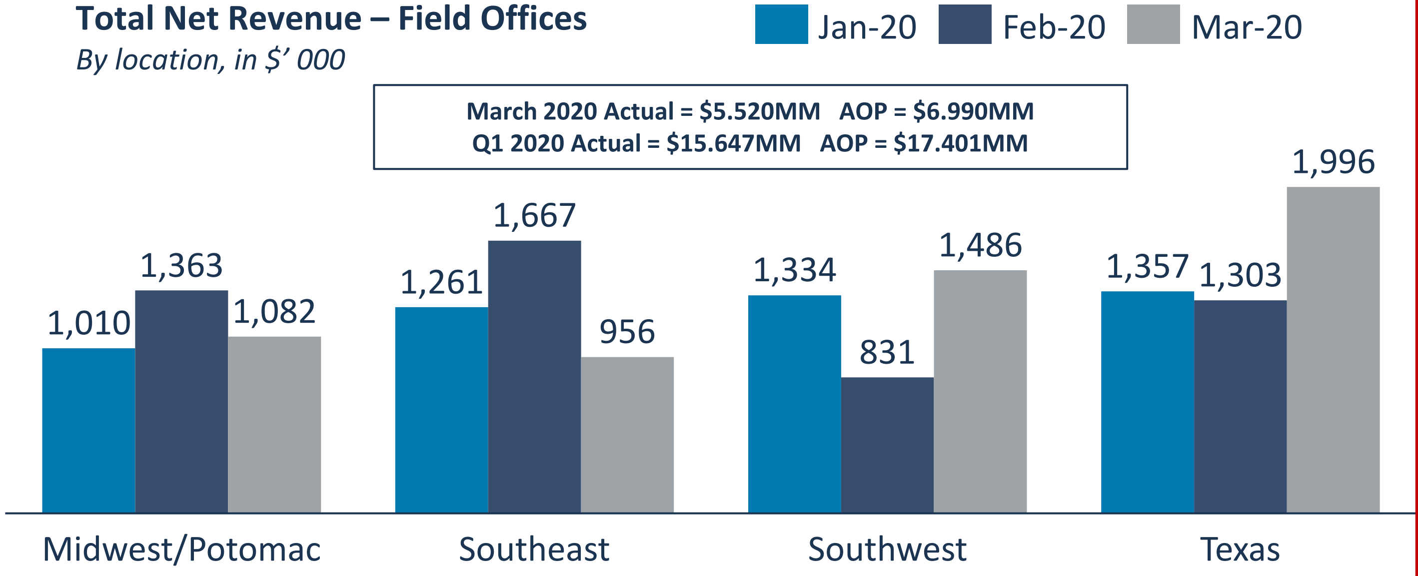


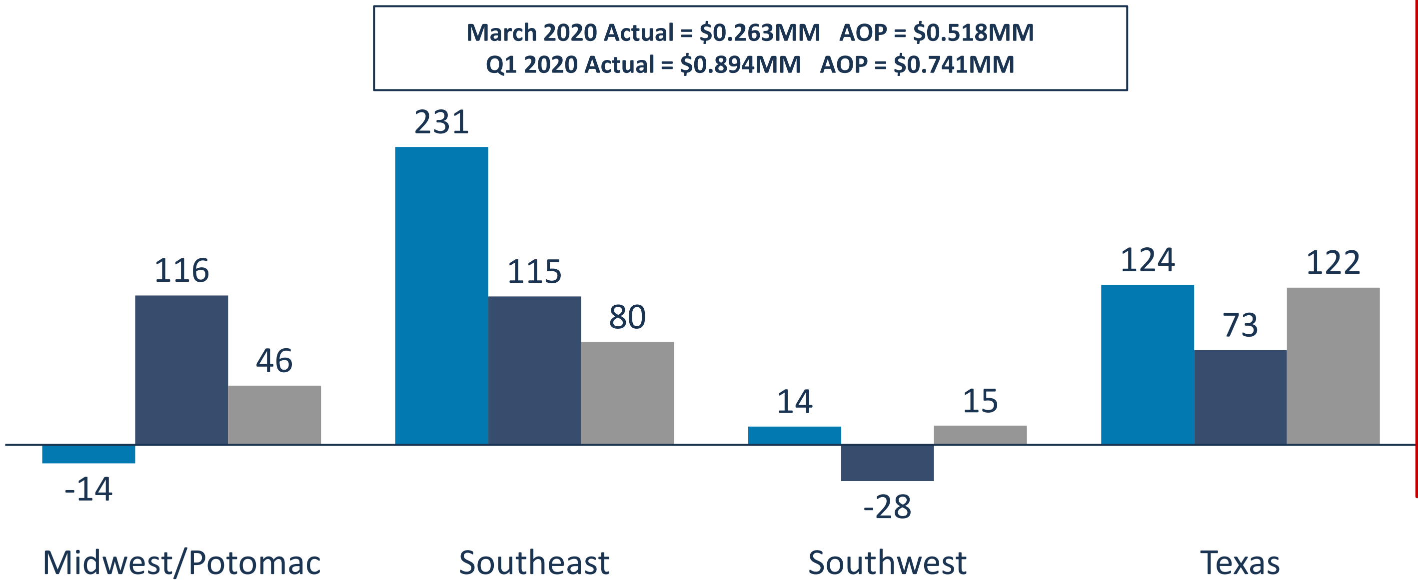
- *China/Hong Kong and Australia/NZ drove most significant miss vs Revenue & EBITDA in the quarter. While both regions were impacted by COVID-19, overall civil unrest (HK) & an aggressive AOP (Australia) also account for the variance*
- *Europe performed in line with expectations & Malaysia performed ≈$60k below AOP, all attributable to March*

Hufcor Domestic Office Contribution Detail

Total Net Revenue – Field Offices

By location, in $' 000

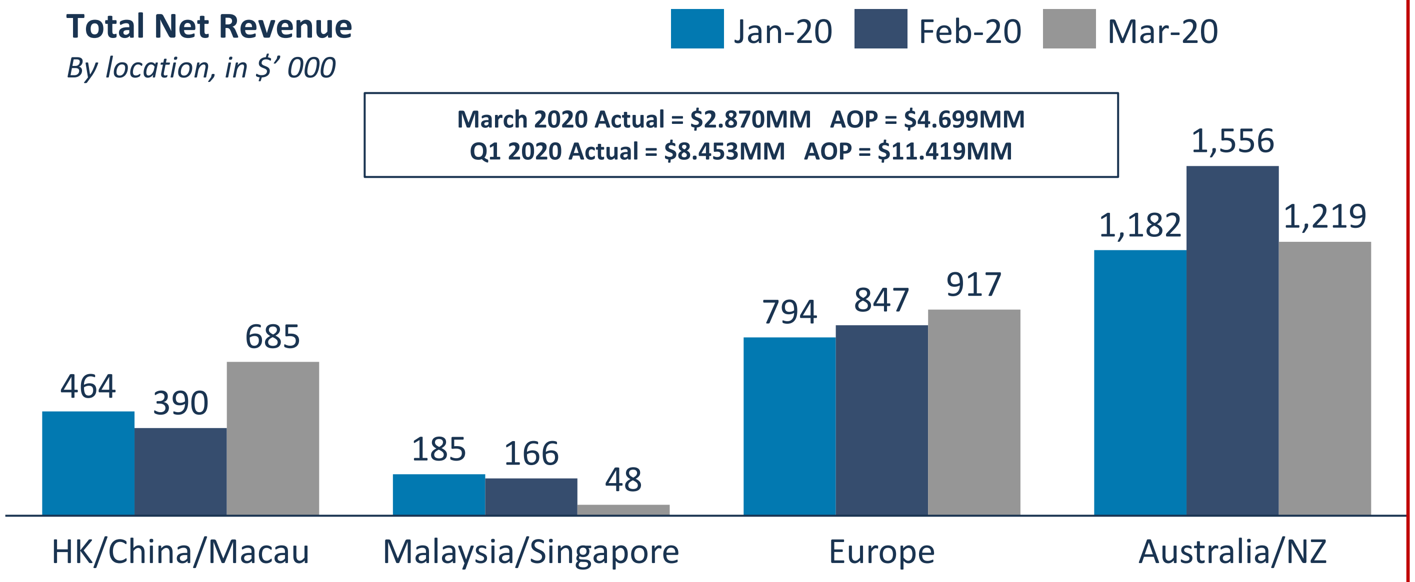


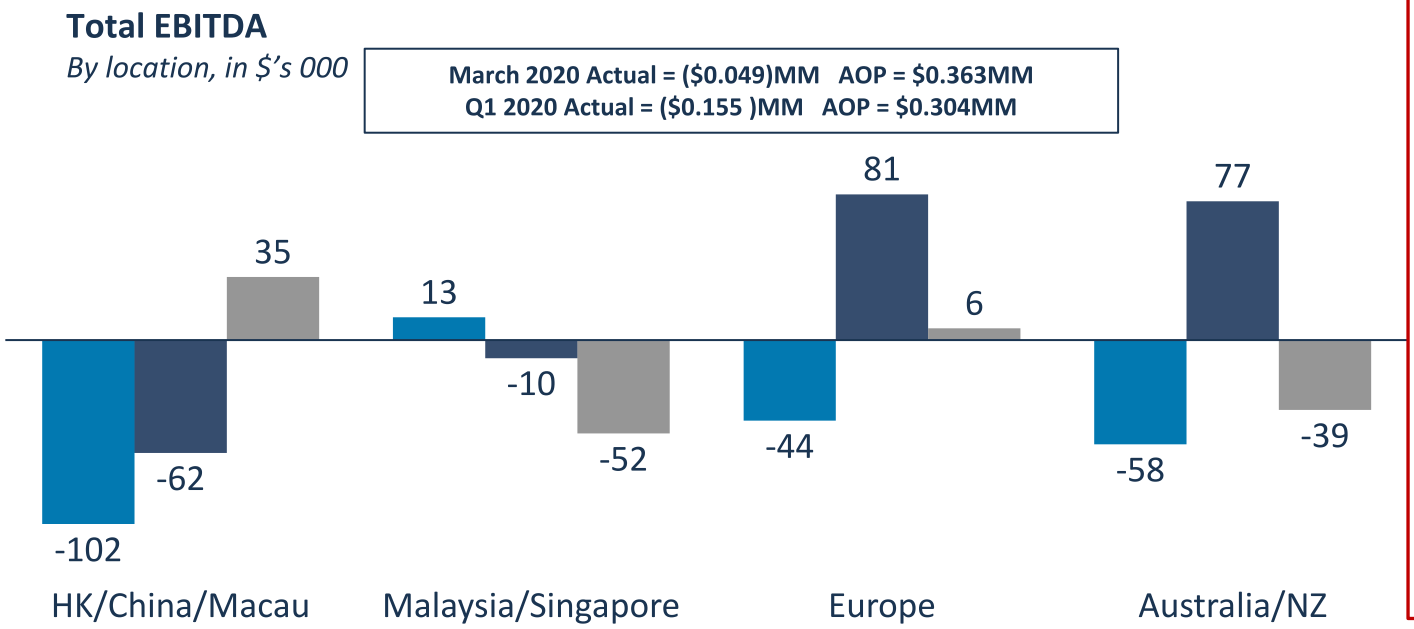


Management Discussion:

- March 2020 service center Revenue of $5.5 mm vs budget of $6.9 mm. EBITDA of $0.26 mm was short of budget by $0.25 mm
- Main contributing factors to the revenue and EBITDA miss were due to SE having a weak backlog and a major project moving out of TX in Q2
  - TX had an EBITDA miss of $0.175 mm due to the large revenue push
  - Minnesota and SE had an EBITDA miss of $0.07 mm and $0.03 mm due to a very weak backlog
- Overall, Q1 revenue was short by $1.754 mm but exceeded EBITDA by $0.153 mm
- Midwest struggled mainly due to Minnesota having a weak backlog the entire quarter
- TX has seen major turn around vs 2019 Q1 performance
  - 2019 $2.8 mm in revenue and $0.02 EBITDA
  - Following processes and holding team accountable is driving results
- Chicago sales candidate has been selected but is on hold due to inability to onboard properly
- WI Sales Office is active and bidding/winning projects

Hufcor International Office Contribution Detail





Management Discussion:

- March 2020 International divisions Revenue of $2.9 mm vs budget of $4.7 mm
- Low revenue was driven by Malaysia shut down mid March, NZ push of major projects, and struggles in China/Hong Kong region (50% of goal)
- EBITDA was unfavorable to AOP by $411K driven by issues stated above
- Revenue target in Hong Kong 50% of plan, impacted by Hong Kong jobs pushed out once again
- China fell short on revenue targets, 55% against plan
- Malaysia/Singapore: Government-forced shutdown in mid March due to COVID-19, 20% revenue against plan
- Australia: Missed revenue target, 59% of AOP Driven by New Zealand major projects and work pushed out (along with an aggressive AOP)
- Europe exceeded revenue target. EBITDA miss of $4K, paid out $59K in warranty expense on Celtic Manor job causing the miss. New team performing well given the environment

HUFCOR Covenant Compliance – Last Twelve Months

Covenant Analysis- JPMC and LBC Credit Partners													
$'000	Apr-19 Actual	May-19 Actual	Jun-19 Actual	Jul-19 Actual	Aug-19 Actual	Sep-19 Actual	Oct-19 Actual	Nov-19 Actual	Dec-19 Actual	Jan-20 Actual	Feb-20 Actual	Mar-20 Actual	Mar-20 LTM
Fixed Charge Coverage Ratio (JP Morgan Chase- Monthly and LBC Credit Partners- Quarterly)													
Net Income (Loss)	**$ 37**	**$ (381)**	**$ 215**	**$ 634**	**$ 680**	**$ (3,773)**	**$ 351**	**$ (297)**	**$ (63)**	**$ (845)**	**$ (705)**	**$ (552)**	**$ (4,699)**
Bank EBITDA Calculation:													
Interest Expense	349	371	365	373	355	396	342	310	342	327	326	288	4,143
Income and Franchise Tax Expense	36	88	36	146	85	99	94	75	87	(14)	23	(13)	743
Depreciation and Amortization Expense	569	507	507	510	510	240	239	240	332	257	279	261	4,452
Losses (Gains) from Dispositions	-	-	-	-	10	1	-	64	10	-	-	4	89
Management Agreement fees and expenses	250	-	-	-	250	-	250	-	-	250	-	-	1,000
Losses (Gains) from Discontinued Operations	-	-	-	-	-	-	17	17	117	17	30	-	198
Non-cash FX, transaction, translation losses (gains)	2	58	(44)	61	6	60	(65)	91	52	16	(12)	(9)	217
Severance costs, subject to ABL	-	-	423	-	-	732	-	(139)	-	-	-	62	1,078
Any Extraordinary charges, subject to ABL	-	-	-	-	-	-	-	-	-	-	-	5	5
Other non-cash charges or non-cash gains	-	-	-	-	-	-	-	-	120	-	-	-	120
Other non-recurring fees and expenses - Consultants	36	61	79	20	218	331	390	414	780	391	392	248	3,361
Other non-recurring fees and expenses - All Other	-	-	-	-	-	7	47	-	189	-	105	46	394
Non-recurring inventory write-offs < $320k in total	-	-	-	-	-	498	-	-	(178)	-	-	-	320
Non-recurring A/R write-offs < $1.3mm in total	-	-	(233)	-	-	1,737	(31)	(98)	(879)	-	-	-	497
Non-recurring warranty claim payments: Mystic Lake < 400k	-	-	-	-	-	75	-	-	-	-	-	-	75
Non-recurring warranty claim payments: Non- Mystic Lake < 625k	-	108	(92)	(421)	(37)	686	(2)	(59)	(147)	-	-	-	37
Less Extraordinary gains and non-cash income	-	-	-	-	-	-	-	-	(157)	-	-	-	(157)
Bank EBITDA	**$ 1,280**	**$ 812**	**$ 1,255**	**$ 1,323**	**$ 2,079**	**$ 1,090**	**$ 1,633**	**$ 618**	**$ 605**	**$ 400**	**$ 439**	**$ 340**	**$ 11,873**
Less:													
Unfinanced CAPEX	250	117	125	289	91	134	132	51	80	219	121	30	1,640
Cash income and franchise taxes	36	88	36	146	85	99	94	75	87	(14)	23	(13)	743
Cash Monitoring fees (including expenses)	35	32	117	29	115	184	160	278	346	347	412	-	2,055
Numerator	**$ 959**	**$ 574**	**$ 978**	**$ 858**	**$ 1,787**	**$ 672**	**$ 1,247**	**$ 215**	**$ 91**	**$ (153)**	**$ (117)**	**$ 324**	**$ 7,435**
Fixed Charges:													
Cash Interest	302	321	315	323	301	343	289	256	288	272	271	233	3,514
Regularly scheduled principal payments	209	-	-	209	-	-	209	-	-	292	-	-	919
Capital Lease payments	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Fixed Charges	**$ 511**	**$ 321**	**$ 315**	**$ 532**	**$ 301**	**$ 343**	**$ 497**	**$ 256**	**$ 288**	**$ 565**	**$ 271**	**$ 233**	**$ 4,433**
TTM Numerator	7,313	8,282	6,566	7,338	8,029	7,667	8,333	8,235	8,339	8,198	8,109	7,435	7,435
TTM Fixed Charges	4,519	4,564	4,615	4,662	4,674	4,744	4,591	4,537	4,495	4,547	4,515	4,433	4,433
Fixed Charge Covenant Ratio	**1.62**	**1.81**	**1.42**	**1.57**	**1.72**	**1.62**	**1.81**	**1.82**	**1.86**	**1.80**	**1.80**	**1.68**	**1.68**
Required Fixed Charge Covenant Ratio									**1.15**			**1.15 x**	**1.15 x**
Leverage Ratio (LBC Credit Partners- Quarterly)													
Total Debt for Leverage Calculation	**$ 41,771**	**$ 41,456**	**$ 42,743**	**$ 42,745**	**$ 41,174**	**$ 40,689**	**$ 40,241**	**$ 40,794**	**$ 37,361**	**$ 41,594**	**$ 38,799**	**$ 38,813**	**$ 38,813**
TTM Bank EBITDA	**$ 10,294**	**$ 11,277**	**$ 9,719**	**$ 10,606**	**$ 11,457**	**$ 11,500**	**$ 11,914**	**$ 11,871**	**$ 12,378**	**$ 12,559**	**$ 12,726**	**$ 11,873**	**$ 11,873**
Leverage Ratio	**4.06**	**3.68**	**4.40**	**4.03**	**3.59**	**3.54**	**3.38**	**3.44**	**3.02**	**3.31**	**3.05**	**3.27**	**3.27**
Required Leverage Ratio									**4.75**			**4.25 x**	**4.25 x**

*Not required until December 31st, 2019 pursuant to section 2.9 (ii) of the 2nd amendment to the Term Loan Credit Agreement and Waiver

Hufcor is in Covenant Compliance As of March 31, 2020

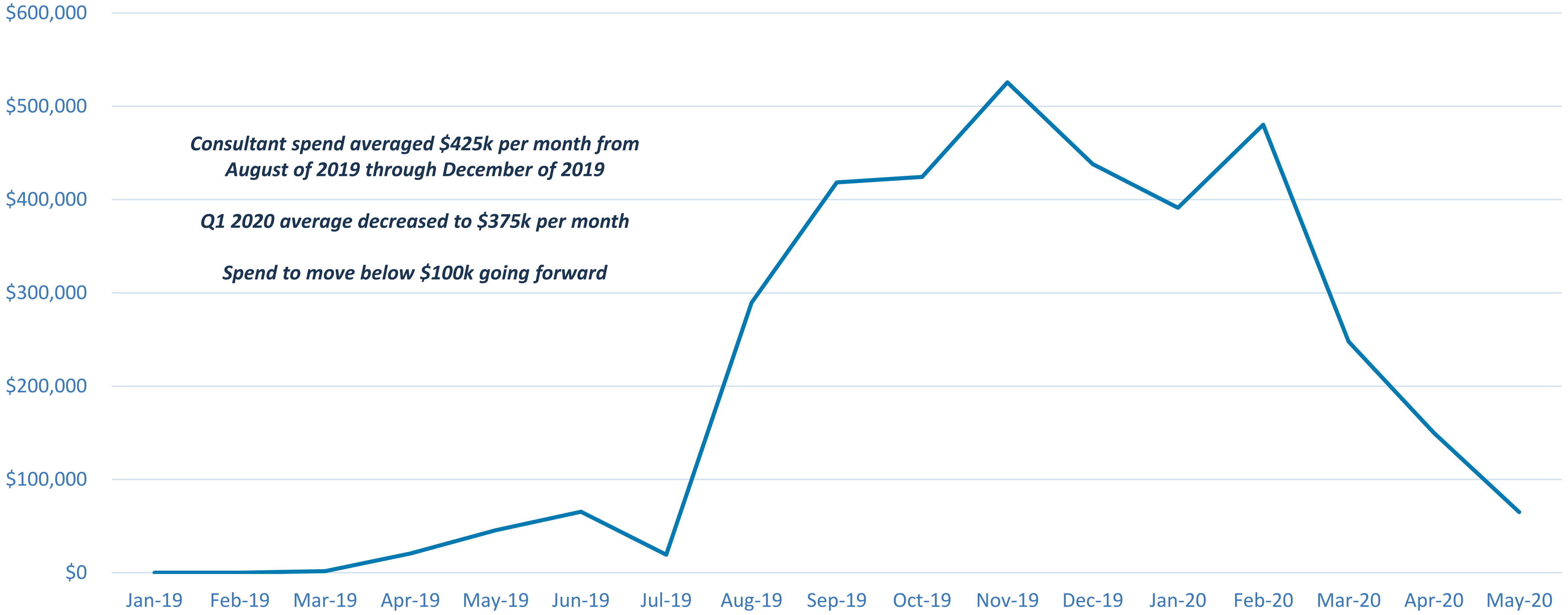
- Along with meeting production goals, other areas yielded better results than expected
  - Successfully managed AR and AP at every quarter end to maximize cash on hand & pay down revolver balance
  - All addbacks in historical periods were re-verified and updated
- December 2019 reflects expected audit adjustments (corrections to COGS, rent accrual & self-funded medical benefits)
- Leverage covenant accounts for 3rd party consultants as EBITDA add-back
- Fixed charge coverage ratio incorporates the cash consultant costs to reduce numerator
- 15 Months historical info reviewed for accuracy & confirmed compliance in Q4 ‘19 and Q1 ‘20

Consultant Spend

Total consulting spend peaked in Q4 of 2019, and we have accelerated the wind-down in consultant spend in response to COVID-19. Currently retaining consultants for critical ME projects in Janesville & finance/accounting functions that will be transitioned to FTE's in June

Monthly Spend on Consultants

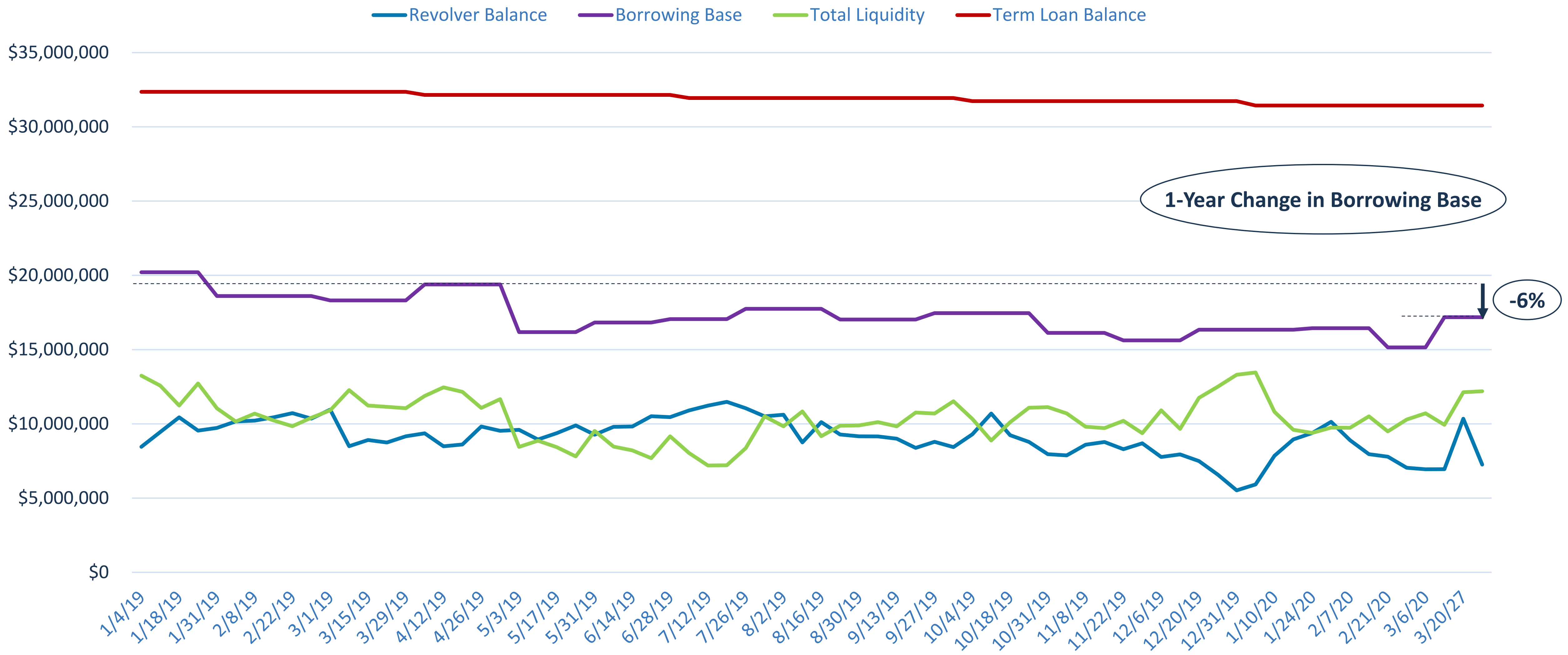
All Consultants Utilized for Transformation



While cost was significant, Hufcor would not have been able to continue to operate at legacy staffing levels due to quality, safety, production efficiency, financial visibility etc.

Treasury & Liquidity

Total liquidity (availability + cash) recovered in December with more aggressive AP management at year end, which we continued at March month end as well. Proposal on borrowing base calculations with JPM yielded change on Retainage ineligibility, and discussions with field auditors to revalue inventory on-going



Section 2 | Commercial Update & Outlook

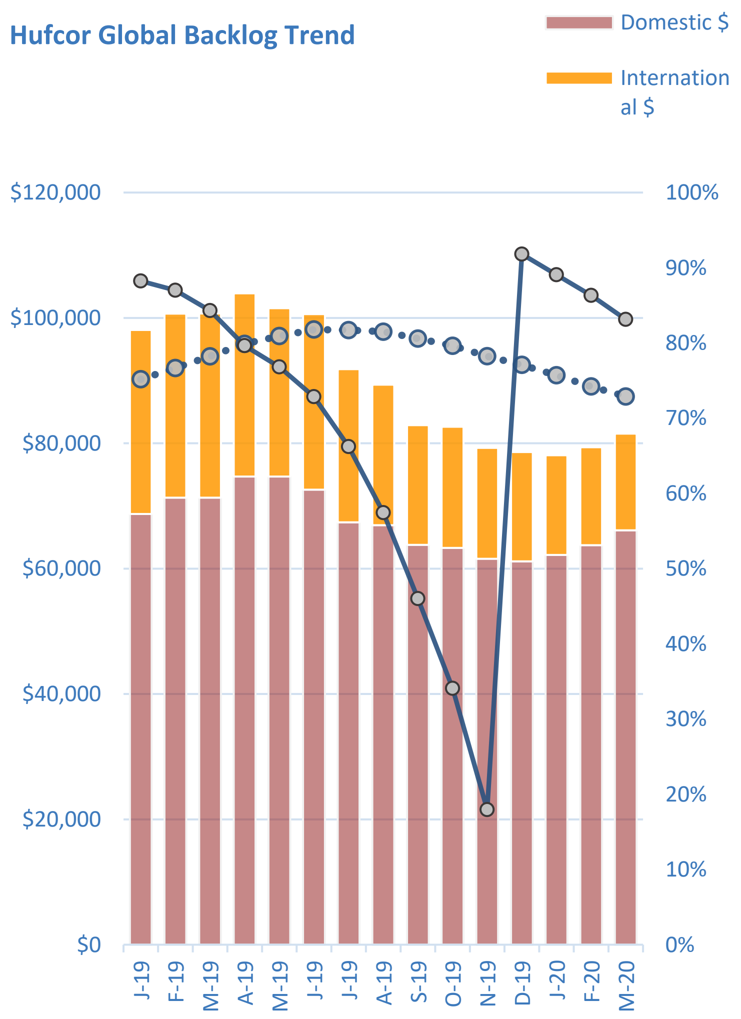
HUFCOR

Commercial Update: Current Backlog

Overall, the 03/31/20 backlog increased by $400K from March 15, 2020

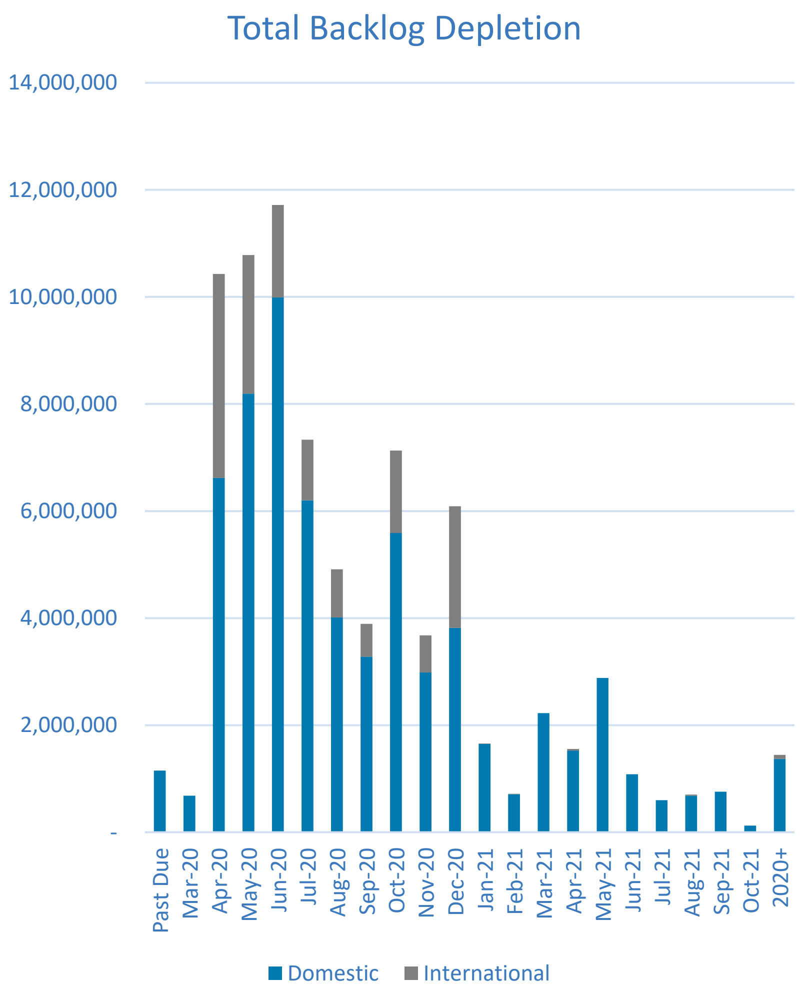
Historical backlog

Thousands USD; 3/31



Backlog roll-off

Millions USD; 3/31



Management Discussion:

Increase in Domestic backlog of $1.5M (Nevada - $2.9M and Janesville - $373K)

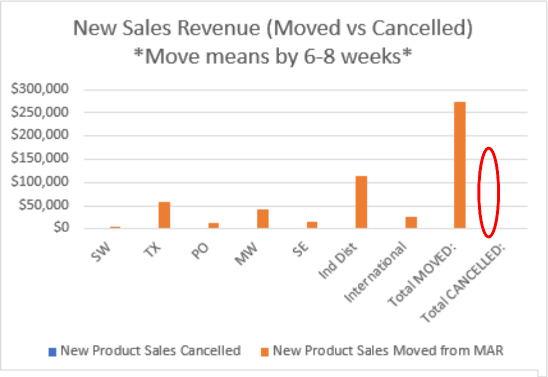
International backlog, however, decreased by $1.1M. This is driven by a decrease in Australia - $623K, China - $184K, and Hong Kong - $174K

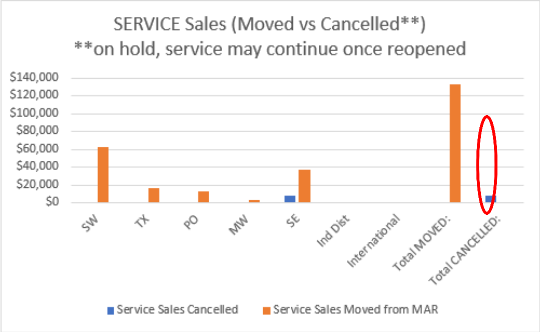
Other:

- Backlog continues to grow due to strong Q1 securements in light of COVID19
- Building & Construction industry continues business as usual while following CDC protocols with PPE and social distancing
- No evidence of decline, only postponed projects
- Manufacturing capacity decrease as a result of operational changes to protect employees and follow proper CDC and State regulations

HUFCOR Commercial Update: Impact from COVID-19

Project Impact as of Feb MOR

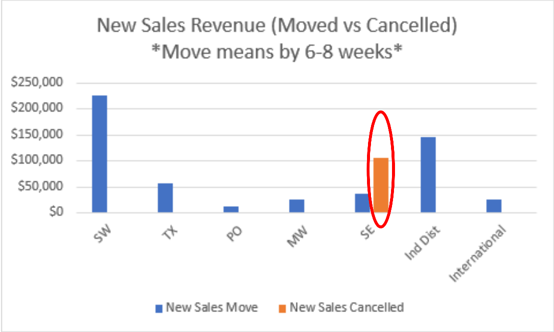


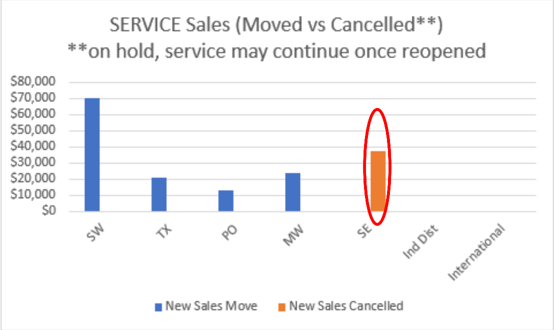


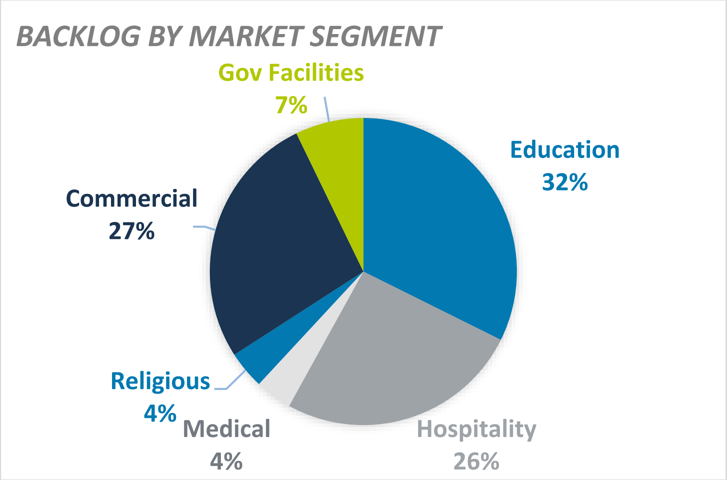
$105K Cancelled
$529K moved

$37K Cancelled
$128K moved

Project Impact as of Today







Management Discussion:

Effects from COVID19 have still remained minimal as B&C Industry is considered an essential business in all but six states (WA, MI, NY, NJ, VT, PA)

Movement:

- 81 Projects (New Sales / Service) have been impacted
- Only 1 New Project was cancelled
- 9 Service opportunities were cancelled
- All others have been moved out 6-8 weeks

Market Diversity:

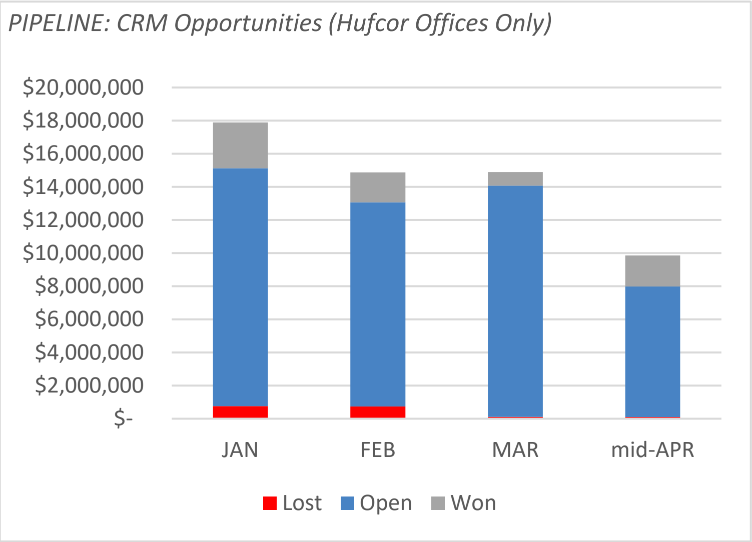
- Top three market segments of participation are:
- Education at 32%
- Commercial at 27%
- Hospitality at 26%

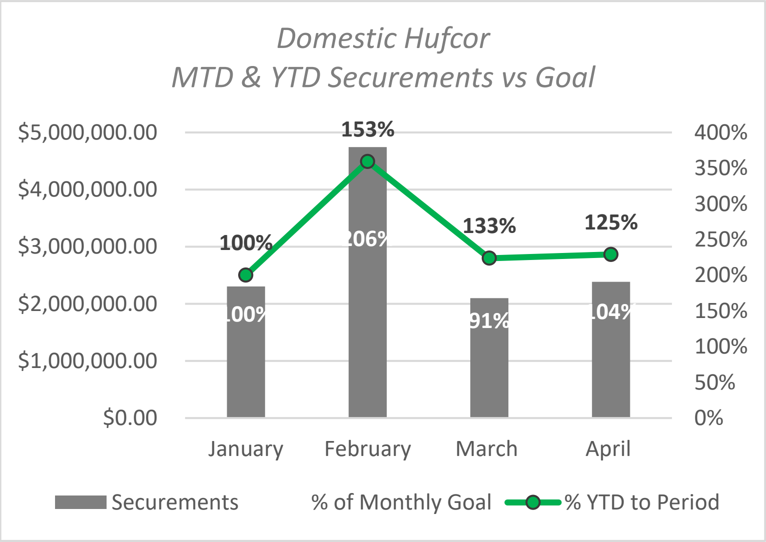
Wisconsin Direct Sales Office Update:

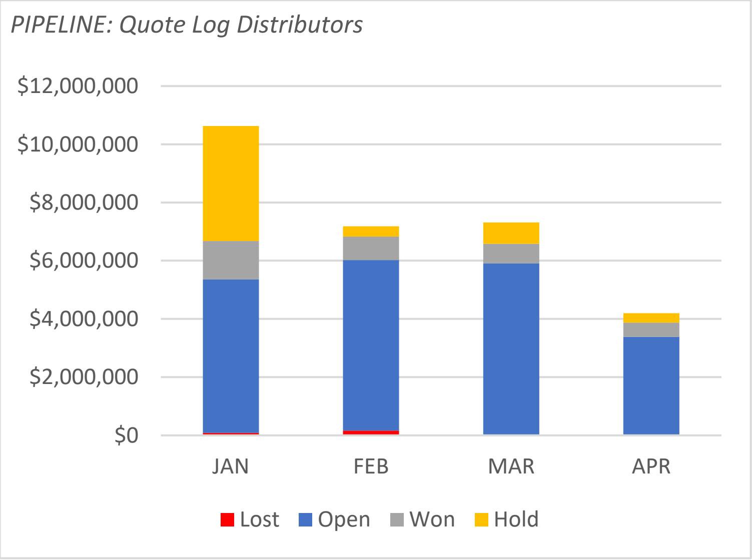
- Kevin Schultz accepted Sales position
- After 30 days: 30 Projects Quoted, totaling $2.1M in contract value

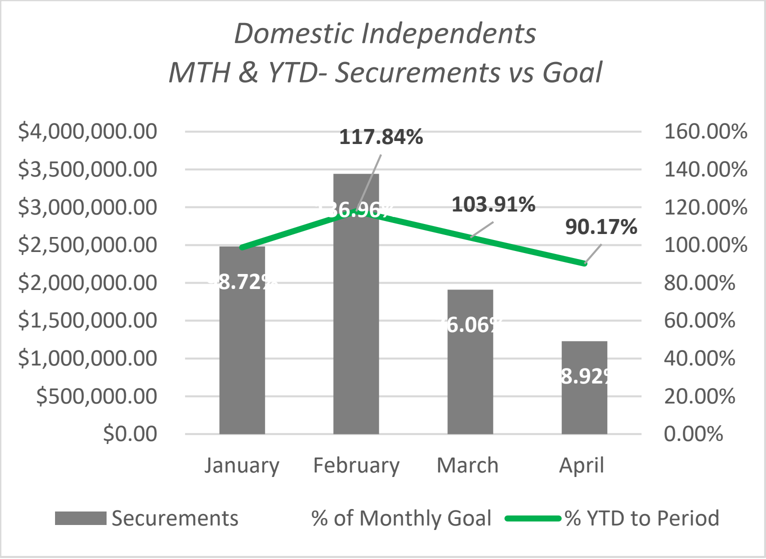
HUFCOR

Commercial Update: All Activity









Management Discussion:

Pipeline:

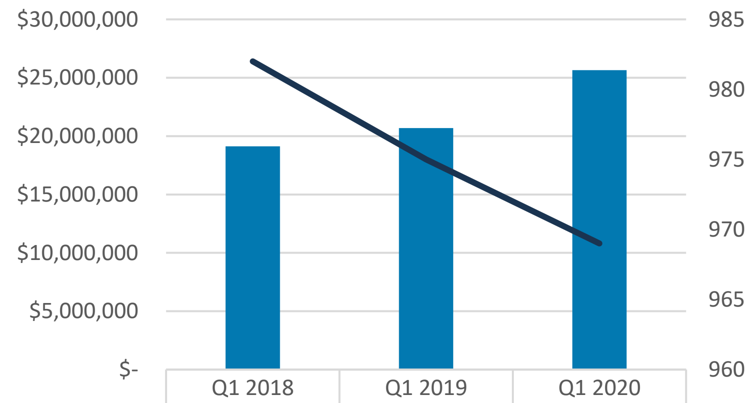
- Opportunities Hufcor Sales Offices within stages of Qualified/Develop/Negotiate
    - (Represents 50% of Domestic Market)
- Feb – Mar flat and mid April strong start

Bookings:

- Bookings remain strong in Q1 and into mid-April
- Q1 end at 122% of goal
- Hufcor Offices at 135% of Goal Q1
- Distributors at 104% of Goal Q1

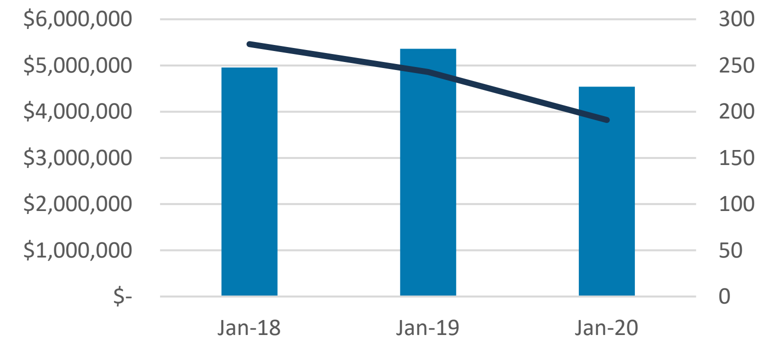
HUFCOR Commercial Update: 3rd Party Distributors

Independent Distributors Quote Log - Q1



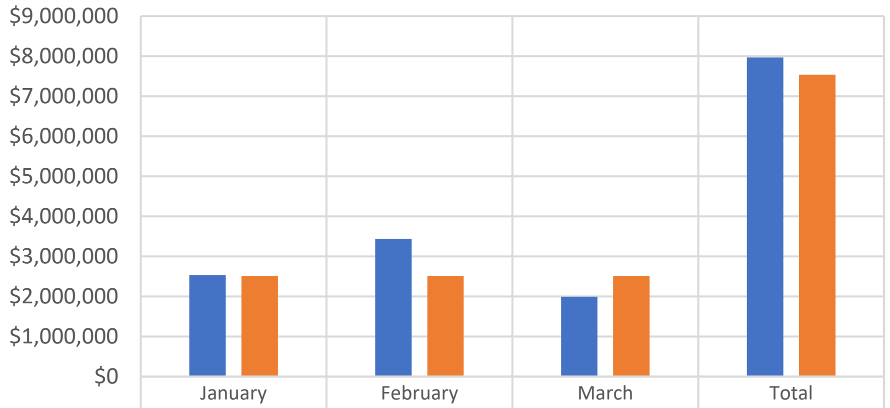
	Q1 2018	Q1 2019	Q1 2020
Total Quote Dollars	$19,125,537	$20,683,185	$25,651,894
# Quotes	982	975	969

Independent Distributors Quote Log - April



	Apr-18	Apr-19	Apr-20
Total Quote Dollars	$4,955,610	$5,359,561	$4,539,971
# Quotes	273	243	191

Independent Distributor Securements for Q1



	January	February	March	Total
Actual	$2,534,123	$3,441,071	$1,992,474	$7,967,668.00
Goal	$2,512,505	$2,512,505	$2,512,505	$7,537,515.00

Management Discussion:

Quote Activity Remains Strong:

- Quote Activity through Q1 increased $4MM over prior years, but number of projects quoted decreased 6%
  - The price increase is reflected, thus increasing the dollars quoted
  - Still suggests 2020 has geared toward larger projects thus far
- April quote activity remains strong ($4.5 mm through 4/22 with 6 quoting/selling days left in the month)

Securements Outpace Expectations pre-COVID-19:

- Ahead of goal for Q1 2020 by $430k (or 5.71%)
- March securements down to 79% of goal compared to 119% of plan through Feb, which accounts for impact of 3rd party distributors "ordering early" to lock in pricing before Hufcor price increases
- Through 4/23/20, April securements at 63% of goal for the month ($1.6 mm vs a goal of $2.5 for the month) with line-of-sight to securing $2.0 mm before month end

HUFCOR Commercial Update: Large Projects

US Major Project Team Review

Major Projects Activity:

Bookings Remain Strong - Average Quarterly Bookings

	2019	Q1 2020	YTD
	$7.15MM	$11.4MM	$13.8MM

Est. Project Margin Growth –

2019	Q1 2020
38.44%	40.45%

Strong Project Pipeline Opportunities

	2019	Q1 2020	TOTAL
# Projects	45	41	86
$$ (MM)	$57.7	$37.2	$94.9

Key Wins:

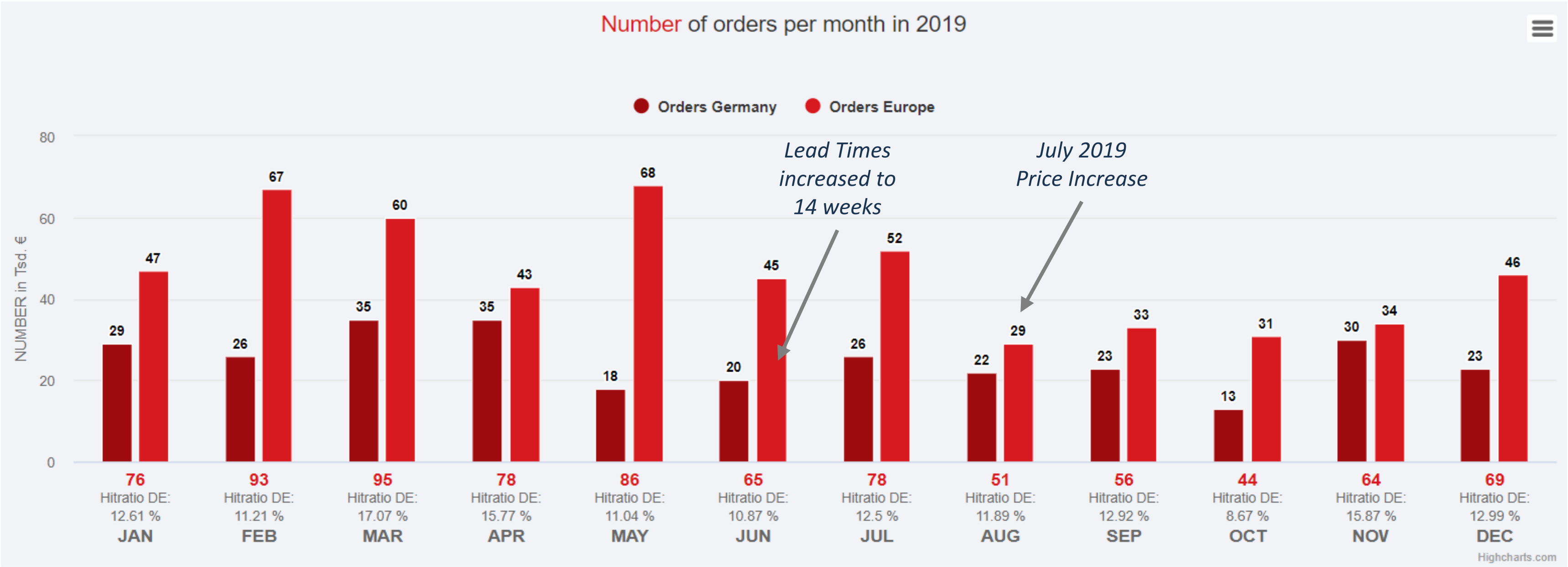
Resorts World (Las Vegas)	$4,035,000
Orlando Hilton Bonnet Creek	$1,552,000
Innovation Prep Academy	$ 552,000
Melbourne Park Expansion	$ 598,000
Table Mountain Resort	$ 406,000

Management Discussion:

- Q1 & YTD activity has been strong & exceeded expectations, and we remain tempered in our outlook to the market
- Project geographic distribution has been consistent with projects in 15 countries
- Currently no sign of slow down due to COVID-19
- Strong field feedback that hospitality and CC project in pipeline to continue

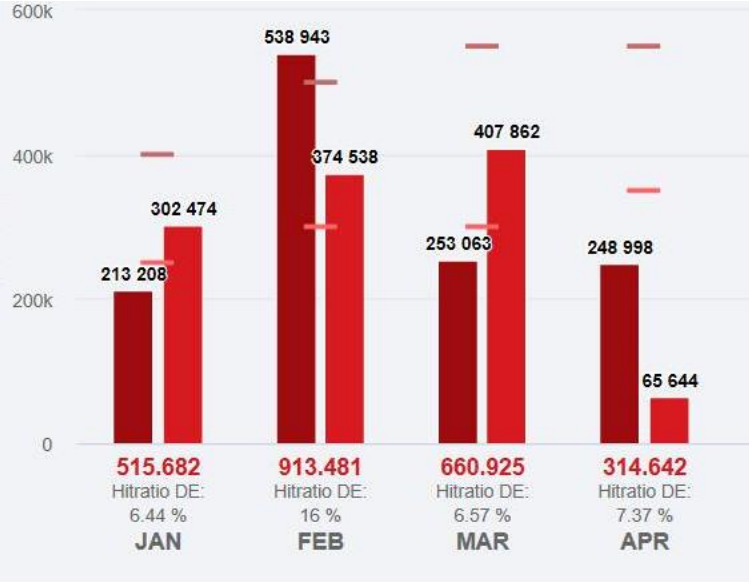
HUFCOR Commercial Update: International

Europe Securement Activity



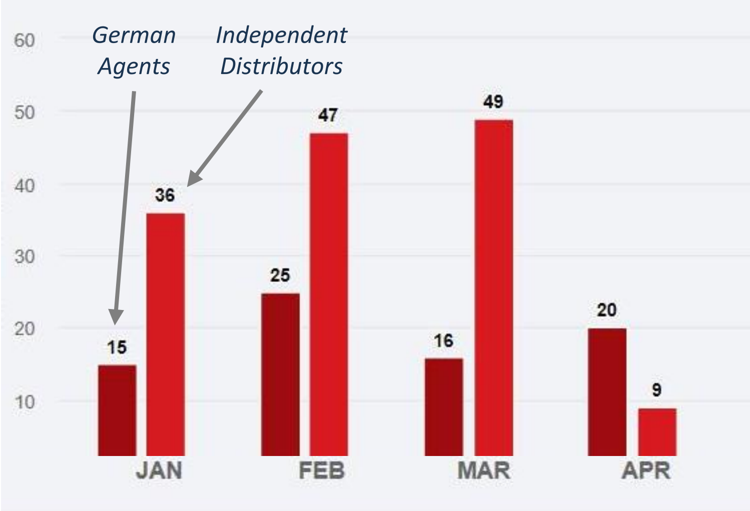
Management Discussion:

- Lead Times Increased due to major projects (Bordeaux/Celtic Manor)
- Unilateral Price Increase (all but France) – 7%-12% from June '19
- Removed Sales Director in Q1; Former Sales Director (8 years experience) re-hired April 1
- Finalizing long term contract with largest distributor EOLE (France) and Belgium with improved margins
- Following New Sales Director's initial focus on independent distributors, focus will be on German agents in May
- Rolling out new service sales model in Q2 (higher margin)
- New Website launching in Q2



<u>Q1 Bookings Data Points:</u>

- Q1 Securements Down Substantially
- Q1 2019 Avg Monthly Projects Secured = 88
- Monthly Avg since June 2019 Price Increase = 57
- Q1 2020 Avg Monthly Projects Secured = 63
- Europe is **<u>down 28.4%</u>** in Q1 2020
- Downward trend persisting into Q2 as well



Commercial Update: International (continued)

HUFCOR

Australia & Malaysia Securement Activity

Australia:

Strong Q1 Bookings		Goal	Actual	%
	Jan	$1,600,000	$3,396,000	212%
	Feb	$2,150,000	$2,268,674	106%
	Mar	$2,000,000	$2,119,834	106%
		$5,750,000	**$7,784,797**	**135%**
	MTD April	$2,000,000	$939,000	47%

Malaysia:

Strong Q1 Bookings		Projects	Goal	Securements	%
	Jan	15	$300K	$142,985	47%
	Feb	12	$300K	$383,463	128%
	Mar	11	$300K	$369,139	123%
		38	**$900K**	**$895,586**	**99.5%**
	MTD April	3	$300K	$202,218	67%

Australia Discussion:

- Activities and opportunities remain strong
- Wellington CC project received verbal in April
- New Zealand is slow due to complete lock down
- Bookings expected to slow 15-25% in Q2 across region
- Q2 Website Launch
- Finalizing New Zealand International CC replacement (insurance fire damage) - $5MM
- Large FlexTact project presenting in Q2

Malaysia Discussion:

- Website launched and generating leads
- Reaping benefits of sales development agent hire Q4'19
- Q4 Product Launches reaping benefits with GF and Type 100 style partition system
- Spent quality facetime with distributors setting expectations in Indonesia, Singapore, Thailand, Vietnam, Philippines and India
- Q2 Securements expected to decline 15%-25% due to COVID restrictions
- Quoting Large Projects in competitive Euro and "open" markets – Turkey, Croatia, Tunisia, Ukraine
- Set up to build parts for Type 11 and 11L track systems for import into region and Europe
- Developing new India plan to be presented in June 2020

Commercial Update: International (continued)

China & Hong Kong Securement Activity

China:

Weak Q1 Bookings	Projects	Goal	Securements	%
Jan	1	$300K	$ 8,915	
Feb	0	$300K	$ 0	
Mar	7	$300K	$179,353	
	38	$900K	$188,268	21%
MTD April	7		$152,691	

Hong Kong:

Weak Q1 Bookings	Projects	Goal	Securements	%
Jan	15	$450K	$287,338	
Feb	12	$450K	$104,282	
Mar	11	$450K	$214,289	
	38	$1,350K	$605,909	44.9%
MTD April	3	$450K	$218,700	48.6%

TOTAL Q1 China & Hong Kong	**$2,250K**	**$794,177**	**35.3%**

Management Discussion:

- COVID-19 Devastated China & Hong Kong, yielding severe backlog erosion
- Commercial Sales only running at 35% of goal
- 44 Projects in R2 (China) over $100K USD in pipeline (lower than 50% chance of win)

China (R1/R2) strategic sales recovery plan in process

- Ordered laminator to allow projects in Latin America and USA to be transferred
- Expedite New Website (to be launched in Q2 2020)
- Rebrand a "direct from factory" product line
- Searching projects to ship in July/August/Sept
- Targeting Large Branded Projects for senior manager/US sales leadership contacts
- GF kits for field assembly
- Online Ordering Model reviewed

Section 3

Operations Update & Outlook

HUFCOR

Operations Update: Janesville

PEOPLE

- Segregated workforce on alternating schedule still in effect; **Staffing plan for "Ramp-up" phase in process. Tentative rollout for May 18th**
- Current:
  - 1st shift: Team A (36%) & Team B (35%)
  - 2nd shift: Team C (12%) & Team D (15%)
- Proposed Ramp-up:
  - 1st shift: Team E (~70%)
  - 2nd shift: Team F (~30%)
  - Panel (Units) production on both

PRODUCTION

- **Significant week-over-week output improvement (+102%)** from start of COVID labor schedule:
  - Week of 3/27: 527 units
  - Week of 4/3: 735
  - Week of 4/10: 804
  - Week of 4/17: 1,063

  **does not include Unispan or Closures units*
- Successfully **kept productivity stable** in a volatile production environment
- **ME Blitz ongoing** despite delays in implementation phase

PROCESS

- **Centralized scheduling**
  - Supervisors are "hands off" to preserve sequencing plant-wide; Master Scheduler is the control point
  - FactoryApp modifications to facilitate production
- **Staffing planning**
  - Rightsize staffing by production area & workstations
  - Floater Program to mitigate absenteeism issues
  - New probationary/temporary trainee program underway

Operations Update: Janesville

Productivity by Week

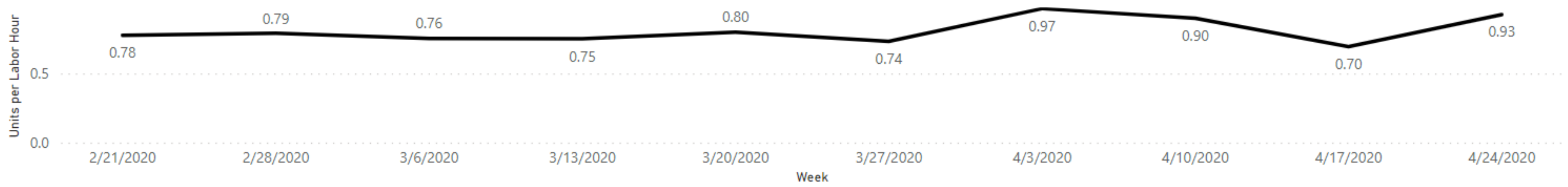
Units produced per worker hour; data from digital SIM board; includes only 600, 601, 602, 603, GL, GU, and ISPD
*Missing points indicates poor data quality

Latest Productivity

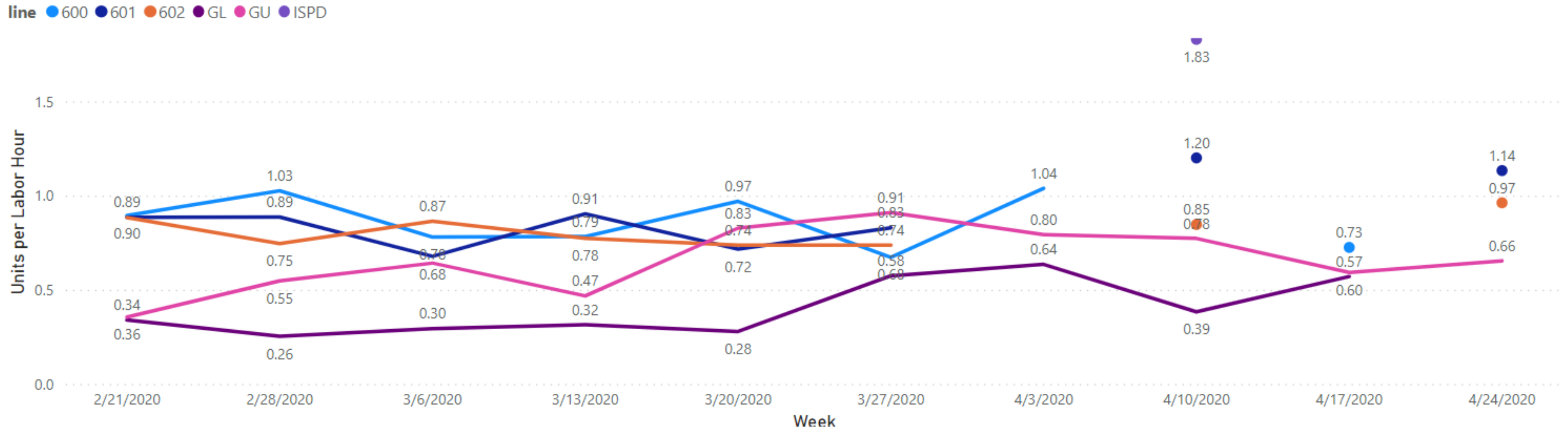
Line
All

Date
Last 10 Weeks
2/14/2020 - 4/23/2020

All Lines



By Line



Management Discussion:

Janesville Overall Labor Productivity

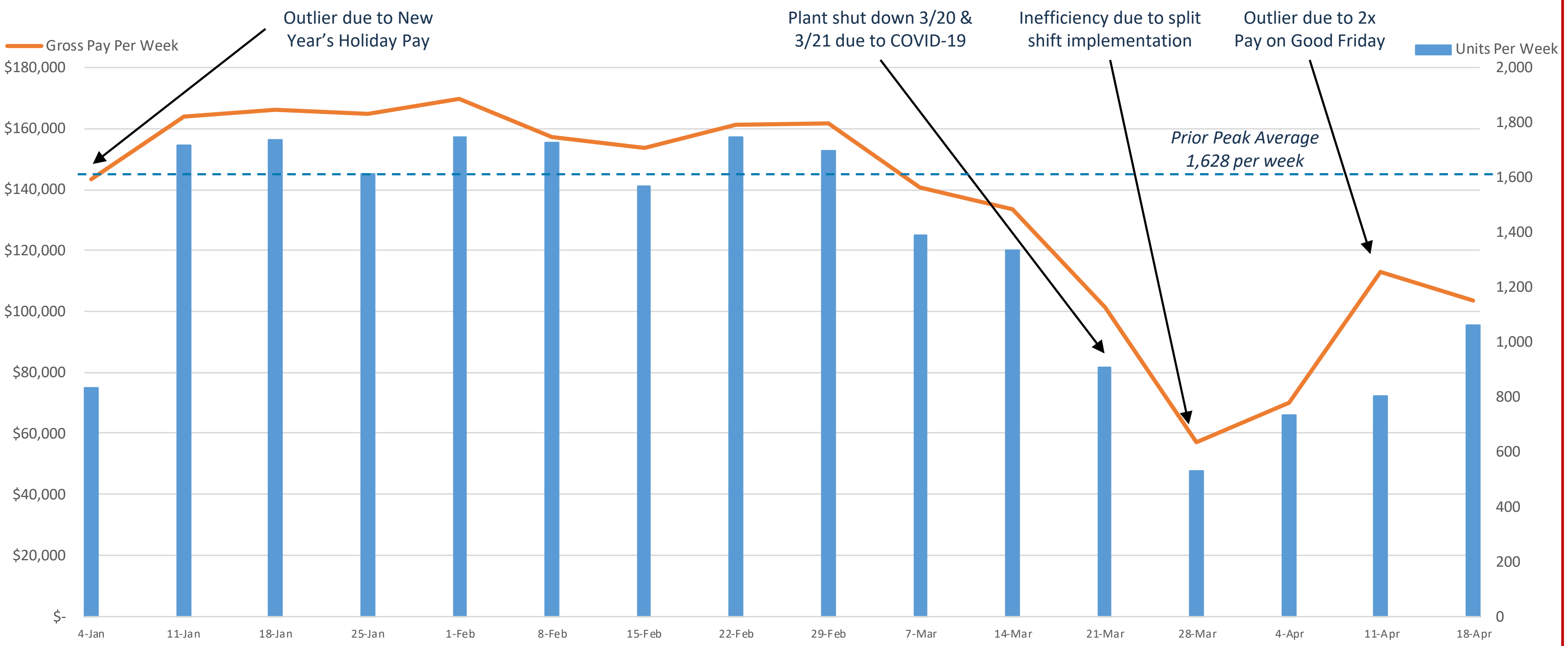
Baseline: 0.847 units/hour

Target: 1.058 units/hour (+25%)

- Janesville began to experience a production slowdown in late-February which prompted a scaling down of the labor force & layoff discussions
- In early-mid March, COVID planning began to take form and on March 23rd Janesville executed a segregated workforce plan
- Despite early challenges around business continuity and absenteeism, the Production team was largely successful in maximizing direct labor hours each week

Operations Update: Janesville

Janesville Unit Production by Week as compared to Gross Pay per week (Direct & Indirect Labor)



$172	$96	$96	$102	$97	$91	$98	$92	$95	$101	$100	$112	$109	$95	$140	$97

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

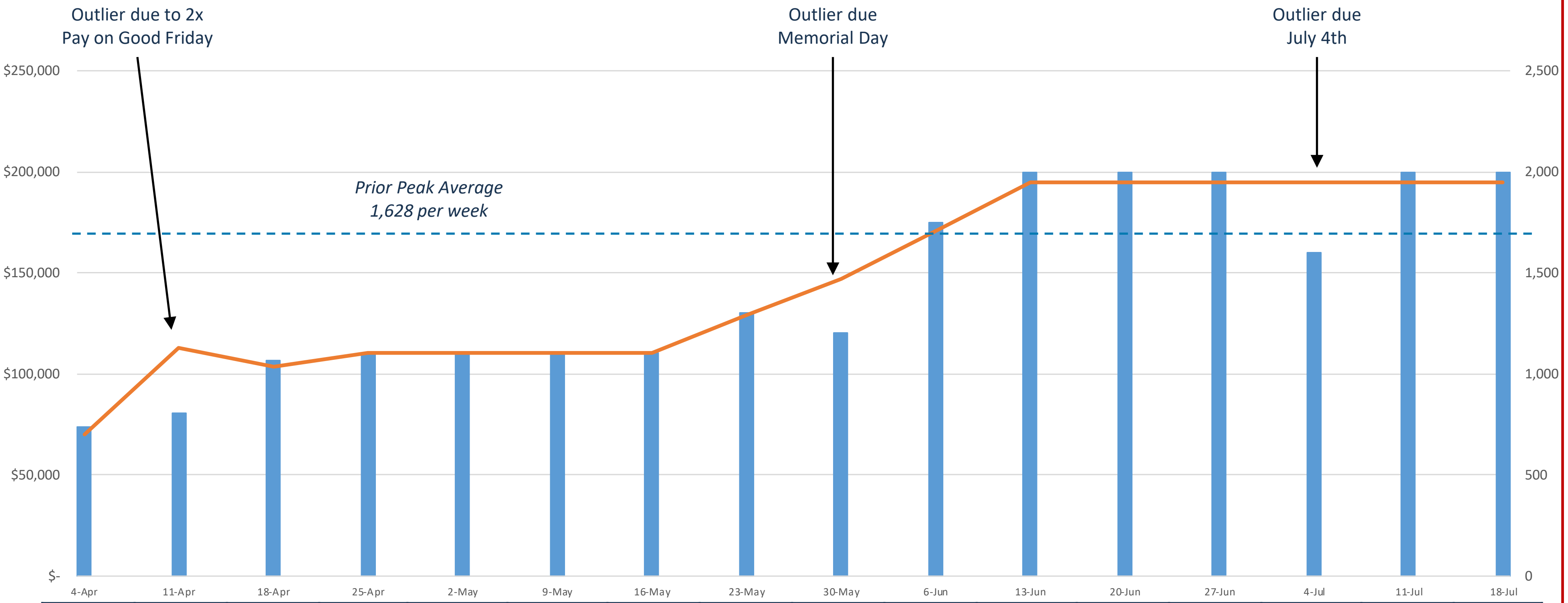
Management Discussion:

- Consistent, positive correlation between hours and units produced (except week of 4/11)
- Output has increased each week since the COVID-19 Labor Schedule was implemented (3/23)
- COVID-19 Weekly goal is been to produce > 1,100 units
  - Starting Point: W/E 3/28 = 527 Units
  - Improvement: W/E 4/18 = 1,063 Units
- Forced lessons during COVID-19 will benefit Janesville in the near-term & the long-term

Note: Unit figures exclude Unispan & Closures units

Operations Update: Janesville Ramp-Up Plan

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



$95	$140	$97	$100	$100	$100	$100	$99	$123	$97	$97	$97	$97	$123	$97	$97

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

Management Discussion:

Tentative Go-Live: Monday, May 18

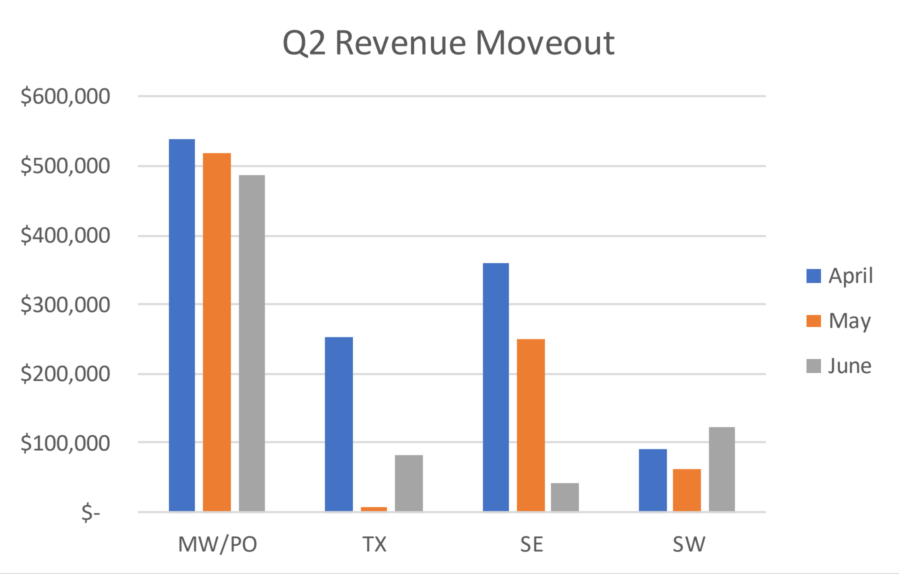
Implementation Period: May 18 - Jun 5

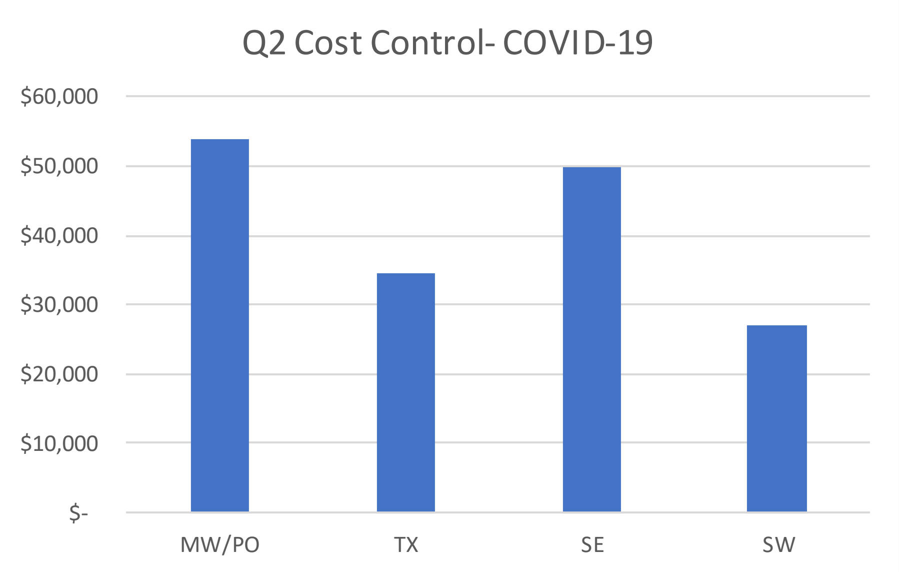
- The Ramp-Up Plan will entail panel production on both shifts (1st and 2nd), contraction from 4 production teams to 2, all lines operational on a weekly basis, and an FTE infusion to address workforce gaps due to COVID-19 and preexisting circumstances
- Goal is to achieve a 25% increase in output from prior peak average by mid-June
- Successful implementation of Ramp-Up Plan will allow JVL to catch up on COVID-19 delayed orders and provide a foundation to navigate the summer backlog more effectively than years past

Note: Unit figures exclude Unispan & Closures units

Operations Update: Domestic Field Offices

1. Southwest Field Office
   - Resorts World (NV)- Contract $3.0 mm
   - NV shutdown, but Resorts World still able to move forward
   - 3 FTE's Furloughed, Cost save $27k+ other initiatives
   - AZ and CA business as usual, NV ramp up when restrictions lifted
2. Midwest / Potomac Field Office
   - State Farm (IL)- $125k, Viking Lakes (MN)- $150k, Ramsey CC (MN)- $162k
   - Entire region was greatly impacted by revenue pushout
   - 7 FTE's were put on furlough, cost save $54k + other initiatives
   - Team will be phased back in as backlog increases in June/July
3. Southeast Field Office
   - Gaylord Ballroom Expansion- $1.2mm
   - Region impacted by revenue pushout and decrease in service sales
   - 13 employees furloughed; cost save $50k + other initiatives
   - Ramp team back up end of May and into June
4. Texas Field Office
   - Strike/Walker MS- $2.1mm, Four Hands- Switchable Glass, Kalahari- $1mm
   - Exceeding AOP from revenue/EBITDA standpoint
   - 3 furloughs, cost save $34.5k + other initiatives

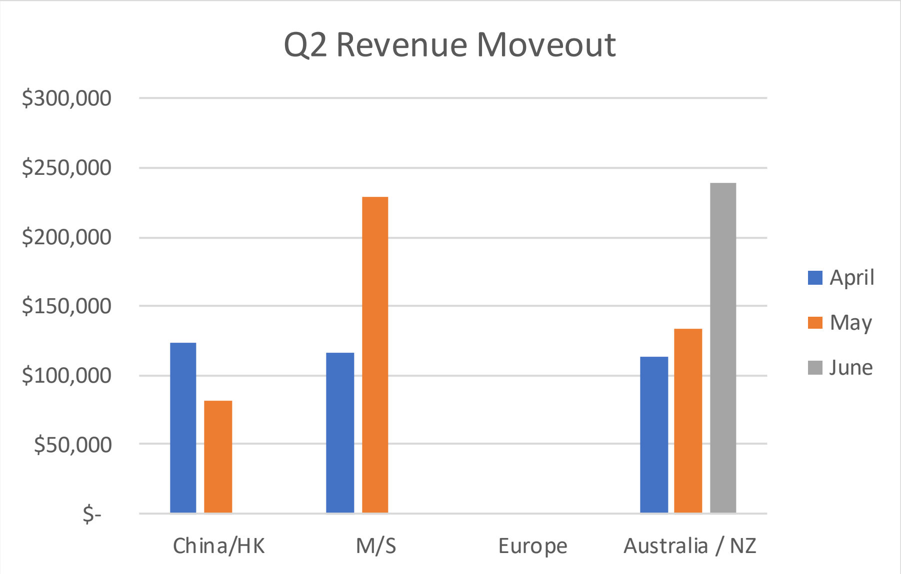


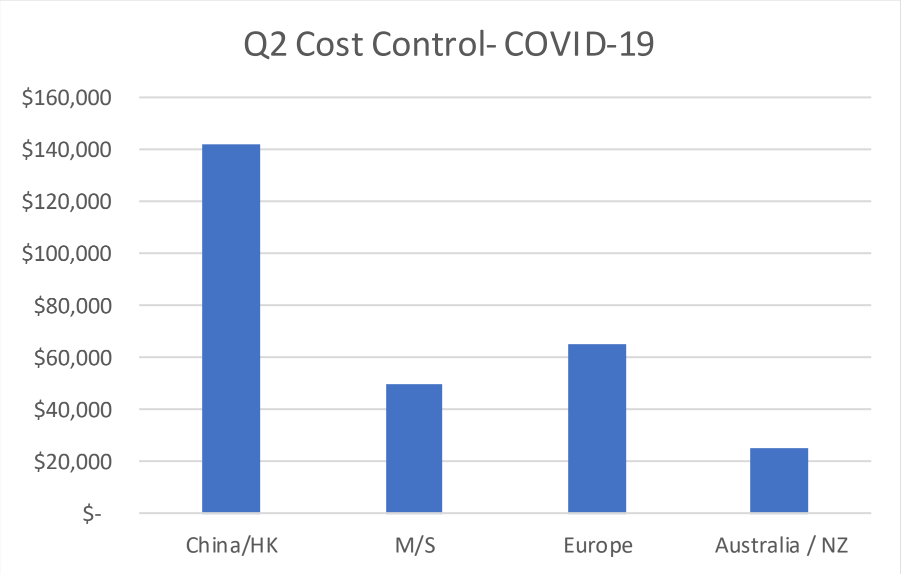


Operations Update: International Field Offices

1. China / Hong Kong Field Offices
    - Major projects to invoice Q2:
      The open university of HK $156K
      Y2 Convention Center $336K
      Qingdau Haitian Hotel $111K
    - 1 week unpaid all employees per month
    - Investment in laminator to allow more USA products to be built in China
    - Team has been setup to continue with sourcing common components
2. Malaysia Field Office
    - Major projects to invoice Q2:
      Universiti Teknologi Petronas, Malaysia $160k
      BCA Academy Singapore $125k
      Leela Hotel Bangalore, India $100k
      Padma Hotel, Indonesia $170k
    - 40-48% wage reduction for April (Factory unable to ship month of April)
    - Reviewing with Tecnova to increase market share in India
    - Developing ability to produce 11 track switches/stacks

1. Germany Field Office
    - Major projects to invoice Q2:
      Walsrode Stadhalle $58k
    - Short term work applied for to end of year. Adjusting workforce hours as needed
    - Developing GF product/CE certification to meet low end demand (Q3 launch)
2. Australia / New Zealand Field Office
    - Major projects to invoice Q2:
      Christchurch Convention Center $450K
      UQ Collaboration Hub $157K
      Queensland Academy of Science $134K
      Melbourne Park Redevelopment Stage 3 $101K
      Melbourne hub Development $139K (cubicles)
    - NZ Office shutdown month of April (3 employees)
    - HX material arriving will be able to produce a 53STC tested product





Section 4 | Financial Update & Outlook

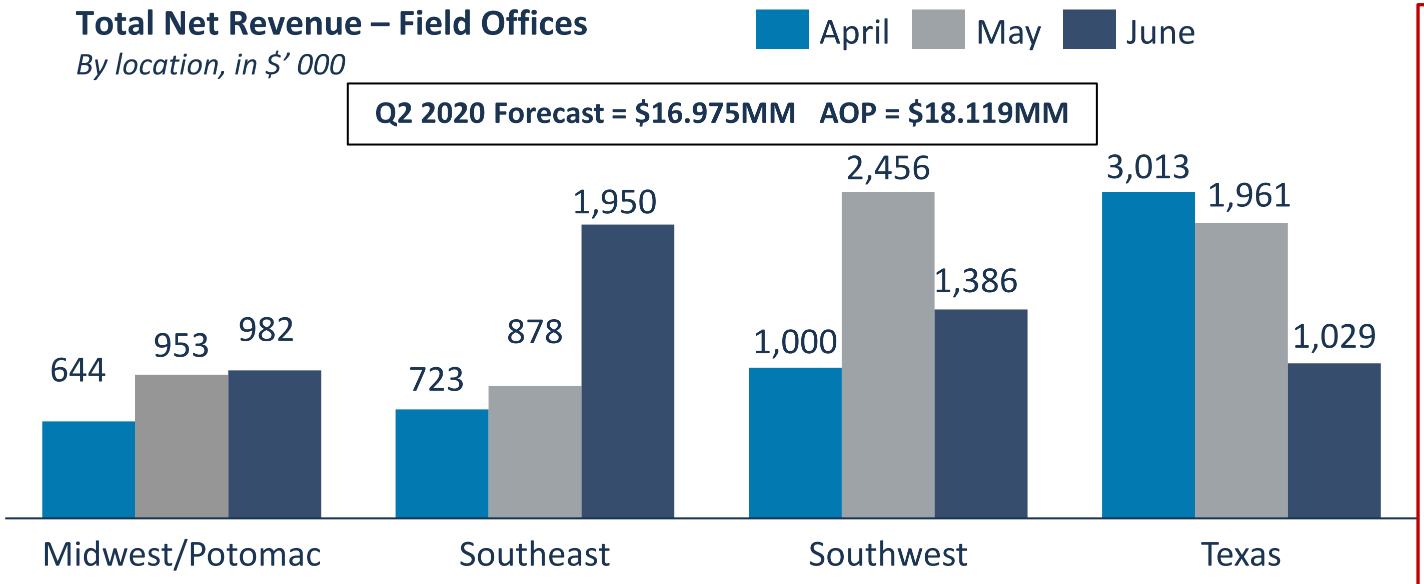
Q2 2020 Reforecast Assumptions

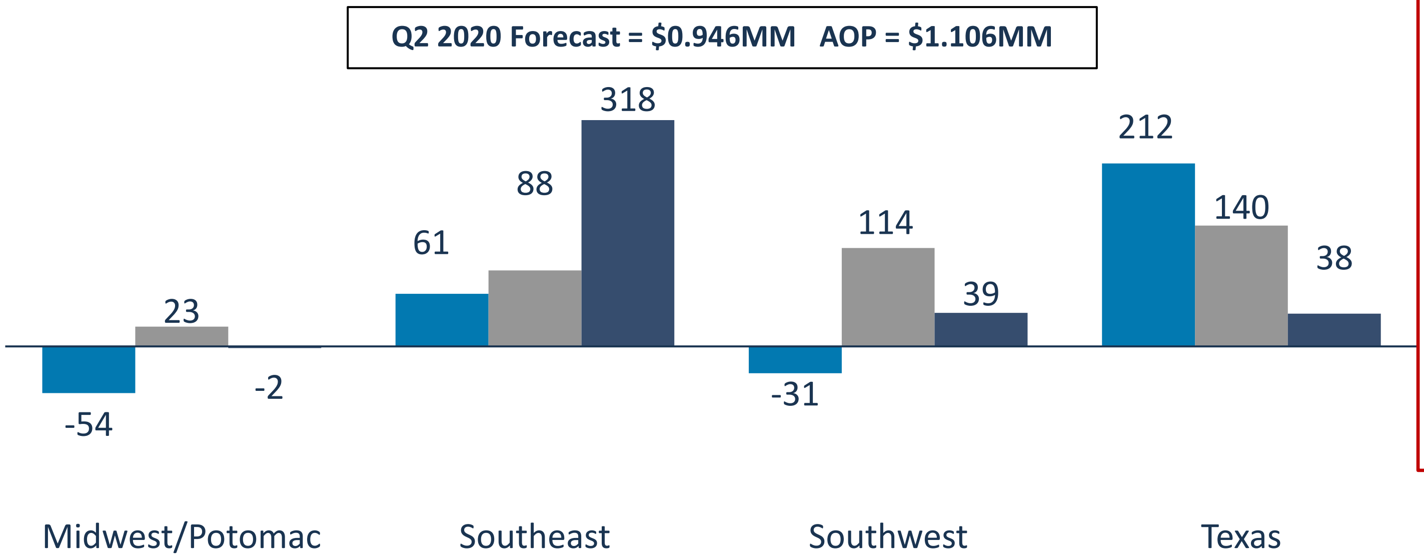
Q2 2020 AOP	Assumptions	Q2 2020 Reforecast
Net Revenue **$40.0M**	• Q2 forecast built based on current Janesville production as baseline, with opportunity to increase ≈33 domestic projects in June once production levels are sustainably increased • Downside / risk to forecast is overall uncertainty in domestic & international markets due to COVID-19	**Net Revenue** **$31.0M – $33.0M**
Material Costs **$14.0M** **35.1%**	• Expectation to perform in line with AOP and Q1 material spend (34.3%) • Vendor negotiations on extending terms continue with potential cost increase as an off-set for more favorable credit terms	**Material Costs** **$10.9M - $11.6M** **35.0%**
Labor Costs **$11.8M** **29.4%**	• Labor productivity driven in Janesville through continued ME blitz and re-shuffling of workers across shifts • Field labor maximized and transitioning away from 3rd party installers whenever possible	**Labor Costs** **$9.8M - $10.4M** **31.5%**
Gross Profit **$10.7M** **26.7%**	• Margin erosion due to inefficiency in Janesville in April / May • Field office margin erosion due to volume declines with limited exceptions	**Gross Profit** **$6.5M – $7.3M** **20 - 22%**
OpEx **$8.3M**	• Forecast assumes all furloughs persist through entire quarter, as does suspension of increases / employer match for salary 401(k) plan	**OpEx** **$6.5M - $6.9M**
Bank EBITDA **$2.4M** **6.1%**	• Key Driver = ramping production back up to > 1,600 units per week in Janesville • Key Driver = worldwide normalization & return to work for locations on lock-down	**Bank EBITDA** **$0.0M - $0.5M** **6.6%**
Capex **$0.9M**	• $0.1 mm invested in China for laminator • Remaining investments across IT & required improvements in manufacturing locations	**Capex** **$0.3M**

Hufcor Domestic Office Forecast

Total Net Revenue – Field Offices

By location, in $' 000

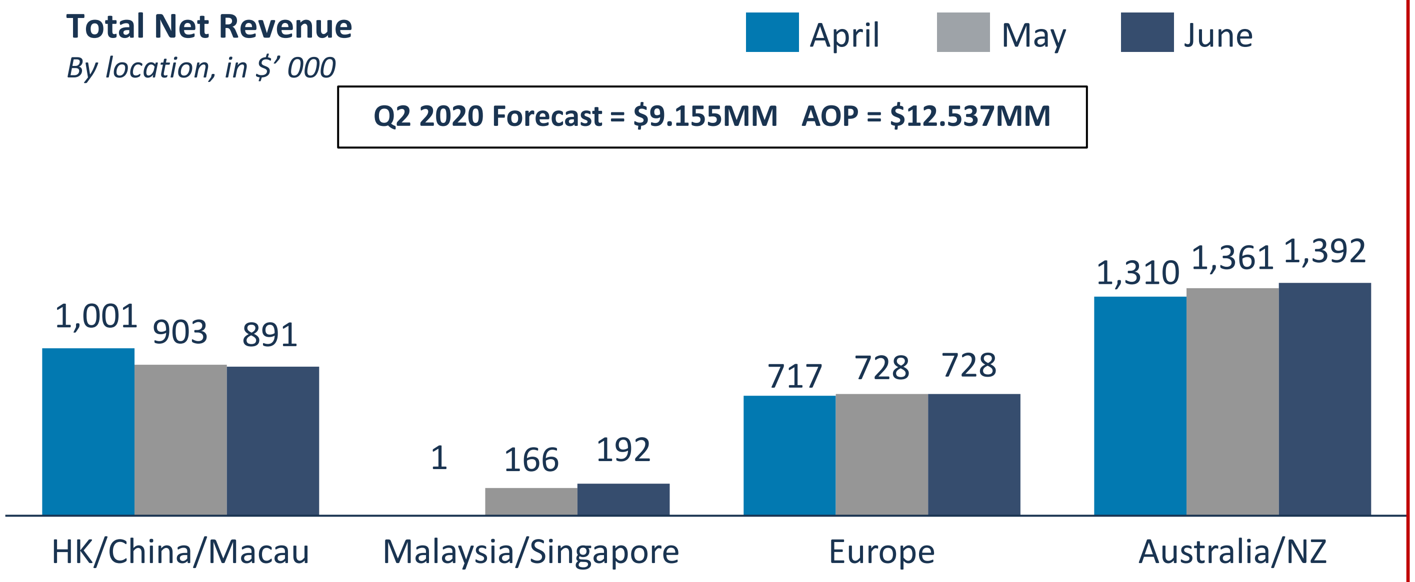


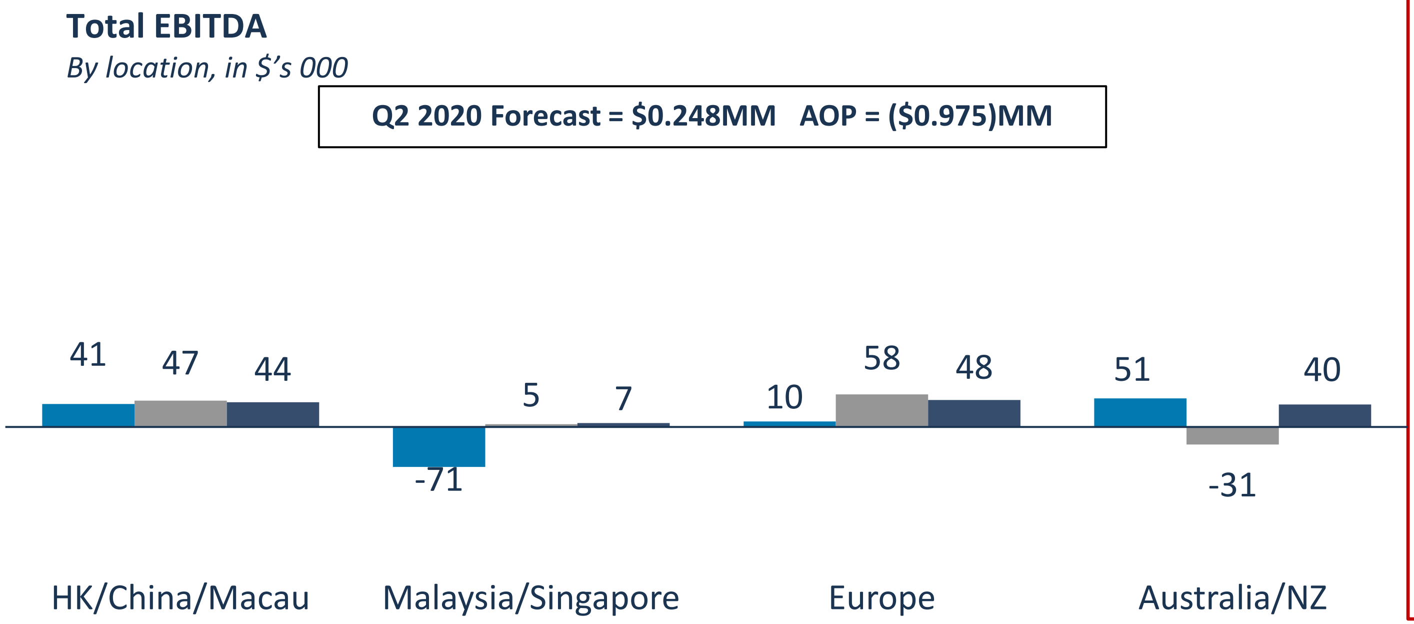


Management Discussion:

- Q2 forecast revenue to be down $1.14 mm and EBITDA forecast to be down $0.16 mm compared to AOP
- JVL capacity reduction has had biggest impact on revenue for MW/PO ($1.5mm) and SE ($0.65mm). Both MW/PO and SE have the most cost control due to revenue drop ($0.054 mm and $0.050 mm respectively)
- Field offices have stayed aggressive in keeping work going with exception of NV and parts of SE service sales
- MW/PO forecasted to miss AOP revenue by $1.12 mm and EBITDA by $0.225 mm
- TX forecasted to beat AOP revenue by $0.519 mm and EBITDA by $0.163mm mainly driven by 2 large projects Walker/Strike
- Securements strong thus far in April ($2.5 mm vs $1.8 mm in 2019) with quoting levels at expected levels
- Not included in the numbers to the left are 20 jobs equating to $1.2 mm of contract value which management believes could be brought into June once Janesville production is sustainably increased as discussed above

Hufcor International Office Forecast





Management Discussion:

- Expecting lower Revenue in most locations
- Malaysia will have little to no revenue for the month of April
- Europe is slow with securements down, adjusting the work force to still maintain better then planned EBITDA
- China forecasting to be close to revenue targets and be better then plan for EBITDA
- Hong Kong still forecasting low revenue in April with improvements in May and June. Forecasting a miss of 90K in EBITDA for Q2
- Australia will have little to no NZ generated revenue in April. Expect some pickup in May and June on NZ projects. Forecasting a miss of 400K of EBITDA as NZICC has been postponed

HUFCOR Q2 2020 Covenant Projection

The impact of COVID-19 on 2020 performance, combined with the impact of losing 3 strong EBITDA months in Q2 2019, puts Hufcor at risk of breaching Q2 covenants even if we achieve more than our current forecast

Covenant Analysis- JPMC and LBC Credit Partners														
$'000	Apr-19 Actual	May-19 Actual	Jun-19 Actual	Jul-19 Actual	Aug-19 Actual	Sep-19 Actual	Oct-19 Actual	Nov-19 Actual	Dec-19 Actual	Jan-20 Actual	Feb-20 Actual	Mar-20 Actual	Mar-20 LTM	Jun-20 LTM
Fixed Charge Coverage Ratio (JP Morgan Chase- Monthly and LBC Credit Partners- Quarterly)														
Bank EBITDA	**$ 1,280**	**$ 812**	**$ 1,255**	**$ 1,323**	**$ 2,079**	**$ 1,090**	**$ 1,633**	**$ 618**	**$ 605**	**$ 400**	**$ 439**	**$ 340**	**$ 11,873**	**$ 9,000**
Less:														
Unfinanced CAPEX	250	117	125	289	91	134	132	51	80	219	121	30	1,640	1,252
Cash income and franchise taxes	36	88	36	146	85	99	94	75	87	(14)	23	(13)	743	853
Cash Monitoring fees (including expenses)	35	32	117	29	115	184	160	278	346	347	412	-	2,055	2,621
Numerator	**$ 959**	**$ 574**	**$ 978**	**$ 858**	**$ 1,787**	**$ 672**	**$ 1,247**	**$ 215**	**$ 91**	**$ (153)**	**$ (117)**	**$ 324**	**$ 7,435**	**$ 4,274**
Fixed Charges:														
Cash Interest	302	321	315	323	301	343	289	256	288	272	271	233	3,514	3,276
Regularly scheduled principal payments	209	-	-	209	-	-	209	-	-	292	-	-	919	1,002
Capital Lease payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Fixed Charges	**$ 511**	**$ 321**	**$ 315**	**$ 532**	**$ 301**	**$ 343**	**$ 497**	**$ 256**	**$ 288**	**$ 565**	**$ 271**	**$ 233**	**$ 4,433**	**$ 4,278**
TTM Numerator	7,313	8,282	6,566	7,338	8,029	7,667	8,333	8,235	8,339	8,198	8,109	7,435	7,435	4,274
TTM Fixed Charges	4,519	4,564	4,615	4,662	4,674	4,744	4,591	4,537	4,495	4,547	4,515	4,433	4,433	4,278
Fixed Charge Covenant Ratio	**1.62**	**1.81**	**1.42**	**1.57**	**1.72**	**1.62**	**1.81**	**1.82**	**1.86**	**1.80**	**1.80**	**1.68**	**1.68**	**1.00**
Required Fixed Charge Covenant Ratio									**1.15**			**1.15 x**	**1.15 x**	**1.15 x**
Leverage Ratio (LBC Credit Partners Only)														
Total Debt for Leverage Calculation	**$ 41,771**	**$ 41,456**	**$ 42,743**	**$ 42,745**	**$ 41,174**	**$ 40,689**	**$ 40,241**	**$ 40,794**	**$ 37,361**	**$ 41,594**	**$ 38,799**	**$ 38,813**	**$ 38,813**	**$ 40,358**
TTM Bank EBITDA	**$ 10,294**	**$ 11,277**	**$ 9,719**	**$ 10,606**	**$ 11,457**	**$ 11,500**	**$ 11,914**	**$ 11,871**	**$ 12,378**	**$ 12,559**	**$ 12,726**	**$ 11,873**	**$ 11,873**	**$ 9,000**
Leverage Ratio	**4.06**	**3.68**	**4.40**	**4.03**	**3.59**	**3.54**	**3.38**	**3.44**	**3.02**	**3.31**	**3.05**	**3.27**	**3.27**	**4.48**
Required Leverage Ratio									**4.75**			**4.25 x**	**4.25 x**	**4.25 x**

Forecasted 13-Week Cashflow

Cumulative Operating Cashflow forecast at +$860k through next 13 weeks. Borrowing Base will decline with revenue (absent revisions from JP Morgan on inventory valuations) which will drive a reduction to liquidity, but **we still forecast > $7 mm of liquidity through Q2**

Week #:	17	18	19	20	21	22	23	24	25	26	27	28	29
Week Ending Friday:	24-Apr	1-May	8-May	15-May	22-May	29-May	5-Jun	12-Jun	19-Jun	26-Jun	3-Jul	10-Jul	17-Jul
13-WEEK CASHFLOW FORECAST	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Collections from Hufcor Entities	83	132	-	-	-	-	129	-	-	-	129	-	-
Collections from Non-Hufcor Entities	2,178	2,049	2,214	2,088	2,093	1,888	1,970	2,025	2,500	1,982	1,940	2,075	2,245
Royalties	-	-	23	-	-	-	23	-	-	-	23	-	-
All other inflows	33	-	-	-	33	-	-	-	-	-	-	-	-
Total Operating Inflows	**2,294**	**2,181**	**2,237**	**2,088**	**2,126**	**1,888**	**2,121**	**2,025**	**2,500**	**1,982**	**2,092**	**2,075**	**2,245**
Materials - Disb. To Hufcor Entity	-	131	-	-	17	-	128	-	-	-	128	-	-
Materials - Disb. To Non-Hufcor Entity	809	1,108	901	877	877	935	885	887	755	942	854	844	849
Hourly / Salary Payroll	714	419	928	338	806	260	830	496	745	219	929	359	932
Commissions	111	4	17	-	112	18	17	-	127	-	20	4	17
Benefits	160	160	164	192	160	160	160	164	192	160	160	160	160
Building Rent	58	97	8	2	31	69	57	7	31	45	80	24	2
All Other	489	369	351	336	153	339	162	642	157	339	162	330	153
Total Operating Outflows	**2,342**	**2,287**	**2,369**	**1,745**	**2,155**	**1,781**	**2,239**	**2,196**	**2,007**	**1,705**	**2,334**	**1,721**	**2,113**
Weekly Net Operating Cashflow	**(47)**	**(107)**	**(132)**	**343**	**(29)**	**107**	**(118)**	**(171)**	**494**	**277**	**(242)**	**354**	**132**
Cumulative Net Operating Cashflow for next 13 Weeks	(47)	(154)	(286)	57	28	135	18	(153)	340	617	375	729	860
Interest Expense / Debt Service/Principal	-	33	-	-	-	-	30	-	-	-	993	-	-
Taxes	137	-	24	21	149	42	-	17	39	183	-	17	35
CapEx	-	-	-	43	-	-	-	-	-	43	-	-	-
All Non-Operating Outflows	5	5	5	5	5	5	5	5	5	5	5	5	5
Total Non-Operating Outflows	**142**	**37**	**28**	**69**	**154**	**47**	**35**	**22**	**44**	**231**	**998**	**22**	**40**
Weekly Net Cashflow	**(189)**	**(144)**	**(160)**	**274**	**(183)**	**60**	**(152)**	**(193)**	**449**	**46**	**(1,240)**	**332**	**92**
Cumulative Net Cashflow for next 13 Weeks	(189)	(333)	(494)	(219)	(402)	(342)	(494)	(687)	(238)	(192)	(1,431)	(1,099)	(1,007)
Borrowing Base Estimate	17,416	17,416	17,416	17,416	16,500	16,500	16,500	16,500	16,500	16,000	16,000	16,000	16,000
Revolver Estimate	9,211	9,355	9,515	9,241	9,424	9,363	9,516	9,709	9,259	9,213	10,453	10,121	10,029
Availability Estimate	8,206	8,062	7,901	8,176	7,076	7,137	6,984	6,791	7,241	6,787	5,547	5,879	5,971
Cash Balance Estimate	1,512	1,512	1,512	1,512	1,512	1,512	1,512	1,512	1,512	1,512	1,512	1,512	1,512
Net Liquidity Estimate	9,718	9,574	9,413	9,688	8,588	8,649	8,496	8,303	8,753	8,299	7,059	7,391	7,483

HUFCOR

Potential "Liquidity Squeeze" in a Rapid Recovery

Working with 3rd parties to extend availability in the event of a rapid recovery

J.P.Morgan

(in millions)

		U.S. Accounts Receivable	German Accounts Receivable	Australia Accounts Receivable	U.S. Inventory Raw Material	U.S. Inventory W.I.P.
Eligible Collateral		$15.5	$1.3	$2.7	$6.6	$2.9
Advance Rate Percentage		*85.0%*	*85.0%*	*85.0%*	*19.2%*	*14.6%*
Gross Available - Borrowing Base Value		**$13.2**	**$1.1**	**$2.3**	**$1.3**	**$0.4**
Collateral CAPS		*NA*	*$2.0*	*$5.0*	*$0.0*	*$2.0*
Net Available - Borrowing Base Value	**$18.3**	**$13.2**	**$1.1**	**$2.3**	**$1.3**	**$0.4**
Additional Availability Sublimit	$0.3					
Less Availability Reserves	($0.1)					
Total Availability - Maximum Borrowing Base Value	$18.4					
Revolver Line of Credit	$0.0					
Less Line Reserves	($0.2)					
Maximum Borrowing Limit	$18.2					
Less Outstanding LoC's	($0.8)					
Borrowing Base	**$17.4**					

Potential decline to $16.0 mm by the end of Q2, declining on average $100k per week, and do not expect meaningful recovery until 90 days post recovery

Hufcor, Inc.

Projected Gross Recovery by Segment and Category

($ in 000s)

Segment/Category	Inventory at Cost (1)	Projected Gross Recovery $	Projected Gross Recovery % of Cost
Raw Materials			
Metal	$931	$512	55.0%
Carpet	417	208	50.0%
Vinyl	368	184	50.0%
Board	162	81	50.0%
Seal Weatherstrip	160	56	35.0%
Hardware	335	67	20.0%
Extrusion	705	141	20.0%
Track	389	78	20.0%
Glass	125	50	40.0%
Motor	82	41	50.0%
Other (2)	2,201	440	20.0%
Total Raw Materials	**5,875**	**1,859**	**31.6%**

Tying up dollars in inventory is never an efficient use of working capital, and particularly not when there is no stock of finished goods (which has the highest potential recovery value)

Hufcor, Inc.

Projected Gross Recovery by Segment and Category

($ in 000s)

Segment/Category	Inventory at Cost (1)	Projected Gross Recovery $	Projected Gross Recovery % of Cost
Work-In-Process			
Assembly and Fabricated Parts	1,280	256	20.0%
Manufacturing Orders	711	178	25.0%
Material	784	235	30.0%
Floor Stock	361	90	25.0%
WIP in Shipping	17	12	70.0%
Total Work-In-Process	**3,154**	**771**	**24.5%**

Reference(s):

Purpose of schedule: Project gross recovery value of cost for current inventory levels

Note(s):

(1) Inventory is as of July 31, 2019.

Management Discussion:

- As sales decline and cash collections remain robust, we will see a reduction in our borrowing base / net availability
- In a recovery, the potential for a "liquidity squeeze" exists because
  - Direct labor will increase and cash will flow out the following week after incurred
  - Material purchases will increase and, absent extended terms, cash could flow out to pay vendors prior to invoicing
  - Advance rates on inventory are incredibly low
    - No inventory outside of the U.S. is eligible
    - Blended advance rate of 17.8% against purchased value of Raw Material & W.I.P.
- Efforts to maximize liquidity include
  - Increased advance rates from JPM
  - Additional lender with ability to lend against foreign inventory introduced
  - Extending terms with vendors
  - Seeking down-payments and/or "ship-in-place" terms from customers

Appendix

Supporting Materials for all Sections

Appendix: YTD March Financial Statements

HUFCOR HOLDINGS, INC. *Month Ending*

INCOME STATEMENT	Act	Act	Act	Act
				Quarter Ending
	1/31/2020	2/28/2020	3/31/2020	3/31/2020
	1M	1M	1M	1Q
Net Revenue	**$ 11,432**	**$ 10,641**	**$ 10,644**	**$ 32,717**
Material	$ 3,751	$ 3,216	$ 4,249	$ 11,216
Labor	$ 3,597	$ 3,388	$ 3,246	$ 10,231
Other COGS	$ 1,117	$ 1,167	$ 1,111	$ 3,395
Total COGS	**$ 8,466**	**$ 7,771**	**$ 8,606**	**$ 24,843**
Gross Margin	**$ 2,966**	**$ 2,870**	**$ 2,038**	**$ 7,874**
Gross Margin %	25.9%	27.0%	19.1%	24.1%
R&D	$ -	$ -	$ -	$ -
Sales & marketing	$ 1,209	$ 1,144	$ 1,131	$ 3,484
Administrative	$ 1,785	$ 1,838	$ 938	$ 4,561
Other Opex	$ (19)	$ (22)	$ (6)	$ (47)
Total OPEX (excl D&A)	**$ 2,975**	**$ 2,959**	**$ 2,063**	**$ 7,997**
Opex Overview				
Payroll	$ 1,127	$ 1,094	$ 1,100	$ 3,320
Overtime	$ -	$ -	$ -	$ -
Benefits	$ 326	$ 295	$ 27	$ 648
Bonus	$ 163	$ 143	$ (323)	$ (16)
Severance	$ -	$ -	$ -	$ -
Marketing	$ 11	$ 29	$ 21	$ 62
Commissions	$ 224	$ 162	$ 163	$ 549
Travel and Entertainment	$ 144	$ 113	$ 153	$ 410
Rent and Facilities	$ 68	$ 77	$ 67	$ 213
Insurance	$ 71	$ 71	$ 71	$ 213
Professional Fees	$ 52	$ 165	$ 138	$ 355
Utl., Repair, Maint., & Sec.	$ 30	$ 32	$ 38	$ 100
Office Expenses	$ 6	$ 3	$ 9	$ 19
Safety and Training	$ -	$ -	$ -	$ -
IT	$ 79	$ 34	$ 87	$ 200
Bad Debt	$ 26	$ 48	$ (67)	$ 8
Supplies	$ 16	$ 17	$ 15	$ 49
FX	$ -	$ -	$ -	$ -
JV Loss (Income)	$ -	$ -	$ -	$ -
Other Expenses	$ 630	$ 676	$ 553	$ 1,859
Total OPEX (excl D&A)	**$ 2,975**	**$ 2,959**	**$ 2,054**	**$ 7,988**
EBITDA	**$ (8)**	**$ (89)**	**$ (25)**	**$ (123)**
EBITDA Margin %	-0.1%	-0.8%	-0.2%	-0.4%
Depreciation	$ 174	$ 196	$ 178	$ 548
Amortization	$ 83	$ 83	$ 83	$ 249
Less: D&A	**$ 257**	**$ 279**	**$ 261**	**$ 797**
EBIT, reported	**$ (265)**	**$ (368)**	**$ (286)**	**$ (920)**
Interest and financial amortization	$ 327	$ 326	$ 288	$ 940
Other financial income/expense (e.g. fx	$ 16	$ (12)	$ (9)	$ (5)
Non-financial income/expense	$ -	$ -	$ -	$ -
Monitoring fees	$ 250	$ -	$ -	$ 250
Restructuring costs	$ -	$ -	$ -	$ -
Non-recurring items	$ -	$ -	$ -	$ -
EBT, reported	**$ (858)**	**$ (682)**	**$ (565)**	**$ (2,105)**
Taxes	$ (14)	$ 23	$ (13)	$ (4)
Net Income (Loss)	**$ (845)**	**$ (705)**	**$ (552)**	**$ (2,101)**
Net Income (Loss) %	-7.4%	-6.6%	-5.2%	-6.4%
Bank allowable EBITDA add-backs	$ 1,244	$ 1,143	$ 892	$ 3,280
Bank EBITDA	**$ 400**	**$ 439**	**$ 340**	**$ 1,179**
EBITDA addbacks	$ 1,244	$ 1,143	$ 892	$ 3,280
EBITDA, adjusted	**400**	**439**	**340**	**1,179**
Adjusted EBITDA % sales	3.5%	4.1%	3.2%	3.6%

HUFCOR HOLDINGS, INC. *Month Ending*

CASHFLOW STATEMENT				
				Quarter Ending
	1/31/2020	2/28/2020	3/31/2020	3/31/2020
	1M	1M	1M	1Q
Cash flow from operations				
Net Income (Loss)	$ (845)	$ (705)	$ (552)	$ (2,101)
Depreciation, amortization and other	$ 257	$ 279	$ 261	$ 797
Capitalized fees & expenses	$ 55	$ 55	$ 55	$ 164
Gain (loss) on sale of fixed assets	$ -	$ -	$ 4	$ 4
Non-cash interest expense	$ -	$ -	$ -	$ -
Non-cash dividends	$ -	$ -	$ -	$ -
Deferred income tax	$ (0)	$ (1)	$ (1)	$ (2)
Change in operating assets and liabilities:				
Accounts receivable	$ 2,310	$ 567	$ (169)	$ 2,708
Inventory	$ (6)	$ 153	$ 705	$ 852
Prepaid expenses and other current assets	$ 208	$ 242	$ 179	$ 629
Accounts payable	$ (577)	$ 1,295	$ 1,334	$ 2,053
Accrued expenses	$ (3,468)	$ (138)	$ (253)	$ (3,860)
Accrued income taxes	$ (460)	$ (15)	$ (18)	$ (494)
Other changes in operating assets and liat	$ (501)	$ (22)	$ (52)	$ (575)
Other cash flow from operations	$ -	$ -	$ -	$ -
Total Cash Flow from Operations	**$ (3,026)**	**$ 1,710**	**$ 1,492**	**$ 176**
Cash flow from investing				
Additions to property, plant and equipment	$ (484)	$ (2)	$ 104	$ (382)
Acquisitions of companies, net of cash acqu	$ -	$ -	$ -	$ -
Investment in intangibles	$ -	$ -	$ -	$ -
Earnout payments	$ -	$ -	$ -	$ -
Other cash flow from investing (goodwill)	$ -	$ -	$ -	$ -
Total Cash Flow from Investing	**$ (484)**	**$ (2)**	**$ 104**	**$ (382)**
Cash flow from financing				
Proceeds from the issuance (repayment) of s	$ 4,526	$ (2,796)	$ 14	$ 1,744
Proceeds from the issuance of debt	$ -	$ -	$ -	$ -
Repayment of debt	$ (292)	$ -	$ -	$ (292)
Capital lease	$ -	$ -	$ -	$ -
Common stock issued (repurchased)	$ -	$ -	$ -	$ -
Common stock cash dividends paid	$ -	$ -	$ -	$ -
Preferred stock issued (repurchased)	$ -	$ -	$ -	$ -
Other cash flow from financing costs	$ (203)	$ (404)	$ (140)	$ (747)
Total Cash Flow from Financing	**$ 4,031**	**$ (3,200)**	**$ (126)**	**$ 705**
Effect of FX rates on cash and cash equivalents	**$ (252)**	**$ (58)**	**$ (242)**	**$ (553)**
Net change in cash	$ 269	$ (1,550)	$ 1,228	$ (53)
Beginning cash	$ 3,066	$ 3,335	$ 1,785	$ 3,066
Change in cash	$ 269	$ (1,550)	$ 1,228	$ (53)
Ending cash	**$ 3,335**	**$ 1,785**	**$ 3,013**	**$ 3,013**

HUFCOR HOLDINGS, INC. *Month Ending*

BALANCE SHEET	12/31/2019	1/31/2020	2/28/2020	3/31/2020
	1M	1M	1M	1M
Current Assets				
Cash and cash equivalents	$ 3,066	$ 3,335	$ 1,785	$ 3,013
Short term investments	$ -	$ -	$ -	$ -
Accounts receivable, gross	$ 37,343	$ 35,051	$ 34,542	$ 34,461
Accounts receivable, reserves	$ (3,256)	$ (3,275)	$ (3,333)	$ (3,083)
Accounts receivable, net	$ 34,086	$ 31,776	$ 31,209	$ 31,379
Inventory, gross	$ 16,329	$ 16,396	$ 16,556	$ 15,848
Inventory, reserves	$ (314)	$ (376)	$ (689)	$ (685)
Inventory, net	$ 16,015	$ 16,021	$ 15,868	$ 15,163
Prepaid expenses and other current assets	$ 1,445	$ 1,593	$ 1,488	$ 1,465
Current portion of deferred taxes	$ 5,281	$ 4,894	$ 4,869	$ 4,819
Revenue in excess of billings	$ -	$ -	$ -	$ -
Other current assets	$ 546	$ 577	$ 464	$ 359
Total Current Assets	**$ 60,439**	**$ 58,195**	**$ 55,682**	**$ 56,196**
Non-Current Assets				
Property, plant & equipment, gross	$ 40,109	$ 40,593	$ 40,595	$ 40,491
Accumulated depreciation	$ (24,382)	$ (24,416)	$ (24,548)	$ (24,536)
Property, plant & equipment, net	$ 15,727	$ 16,177	$ 16,047	$ 15,956
Goodwill	$ -	$ -	$ -	$ -
Identifiable intangible assets, gross	$ 15,148	$ 15,133	$ 15,125	$ 15,109
Accumulated amortization	$ (8,753)	$ (8,832)	$ (8,913)	$ (8,992)
Identifiable intangible assets, net	$ 6,395	$ 6,301	$ 6,212	$ 6,117
Deferred financing cost	$ 1,745	$ 1,691	$ 1,636	$ 1,581
Deferred tax asset	$ -	$ -	$ -	$ -
Other non-current assets	$ 1,156	$ 1,137	$ 1,111	$ 933
Total Non-Current Assets	**$ 25,023**	**$ 25,306**	**$ 25,006**	**$ 24,588**
Total Assets	**$ 85,462**	**$ 83,501**	**$ 80,689**	**$ 80,784**
Current Liabilities				
Current portion of long-term debt	$ 1,174	$ 1,198	$ 1,197	$ 1,322
Line of Credit	$ 5,625	$ 10,128	$ 7,333	$ 7,347
Accounts payable	$ 10,677	$ 10,101	$ 11,396	$ 12,730
Accrued liabilities	$ 13,495	$ 10,685	$ 10,524	$ 10,224
Accrued compensation	$ 2,237	$ 1,578	$ 1,601	$ 1,648
Income taxes payable	$ 632	$ 172	$ 156	$ 138
Short-term unearned revenue	$ -	$ -	$ -	$ -
Other current liabilities	$ 3,493	$ 2,975	$ 2,928	$ 2,701
Total Current Liabilities	**$ 37,333**	**$ 36,837**	**$ 35,135**	**$ 36,110**
Long-term liabilities				
Long-term debt less current maturities	$ 30,561	$ 30,269	$ 30,269	$ 30,144
Capital lease	$ -	$ -	$ -	$ -
Debt owing to OpenGate	$ -	$ -	$ -	$ -
Deferred income taxes	$ 31	$ 31	$ 30	$ 29
Long-term unearned revenue	$ -	$ -	$ -	$ -
Deferred liabilities	$ -	$ -	$ -	$ -
Other non-current liabilities	$ 46	$ 44	$ 43	$ 40
Total Long-Term Liabilities	**$ 30,638**	**$ 30,343**	**$ 30,341**	**$ 30,213**
Total Liabilities	**$ 67,971**	**$ 67,180**	**$ 65,477**	**$ 66,323**
Commitments and contingencies	$ -	$ -	$ -	$ -
Shareholders' Equity				
Common stock	$ -	$ -	$ -	$ -
Preferred stock	$ -	$ -	$ -	$ -
Capital in excess of stated value	$ 36,350	$ 36,350	$ 36,350	$ 36,350
Retained earnings	$ (18,648)	$ (19,615)	$ (20,320)	$ (20,931)
Accumulated other comprehensive income	$ 523	$ 517	$ 522	$ 524
Other equity transactions	$ (734)	$ (931)	$ (1,340)	$ (1,482)
Total Shareholders' Equity	**$ 17,491**	**$ 16,321**	**$ 15,212**	**$ 14,461**
Total Liabilities and Shareholders' Equity	**$ 85,462**	**$ 83,501**	**$ 80,689**	**$ 80,784**

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Appendix: A/R & A/P Aging

in $'000

AR Aging							
Days	**Oct-19**	**Nov-19**	**Dec-19**	**Jan-20**	**Feb-20**	**Mar-20**	**%**
0-30	$ 20,757	$ 20,760	$ 16,408	$ 17,284	$ 18,025	$ 19,532	*56.8%*
31-60	4,886	3,473	5,268	3,956	3,303	2,317	*6.7%*
61-90	2,752	3,627	3,159	2,707	1,900	2,099	*6.1%*
>90	10,944	11,331	12,001	11,232	11,236	10,462	*30.4%*
Total Gross AR	**$ 39,340**	**$ 39,192**	**$ 36,836**	**$ 35,179**	**$ 34,464**	**$ 34,411**	***100.0%***
Reserves	(4,257)	(4,171)	(3,256)	(3,275)	(3,333)	(3,083)	
Total Net AR	**$ 35,083**	**$ 35,020**	**$ 33,579**	**$ 31,904**	**$ 31,131**	**$ 31,328**	
Change in AR Reserve	(19)	85	915	(19)	(57)	250	
Actual Bad Debt P&L Charge	43	(51)	(211)	29	48	(67)	
LTM Bad Debt P&L Charge	**$ 3,337**	**$ 3,244**	**$ 2,738**	**$ 2,645**	**$ 2,621**	**$ 1,832**	

AP Aging							
Days	**Oct-19**	**Nov-19**	**Dec-19**	**Jan-20**	**Feb-20**	**Mar-20**	**%**
0-30	$ 10,944	$ 10,185	$ 9,132	$ 8,534	$ 9,156	$ 10,692	*73.7%*
31-60	1,569	1,011	1,696	789	522	941	*6.5%*
61-90	(161)	340	182	105	500	102	*0.7%*
>90	2,196	2,288	2,559	2,449	2,522	2,770	*19.1%*
Total	**$ 14,548**	**$ 13,824**	**$ 13,569**	**$ 11,876**	**$ 12,700**	**$ 14,505**	***100.0%***

Management Discussion:

Accounts Receivable

- Decrease in AR driven by increased focus on collections combined with lower sales in March
- Retainage listed at $5.2 mm
  - $3.4 mm of Domestic Retainage
  - $1.8 mm of International Retainage

Accounts Payable

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